

*Fair Trade at Grassroots...*

CELEBRATING

20

YEARS OF MILESTONE



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CELEBRATING

20

YEARS OF MILESTONE

Fair Trade Group Nepal  
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Fair Trade at Grassroots

Fair Trade Group Nepal  
स्वच्छ व्यवसायी समूह नेपाल  
Fair Trade at Grassroots



# About FTG Nepal

Fair Trade Group Nepal (FTG Nepal) is a Consortium of Fair Trading Organizations in Nepal. It seeks to promote advancement of the socio economic status of underprivileged producers across the country. It was formally registered as a not for profit an NGO in 1996.

FTG Nepal aims to develop constructive collaboration among the Fair Trading Organizations to influence policy and promote Fair Trade in Nepal. It also aims to enhance solidarity among Fair Trading and like- minded organizations, partners and stakeholders at the national, regional and international levels for the further promotion of the Fair Trade movement.

## **Vision**

Improve quality of life of low income groups of people through Fair Trade.

## **Mission**

To promote Fair Trade and provide support to its members and also to like-minded organizations contributing towards sustainable livelihood at grassroots and local level through Fair Trade focused enterprises.

## **Focus Areas**

- Promotion of Fair Trade, Advocacy, Lobby and Networking
- Business Development and Capacity Building Services
  - Membership Monitoring
- Research and Development
  - Joint Marketing
  - Partnership Projects

## **Affiliation**

World Fair Trade Organization- Global, World Fair Trade Organization- Asia,  
Federation of Handicraft Association of Nepal

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## **Anniversary & Souvenir Publication Committee**

Kiran Bahadur Khadgi, Coordinator  
Kamal Narayan Shrestha, Member  
Revita Shrestha, Member  
Devi Lama, Member  
Ravi Prasad Kayastha, Member  
Shrizu Rajbhandari, Member

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# Message from Chair



It is my immense pleasure to share with you that Fair Trade Group Nepal (FTG Nepal) has already completed its glorious 20 years and is celebrating its 20th Anniversary. When we look back to the successful 20 years of Fair Trade Group Nepal, we are proud to witness the great achievements it has been able to garner.

It is a great occasion for us to reckon with and to commend ourselves for the undoubting spirit, courage of conviction and commitment to the Fair Trade values and principles. And on this auspicious occasion day, we rededicate our commitment to strive for fair trade, solidarity and common vision.

As I reflect on the history of FTG Nepal, I am deeply grateful to pioneers who started this association and to all those who have supported the organization over the years. While marking its 20th year, I have witnessed its activities since establishment and followed its growth. Established with seven founding members, now it represents a total of 23 members.

Today FTG Nepal is one of the strong country network of fair trade organizations recognized within the country and at international level.

Besides, we are also serving different community groups to identify their core strengths and help them in capacity development to have sustainable livelihood.

With the advent of FTG Nepal and its member organizations, today the concept of Fair Trade has been well recognized and practiced in Nepal. The role of FTG Nepal and its member organizations in creating opportunities for marginalized producers of Nepal and bringing in positive changes in their lives and other community development activities are highly appreciated and honored. This is the greatest achievement of FTG Nepal.

On this occasion I would like to thank all the dedicated staffs of FTG Nepal. On behalf of Fair Trade Group Nepal, I would also like to take this opportunity to thank all our members for their constant support. Also I would like to humbly express my gratitude to all our valued partners, associated organizations and well wishers for their continues support, which has always been key to further development and betterment of our organization.

Our endeavor will be to continue to improve the well being and quality life of marginalized producers and artisan and promote Fair Trade Values. I hope that we have undying energy to work towards Fair Trade movement. Together, we can definitely achieve further height.

Chandra Prasad Kachhipati  
Chair  
Fair Trade Group Nepal



नेपाल सरकार  
**वाणिज्य मन्त्रालय**



सिंहदरवार, काठमाडौं  
नेपाल

**शुभकामना**



'स्वच्छ व्यवसायी समूह नेपाल' ले आफ्नो बीसौं वार्षिकोत्सवको उपलक्ष्यमा आफूले स्थापना कालदेखि हालसम्म गरिआएका मुख्यमुख्य क्रियाकलापहरुलाई समेटि एक 'स्मारिका' प्रकाशन गर्न लागेकोमा मलाई खुसी लागेको छ ।

स्वच्छ व्यवसायी समूहले विगत दुई दशकमा नेपालको निर्यात क्षेत्रको प्रवर्द्धनका लागि खेलिआएको भूमिका प्रशंसनीय रहेको छ । नेपालको कुल हस्तकला वस्तुको निर्यातमा यस संस्था सम्बद्ध सदस्य संस्थाहरुको योगदान करिब २२ प्रतिशत रहेको तथ्यले यो संस्थाले आगामी दिनमा नेपालको हस्तकला क्षेत्रको विकास र विस्तारमा महत्वपूर्ण भूमिका खेल्नसक्ने अपेक्षा मैले लिएको छु । नेपालको मौलिक कला, संस्कृति, सीपलाई स्वदेश तथा विदेशमा प्रचार प्रसार गरी नेपालको कलाकृतिलाई अन्तर्राष्ट्रिय स्तरमा प्रवर्द्धन गर्न हस्तकला क्षेत्रले उल्लेखनीय योगदान पुऱ्याई आएको छ । नेपाल सरकार, वाणिज्य मन्त्रालय यस क्षेत्रको विकास र प्रवर्द्धनका लागि निजी क्षेत्रसंग हातेमालो गरी अगाडि बढ्न सदैव तत्पर रहिआएको छ ।

अन्त्यमा, मुलुकभित्र आय तथा रोजगारी सिर्जनामा महत्वपूर्ण भूमिका निर्वाह गर्ने हस्तकलाक्षेत्रको विकास र प्रवर्द्धनमा समर्पित 'स्वच्छ व्यवसायी समूह नेपाल' को उत्तरोत्तर प्रगतिको कामना गर्दै संस्थाले प्रकाशन गर्न लागेको स्मारिकाको पूर्ण सफलताको कामना गर्दछु ।

मिति : २०७३/११/२०

(इन्द्रप्रसाद उपाध्याय)

सचिव

फोन नं. : ४-२११४४६, ४-२११६०८, ४-२११२५८, फ्याक्स नं. : ९७७-१-४२१११६७

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जनतालाई सम्मान र सेवा : शु-शासनलाई टेवा



# Message from Founding Chair



On this momentous occasion of the 20th Anniversary of Fair Trade Group Nepal, I am overjoyed to be sharing this occasion amidst all our partners and well wishers. I am very proud of how far the Fair Trade sector in Nepal has grown and flourished. Through rigour and challenges, Fair Trade Group Nepal has overcome and now continues to be a model for other grass root Fair Trade endeavours nationally, regionally and globally.

As the Founding Chair, I have seen us grow from a small band of seven organizations to more than triple that number in just two decades. It is not only our growth in size nor international and national recognition that is a source of pride for us; it is also the success of our many ventures to spread the Fair Trade movement through and beyond Nepal.

We are operating within the Fair Trade movement not as small enterprises. We are examples of the ability for fair trade to be more than a niche market but a sustainable and growing one.

Above all, I take great pride in our ongoing commitment to putting people first. Without the enduring spirit of the many people who

help make the Fair Trade movement possible in Nepal, we would surely fail. It is the people that continue to fuel our passions and it is the people who give us the energy and spirit to continue.

From the very beginning, we set out to advocate for the marginalized peoples of Nepal. Although we operate as an enterprise, at the heart of it all is the spirit to serve the community of people who are disadvantaged.

Fair Trade Group Nepal stands as a testimony to the success of fair trade practices, having successfully blended together ethical and sustainable business modality. We will continue to push forward, carving new paths for the Fair Trade movement both inside and outside of Nepal. With the support of our members, artisans, staff members, international partners and all the stakeholders, we hope to continue to serve the marginalized producers and communities of Nepal and make the way for equity and better living for all.

Meera Bhattarai  
Founding Chair  
Fair Trade Group Nepal



## Message from WFTO-Asia Chair



I take this opportunity to extend our best wishes to Fair Trade Group Nepal and its family on their 20th Anniversary on behalf of the board and members of World Fair Trade Organisation Asia.

You have achieved a lot in these 20 years and few to name..being the best country network in Asia and the first network to acquire your own office premises. In terms of members support also you have done many things that included Market access, organic and fair trade cotton supply chain projects which directly benefitted the members.

You have also shown a great deal of solidarity and togetherness by providing many relief activities during the terrible time of earthquake in April 2015.

You have always contributed significantly when there is a need be it for WFTO or WFTO Asia that includes financial contribution at the time of crisis in both organization.

I know there are challenges to address the needs of 23 members but I am confident that with your team work and solidarity you will overcome all these challenges. I wish you all the best in the days to come to deliver more services to members.

Once again I congratulate Fair Trade Group Nepal family very best on the auspicious occasion of your 20th Anniversary.

Thank you.  
Chitra Bahadur KC  
President  
World Fair Trade Organization-Asia

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# Message from Coordinator, Souvenir Publication Committee

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It gives me immense pleasure to present you this souvenir published on the occasion of our 20th Anniversary of FTG Nepal. I am privileged to be the Coordinator of souvenir publication committee. I believe this souvenir publication will provide in-depth information about FTG Nepal achievements and its activities.

This publication has been made possible with the support and dedication of many people and organizations, and the publication committee recognizes all of them.

I would like to take this opportunity to thank all the members of committee for their hard work and efforts

On behalf of the publication committee, I would also like to take this opportunity in thanking the board of FTG Nepal, advisors, members, associated organizations and contributors for their encouraging messages and enlightening articles. I would also like to thank all those who have helped us by providing advertisements. I must thank photographers, designers and all concerned at Nest Media Pvt Ltd. publication.

Last but not least, our special thank goes to CECI for their generous support in sponsoring this publication of souvenir.

Kiran Bahadur Khadgi  
Coordinator, Souvenir Publication Committee



## Message from FHAN President



Fair Trade Group Nepal (FTG) is a group of fair trading organization in Nepal. Fair Trade Group, a non profit-making organization had been promoting the socioeconomic status of under privileged and marginalized producers all over Nepal. Fair Trade Group Nepal was established to encourage fair trade practices among producer groups, promote self-reliance among marginalized producers and encourage enterprises built upon indigenous skills. The organization also aims to enhance solidarity among fairtrading and

likeminded organizations, partners and stakeholders at the national, regional and international levels for further promotion of the Fair Trade movement.

Therefore, on the occasion of 20th anniversary of the organization, I would like to congratulate all the members of Fair Trade Group Nepal and wish all the success in your future endeavor.

January 26, 2017  
Dharma Raj Shakya, President  
Federation of Handicraft Association of  
Nepal



The Uniterra program receives funding from the Government of Canada, provided through Global Affairs Canada

# Message from CECI Nepal



It gives us immense pleasure to express our best wishes on the occasion of the 20th Anniversary of Fair Trade Group (FTG) Nepal. We highly appreciate the role of FTG Nepal in livelihoods improvement of small and marginalized producers.

CECI has been operating in Nepal for three decades with similar objectives – improving livelihoods of the poor through promotion of value chains that have high market potential; microfinance, community health, governance, humanitarian assistance and gender and social inclusion. We feel very proud to have association with FTG Nepal through our Uniterra Volunteer Cooperation Program, which aims at promoting inclusive market system development. Uniterra has provided Volunteer Specialists to FTG Nepal and

its affiliate members to support them in the institutional development, communication and networking, product designing and diversification and expand market linkages.

It is also an important moment for FTG Nepal to review the achievements, lessons learned and best practices throughout the past 20 years and to look ahead for formulating strategies to attain the organizational goal and objectives.

We look forward to continued collaboration between our two organizations to realize our common objective – changing the lives of poor and marginalized communities.

Thank you.  
Keshava Koirala  
Country Representative  
CECI Nepal

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# Message from IM Swedish Development Partner

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Dear all Friends of Fair Trade Group Nepal,

The task you have taken upon you in the 20 years that have passed is very important: to fight for the dignity of individual producers through employment under safe and secure conditions. The challenge is to get the Fair Trade movement to grow both in Nepal and globally, and we think that you are working admirably in that direction.

IM- Swedish Development Partner and Fair Trade Group Nepal have only quite recently started working together. Already though, we are impressed with what you have accomplished and are happy with the way you have established a partnership with us.

Fair Trade is playing a key role in the daily lives of more and more people around the world. It is our common task to spread the message. We sincerely hope we can continue to do that together in the future.

With the occasion of the 20th anniversary of FTG Nepal, we want to express our warm congratulations.

A handwritten signature in black ink, which appears to read 'Ann Svensen'. The signature is fluid and cursive.

Ann Svensen

Secretary General



LCCI

# ललितपुर उद्योग वाणिज्य संघ

## LALITPUR CHAMBER OF COMMERCE & INDUSTRY

पत्रसंख्या : लउवा१७०७३।च.नं. ३०९

मिति : २०७३।१०।२२ गते

श्रीमान् अध्यक्षज्यू  
स्वच्छ व्यवसायी समूह नेपाल  
ललितपुर ।



### शुभ-कामना

“स्वच्छ व्यवसाय समूह नेपाल (Fair Trade Group Nepal)”को २० औं वार्षिक उत्सवको अवसरमा स्मारिका प्रकाशन गर्न लागेको जानकारी पाउँदा मलाई अत्यन्त खुशी लागेको छ । यस अवसरमा म “स्वच्छ व्यवसाय समूह नेपाल”का सबै पदाधिकारी, कार्यसमिति सदस्यहरु र “स्वच्छ व्यवसाय समूह नेपाल”लाई हार्दिक बधाई एवं शुभ-कामना व्यक्त गर्न चाहन्छु ।

देशभरका सीमान्तकृत पिछडिएका उत्पादकहरुको गुणस्तरिय वस्तु उत्पादन, शीपविकास एवं आर्थिक अवसरहरु श्रृजनामा सहयोग तथा सहकार्यका साथै विज्ञहरु मार्फत सुभाब दिन्दै आईरहेको त्यस समूहले स्थानीय आर्थिक विकासमा समेत टेवा पुऱ्याई रहेको कार्य सन्नानिय छ ।

प्रकाशनरत यस “स्मारिका” मा देशभरका सीमान्तकृत पिछडिएका उत्पादकहरुको वर्तमान अवस्थाका बारेमा समेत केहि लेख रचनाहरु समावेश गरि तिनीहरुको उत्थानका लागि सरकारलाई घच्चच्याउन अति आवश्यक देखिन्छ । यस कार्यमा ललितपुर उद्योग वाणिज्य संघ सदैव यहाँहरुको साथमा रहेन पनि विश्वास दिलाउन चाहन्छु ।

अन्त्यमा, “स्वच्छ व्यवसाय समूह नेपाल” को २० औं वार्षिक उत्सवको सफलता एवं यस अवसरमा प्रकाशनरत “स्मारिका” पहिलेको संस्करण भन्दा पृथक एवं महत्वपूर्ण दस्तावेज हुनसकोस भन्ने कामना सहित लउवा संघ परिवार तथा मेरो व्यक्तिगत तर्फबाट समेत “स्वच्छ व्यवसाय समूह नेपाल”को उत्तरोत्तर प्रगतिका लागि हार्दिक शुभ-कामना व्यक्त गर्दछु ।

(सबिन श्रेष्ठ)  
अध्यक्ष

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फो.नं. : २६ (ललितपुर)

फोन : ९७७-१-५५२१७४०, ५५३०६६३, ५५३९९६३

फ्याक्स : ९७७-१-५५३०६६१

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# Message from OXFAM Nepal



“On behalf of Oxfam in Nepal, I extend my best wishes on your 20th anniversary. I applaud the efforts of Fair Trade Group Nepal to ensure, enrich, and sustain the rights of producers and artisans. Your endeavor to work towards growing the Fair Trade movement is commendable, and we value your partnership with us”.

Cecilia Keizer  
Country Director, Oxfam in Nepal



# Message from Shapla Neer

It is honor to have an opportunity to write a sentence on the valuable report of FTG-N celebrating its service for two decades. Even though we do not have direct business among us, we well know that FTG-N has been making great contribution towards promotion of Fair Trade and improvement of lives of the producers in Nepal.

We Shapla Neer has set up Nepal office in 1994 and started project officially in 1996, then started Fair Trade program in 1998, with SANA HASTAKALA first. We have three pillar issues to work; Disaster Risk Reduction, Protection of Children's Rights, and Women's Empowerment through Fair Trade. At present, we are working with five producer organizations in Nepal as the partner, most of them are member of FTG-N.

Fair Trade is a kind of people's movement, not just the business, aiming to improve lives of producers and their families, through changing the trade system and our society. It is not just about economic status; it is also about dignity of producers, women's empowerment, protection of environment, children's education and social justice. From such perspective, we have been focusing especially on handicraft, of which main producers are female; because we believe that there could be significant change in the society if women are empowered.

When we see the Sustainable Development Goals which was approved at UN conference in September

2015, there are some targets that Fair Trade can contribute, such as; Target 2 'Zero Hunger', Target 4 'Equal Education', Target 8 'Decent Work & Economic Growth', Target 9 'Industry, Innovation & Infrastructure', Target 10 'Reduced Inequalities', Target 12 'Responsible Consumption & Production', and Target 17 'Partnerships for the Goals'. From this, we can realize more potential of Fair Trade and at the same time we feel responsibility to contribute on the global movement.

In Japan, we have been working as a core member of FTFJ, Fair Trade Forum Japan; a network of Fair Trade practitioners supporters in Japan. Through that network, we aim to promote and facilitate Fair Trade movement in Japan; for example, we have three cities that had declared as Fairtrade Town so far, Kumamoto in 2011, followed by Nagoya in 2015 and Zushi in 2016. We are sure that market and recognition of Fair Trade in Japan has been increasing and there are huge potential in many ways for future.

We again congratulate 20th anniversary of FTG-N, believing continuous support to Fair Trade movement. Let us unite for better society, through Fair Trade.

Toyoaki Komatsu  
Secretary General  
Shapla Neer - Citizens' Committee in Japan for  
Overseas Support

# Executive Committee of Fair Trade Group Nepal



CLOCKWISE FROM TOP LEFT

Mr. Chitra Bahadur KC, Vice Chairperson; Mr. Kiran Bahadur Khadgi, Immediate Past Chair Person;  
Mr. Kamal Narayan Shrestha, Joint Secretary; Mr. Chandra Prasad Kachhipati, Chairperson; Ms. Devi Lama, Executive  
Member, Mr. Sunil Chitrakar, Secretary; Ms. Revita Shrestha, Treasurer; Ms. Padmasana Shakya, Advisor; Ms. Meera Bhattarai,  
Advisor; Ms. Ram Kali Khadka, Executive Member; Ms. Hajuri Bista, Exucutive Member

# Fair Trade Group Nepal Staff Family



CLOCKWISE FROM TOP LEFT

Mr. Amir Maharjan, District Coordinator; Mr. Ramesh Sijapati, District Coordinator; Mr. Rabindra Roy, Team Leader; Mr. Rabi Prasad Kayastha, Director, Mr. Gopal Risal, Office Assistant; Ms. Anjana Deula, Office Assistant; Ms. Shital Chitrakar, Finance Assistant; Radhika Maskey, Finance & Admin Manager; Ms. Shrizu RAjbhandari, Programme Officer; Ms. Sanshita Maharjan, Monitoring & Evaluation Coordinator

# Evolution of Fair Trade in Nepal

Ms. Meera Bhattarai, Founding Chair, Advisor, Fair Trade Group Nepal



## During mid-80's

Fair practice in the Nepalese organizations is not a new idea. Until during the 80's there were many development oriented organizations who were committed to improving the living conditions of the underprivileged women artisans.

However, during those days "Fair Trade" was not a familiar terminology.

During mid-80's, many development oriented craft based organizations came into existence. By early 90's, there were notable achievements in the development of Fair Trade as a concept but still, we were working at political isolation and there was a lack of common platform to deal with various issues that we were facing at national level.

## Early 90's

In the early 90's I joined a pressure group of Nepal to quench my thirst but discovered that this group addressed broader aspect of women's life: property right, gender equality, legal rights, abortion rights, girls trafficking etc. However, it missed out the most crucial aspect which leads to resolve all the issues women were dealing with- 'Economic Independence'. As I did not get what I was looking for – resourcing the raw material, organizing the disintegrated workforce, technical advancement etc. I shared my disappointment in this regard with a representative of OXFAM Late Mr. Mohammad Islam. After some time Mr. Islam approached and requested me to coordinate and organize a meeting. As there was a lack of trust and mutual cooperation, I made a request to Mr. Islam if he called on the meeting, more number of people would respond and thus the output would be significant. He agreed and called the meeting. Finally a diverse group comprising of almost 45 people gathered which constituted organisations from different level and different sector- both profit making and not for profit- varying from small scale industries and individual enterprises to multinational companies. All were genuine groups trying to generate employment through their industries. Although there was temptation to

encompass all, the approach was different. We did not want to create a parallel organization to Federation of Handicraft Association of Nepal (FHAN) or Federation of Nepalese Chamber of Commerce and Industries (FNCCI). After a several long discussions and brainstorming sessions, we decided to limit ourselves to only not for profit, craft based NGO.

## 1993

In 1993 seven well established NGOs Association for Craft Producers, Kumbheshwor Technical School, Mahaguthi, Manushi, Janakpur Women's Development Centre, Sana Hastakala and Women Skill Development Organization came together in an informal way. This was partly in response to experiences of the 80's when the handicraft sector suffered from destructive competition, lack of cooperation and some businesses promoting products not appropriate for market.

Initially we did not have any office set up. Each organization took turn hosting the meetings. Seven organizations which had been giving cold looks at each other and had regarded each other as competitors started discussing mutual concerns to build up understanding and trust. There were times when meeting were held without any agenda and ended with just having tea and biscuits. The initial three years became very effective in terms of creating a strong bond, built trust and mutual appreciation of each others effort which was lacking in the earlier period.

A key moment of this process was a visit to Bangladesh in 1996. Three representatives from Fair Trade Group Nepal went on a study trip to Bangladesh. This visit was funded by OXFAM and aimed to provide exposure in the fair trade handicraft and learn from the experience of ECOTA Forum – the National consortium of Fair Trade in Bangladesh.

## 1996

Finally in 1996 we realized it is time to formalize and give the legal form to our endeavour. We registered Fair Trade Group Nepal (FTG Nepal) with the Government of Nepal as a not for profit organization. Thus the national level platform Fair Trade Group Nepal (FTG Nepal) was established as an umbrella organization under the Chairmanship of Association for Craft

Producers represented by the Executive Director / Founder Executive Secretary.

Soon after the registration of Fair Trade Group Nepal the Chair was Co-opted as the Executive Member of World Fair Trade Organization (WFTO) Global (known as International Federation of Alternative Trade by then) for the period of 1997-99 as the representative of FTG Nepal. In 1998 WFTO Asia was established of which FTG Nepal was a founding member. Nepal took the leadership in WFTO Asia from 2008 to 2010 and again from 2012 till date. This has brought FTG Nepal in the limelight internationally.

With the inception of FTG Nepal various activities have been conducted in order to generate awareness about Fair Trade amongst people. Fair trade rallies, conferences and workshops, joint exhibitions, joint catalogues, EU projects, Fair trade Fashion show are some examples of it.

### 1998

In 1998 FTG Nepal hosted IFAT Asia Conference which was graciously inaugurated by Her Majesty the late Queen Aishwarya. In 2000 FTG Nepal organized 'Craft Co-nex' - a national level workshop on fair trade and exhibition which was also inaugurated by the late Queen. These events got wide media coverage and helped bring Fair Trade in public attention. In 2009 FTG Nepal hosted the 10th Biennial Conference of WFTO in Kathmandu. 227 participants attended the conference, representing 109 member organizations of the WFTO. This event was a milestone for FTG Nepal.

The FTG Nepal, a consortium of craft based NGO's is an example of taking leadership in establishing alliance through networking of the non profit and fairly trade organizations organizations joining force at the national level to boost the development and advocate the government in the arena of small scale industries. The remarkable feature of this alliance is that the member organizations are competitors safeguarding our trade secrets while at the same time all the organizations cooperate with each other in resource sharing, production sharing, joint marketing, joint trainings and consolidating of the shipment. Since 1993 we have been organizing joint exhibitions for promoting fair trade and creating awareness across all sectors- expatriate community, government official and general public.

Looking back from now on our journey, we have come a long way. From 7 members we have grown to 23 members. In addition, many enterprises have developed adopting our modality. We are very proud of our solidarity. We have received recognition for our solidarity from Regional and International Networks.

Stating from rented office in the premise of Mahaguthi to having our permanent building in a span of twenty years is

## Principle of Fair Trade



a remarkable achievement for us. We take great pride in the very fact that we are always pioneering in all the programs of WFTO- be it Sustainable Fair Trade Management System (SFTMS) or Guarantee System or Fair Wage. Several members participated in SFTMS. Two organizations participated in the pilot project of Guarantee System and were among the first fourteen organizations to be certified as a Guaranteed Fair Trade Organization. Currently eight members from FTG Nepal have been certified as Guaranteed Fair Trade Organization. Seven members are living wage pilots.

Presently Fair Trade has secured its roots in Nepal. It is growing and gaining wide popularity. Over the years we have been able to prove that fair trade does not necessarily mean small. It can be big and sustainable providing quality products. In addition, it has also been able to make its place in the mainstream market With the impact of our work many big business houses in Nepal like banks, tobacco companies, production houses have also started to promote social corporate aspect at national level .Obviously this has become really the demand of today's world as consumers have become more concerned about what they purchase. In our case though commercial success is important, it is the commitment to the welfare of poorer, disadvantaged groups that is the overriding goal of our activities.

# Achievements of Fair Trade Group Nepal

Chandra Prasad Kachhipati, Chairperson, Fair Trade Group Nepal



When we look back to the successful 20 years of Fair Trade Group Nepal (FTGN), we are proud to witness the great achievements it has been able to garner. Today FTGN is one of the strong

country network of fair trade organizations recognized within the country and at International level.

As a country network of fair trade organizations with its vision “improved quality of life of low income group of people through fair trade” & mission “to promote Fair Trade and provide support to its members and also likeminded organizations contributing towards sustainable livelihood at grass roots/local level through fair trade focused enterprises”, It has been functioning with different strategic intents and so far has been able to achieve following achievements:

## Promotion of fair Trade

As a consortium of fair trade organizations, FTGN has been able to promote the Fair trade concept as such and advocate the broad based issues within it such as child labor, gender equity, business transparency, fair wage etc. in Nepal.

In order to promote fair trade, FTGN has been doing activities like awareness raising and orientation on fair trade, celebration of World Fair Trade day every year on the second Saturday of English calendar with different activities, media campaign, workshops, interaction on fair trade issues, speaking out the fair trade messages at national and international platforms. FTG Nepal also conducted orientation program for grassroots producers and farmers, enterprises, NGO's and business support

organizations to promote fair trade practice and to boost membership of organization.

## Lobby /advocacy

FTGN undertook lobbying activities to influence policy makers to adopt fair trade friendly policies, presented position paper to the concerned bodies, joint delegation and appeal to the concerned policy level authorities.

Enhancement of the capacity of member organizations

FTGN has done capacity enhancement of members and likeminded nonmember business support organizations, enterprises and producers through extensive and intensive service delivery. Categorically FTGN has been providing services to three target groups as follows:

### (a) Services to member organizations:

FTGN has provided following services to members in order to strengthen their capacity to provide more service to grassroots producers:

One off and package trainings and counseling, market facilitation through organizing Annual Fair Trade Fairs and other fairs, facilitating participation in national and international fairs, development of joint promotional materials such as joint catalogue, CD's , profiles, website, coordinating joint marketing trip to abroad, international buyer seller meet, coordination of product order consolidation, business information dissemination on market trends, color forecast, order inquiry and managing expert volunteer service.

Today FTGN members play a crucial role in the promotion of handicraft sector in Nepal. Combined annual sales/export of FTG Nepal was Rs. 1,02,45,62,584. In FY 2071/72(2014-15). FTGN member organizations contributed more than 20% of the total handicraft export from Nepal.

### (b) Services to non member organizations/ enterprises/producers

Provided trainings and counseling of different aspects of business, market facilitation service through participation in its annual fair trade fairs.

## Principle of Fair Trade



### (c) Direct service to producers in collaboration of partners

FTGN members possess decade's long expertise on skill transfer and have extended the market linkages. Pooling resources FTGN undertook different projects which intensively delivered services to the grassroots producers. These type of projects were carried out in collaboration with the partners having similar goals and objectives. Under the projects, FTGN did conduct baseline survey, rapid market assessment, market feasibility study, network creation, skill upgrading, product development, quality enhancement, market promotion services and market link up with FTGN members.

### Projects with partner Organizations

FTGN had successfully implemented and has been implementing following projects contributing for the livelihood enhancement of low income groups of people, capacity enhancement of member and promotion of Fair Trade.

#### BDS development program with SIPP, Swiss Contact (1999- Dec 2003)

WIINER (Women into New Networks for Entrepreneurial Reinforcement) helpdesk project with UNIFEM (Sep 2001-Dec 2003)

Marketable Handicraft Development (MHD) Project, (July 2001 to June 2007), a joint project with PLAN Nepal in three districts of Nepal, Rautahat, Bara and Makwanpur targeting the poor families of PLAN Nepal. The major objective was to develop handicraft as an alternative source of income to get fulfilled in basic needs of beneficiaries and enabled to provide their child better education & health.

Fair Trade In Nepal: training and promotion of Fair Trade Nepalese crafts into the European market funded by EU Asia Invest (Feb 2006 to Feb 2008)

European Commission Asia Invest Project "Fair Trade In Nepal, Training and Promotion Programme of Fair Trade Nepalese Craft into the European Market" with the financial assistance from EU Asia Invest Program II Switch Asia with former agency of Milan Chamber of Commerce, CTM Altrmercato, Italy and Fair Trade Original, The Netherlands. The aim of the project was to develop the capacity of Fair Trade Organizations in Nepal and develop linkages between Nepalese and European business counterparts.

#### Volunteer placement program with Unitera CECI Nepal since 2007.,

FK Asia South South Exchange Program : An exchange program between partners in Nepal, Thailand, and India started in 2007.

The first phase of FK Exchange programme had seen return and rejoining of work at their respective organization of 2 FTG Nepal associated participants. From 2009 FTG Nepal led the exchange programme, with partners in India and Bangladesh. Collaboration Agreement between FK head Office Norway and FTG Nepal has been signed in June 2009.

#### Kadoorie Charitable Foundation Expert services of volunteers

FTG Capacity Building Program was a joint initiation of FTG Nepal and British Consultancy Charitable Trust (BCCT). This program was funded by the Kadoorie

**Registered as NGO in 1996 with seven founding members, it has now 22 member organizations. The membership of FTGN comprises of not profit sharing business organizations, private companies, cooperatives all practicing fair trade in their activities.**

Charitable Foundation . The objective of this project was to contribute to poverty alleviation/ sustainable development by creating better employment opportunities for the low income small producers of Nepal through strengthening capacity of FTG Nepal and its member organizations.

### **Women in Informal Employment Globalizing and Organizing WEIGO**

FTG Nepal in partnership with WIEGO worked in a project to work with women producers group groups to raise their Voice, Visibility and validity. Two women groups, the Kirtipur weaving group of ACP and back strap weaving group of WSDO Pokhara were selected for the project. The collection and publication of of case studies was the one element of the project. Two women artisans from Kirtipur and Pokhara participated in the WEIGO workshop held in Mombassa, Kenya from 19-22 May 2011.

### **IM- Swedish Development -Strengthening Fair Trade Group Nepal continuing)**

IM-SOIR is a Swedish project that has contributed to FTGn's organizational and capacity building to develop secretarial strengthening to help monitor member organizations. The core activities of this partnership project are to identify the needs and organize workshops for capacity building to help grow existing members and to outreach the non-existing members.

Comolongo Fair:FTG nepal together with Comologo UK organized the fair " Experience the magic of Nepal" on Spitafield Traders market London from 28to 31 October 2010. With help of KFC and BCCT. 7 member organizations participated in the fair.

Fair Trade Supply chain development in India and Nepal. The project was launched in April 2010 with the objective to contribute to sustainable development through Fair Trade interventions in the cotton sector . through fair trade intervention In the cotton sector of Nepal and India.

SAARC Chamber Craft Village : FTG Nepal took the management of SAARC Chamber Craft Village from its founders in 2010 for five years and made it a sustainable project in partnership with FWEAN and Sabah Nepal.

Sustainable livelihood project for earthquake victims with Oxfam ( since April 2016 still continuing): The goal of the project is to improve livelihoods and economic opportunities for Earthquake affected men and women in five districts of Sindhupalchok, Nuwakot , Bhaktapur, Lalitpur and Kathmandu.

### **Membership, Fair Trade Monitoring and assessment**

With an aim to create a stronger presence domestically and internationally and to encourage organizations to conduct business in a Fair Trade manner FTGN has been soliciting allocation for membership from organizations who share the commitment to Fair Trade principles and meet membership criterial. It has been providing comprehensive orientation to prospective organizations. FTGN follows the monitoring system developed by World Fair Trade Organization (WFTO).

It also has been administrating application process and audit of application for WFTO.

### **Increased membership out reach**

Registered as NGO in 1996 with seven founding members, it has now 23 member organizations. The membership of FTGN comprises of not profit sharing business organizations, private companies, cooperatives all practicing fair trade in their activities. Collectively these member organizations are providing direct employment to more than 10000 grass root producers and artisans with direct and indirect beneficiaries more than 45000.



## Expanded & strengthened networks at national, regional and international level

FTGN has been able to strengthen the networks and solidarity at National, regional and international level to advocate fair trade movement. It is also a platform where the members discuss their common problems, issues and share the ideas and information with each other. FTGN is Member of World Fair Trade Organization (WFTO), WFTO Asia, and Federation of Handicraft Association of Nepal.

It has been regularly participating in WFTO, WFTO Asia conferences. FTGN has successfully hosted Asia FTF conference in 1998 and 10th Biennial conference of World Fair Trade Organization (WFTO) in 2009. The WFTO conference was participated in by a total of 227 participants from 43 countries of the world

Board officials of FTGN had represented in WFTO and WFTO Asia in different capacities which were recognitions for FTGN. Founder president of FTGN Ms Meera Bhattarai served in IFAT board as coopted member. Chairperson Chandra Prasad Kachhipati has served as president of WFTO Asia and vice chair Chitra Bahadur KC has been serving as president of WFTO Asia for consecutive third term. Immediate chair Kiran Bahadur Khadgi was nominated as an independent director in WFTO Asia in.

Strong Secretariat: FTG Nepal has been able to purchase its own office building from its resource and has a strong and competent team of staffs.

## Recognition at national and international level

FTG Nepal has been recognized by different organizations and was awarded as best Country Network by AFTF during AFTF Asia Regional conference, Sri Lanka 11-15 October 2008.

Best Commodity Association Award 11th Jan 2012  
31st FHAN AGM.

Best Commodity Association FHAN 2015.

Best Pavillion Award 11th FHAN  
Handicraft Trade Fair.

Best Pavillion Award 12th FHAN  
Handicraft Trade Fair.

## Research and publications

FTGN has been conducting market research, action research, policy research and study/assessment on the areas that has relation with fair trade sectors. The studies conducted in collaboration with partners are on Collective Marketing (ICIMOD), Survey of stakeholders of Social Responsible Business in Nepal (Action Aid), Fair Wage Survey (Action Aid Nepal and Intermon) doing research and publication of different studies and Marketable Agro products of Nepal (With CECI).

## Community development

### Earthquake Response

Almost immediately after the massive earthquake of 25th April 2015, FTGN undertook Earthquake response. On the initial response plan of Fair Trade Group Nepal, the organization along with its members provided immediate relief efforts to earthquake victims in Nepal, primarily in Sindhupalchowk, Sankhu, Bhaktapur, Nuwakot, Dhading, and Kavre. FTG Nepal has also distributed relief amount to its member organizations to directly support their producers affected by the earthquake. Under rebuild programs sewing training, school building construction, toilet for college in Dhading district has been completed. As a long term plan 'sustainable livelihood for earthquake affected people' project in 5 districts is being implemented with support of Oxfam

Members are running schools, hospitals and doing different community development activities.

With the advent of FTGN and its member organizations, today the concept of Fair Trade has been well recognized and practiced in Nepal. The role of FTGN and its member organizations in creating opportunities for marginalized producers of Nepal and bringing in positive changes in their lives and other community development activities are highly appreciated and honored. This is the greatest achievement of FTGN Nepal.

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# Can Fair Trade Contribute to the 2030 Agenda? - Nepalese Perspective

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Murari P. Gautam



## Outlook and Dimension

Fair Trade is a sprouting concept that combines trading practice with socio-economic and environmental dimensions, while conventional international trade

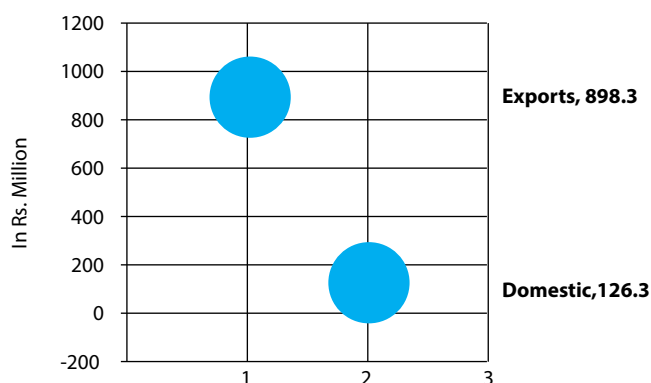
focuses on profit maximization through exchange of goods, services and IP in vigorous trade terms. With a history of over 70 years, Fair Trade provides development opportunities for marginalized producer communities, not through aid but by providing fair price and fair access to markets. The idea of Fair Trade was initiated with a view to building partnerships between Fair Trade Organizations – ‘FTOs’ - in the U.S and Europe and small-scale producers’ organizations in developing countries of Africa, Asia and Latin America. Today Fair Trade is a global movement with wide scale acceptance and fame. In 25 countries Fair Trade Towns are being recognized one after another. There are already 154 Fair Trade Towns, and 74 other towns are in process of gaining this status.

Fair Trade is more than trading for profit and it proves that a greater justice in world trade is possible by showing how a successful business can put people first and still contribute to the fight against poverty, climate change and economic crisis. It advocates sustainable trading

regime with redistribution of premium price and empowerment to producers creating more favorable terms of trade. Although the share of fair trade in the global trade volume is negligible it has scope of increasing contribution to the socio-economic development of developing and least developed countries. This article briefly examines how the Fair Trade system can facilitate in export intensification and thereby contribute to socio-economic agenda.

Officially Fair Trade is defined as “a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in developing countries.” The trading system works under different principles and dimensions as compared to conventional trade. Almost all fair trade organizations (FTOs) at international, regional, national and local levels follow the Fair Trade principles. They are actively engaged in supporting producers, trading, raising awareness of Fair Trade issues and advocating the integration of Fair Trade principles into all international trade practices. Examples of FTOs at international level are World Fair Trade Organization (WFTO), Fair

### Turnover of FTG Nepal Members In Rs. Million in 2071/72



trade International, and Fairtrade Labelling Organization (FLO) –CERT.

Excellent mechanisms have evolved for effective implementation of its policy and principles including: the Sustainable Fair Trade Management System (SFTMS); the WFTO monitoring system for biennial self-assessments, peer reviews and external verification; fair trade marketing supports; producer services and relations; fair trade advocacy; and fair trade certification services. Regional representative bodies of the WFTO are COFTA (Africa), WFTO-Asia, WFTO-Europe, WFTO-LA (Latin America), and WFTO-PACIFIC. At the national level there are organizations in more than 70 countries. Similar organization in Nepal is the Fair Trade Group Nepal (FTG Nepal).

There are many direct contributions of the Fair Trade initiative. Above and beyond covering the cost of sustainable production through the Fair Trade minimum price, it has a system of paying premium to improve the quality of life of producers through education, health, farm improvement etc. Additionally, the producers and traders work as partners in making production and trade related important decisions, in creating win-win situations to all stakeholders, and in building an environment sustainable to address the holistic concerns. One of

the important benefits of Fair trade is its independent certification system. It involves FLOCERT audits of producers, traders and companies to ensure compliance with the internationally-agreed Fair trade Standards. FLOCERT is ISO 17065 certified that follows ISO norms in certification that guarantees a quality management system, transparency in all processes, and independence in the certification decision making.

### Fair Trade Group Nepal (FTG Nepal)

Fair Trade organizations and system are actively working for the past three decades in Nepal. All of the organizations including FTG Nepal and its members follows the Fair Trade principles and are contributing to the socio-economic development of Nepal. So far it has 23 members and majority of them are involved in production and export of handmade crafts and agricultural products such as non-apparel textiles, knit wears, handmade paper and paper products, leather articles, silver jewellery, woolen and pashmina products, handmade silk articles, cane and bamboo articles, terracotta arts and articles, paintings, wood crafts, organic agricultural food and beverages including tea, coffee, pickles, dry fruits, exotic items etc. The FTG Nepal members are highly gender friendly and provide more employment to women (about 80 per cent)

and current direct employments at 9,540 persons.

The members of FTG Nepal contributed 18.77 % to total handicraft product exports from Nepal in B.S. 2071/72. About 87% of the total turnover (Rs. 1.03 billion) of the FTG Nepal members constitutes export transactions. Turnover is increasing annually and currently it exceeded one percent of total annual national export. The FTG Nepal has direct linkages with the international and regional chapters of Fair Trade Organizations. Registrations, certifications and trade performances of the fair trade organizations in Nepal are monitored and coordinated by FTG Nepal. It focuses on promoting Fair Trade and provides support to its members and also to like-minded organizations contributing towards sustainable livelihood at grassroots/local level through Fair Trade focused enterprises. The objective of the organization is achieved by providing several services to the members directly as well as on project basis.

FTG Nepal regularly conducts activities and events to promote Fair Trade, which includes celebrating World Fair Trade Day, organizing and participating in national and international fair and exhibitions, holding media campaigns, conducting orientation and interaction programs, and organizing educational tours, dialogues and meetings with concerned government authorities. FTG Nepal also develops and conducts business development and capacity enhancement activities like workshops, trainings, seminars, expert volunteer services, market promotion and facilitation and dissemination of information etc. In the recent past since 2012 it has conducted more than 20 technical training and workshop programs. Foreign technical assistance services were received 27 times from different countries. Such services have highly contributed to product as well as management development of the member organizations.

FTG Nepal has established collaborative and partnership efforts with many national and international organizations, chambers and associations, development partners, and Fair Trade networks, and has successfully implemented more than a dozen of projects in line with its mission.

## Export Prospects and Contribution to Economy

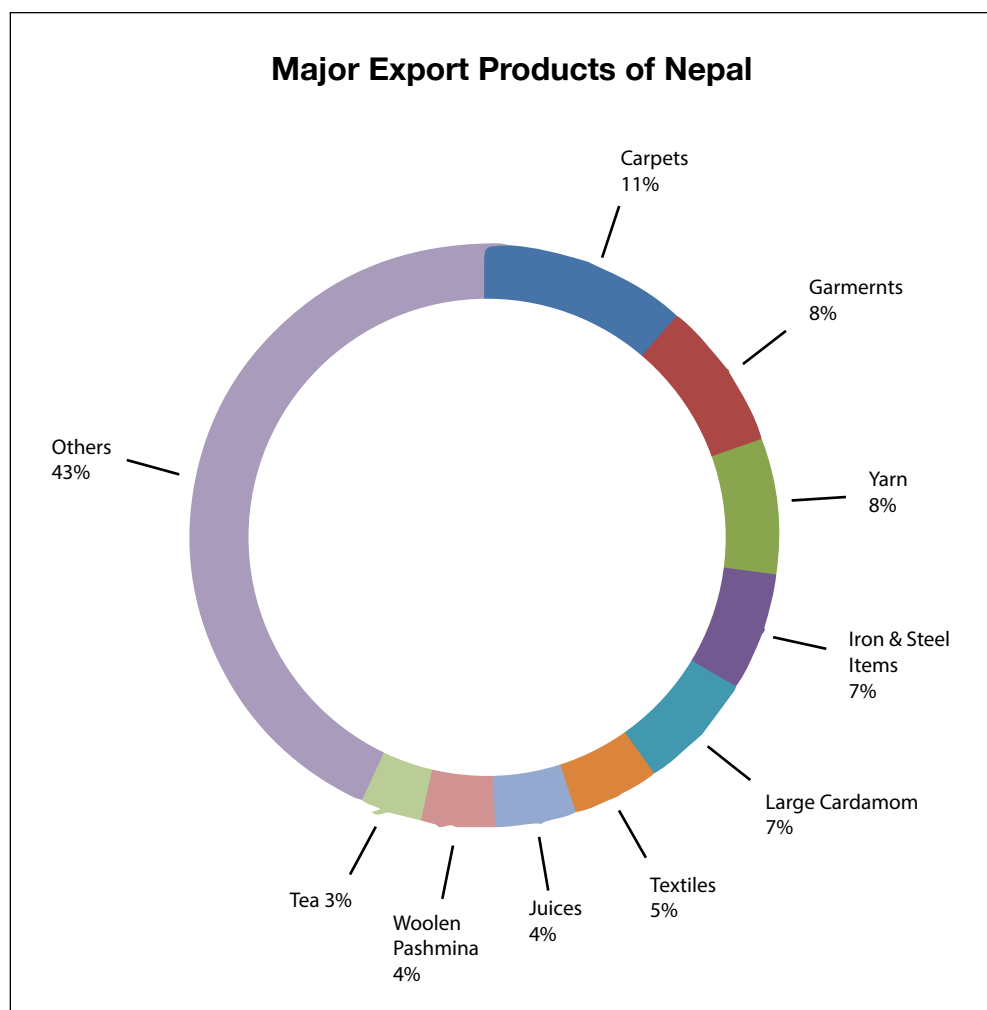
Export trade of Nepal in terms of value stagnated for more than one decade beginning from early 1990s. Majority of export products are based on imported inputs. Large cardamom, lentils, tea, medicinal herbs, hides and skins, ginger, essential oils, Nepali paper and paper products, edible meat, some of the handicrafts, etc are the major products that are based on the domestically produced raw materials. Total annual export grew by three folds in twenty years, reaching to Rs. 71 billion in 2015/16 from Rs.23 billion in 1996/97 with an average annual growth rate of 3.38 per cent.

Products covered at international scale by the Fair Trade are banana, cocoa, coffee, cotton, handicrafts, sugar, etc. Most of exports of FTG Nepal members included handicrafts and handmade items and very few agricultural products. It indicates that some of the agricultural and forestry products of Nepal have prospects for exports through FTG or fair trade organizations. These products are tea, coffee, dried exotic fruits and vegetables, large cardamom, medicinal herbs, and lentils. Recent export data of some of such products are presented in table below show the possibility of covering some of such products under the fair trade system. Export growth of these products will certainly and directly contribute to the socio-economic status of the marginalised producer communities in the remote and rural areas of Nepal.

## Exports of Major Products That Can Come Under Fair Trade

The 2030 Agenda for Sustainable Development Goals agreed by world leaders in September 2015 could be met if there is a pragmatic partnership between the developed and least developed countries. Trade is one of the tools to achieve this agenda. Trade can help accelerate growth, reduce poverty and foster inclusion, by providing equal level playing fields to the marginalized communities. The objective and principles of the Fair Trade match with the 2030 Agenda and the developmental goals of Nepal.

**Total annual export grew by three folds in twenty years, reaching to Rs. 71 billion in 2015/16 from Rs.23 billion in 1996/97 with an average annual growth rate of 3.38 per cent.**



In the near future there will be more than 228 Fair Trade Towns in 25 developed countries which will give priority to imports of products from Fair Trade Organizations. Thus fair trade movement is gaining global popularity and it is high time that Nepal seized the opportunities and took sensible measures to support development of fair trade organizations and their activities with a view to foster national export interests. Furthermore, Nepal is also adopting the latest economic growth model that would balance inclusive economic development,

poverty reduction, environment protection and socio-cultural preservation. This model also matches the principles and working strategies of the Fair Trade system.

### **Way Forward**

Against the above backdrop some of the identified tasks ahead of us are:

- Advocate principles, scope and possible contributions of Fair Trade among the government and non-government agencies in Nepal.

**In the near future there will be more than 228 Fair Trade Towns in 25 developed countries which will give priority to imports of products from Fair Trade Organizations. Thus fair trade movement is gaining global popularity**

S.N.	Commodities	2014/15		2015/16	
		Quantity	Value	Quantity	Value
1	Woolen Carpet Qty in Sq Mt. 000	625	6,943	605	8,061
2	Lentils	9,881	1,258	7,612	1,291
3	Cardamom	2,930	3,840	3,438	4,615
4	Tea	11,142	2,007	13,289	2,400
5	Ginger	24,549	465	28,352	643
6	Noodles& pasta		917		634
7	Medicinal Herbs		1,626		1,244
8	Juices		4,789		3,182
9	Pashmina shawls		2,646		2,885
10	Cotton sacks and bags		508		536
11	Felt products		1,150		1,274
12	Headgear		694		752
13	Handicraft Products		727		751
14	Handmade paper and paper Products		595		654
15	Silver jewellery		212		132
16	Silk Products		49		40
17	Cotton Products		191		191
18	Hemp Products		22		19
19	Allo Products		2		3
20	Dhaka Products		1		2
21	Misc.Textile Products		14		16
22	Metal Craft		1,092		1,223
23	Wood Craft		112		143
24	Glass Products		218		119
25	Bone & Horn Products		62		68
26	Crystal Products		3		8
27	Ceramics Products		22		31
28	Leather Products		23		28
29	Incense		33		36
30	Plastic Items		20		28
31	Paubha (Thanka), paintings		19		55
32	Beads Items		114		136
33	Stone Craft		12		14
34	Bamboo Products		3		3



Digital Marketing Training Workshop

- Identify new handmade and agricultural items that could be developed and exported from Nepal within the Fair Trade system.
- Promote organic farming of exportable products with reasonable incentives.
- Request the Government of Nepal for the following supports:
  1. Arrange production and supply of local raw materials to the producers of exportable products. Some of the important local raw materials urgently needed are wool, pashmina, cotton, natural fibers, and minerals like copper and iron.
  2. Recognize Fair Trade Organizations as industry and export house and provide fiscal and financial facilities as per regulations.
  3. Provide export incentives with simplified procedures to all FTO.
  4. Give priority in technical assistance to product development and market promotion efforts of the FTO.
  5. Introduce special support schemes to small farmers for organic farming of exportable products.
  6. Develop special support schemes for capacity development of FTOs and small farmers and producers.

# Fair Trade Towards Sustainable Development Goals 2030

Sunil Chitrakar, Secretary Fair Trade Group Nepal



## Background

The Millennium Development Goals (MDG) that were launched in 2000 set 2015 as the target year, which came to an end with some success stories. During the fifteen-year period, Nepal's population below poverty line came down to 23.8

percent. In 2012 UN member states agreed at Rio +20, the UN Conference on Sustainable Development, to establish an open working group to develop a set of Sustainable Development Goals 2030 (SDG 2030). The working group through censuses recommended seventeen sustainable development goals, mentioned in the outcome documents "Transforming Our World: The 2030 Agenda for Sustainable Development." The UN General Assembly has also adopted these new development goals.

Fair Trade (FT) has been proved to be a sustainable business model that has helped reduce poverty among millions of farmers and producers in least developed countries. It contributes to sustainable development by: providing better working conditions; providing inclusive business approaches; securing the rights of the marginalized producers; and farmers; and reducing environmental degradation by means of sustainable production and consumption practices. The overall vision of FT movement is to create a just and sustainable global trading system that gives opportunities to marginalized people, producers and farmers to access the market and be part of global trading system that contributes to the improvement of their livelihoods and develops their full human potentials.

This paper attempts to highlight how Fair Trade is compatible with Sustainable Development Goals, gives





## These goals call for action for people, planet and prosperity to bring peace in the world.

insight into SDG 2030, and examines how Fair Trade contributes in attaining those global goals. This paper would be useful in developing a position paper and future advocacy strategies.

### Sustainable Development Goals 2030

These S.D.G. 2030 aim to end extreme poverty, fight inequality, injustice and fix climate change by of 2030. These goals call for action for people, planet and prosperity to bring peace in the world. Furthermore, they, through multi-stakeholder partnership, seek to: realize the human rights of all; and achieve gender equality, and women empowerment in the economic, social and environment areas.

The SDG 2030 has set goals and encourages actions in these critical areas;

- a. **People:** End poverty and hunger in all forms and dimensions, and ensure that all human beings can fulfill their potentials with dignity and equality, and in a healthy environment.
- b. **Planet:** Protect the planet from degradation by ensuring sustainable consumption, production, and sustainable management of natural resources, and by taking urgent action on climate change, so that the planet can support the needs of the present and future generations.
- c. **Prosperity:** Ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.
- d. **Peace:** Foster peaceful, just and inclusive societies which are free from fear and violence. There can be no sustainable development without peace and no peace without sustainable development.
- e. **Partnership:** Mobilize the means required to implement this agenda through a revitalized Global Partnership for Sustainable Development, based on a spirit of strengthened global solidarity, focused in particular on the needs of the poorest and most vulnerable and with the participation of all countries, all stakeholders, and all people.

### Principle of Fair Trade



### Sustainable Development Goals 2030

There are all together seventeen Sustainable Development Goals. Each goal has different targets and together there are 169 targets.

1. **No poverty** – End poverty in all its forms everywhere
2. **No hunger** – End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
3. **Good health and well-being** – Ensure healthy lives and promote well-being for all at all ages
4. **Quality education** – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5. **Gender equality** – Achieve gender equality and empower all women and girls
6. **Clean water and Sanitation** – Ensure availability and sustainable management of water and sanitation for all
7. **Affordable and clean energy** – Ensure access to affordable, reliable, sustainable, and modern energy for all

8. **Decent work and economic growth** – Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all
9. **Industry, innovation and infrastructure** – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
10. **Reduced inequalities** – Reduce inequality within and among countries
11. **Sustainable cities and communities** – Make cities and human settlements inclusive, safe, resilient and sustainable
12. **Responsible consumption and production** – Ensure sustainable consumption, and production patterns
13. **Climate action** – Take urgent action to combat climate change and its impacts
14. **Life below water** – Conserve and sustainable use of oceans, seas and marine resources for sustainable development
15. **Life on land** – Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
16. **Peace, justice and strong institutions** – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17. **Partnership for the goals** – Strengthen the means of implementation and revitalize the global partnership for sustainable development

## Fair Trade

Fair Trade is a trading partnership based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South.

## Fair Trade is more than just trading

- It proves that greater justice in world trade is possible.
- It highlights the need for change in the rules and practice of conventional trade and shows how a successful business can also put people first.
- It is a tangible contribution to the fight against poverty, climate change, and economic crisis.

## Principles of Fair Trade

1. Creating opportunities for economically disadvantaged producers
2. Transparency and accountability
3. Fair trading practices
4. Payment of fair price
5. Ensuring no child labour and force labour

6. Commitment to non-discrimination, gender equity and women's economic empowerment, and freedom of association
7. Ensuring good working conditions
8. Providing capacity building
9. Promoting Fair Trade
10. Respect for the environment

## Fair Trade and Poverty Alleviation

Poverty is not a choice, and poor people are not responsible for them being poor. It is the social and economic system that makes people vulnerable to being poor, depriving their access to basic needs for their livelihood. Alleviating poverty is only possible by providing the people opportunities and an enabling environment where they can choose alternatives for their betterment. Empowerment is one of the best ways for relegating poverty of making poverty to history.

Fair Trade means economic empowerment of people. Giving them work, paying them fairly and treating them as people make all the difference to their lives, their children and society at large. Fair Trade works for people as it adopts people centered business practices, honours cultural values, and respects indigenous craftspeople. The business terms are defined in a fair and equitable manner, where preferential discretion is given in favour of indigenous, under privileged artisans and producers. Profit is not the ultimate goal; it is just the by-product that all the stakeholders enjoy while practicing human centered business, i.e. fair trade.

With our own experiences of last three decades in Nepal, we are very much confident that it works for people, and gives them a sustainable means of living. We have been able to create sustainable rural/micro enterprises, empower hundreds of people, develop their potentialities, and give them a dignified living with the skills they have. We abide by the Fair Trade principles and the values we are promoting are making a difference to the people and the society.

## Fair Trade and SDG 2030

Eradicating poverty from the world is the foremost important development goal of SDG 2030, which is very much in line with Fair Trade principle # 1. The SDG 2030 are aimed at increasing income for people living under \$1.25 per day. As Fair Trade guarantees fair payment, the producers are able to earn much more than \$ 1.25. The core principles of Fair Trade are to reach marginalized producers. The first Sustainable Development Goal (or SDG 1) also attempts to ensure that all men and women have equal access to economic resources. With Fair Trade's right based approach, it also contributes to achieving this goal. Fair Trade principles 1 and 6 help reach the targets under the Goal 1 of SDG, addressing the issues of rights of people for their economic and social wellbeing, equal pay, capacity



building for market access by farmers and artisans and providing social safety net. Likewise, FT principle 8 contributes in attaining Goal 2 as FT empowers farmers and producers, gives them access to market, and resources, and promotes equity in trade relationship.

FT principle 3 ensures that trading practices promote social, economic and environmental well-being of marginalized small producers. This principle advocates respecting traditional skills, knowledge and cultural identity of the producers, which contributes to SDG Goal 3 ensuring healthy lives and promoting well-being. The FT principle 7 also contributes to this goal as it ensures good working conditions. Fair Trade organizations (FTOs) systematically plan and implement measures to enhance health and safety at work to reduce occupational health hazards. It also promotes the use of non toxic chemicals, and ecological products.

FT principle 8 encourages organizations to support capacity building of farmers and producers by investing in their skills, knowledge and technical know-how, enhancing their productivity, and market access. This principle contributes in attaining SDG goal 4, 5 and 9. Goal 4 promotes entrepreneurship, decent jobs and employment by providing skills, which is what FTOs are providing marginalized farmers and producers in least developed and developing countries.

SDG goal 5 is related to promoting gender equality and empowering all women and girls, which is related with FT principle 6, which states that organizations must ensure non discriminating policies, promote gender equity, women's economic empowerment, and freedom of association. This goal also relates with FT principle 8 which supports the use of Information, Communication and Technology (ICT) to empower women.

SDG goals 6, 12, 13, 14 and 15 are related to FT principle 10, which emphasizes respect the environment by maximizing the use of raw materials from sustainably managed sources, buying local, reducing energy consumptions, using of renewable energy, using organic and non-toxic chemicals for both farming and non farming activities and reducing waste in the entire value chain.

SDG goals 8, 10.1 and 10.2 are related to the overall philosophy of Fair Trade as it promotes sustained, inclusive and sustainable economic growth, full and productive empowerment, and decent work for all. FTOs around the world have been working in providing livelihood opportunities for marginalized farmers and producers by giving them decent job opportunities with fair wage. Economic empowerment of people has been the core principle of Fair Trade, and it has been adopting people centred business practices by promoting

entrepreneurship, innovation and improvements. Fair Trade Group Nepal has been instrumental in creating rural enterprises with sustainable market access. Traditional skills and resources have been transformed into contemporary lifestyle products with successful intervention in product design, technology improvement, and capacity building.

FT principle 5 ensures that no child labour and forced labour take place, which contributes in attaining SDG 8.7 (to eradicate forced labour and end child labour) and FT principle 6 contributes in attains SDG 8.8 (to promote labour rights) as it ensures freedom of association and non-discrimination.

The growth of Fair Trade Town movements around the world also contribute in attaining SDG 1 (make cities and human settlements inclusive, safe, resilient and sustainable). Sweden is the first Fair Trade country in the world. Moreover, this goal also promotes local economy by creating jobs at the local level.

Sustainable production and consumption (SDG 12) have been a key strategic thrust of FT. They promote safer working condition (both physical and psychological) and sustainable production and consumption practices. Even some metropolitan cities and EU countries are adopting FT procurement policies to encourage sustainable consumption. FT principle 7 and 10 contribute in achieving this SDG goal.

FT is also about doing business fairly, promoting transparency, good governance and accountability in the entire supply chain. FT principle 2 (Transparency and Accountability) contributes in attaining SDG 16.

## Taking Forward

The SDG 2030 encourages all stakeholders to take responsibility for making the world a better place by eradicating poverty and hunger, and promoting justice, peace and prosperity in a sustainable way. Economic empowerment by means of trade and industry is the key feature of this global goal, highlighting the role and need for multi-stakeholder partnership, encouraging public private partnership and the engagement of civil society organizations engagement. Entrepreneurship development, capacity building of people with skills, knowledge and technologies are some of the means for economic empowerment.

Trade is also a means for economic empowerment and sustainable development. However, some trading systems and practices may lead to poverty and inequality that we have been experiencing. The economic and trade liberalization may not ensure economic, social and ecological well being of people, specially marginalized people in least developed if they are not inclusive. Hence, trade structures and practices must be designed through sustainable development approach that increases income, eradicates poverty and delivers greater goods. Fair Trade could be one of the best alternatives for making trade more sustainable.

FTG Nepal should be raising awareness about on Fair Trade amongst customers, public, policy makers and different stakeholders. It should also be encouraging further dialogue among stakeholders to better understand SDG 2030 and the need for aligning FT with those goals. Success stories should be brought out to demonstrate the impact of Fair Trade principles and encourage others to follow them. And it should be lobbying the government to formulate conducive trade and industrial policies that encourages greater role for the Fair Trade to achieve Sustainable Development Goals 2030.

# Devastating Earthquake and Fair Trade Group Nepal



**O**n 25th April 2015, Nepal had devastating earthquake and followed by another big shock on 12th May 2015. This natural disaster destroyed thousands of houses and antique monuments, temples and public schools. It was mentioned in official report that 505,745 destroyed and 279,330 damaged houses. This disaster killed 8,702 lives (4,802 female and 3,900 male). It affected millions of people living in Nepal.

Member organization of FTG Nepal and their staffs/ producers were badly affected by the devastating earthquake occurred in Nepal. It hampered all business of fair trade in the country. Most of member organizations had been suffered that factory/ workshop and office building were damaged. They were facing production with timeline and they had to hold orders. It caused many loses in fair trade business. FTG

Nepal had started fund raising activities for supporting earthquake affected member organizations, producers/ artisans and local communities. FTG Nepal collected some amount from well-wishers and friends.

FTG Nepal has developed programs to provide earthquake disaster relief to staffs and producers as well as member organizations in the network. FTG Nepal has supported different types of earthquake respond programs with assistance from its member organizations, partners and supporters. Basically, these activities has been launching in three different stages such as immediate relief, rehabilitation, rebuild and sustainable livelihood activities.

## 1. Immediate Relief

FTG Nepal had responded to provide immediate relief to earthquake victims of different parts of the country including Kathmandu Valley. Under this immediate



support, there were major three different categories of activities such as 1 Distribution of food and shelter, 2 Medical aid and 3 Hygiene and sanitation. Under the distribution of food and shelter program, FTG Nepal distributed relief material packets contained beaten rice, sugar, instant noodles, drinking water and blankets to villages in Sindhupalchowk, Nuwakot, Dhading, Kavrepalanchowk and Kathmandu Valley.

FTG Nepal had provided health services and medical assistance to people of earthquake affected area. For the purpose, a health camp was organized by FTG Nepal and it was in Pharping, Kathmandu. In the camp, 319 patients got free health services including free medicine, lab testing and free service of X-ray to ortho-patient. The camp was organized with help of Manamohan Community Hospital, Pharping and it was on 10th May 2015. A medical team was from Nepal Medical College and Teaching Hospital under the leadership of Prof. Dr. Manohar Lal Shrestha. This team had nine specialized medical doctors: Pediatrician, Gynecologist, Orthopedist, Cardiologist, General practitioner and Staff nurse.

Producers/artisans of member organizations who were affected by shocks had, urgently, needed basic supports like tent for shelter, foods, towel and so on. For the purpose, FTG Nepal had released some cash amount to member organizations. The respective member organizations had distributed some support to their need producers and artisans.

## 2. Rehabilitation

FTG Nepal members are mostly concentrated in those earthquake affected districts of Nepal. Therefore, most of

member organizations and their producers/artisans were affected by earthquakes. FTG Nepal had immediately collected information about losses and damaged physical and human resources in member organizations. Out of total 15 member organizations were affected and there were only four member organizations had not reported any damage due to the devastating earthquake and aftershocks. About 583 houses of staffs and producers who involved in member organizations of Fair Trade network of Nepal were collapsed completely. The highest number of house collapsed (181) was observed in the organization named Association of Craft Producers. Similarly, it was reported that 577 houses of staffs and producers in FTG Nepal network were damaged. Manushi, a member organization of FTG Nepal had reported that 126 houses of staffs/producers were damaged in the quakes and it was the second highest number among member organizations of FTG Nepal. In FTG Nepal network, there were 17 human casualties and 17 were injured in such earthquakes.

After the immediate relief programs to earthquake victims, FTG Nepal began to concentrate support to staffs and producers of member organizations who were suffered. At this stage of relief activities, FTG Nepal had divided earthquake affected staffs and producers into two groups. First group refers to those whose house was completely collapsed or damaged and was unusable for shelter. It needs complete rebuild house. The next groups refers to those whose house was damaged or cracked and could be used with repair.

On the basis of those categories of house collapses and damaged, the earthquake relief committee of FTG Nepal had decided to distribute a token support with



limited fund collected from well-wisher friends and organizations. The committee had developed specific criteria and those were approved by executive board of FTG Nepal.

Those criteria were strictly followed in distribution of cash support under rebuild and rehabilitation activities. According to the developed criteria, Rs 25,000 was given to each staff/producer of member organization whose house was completely collapsed and Rs 10,000 was given to whose house was cracked/damaged. Although the supported amount was very limited in the context of exiting market situation and it was not enough for rebuild and rehabilitation. However, it was expected that it would be helpful to some extent for making their life easier. Due to the limited resources availability, FTG Nepal was unable to support home-based producers or workers of member organizations at this stage of support programs and though they were also victims of the devastating earthquakes.

### 3. Rebuild and Sustainable Livelihood

The affect of earthquake was not selective to producers/artisans of FTG Nepal member organizations only. The whole communities belongs to them were affected and needed them to support on sustainable livelihood with regular income. So, FTG Nepal had planed to operate sustainable livelihood program for earthquake victims of producers/artisans related to FTG Nepal and other victims of their local communities. In this process, FTG Nepal has been implementing a project with support from OXFAM Nepal called as "'Sustainable Livelihoods Support for Earthquake Affected Families'". Such project covers five earthquake affected districts namely Sindhupalchowk, Nuwakot, Bhaktapur, Lalitpur

and Kathmandu. The goal of the project is to improve livelihoods and economic opportunities for earthquake affected women and men producers affected by the devastating earthquake and aftershocks. The project aims to empower women and men producers through the knowledge and technology transfer and product development, supporting the producers in having access to finance, developing market linkage with Fair Trade Group Nepal's member organizations and other buyers and promotion of partnership with concerned stakeholders.

FTG Nepal is doing support under rebuilt program for sustainable livelihood and sanitation. For the sustainability of livelihood, it requires to teach skill for generating regular income. So, FTG Nepal has given priority to program that transfer skill and knowledge suitable to local situation for better livelihood in earthquake affect areas. Concentrating on this basic them, New SADLE a member organization of FTG Nepal had lunched a training program during June-July 2016 in earthquake affected district Sindhupalchok. This district has many minor communities and ethnical groups consisting of Majhi, Danuwar, Tamang and Magars. By ethnically these communities have always been shadowed from the development. The training was on Knitting and Crusade and there were 25 women participates. After the completion of the training, it was expected that trainees can support themselves and send their children to school and contribute for the family a sustainable income. Those trainees were from Sipaghat located in the south eastern part of district.

In the continuation to support the sustainable livelihood program in earthquake affected localities, FTG Nepal

had launched some programs in Ghyalchok village of Gorkha like skill development training, construction and sanitation. Ghyalchok is located at 425 m above sea level. This village is connect with Prithvi Highway from Benighat. Very good trail to Ghyalchok village is from Charaudi. In this segment of village, Chepang and Brahman are found. There is very limited economic opportunities and unemployment problem is existed in the village. On the other hand, the earthquake had affected severely on the livelihood of people and their economic sustainability.

#### 4. Sewing Training

In Ghyalchok village, there is high potentiality in tailoring activity and village people have to depend on outsiders. They have to go to urban and marketing places located at Prithvi Highway such as Benighat, Chanauta, and so on. There are some schools in the village and more than thousand student are enrolling. All students needs schooling uniform. Generally, a student requires at least two sets of uniforms. In such a way, there is high possibility of tailoring job only in school uniforms. However, most of women in village have lack of knowledge. So training in such field will help to rebuilt villager's economic development with sustainability. FTG Nepal had tapped this opportunity under the rebuilt program in earthquake affected areas. FTG Nepal proceed supplying necessary materials like sewing machines and other training materials. The basic sewing training venue was in the premise of Gyan Marga Higher Secondary School. Basic sewing training was conducted for three months period and it was operated in two shifts.

Basic sewing training at Ghyalchok was very successful and there was no dropout. All 30 participants were more laborious to obtain skill and wanted to learn more in tailoring. So, FTG Nepal had lunched another three month advanced sewing training for them. Completion of the advanced sewing training course, all of them would be able to operate tailoring activities independently in the village. It will help to uplift living standard of them with sustainability.

#### 5. Sanitation/Hygiene

Earthquake had demolished the established drinking water supply and sanitation system. Poor sanitation creates havoc in health of earthquake victims in the areas. Therefore, it was required to support in water and sanitation for better hygiene in affected areas. FTG Nepal was planning to support in water and sanitation sector for the better hygienic environment in Wearthquake areas. Under this activity, FTG Nepal had support to install drinking water in three different schools of Gorkha district such as Gyan Marga Higher Secondary School, Chitra Devi School and Praja Jyoti Primary School.

Gyan Marga Higher Secondary School is the leading school in locality. About 800 student are enrolling in this school. Due to effect of devastating earthquake, available drinking water supply facility was collapsed and students were facing problem with drinking water. To resolve such problem to some extent, FTG Nepal had handover a water tank capacity of 5000 liters to the school with accessories such as tap, pipe, etc. Again, FTG Nepal had support to fix such water tank and shade construction

Similarly, FTG Nepal had also supported under rebuilt sanitation program to another school of Ghyalchok, Gorkha. This is Chitra Devi School situated at near Prithvi Highway in the bank of river Trisuli. In the school, many students are from Chepang ethnic group. This ethnic group has yet to tap benefits from development programs conducted and they are always facing problem of sustainable livelihood. This school had also suffering problem of drinking water facility due to the effect of massive earthquake. FTG Nepal acting chair Mr. Chitra K.C. had handed over water tank with capacity of 2000 liter to the school management.

#### 6. Support in Construction

Beltar of Ghyalchok is located at northern side of Prithivi highway and separated by River Trisuli. The population of this place is mainly inhabited by Chepang ethnic group. This is an indigenous people of Nepal. They are economically deprived and disadvantaged group. Chepangs are mostly illiterate. In such community, Shree Praja Jyoti Primary School is the only educational institute. This school was established in 2048. Currently, 66 students are enrolling in Early Childhood Development (ECD) to grade three. This school is seem unique where students are mostly from Chepang community.

This school was badly affected from earthquake. Classrooms are collapsed and teaching activities are performed at open space and collapsed rooms. Toilet facilities was also completely destroyed by such devastating earthquake. There is no drinking water supply facility in school premises.

A team of FTG Nepal officials including then acting Chairperson Mr. Chitra Bahadur K.C. and IP Mr. Kiran Bahadur Khadgi had visited the school premises and discussed on area and kind of support with teachers and responsible person in the village. The team had agreed to support in three sectors like renovation of classroom with facilities, toilet and drinking water facilities. So, FTG Nepal under the rebuilt program has supported in the construction of school building for classrooms, toilet facility and drinking water supply. Transportation of construction materials is very difficult task due to not having road access from Prithvi Highway. Porters are used to transport materials to school construction site. On the other hand, water source is located at far





from the school and it is nearly a kilometer far. So, FTG Nepal provides the required pipe and water storage tanks. Besides, FTG Nepal provides some facilities in the school like ceiling fans in classrooms, carpet in ECD classroom, and so on. Under the completion of all those construction such as classrooms (building), toilet and water supply, a handover program was managed in school premise on 10th January 2017. In the program, acting Chairperson Mr. Chitra Bahadur KC had handed over to school, head teacher Ms. Nani Maiya Tiwari. Many guardians of students and some respected persons of the community were also participated in the program.

The economic condition of Chepang community is yet below Nepalese standard and school enrolment of their children is difficult. They have been facing of problem to maintain school uniform of their children. Therefore, FTG Nepal is going to plan to provide school uniform for the students. Uniform for student of the school for this time will be prepared by women group of sewing trainees of Ghyalchok and FTG Nepal will provide required materials to them. On the other hand, school operation is also influenced by the weather condition. In the cold weather, most of students do not have enough warm clothes and they are attending class with old and thin clothes. So, FTGN provides jackets and trousers to them on 13th January 2017 for this winter.

## 7. Toilet construction

Sanitation is also included in the rebuilt program lunched by FTG Nepal. Under it, FTG Nepal is supporting to build toilet in educational organizations like schools and campuses. In the process of supporting this sector, FTG Nepal received a proposal from Dhading district which is also one of severely affected by devastating earthquake. A request proposal was from Chandrodya Multiple Campus and it is located at bank of river Trisuli and Prithvi Highway in Bisaltar of Dhading. The earthquake affected the existing toilet facility and Campus proposed to construct new toilet for both girls and boys students in the premise. FTG Nepal has accepted the proposal and supported to construction of it.

Rebuilt program of FTG Nepal is concerned specially on economic development of backward and disadvantaged communities in the country. Poverty alleviation and sustainability are the main theme of Fair Trade movement. So, rebuilt program of FTG Nepal is related with income generating activities of marginalized people specially women. FTG Nepal programs will based on ten principles of Fair Trade.

# Living Wages and Nepali Fair Trade Context

Chitra Bahadur KC, Vice Chairperson, Fair Trade of Nepal



**Historical Background.** Although the history of Living Wages has been in the global industrial sector for quite some time but in the Fair Trade context it is relatively new. WFTO initially talked about fair wages, then minimum

wages as per country's standards and finally since 2013, we speak about Living Wages. As a result of Fair Trade Guarantee System, Living Wages has been a focused principle in order to be Certified Guaranteed Member. In the current scenario of Fair Trade Movement, payment of wages/salary more than 10% plus the minimum wages/salary of a country is regarded as Living Wages.

## What is a Living Wage?

**Public Policy:** "Minimum income needed for a worker to meet their basic needs."

**Anker Definition:** "Remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living. Include food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events."

**World Fair Trade Organisation (WFTO)**

**Definition:** A Living Wage is the compensation (remuneration plus non-monetary benefits) received for standard working hours (without overtime), which is sufficient to meet the basic needs of the individual and his or her dependents, and allow for some savings and/or discretionary expenditure. Elements of a decent standard of living include food, water, fuel, housing, education, health care, transport, clothing, savings and other essential needs.

It means and speaks for; Payment of a FAIR

PRICE which is negotiated through dialogue and transparent price setting, a FAIR WAGE represents an equitable, negotiated share of the value chain of the product and presumes the payment of at least a Living Wage, A LIVING WAGE is the compensation (remuneration plus non-monetary benefits) received for standard working hours (without overtime), which is sufficient to meet the basic needs of the individual and his or her dependents, and allow for some savings and/or discretionary expenditure.

**Elements of Standard of Living.** This includes food with enough required calorie, water, housing, education of children, health care, transportation, clothing, saving for future, entertainment and other essential needs, including provision for discretionary expenditure.

Nepali situation. Fair Trade Group Nepal

## Principle of Fair Trade



## FTG Nepal feel proud that we have been the first country network to have a research on Living Wages and many of members are paying closer to Living Wages as calculated and established by research.

(FTG Nepal) members have also been following the standards of fair trade since many years but it became part of membership when FTG Nepal was established in 1996 and became member of WFTO. FTG Nepal has currently 23 members and amongst them 15 are WFTO members and 7 of them are Guaranteed members.

In 2015 CBI from The Netherlands invited 7 FTG Members to take part to CBI/WFTO Fair Trade Finest Programme leading to Ambiente Exhibition in 2017, to part in Ambiente, one of the requirement was to be Guaranteed member. As mentioned earlier to be Guaranteed member one of the criteria is to address living wages.

After an initial meeting in Nepal, FTG Nepal requested Dutch World Shops Association (DAWS) to carry out a research on 7 members and educate all other Nepal members on Living Wages. With this request DAWS send Duncan Turure to carry out the research as per their Living Wages Calculator tools where he scanned 6 members as pilot. The research was intense and very exciting factors came as a result. The following are the key factors:

1. The finding established that the production and sale of handicrafts were Non-Competitive Production which means FTOs in Nepal were mostly socially oriented.
2. A family of 4 persons living in Kathmandu has to earn at least Euro 183.28 for decent living
3. 6 Nepali members that includes New SADDLE, ACP, KTS, Manushi, Mahaguthi and Sana Hastakala in average paid Euro 108- per person per month including social benefits such as

childrens education, medical treatment and others.

4. The minimum monthly wages in Nepal are Eur 84. - Per person per month plus benefit package. The benefit packages however, vary from one to another organization. However, children education is a focused area for all.

### Where do we want to go? WFTO

WFTO general body mandated WFTO to introduce Fair Wages, Fair Price and Living Wages in Rio 2013 and as such a Working Group has been formed after Milano, 2015 conference with a task to work on 3 folds and are expected to complete task by the end of 2016. Then board will look at it and give a final touch and then would be presented to members in its biennial conference being held in November 2017, New Delhi, India. After the AGM, we will rightly know where we will go and what will be the time frame for implementation of Living Wages some members are not already implementing.

### FTG Nepal

As a result of workshop organized by DAWS many non-wfto and non-guaranteed members from Nepal are all willing to go through their payroll and work on establishing Living Wages standards. Being part of WFTO and global movement and members, Nepali members also would have to adhere to the standards set by WFTO.

But FTG Nepal feel proud that we have been the first country network to have a research on Living Wages and many of members are paying closer to Living Wages as calculated and established by research.

# Fair Trade Network

Ms. Carol Wills



Many congratulations to Fair Trade Group Nepal on their 20th Anniversary.

Fair Trade Group Nepal is a network of 23 Fair Trade organizations working to improve the socio-economic status of

marginalized producers. It was established informally in 1993 and registered formally as an NGO in 1996. It seeks to develop constructive collaboration among Fair Trade organizations, to influence policy makers to adopt Fair Trade friendly policies, and to promote Fair Trade practices in Nepal. The network also works to enhance the capacity of its members and help them make the most of their resources. It provides a platform where its members discuss their common problems and share ideas and information with each other. Members provide business, financial, design, training and marketing support to thousands of producers, many of whom are women. FTG Nepal is a founder member of WFTO Asia.

Fair Trade developed in Nepal as the result of initiatives designed to provide skills training for poor, vulnerable women, thereby enabling them to earn a living. Women have had a difficult time in Nepal with its patriarchal social structure which denies them access to opportunities for education and employment and restricts their access to property, credit and other resources.

Girl children are still perceived as liabilities within the family. Untouchability and social exclusion continue to be problems for women and men in Nepal. Trafficking of women to brothels in India is still a major issue in the country. Women considered a burden on their rural families often migrate to the cities to find work in factories where they are exploited. While political reform in Nepal in the 1990s has resulted in efforts being made to promote gender equality and studies show that the situation of women has improved, they still lag behind men in many respects and particularly in access to assets. What Fair Trade in Nepal has done, as Sunil Chitrakar wrote in his Nepal Contextual Analysis prepared for WIEGO in 2011, is provide a way for many thousands of vulnerable women “to earn a living in their own homes and communities that has helped to prevent women from migrating to cities to look for work and protect them from exploitation.”

I well remember my first visit to Nepal in 1994 when the founding members of Fair Trade Group Nepal were beginning to develop their plans. I attended a meeting in the Kumbeshwar Technical School where we all sat on the carpet bales while people talked about what an association of Fair Trade organisations in Nepal might achieve through working together. Their achievements have been many. Above all, they demonstrate how powerful a group can become when it presents a united front

**While political reform in Nepal in the 1990s has resulted in efforts being made to promote gender equality and studies show that the situation of women has improved, they still lag behind men in many respects and particularly in access to assets.**

**We will continue our interventions through the Fair Trade Movement to uplift the socio-economic level of grass roots producers, especially women by exploring national and international markets.**



WFTO Asia Conference, Seoul

to Nepal and the rest of the world. They promote Fair Trade together. They organise Fair Trade events, such as World Fair Trade Day celebrations, together. When tragedy strikes, such as the terrible 2015 earthquake, they respond together. All have their separate businesses but they recognise the great value of “coo petition” meaning that they collaborate for mutually beneficial results. At Conferences, Trade Fairs and Seminars, Fair Trade Group Nepal members are highly visible, staying close together as a group, the men often wearing the same style Dhaka topi.

Over the years I have returned to Nepal a number of times. In 1998, Nepal hosted the Asia Regional Conference. Before that took place a meeting of the IFAT (as WFTO was then called) Executive Committee was held. Her Majesty the Queen did us the very great honour of inviting all members of the Committee to tea with members of FTG Nepal. That was an indication of the esteem in which the Fair Traders were held.

Eleven years later, in 2009, the Global Conference was held in Nepal. In her opening speech, the then Fair Trade Group Nepal Chairperson Ms Padmasana Shakya said: “We are here to raise “The voice of Fair Trade”- the power to create change. We raise our voices with people from all around the world and make our voices loud and strong. “We have a dream - a dream of a sustainable Fair Trade Economy. We have great confidence that the conference will help in fulfilling our dream. We will continue our interventions through the Fair Trade Movement to uplift the socio-economic level of grass roots producers, especially women by exploring national and international markets.”

The Vision of Fair Trade Group Nepal is “to improve the quality of life of low income groups of people through Fair Trade”. On my visits to Nepal I have observed how this is truly happening. Long may this excellent work continue.

# Brief Introduction of WFTO Guarantee System

Uttam Kunwar, Guarantee System Auditor

## BACKGROUND

It has been long witnessed that trade often fails to deliver sustainable livelihoods and development opportunities to small-scale producers (artisans) and workers in developing countries. Fair Trade was established to contribute to efforts to correct this failure. Fair Trade's vision is a world in which all small producers, artisans and workers can enjoy and secure sustainable livelihoods, fulfill needs their potential and decide on their future. Fair trade is a social movement whose stated goal is to help producers in developing countries achieve better trading conditions and to promote sustainable and improved livelihood.

The Fair Trade movement has undergone several important changes since its early days following World War II. Fair trade, first seen as a form of charity advocated by religious organizations, has radically changed in structure, philosophy and approach. The past sixty years have witnessed massive changes in the diversity of fair trade proponents, the products traded and their distribution networks. The modern fair trade movement was shaped in Europe in the 1960s.

## Vision and Mission of Fair Trade

Fairtrade's vision is a world in which all small producers and workers can enjoy secure and sustainable livelihoods, fulfill their potential and decide on their future. Mission of FT is to promote Fair Trade and provide support to members and likeminded organizations contributing towards sustainable livelihood at grassroots/ local level through Fair Trade focused enterprises.

To fulfill this vision, Fairtrade has identified three long-term goals:

### Goal 1: Make Trade Fair

Fairtrade aims to create an environment in which small producers are able to develop sound,

resilient businesses, workers are able to exercise their rights and freedoms and earn a living wage, consumers are informed and demand fair trading practices as the norm, and public and private sector policies support and enable economic, social and environmental sustainability in trade.

### Goal 2: Empower small Producers and workers

Fairtrade aims to support empowerment among small producers and workers by helping them build independent, democratic organizations, improve their negotiation position with buyers/ employers, achieve economic stability, make joint investments and increase their collective influence.

### Goal 3: Foster sustainable livelihoods.

A livelihood comprises the capabilities, assets and activities required for a means of living. It is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets, (resilient) while not undermining the natural resource base

## How does Fair Trade differ from Free trade?

Basic difference between Fair Trade and Free Trade:

- Main goal of free trade is to increase nations' economic growth while Fair Trade is to empower marginalized people and improve the quality of their lives.
- Free Trade focuses on trade policies between countries while the Fair T
- Trade commerce among individuals and businesses.
- Main beneficiaries of free trade are multinational corporations, powerful business interest while beneficiaries of fair trade are vulnerable farmers, artisans and workers in less industrialized countries.

## WFTO GUARANTEE SYSTEM (GS)

The World Fair Trade Organization (WFTO) decided at its AGM in Mombasa in 2011 to develop a new Fair Trade system, which could be certified, to guarantee the Fair Trade credentials of members. It was decided

on a two step approach, to develop the system and establish it as WFTO's membership and monitoring system, before taking the second step to certify the system.

From the outset it was clear that this must be a closed system, available to WFTO members only, and also that it must be mandatory for all members, whether or not they wish to use the WFTO Label on their products. Membership of WFTO will guarantee an organization's compliance with Fair Trade Principles, and thus all members are equally responsible for the reputation of WFTO Guarantee System. By the same token WFTO's Guarantee System needs to be rigorous enough to rid itself of members who are not complying with its Principles.

A working group of experts and those experienced in WFTO monitoring was convened and began its work towards the end of 2011. By the end of 2012 the system was developed sufficiently to be piloted between January and May 2013, and was launched and accepted at WFTO's Biennial conference in Rio de Janeiro in May 2013. It was in this conference that thirteen pilot Fair Trade organization who have gone through new GS Monitoring system proving compliance to FT principles were declared. From Nepal Association of Craft Producer (ACP) and Kumbheswor Technical School (KTS) were two successful FT organization amongst thirteen.

WFTO Guarantee System is an assurance that Fair Trade Principles are implemented in the supply chain and practices of organizations. So, if an organization makes knitwear, dressing

gowns, slippers, felt products, carpet, body creams and foot scrubbers, all their products are GUARANTEED FAIR TRADE because the organization is Guaranteed Fair Trade – its not about the commodities – its about the people and the process.

The new system builds on WFTO's former monitoring and membership systems, using Self Assessment as the basic monitoring obligation trading members need to do every 2 years. However more frequent external audits are now needed to support a Label, and each trading member will have a monitoring schedule allocated to them.

The WFTO Guarantee System takes into account different levels of risk to WFTO's reputation (such as size, complexity of operation or use of the Label) and thus all trading members are regularly assessed to set a risk level which will determine how often they undergo Peer visits and Monitoring audits.

From the commencement of the Guarantee System in July 2013, it is expected to take about 2 to 3 years for all members to be processed through the system, which will allow it to settle and be tested before WFTO considers getting the Guarantee System itself certified (step 2 agreed in Rio).

GS is a MULTI-LEVEL self –construct continuous improvement Monitoring System . The procedure is:

SELF ASSESSMENT (SAR) ->Peer Visit-> Monitoring Audit.

The WFTO Guarantee System (GS) is a tool that members use to build their Fair Trade compliance. It is a business tool that delivers concrete results through learning and continuous improvement. The heart of the WFTO Guarantee System is the WFTO Fair Trade Standard. It is a set of compliance criteria based on the 10 PRINCIPLES of Fair Trade. and these are:

## Principle of Fair Trade



### Principle One: Creating Opportunities for Economically Disadvantaged Producers

Poverty reduction through trade forms a key part of the organization's aims. The organization supports marginalized small producers, artisans whether these are independent family businesses, or grouped in associations or co-operatives. It seeks to enable them to move from income insecurity and poverty to economic self-sufficiency and ownership.

### Principle Two: Transparency and Accountability

The organization is transparent in its management and commercial relations. It is accountable to all its stakeholders and respects the sensitivity and confidentiality of commercial information supplied. The organization finds appropriate, participatory ways to

involve employees, members and producers in its decision-making processes. It ensures that relevant information is provided to all its trading partners. The communication channels are good and open at all levels of the supply chain.

### **Principle Three: Fair Trading Practices**

The organization trades with concern for the social, economic and environmental well-being of marginalized small producers and does not maximize profit at their expense. It is responsible and professional in meeting its commitments in a timely manner. Suppliers respect contracts and deliver products on time and to the desired quality and specifications.

Fair Trade buyers, recognizing the financial disadvantages producers and suppliers face, ensure orders are paid on receipt of documents and according to the attached guidelines. An interest free pre-payment at least 50% is made if requested. Where southern Fair Trade suppliers receive a pre payment from buyers, they ensure that this payment is passed on to the producers or farmers who make or grow their Fair Trade products.

Buyers consult with suppliers before canceling or rejecting orders. Where orders are cancelled through no fault of producers or suppliers, adequate compensation is guaranteed for work already done. Suppliers and producers consult with buyers if there is a problem with delivery, and ensure compensation is provided when delivered quantities and qualities do not match those invoiced.

The organization maintains long term relationships based on solidarity, trust and mutual respect that contribute to the promotion and growth of Fair Trade. It maintains effective communication with its trading partners. Parties involved in a trading relationship seek to increase the volume of the trade between them and the value and diversity of their product offer as a means of growing Fair Trade for the producers in order to increase their incomes. The organization works cooperatively with the other Fair Trade Organizations in country and avoids unfair competition. It avoids duplicating the designs of patterns of other organizations without permission.

Fair Trade recognizes, promotes and protects the cultural identity and traditional skills of small producers as reflected in their craft designs, food products and other related services.

### **Principle Four: Payment of a Fair Price**

A fair price is one that has been mutually agreed by all through dialogue and participation, which provides fair pay to the producers and can also be sustained by the market. Where Fair Trade pricing structures exist, these are used as a minimum. Fair pay means provision of socially acceptable remuneration (in the local context) considered by producers themselves to be fair and which takes into account the principle of equal pay for equal

work by women and men. Fair Trade marketing and importing organizations support capacity building as required to producers, to enable them to set a fair price.

### **Principle Five: Ensuring no Child Labor and Forced Labor**

The organization adheres to the UN Convention on the Rights of the Child, and national / local law on the employment of children. The organization ensures that there is no forced labor in its workforce and / or members or home workers.

Organizations who buy Fair Trade products from producer groups either directly or through intermediaries ensure that no forced labor is used in production and the producer complies with the UN Convention on the Rights of the Child, and national / local law on the employment of children. Any involvement of children in the production of Fair Trade products (including learning a traditional art or craft) is always disclosed and monitored and does not adversely affect the children's well-being, security, educational requirements and need for play.

### **Principle Six: Commitment to Non Discrimination, Gender Equity and Freedom of Association**

The organization does not discriminate in hiring, remuneration, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, HIV/Aids status or age. The organization provides opportunities for women and men to develop their skills and actively promotes applications from women for job vacancies and for leadership positions in the organization. The organization takes into account the special health and safety needs of pregnant women and breast-feeding mothers. Women fully participate in decisions concerning the use of benefits accruing from the production process.

The organization respects the right of all employees to form and join trade unions of their choice and to bargain collectively. Where the right to join trade unions and bargain collectively are restricted by law and/or political environment, the organization will enable means of independent and free association and bargaining for employees. The organization ensures that representatives of employees are not subject to discrimination in the workplace.



Organizations working directly with producers ensure that women are always paid for their contribution to the production process, and when women do the same work as men they are paid at the same rates as men. Organizations also seek to ensure that in production situations where women's work is valued less highly than men's work, women's work is re-valued to equalize pay rates and women are allowed to undertake work according to their capacities.

### **Principle Seven: Ensuring Good Working Conditions**

The organization provides a safe and healthy working environment for employees and / or members. It complies, at a minimum, with national and local laws and ILO conventions on health and safety.

Working hours and conditions for employees and / or members (and any home workers) comply with conditions established by national and local laws and ILO conventions.

Fair Trade Organizations are aware of the health and safety conditions in the producer groups they buy from. They seek, on an ongoing basis, to raise awareness of health and safety issues and improve health and safety practices in producer groups.

### **Principle Eight: Providing Capacity Building**

The organization seeks to increase positive developmental impacts for small, marginalized producers through Fair Trade.

The organization develops the skills and capabilities of its own employees or members. Organizations working directly with small producers develop specific activities to help these producers improve their management skills, production capabilities and access to markets - local / regional / international / Fair Trade and mainstream as appropriate. Organizations which buy Fair Trade products through Fair Trade intermediaries in the South assist these organizations to develop their capacity to support the marginalized producer groups that they work with.

### **Principle Nine: Promoting Fair Trade**

The organization raises awareness of the aim of Fair Trade and of the need for greater justice in world trade through Fair Trade. It advocates for the objectives and activities of Fair Trade according to the scope of the organization. The organization provides its customers with information about itself, the products it

markets, and the producer organizations or members that make or harvest the products. Honest advertising and marketing techniques are always used.

### **Principle Ten: Respect for the Environment**

Organizations which produce Fair Trade products maximize the use of raw materials from sustainably managed sources in their ranges, buying locally when possible. They use production technologies that seek to reduce energy consumption and where possible use renewable energy technologies that minimize greenhouse gas emissions. They seek to minimize the impact of their waste stream on the environment. Fair Trade agricultural commodity producers minimize their environmental impacts, by using organic or low pesticide use production methods wherever possible.

Buyers and importers of Fair Trade products give priority to buying products made from raw materials that originate from sustainably managed sources, and have the least overall impact on the environment.

All organizations use recycled or easily biodegradable materials for packing to the extent possible, and goods are dispatched by sea wherever possible.

## **REQUIREMENTS TO BECOME WFTO MEMBER**

### **APPLICATION FOR NEW MEMBERS STAGE 1:**

Requirements:

- Two years of legal existence
- Commitment to Fair Trade Principles (WFTO Fair Trade compliance)

#### **Step 1: Profile Form and References**

- Submit PROFILE FORM and supporting document to membership @wfto.com
- Regional Office checks compliances and sends feedback to applicant if needed
- Regional office collects reference and in country comments (FT Accountability watch)
- Applicant pay application fee.

#### **Step 2: Recommendation**

Global office assesses application and makes recommendation for WFTO Board.

Step 3: Approval ( or rejection). WFTO board makes final decision

Step 4: Pay WFTO Fee: WFTO office sends 1st membership fee invoice (cost of the annual fee is variable depending on size and type of member).

**Result = Provisional Member**

## **STAGE 2: Approval cycle (All members according to Schedule and provisional members)**

### **Step 1: Self Assessment (SAR)**

- Submit self assessment report including improvement plan and updated profile (if more than 6 months old).
- Regional office checks completeness and sends feedback to applicant if needed.

### **Step 2: Peer Visit (recommended)**

- Member proposes peers; WFTO selects.
- Member arranges and pays for peer visit
- Peer report (+ improvement plan) sent to WFTO office.

### **Step 3: Monitoring Audit**

- WFTO office select auditor
- Member s arrange and pays for audit
- Auditor shares reports with member for comment and corrections
- Auditor sends report to WFTO office.
- GS Manager assesses reports -> makes recommendations to WFTO board

Step 4: Approval (Or rejection): WFTO Boards makes the final decision

## **Approval Cycle for EXISTING MEMBERS (First cycle only)**

### **Step 1: Self Assessment Report (SAR) and company profile**

- Submit SELF ASSESSMENT REPORT including improvement plan and updated Company Form ( if more than six months old) to membership@ wfto.com.  
Note: members who joined inside the last 6 months do not need to re-submit a profile form.
- Regional office checks completeness and send feedback to applicant if needed.

### **Step 2: Peer Visit (recommended)**

- Member propose peer visits; WFTO selects
- Member arranges and pays for peer visit.
- Peer report (+ improvement plan) sent to WFTO office.

### **Step 3: Monitoring Audit**

- WFTO office select auditor.
- Member arranges and pays for audit.
- Auditor shares report with member for comment and corrections.
- Auditor sends report to WFTO office
- GS manager assesses reports -> makes recommendation to WFTO board.

Step 4: Approval (or rejection): WFTO board makes the final decision

Self Assessment Reports (SAR)– From the beginning of July 2013 new forms had been available to all whose Self Assessment Report (SAR) is due and any who request to go through the process before their due date. Since the end of 2013 old style SARs were no longer accepted.

Peer visit –The Peer visit is a good preparation for the audit and WFTO would recommend this to members. Choosing to have a Peer visit first also allows for an extra year before the Monitoring audit is required. This option means members gets extra time to implement the new Standard to ensure they are compliant with it before an audit takes place. If FTOs choose to do a Peer visit before undergoing an audit, they must do it within 1 year of WFTO receiving their SAR. They will then have another year after that before they need to undergo their Monitoring audit.

Monitoring audit – If members choose to go straight to the audit, they need to do it within 1 year of WFTO receiving their Self Assessment Report. They can request to do it as soon as they want, if they are keen to get the Label.

## **Use of the Label**

Under the new GS monitoring system, for the first time craft producers have a label that instantly differentiates their products as GUARANTEED FAIR TRADE products. A high competitive advantage on the shelves where (previously) Fair Trade products competed head – on with commercials sourced goods. The Guaranteed Fair Trade label gives fair trade products a visible, credible VOICE.

Members who have complied with all the obligations of the new system and have been approved through the process, can sign the contract for the use of the WFTO Product Label and begin using it on their products. The Guarantee System guarantees the compliance of members with the WFTO Standard, and any use of the Label on their products will guarantee the organisation rather than the product.

## **Consumer behavior**

Fairtrade aims to raise awareness among citizen-consumers of the negative effects of unfair trade, and to enable them to use their purchasing decisions to show their support for small producers, artisans and workers in developing countries. Civil society action Fair Trade seeks to strengthen the influence of civil society on trade policies and practices, through mobilizing people at the grassroots level and engaging in national and international campaigning and advocacy for fair and sustainable trade.

# Disability and Fair Trade

Kamal Narayan Shrestha, Joint Secretary, Fair Trade Group Nepal



Disability is a 'complex, dynamic, multidimensional, and contested' issue (Charlton 1998; Driedger 1989). Over the last few decades, academic scholars have increasingly shifted from a 'medical model' to a 'social model' in an attempt to exploring the issues of disability, in which those affected by disability are now viewed as being disabled by society rather than by their bodies (Oliver, 1990).

Likewise, responses to disability have also changed. Historically people with disability were provided with solutions that generally segregated them; for instance, through special schools or residential institutions. However, the policy has now shifted towards community and educational inclusion, involving a more interactive approach towards recognizing that people are incapacitated by social factors apart from just their bodily constraints (Parmenter, 2008).

National and international initiatives—such as the United Nations Standard Rules on the Equalization of Opportunities of Persons with Disabilities—have also prioritized and therefore incorporated the human rights of people with disabilities. This focus led to the adoption of the United Nations Convention on the Rights of Persons with Disabilities (CRPD) in 2006 (WHO, 2011). Surely, these changes are positive in light of addressing the dire issues of people with disability, especially in the Global South. In Nepal nearly 2% of all citizens have 'some form of disability' (CBS, 2011).

## Physical to social obstructions

Staples (2011) through his study illustrated that disability per se may not be the sole reason why people are discriminated or abandoned. But rather, it is their inability to provide for others financially in the ways they had done in the past, or like the way their family or the society at large would expect of them, which leads to being discriminated. Surveys have shown that unemployment is significantly higher among Nepalis with disability. Very few are employed and with paid work, and therefore they tend to depend on others in their households (Eide, Neupane and Hem, 2016).

Moreover, gender-wise, women with disability have significantly lower school attendance, lower level of literacy, less involvement in working life, and limited access to assistive devices, and lower levels of participation in various social activities than do men (ibid: 2016). This explains that multiple characteristics (in this case, that of disability and gender) interplay to collectively add on to the level of vulnerability in case of women with disability (called intersectionality; see: Collins 2015; DeFrancisco et al 2014). This directly and indirectly affects their living conditions, curtailing their self-confidence, and ultimately impeding them from attaining fully what they are capable of.

In this context, providing people with disabilities with community-based rehabilitation through skill-based training would be a very effective way to not

## Most of the 10 fair trade principles directly or indirectly address and favor this psychosocial transformation.

only make them economically active and productive and thus give them livelihood opportunities, but also to enhance their self-confidence as independent human beings. The organization of vocational, skill-based training and job opportunities for physically challenged people could be a sustainable solution to improving their living standards,

### Empowerment through fair trade

Although the concept of empowerment has often called ambiguous and often contradictory (Batliwala, 1993), scholars still have common components running through their definitions of the concept: that it is a dynamic process in which people who were previously devoid of some specific abilities—especially concerning their life choices—are made capable of attaining them (Batliwala 1993; Kabeer 1999). Most of the 10 fair trade principles directly or indirectly address and favor this psychosocial transformation. Providing people with disability who are otherwise unemployed and dependent upon others, with a chance to work, earn and be self-sustained could just be an imperative part of this process to begin with. Fair trade could only bolster this transformation.

Fair trade over the years has been connected with a lot of different things, including “a social justice movement, an alternative business model, a system of global commerce, a tool for international development, a faith-based activity” (Fair Trade Resource Network, 2016), among others, which all have reference to fair and just practices of trade to uplift the conditions of those marginalized. Providing skill-based training to the physically challenged suitable to their abilities and enhancing their self-esteem acknowledge several of the 10 principles of fair trade, some of which include;

### Creating opportunities for economically disadvantaged producers

As mentioned above, there is a significant unemployment among people with disability in Nepal. Firstly, due to their general social neglect owing to the lack of awareness, most of them end up without proper education. This leads to a situation wherein they more often than not would be devoid of acquiring sedentary white-collar jobs, the ones more pertinent to their physical abilities.

Moreover, their special form of body is traditionally perceived to impede them from performing various manual semi-skilled and unskilled works. However, this negative concept is eventually changing. Various fair-trade and non-fair-trade organizations throughout the world have recognized people with disability as one of the groups at the near bottom in the spectrum of the socially and economically disadvantaged, and have therefore targeted their focus on them. And many fair trade organizations are leading to demonstrate that people with disability can be as productive and active as anyone else.

### Capacity building

Capacity building is a principal part contributing in the empowerment process. Since one of the major drawbacks in society that hurdles people with disability is the social stigma that takes them as not capable, or as capable as others without disability. This inevitably keeps them from getting trained of what they are capable of, and what they could possibly perform. Capacity building therefore could be a vital intervention to bringing about the change in them. This is a welcoming change in practice in line with the popular ‘teaching to fish rather than giving fish’ motif, where historically people with disability were

generally ostracized and thus lived from sympathy of others.

Adding to the capacity-building training, frequent refresher training, and skill upgrading training to acquaint the producers with new technology, are equally necessary. Moreover, one further change in practice could be that fair trade organizations could explore the needs, necessities and priorities of the types of capacity building and job training that they prefer instead of designing programmes without their inputs. In other words, bottom-up approach rather than the conventional top-down approach of designing interventions would be a more interactive and therefore effective change in the process where the beneficiaries or the producers could themselves involve in designing interventions as per their perception of need.

### **Payment of a fair price**

One of the fair trade principles, the payment of a fair price, distinguishes a fair trade organization from a majority of other non-fair-trade organizations. Not to contradict with my aforementioned points, the cost of production might be high when the producers are handicapped, especially due to the negotiated time efficiency. This may lead to higher prices of products in the world of markets where low price is a major competitive edge. However, a balance is necessary to attain, that could be a challenge: to keep up with market prices as well as to maintain fair wages to value the tremendous effort of people with disability.

In this milieu, it is important that fair trade buyers acknowledge this dilemma and not bargain extensively. Moreover, life stories and life histories of producers involved in the production could also enable customers of products to value the effort and hard work put in together to create the products, and

which is a very active practice among fair trade organizations, which is commendable.

In addition, since fair trade on a global scale has helped to bringing buyers and producers together in the same platform, it has to an extent helped in simplifying the supply chain process, which to a level helps dealing with the above price balance. In a way, fair trade means sustainable trade that creates welfare and safety of the producers who are usually marginalized; and it is perfectly the type of trade that benefits people with disabilities.

### **Principle of Fair Trade**

**6 NO DISCRIMINATION,  
GENDER EQUITY,  
FREEDOM OF ASSOCIATION**



## **Non-discrimination and freedom of association**

Non-discrimination, or rather a positive discrimination would be better if possible, in terms of giving people with disability added facilities if they could—that they necessarily require—compared to others without deformities. On the other hand, as fair trade espouses, equal if not more opportunities should be provided in terms of capacity building trainings, social support, and the time and cost inefficiencies should be neglected. Perhaps, they should be motivated even more to keep up their level of confidence! Here, equity rather than equality should be the prime objective to attain, considering the vulnerability of these people.

## **Working conditions**

People with disabilities may require some special physical and logistical conditions to work effectively and comfortably. For instance, in organizations working for people affected by leprosy—like Nepal Leprosy Trust (NLT) and New SADLE in Nepal—they have implemented working conditions favorable for their producers with leprosy, which include various facilities from disability-friendly toilets and stairs/ramps, access to and also provision of wheelchairs, time allocation between production hours for self-care, among others.

## **Conclusion**

Fair trade is associated with ethical and sustainable trading practices, wherein producers who are often marginalized and disadvantaged get fair payment, better working conditions, capacity building opportunities, and non-discriminatory practices. This practice essentially contributes to empowering the producers by providing them access to improved life choices from which they could be previously devoid of. In case of people with disability, an adherence to fair trade principles and practices would certainly generate this sought working environment that is fair and just, that would help in not only giving them a chance to work and earn their livelihood, and to earn their self-dignity, but also to make them feel they are appreciated and welcomed to be active members of their community. This could be a greater transformation in them, who are otherwise generally victims of debilitating social stigma. However, some specific issues including the bottom-up approach to addressing the perception of need of the producers themselves in designing capacity-building interventions, and the acknowledgment of fair trade buyers of the effort of the disadvantaged producers to maintain balance between competitive yet fair prices should be further encouraged.

Simply, fair trade is one of the better answers to bridging the gap between the disadvantaged and the others, and it does it sustainably through fair trading practices accepting and empowering the people with disability.

# Role of Fair Trade in Education

Kiran Bahadur Khadgi, Immediate Past Chairperson, Fair Trade Group Nepal



Education is the base of all round development in a country. Human resource is the main factor of any activity. It is education that provides knowledge and skill to work. It also generates creativity, enhances good habit within

an individual positively and brings behavioral changes directing towards development process. Higher the rate of educated people, higher is the development scale of a country. Therefore, education is considered as a prime factor influencing the development speed.

In Nepal, provision of formal education was started in 1953. However, opening of schools in private and government sectors started after the restoration of democracy in 1951. Prior to that there were limited numbers of schools for children of high ranking officers. Statistics show that there were 300 schools having 10,000 students of elite classes in 1951 A.D. The adult literacy rate was 5% only. After the introduction of government plan in 1971, schools began to grow rapidly. By 2010 A.D., the number of schools reached to 40,000 all over the country and the adult literacy increased to 63.9% (53.1% female and 76.4% male).

It is ironical that the country is still facing some constraints in education field due to lack of proper plan and policy of government. Job oriented quality education is lagged behind. Many teen agers having academic qualifications are sitting idly not being able to secure jobs. On the other side, children of poverty stricken and /or socially and economically deprived people or belonging to lower castes and indigenous people are still out of access to education. People who are in rural and remote villages are untouched to it and living on the primitive stage.

**It is ironical that the country is still facing some constraints in education field due to lack of proper plan and policy of government.**

The government and private sectors are paying efforts to grant education to all children of school age and also to increase adult literacy rate launching various programmes. It is still found irregular and slow moving to gain momentum.

However, NGO's and INGO's in Nepal are playing vital role to make access to educate children of poor and backward communities by offering scholarships and are advocating about need of education. Among them the Fair Trade Organizations based on the craftsmanship in Nepal are contributing lots to unprivileged people offering job opportunities in their organisations as they are involved in producing and exporting fair trade products in handicrafts of unique and versatile line of separate segments and ranges. These organisations are encouraging grass root small artisans and providing skill oriented trainings for producing creative potentials especially to the deprived people and working in the concerned line through income generating programmes. Thus, the poor and backward people are supported and empowered economically enabling to earn for livelihood independently and also to send their children in the school. Besides, most of the Fair Trade Organizations have offered sponsorships for education to children of the people involved in the organisations as well as underprivileged families. Among such organizations, Kumbeshwar Technical School is running school for the children of such poor and backward families from play group to 5 grade free of cost including education materials and snacks and also sponsoring to its students for further studies in other schools who are interested to get higher secondary education . Kumbeshwar Technical School is also providing vocational trainings to boys and girls above 15 years old, destitute women and physically challenged ones with allowances in hand knitting, carpet weaving and furniture making.

# Women Economic Empowerment - A path for sustainable development

Padmasana Shakya, Advisor, Fair Trade Group Nepal



When we talk about development, we must take talk about empowerment means empowerment of the socially, economically and cultural disadvantaged section of our society.

Talking about gender and development have become areas of concern global, regional and national levels. In the context of Nepal, women contributions to the national economy have been underestimated. As a result, they have been invisible statistically. Building up a solid knowledge base on women and development is I suppose, one of the main requirements for a sound gender approach to development.

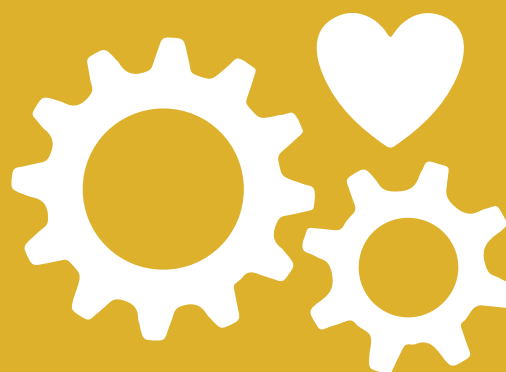
There is no doubt that in Nepal as in other developing countries, the challenges for development are enormous and cannot overcome those challenges without participation of women.

Many organizations for the past 10 to 15 years have been working on the women issues, and it is still imperative for those to be suspected and made more effective in their work. Women participation in trainings is increasing. Organizations are proud to say that they are focusing on women, providing skill training to them. It's true that women need training to have the capacity to take part as full participation and not merely as bystanders in the process. Women should be mobilized to take part in decision making and defining what program is and what strategic and policies are needed.

Enterprise and Entrepreneurship development is a key tool for economic empowerment of women. It is the activity

## Principle of Fair Trade

### 7 GOOD WORKING CONDITIONS



which supports individuals (men and women) to establish their talents and skills. But in our society women have fewer roles in enterprise and entrepreneurship development. Enterprise is gender biased considering that women have less skill in enterprise development and manufacturing business and are able to do only petty trade. History has shown that women has owned and operated business for decades but they were not able to tap resources and not always recognized perfectly for their efforts.

Women were highly involved in handicraft but they used to make products only in leisure time and could make products only for domestic use for example straw-mats, ropes from different materials, pashmina from goat fur etc but they did not work for enterprise development so the work was not taking as professional. Women participation is important for economic growth. Now women have started to come in group for developing cooperatives, their participation is high in micro cottage sectors but drop off in small and



## There should be information and dissemination desk to women entrepreneurs about export /import, tax rate information and other enterprise information about regarding government policy, facilities and subsidies.

medium enterprise sector, has not been able to advance next level of enterprise development. We should have strategy on this issue.

### Economic Impact on women from enterprise development

Despite many challenges, constraints and issues, some of the major positive economic impacts are:

- a. Has increased the level of social awareness and empowered women economically.
- b. Has improved family standard from women income.
- c. Improvement in health and education of children.
- d. Enriched women with self respect and self esteem.
- e. Gained Social recognize and acceptance that women can do.
- f. Developed self employment and crafted employment opportunities to other also.
- g. Increased local women leaders providing models at local level
- h. Enhanced participation of women in national politics
- i. Substantial contribution to national economy.

### Constrains and Challenges of Women Entrepreneurs

1. There are many social/cultural barriers and discrimination against women
2. Low mobility of women, limited opportunities for developing business relationship, family pressure and less control over resources.
3. Gender biased division of work.
4. Low level of education and management skills
5. Lack of information, education training and experiences
6. Lack of collateral. Women do not have their property, so poor women have less access to finance.

### Recommendation

1. Enterprise development act should give priority to women indigenous group and marginalized group
2. There should be information and dissemination desk to women entrepreneurs about export /import, tax rate information and other enterprise information

about regarding government policy, facilities and subsidies.

3. There should be the plan/program of Government. NGOs, INGOs for women enterprise development, should have program to scale up micro and small entrepreneurs.
4. Micro Finance Institutions must design the strategies to expand their operation to cover large number of Ms/ MEs.
5. Micro credit institutions should focus on enterprise development according to resource available, best technology practice, appropriate quality standers, best management practice and training on information technology.
6. Should assist to women entrepreneur on product design, development/ marketing and business networking.

Women are holding half of the sky, so we have to promote and strengthen enterprise development for women through capacity building, training knowledge management, research, policy lobbying consultancy and networking with different institutions and stakeholders. Women economic empowerment is a path for sustainable development.

# Combining Organic, Fair Trade & Ecotourism for Sustainable Development in Nepal

Umesh Lama, Chairperson, Organic World & Fair Future Pvt. Ltd.



Organic and Fair Trade are two concepts based on the same holistic principal. To justify this statement and their interconnection, it is important to understand each of their principles, how they are related, and of course, their practical application in

promoting sustainable development through the integration of ecotourism. When we understand these concepts and the positive correlation between them, then the rational of combining them for sustainable development becomes apparent.

## The concept of “Organic”

Organic refers to the way agricultural products—food and fiber—are grown and processed. Organic food production is based on a system of farming that maintains and replenishes soil fertility without the use of toxic and persistent pesticides and fertilizers. Organic foods are minimally processed without artificial ingredients, preservatives, or irradiation to maintain the integrity of the food.

In 2008, International Federation of Organic Agriculture Movements (IFOAM), adopted the following definition of Organic Agriculture.

"Organic Agriculture is a production system that sustain the health of soil, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved."

## In addition, IFOAM adopted four Principles of Organic Agriculture:

- **The Principle of Health:** Organic Agriculture should sustain and enhance the health of soil, plant, animal, human and planet as one and indivisible.
- **The Principle of Ecology:** Organic Agriculture should be based on living ecological systems and cycles, work with them, emulate them and help sustain them.
- **The Principle of Fairness:** Organic Agriculture should build on relationships that ensures fairness in regards to the common environment and life opportunities.
- **The Principles of Care:** Organic Agriculture should be managed in a precautionary and responsible manner to protect the health and well-being of current and future generations and the environment.

(For more info on IFOAM, visit their website at [www.IFOAM.bio](http://www.IFOAM.bio))

“Certified Organic” means that a product was grown and processed per strict uniform standards, accompanied with detailed record keeping, and periodic testing of soil and water, verified by independent state or private organizations. Certification include the inspections of farms to ensure that growers and handlers are meeting the standards which have been set.

The popularity of organic food has increased drastically, and the new industry has been growing steadily since the 1990s. Amidst this change, the need arose to regulate

## There are organic standards for plant production, animal husbandry and for products collected in the wild.

### Organic standards

the use of the organic label to protect producers and consumers from fraudulent claims. In a participatory ongoing process, the international organic movement has established a set of guiding principles and standards for organic agriculture. These form the basis for many regulations at the international (Codex Alimentarius), national (US NOP, Japanese JAS or Indian NOS) and regional levels (EU-Regulation), as well as for private labels (Soil Association, Naturland, Organic Certification Nepal etc.). There are organic standards for plant production, animal husbandry and for products collected in the wild. Organic standards not only address primary agricultural production, but also include rules for processing and labelling, to prevent contamination from non-organic products.

Inspection and certification by an independent third-party ensure that products labelled organic fulfil the requirements of the standard. For businesses that want to sell their products as organic in international markets, certification as per the respective standard is a must. Many markets have national logos (e.g. USDA Organic, Canada Organic) which are based on government organic regulations. In addition, private sector third-party certifiers also have their own private logos (e.g. National Association for Sustainable Agriculture, Australia (NASAA), Naturland in Germany and Organic Certification Nepal (OCN) in Nepal). This can have certain advantages when marketing the produce.

In a situation where a product is produced by many smallholders and sold under one label, group certification systems, based

on an Internal Control System (ICS), are available. Furthermore, Participatory Guarantee Systems (PGS) have evolved as an alternative to formal certification in situations where producers sell directly to consumers. PGS are based on transparent relationships between producers and consumers in local, developing organic markets.

Organic farming is a holistic approach that contributes to society in more ways than just safer food options for consumers. Nepal is rich in indigenous knowledge and is full of biodiverse ecosystems. Investing in and building on indigenous knowledge with organic practices builds capacity for local resource management and provides long term revenue streams for improving the economic situation of marginalized indigenous groups. In these situations, improving the soil fertility using locally available resources saves currency, reduces dependency, increases the resilience and stability of the production system. These inputs decrease marginalized producers' vulnerability to food insecurity, natural hazards and other disturbances, like climate change and desertification. The conversion from conventional to organic farming provides farmers with sustainable yields and often, premium prices for their products. Ultimately, this investment increases farmers' income.

These outcomes of investing in organic practices are a clear reason why organic agriculture is growing throughout the world. The worldwide organic market is worth more than 80 billion US dollars annually (Source: Organic Monitor), with

an annual growth rate 15-25 %. More and more farmers in every country, including Nepal, are making the decision to support their livelihoods with organic farming. The popularity of organic agriculture is growing in civil society, as GO/NGOs are starting to support organic farming initiatives in many ways. As for Nepal, the government has recognized the importance of organic agriculture in the 20-year Agriculture Development Strategy (ADS) Plan. In addition, it is encouraging to note that the national organic standards are in the hands of the National Organic Farming Coordination Committee and National Organic Accreditation Body. Nevertheless, it is important that Nepal's Government addresses the issues facing organic farmers in a timely manner and develop effective support packages and the mechanisms of delivery to inspire organic farmers, traders and marketers.

### **The concept of "Fair Trade"**

Fair Trade is akin to Organic in many ways. Both practices are a means of achieving justice, and creating a more equitable

world. Fair Trade seeks to be inclusive of marginalized producers and ensure they are being treated fairly in the markets. The stipulations for fair trade include proper wages, sustainable contracts, environmental, social and gender inclusion and more.

These practices are also regulated by international bodies that oversee fair trade practices and certifications. Two well-known organizations include the Fair Trade Labelling Organizations (FLO) and the World Fair Trade Organization (WFTO), who define Fair Trade as "a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade Organizations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade."

### **Principle of Fair Trade**



## Fair Trade Organizations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade

In addition, the WFTO created the 10 principles of Fair Trade to guide fair trade suppliers, within the WFTO network and beyond.

1. Creating opportunities for small producers or other marginalized groups.
2. Transparent and accountable business relations with suppliers and customers. Producers and workers are given a chance to participate in decision making processes and have a voice within their organization.
3. Responsible and trade fairly. The organization pays producers on time and according to mutual agreement. They handle quality problems fairly.
4. The organization pays a fair price to producers, as mutually agreed by both sides.
5. No child labour or forced labour.
6. Commitment to non-discrimination, gender equity and freedom of association.
7. Ensuring safe and fair working conditions. The organization pays at least the applicable minimum wage, provides legally required benefits and manages working hours responsibly.
8. Where possible, assist in developing the capacity to support the marginalized producers that they work with.
9. The organization is expected to provide truthful information about its organization (including prices to producers) to the FT buyer.
10. Respects the environment and where possible sources raw materials responsibly  
(For more info, see the WFTO Guarantee System Handbook at [www.wfto.com/wfto-guarantee-system-handbook](http://www.wfto.com/wfto-guarantee-system-handbook))

A trade relationship does not necessarily need to be certified to be fair, however, certification provided by a third-party auditor ensures the consumer that the integrity of fair trade principles is being upheld. The WFTO and the FLO standards address social, socio-economic and environmental aspects. They combine minimum requirements that need to be met before certification, and progress requirements that require gradual improvement over a period of time.

### The intersection of Organic, Fair Trade and Ecotourism

Under the proper circumstances, Organic and Fair Trade could be integrated with ecotourism. First, organic farming is traditionally practiced by poor and marginalized producers, who could be linked to fair trade to ensure their right to the provision of fair wages, acceptable living conditions, facilities, etc. Since it is apparent that most tourists are attracted to unique, peaceful communities with a clean and natural environment, Communities practicing organic farming which is also termed as non-violent farming, with social accountability could therefore be attractive for tourists through the knowledge and incentive that their travel is making a positive impact.

Thus, ecotourism plays an important role in this intersection because it can promote ethical travel that focuses on the conservation of nature and fair trade practices. Since the concepts of organic and fair trade promotes tourism, and vice versa, it creates a synergistic relationship that builds upon itself. This relationship demonstrates that the tourist attraction to destinations with a positive impact can be used to shape projects and interventions in a holistic manner. Interventions could include organic



Fair Trade Christmas Bazaar

agricultural and farm tours, combined with other activities, such as caving, mountain biking, trekking through the Himalayas, mountain climbing, white water rafting, visiting religious and cultural sites, village home stay programs and many more. After the activities, tourists could purchase local organic food for their meals, and fair trade artisan crafts and other products to take home as a memento of their travels and leaving a positive impact through responsible ecotourism.

However, it is important to recognize the importance of the involvement of small-scale marginalized producers in these interventions. After all, organic farming is traditionally conducted by poor small-scale farmers, and furthermore, Fair Trade Principles require the inclusion of these groups of people. Therefore, raising awareness and building capacity of local institutions and stressing the importance of integrating the organic agriculture and Fair Trade products is a vital part of making these positive impact ecotourism interventions successful.

Ecotourism is one of the fastest growing sectors in the global tourism industry, and is therefore a very important issue for Nepal. The country of Nepal has an abundance of cultural heritage and natural beauty, and so integrating ecotourism with the promotion of organic and fair trade practices will add a feather in the cap. Taking into consideration the impact on producers, visitors' perspective and the consumers' perception, it naturally leads to the conclusion that the cooperation between these movements is of benefit to all and should be intensified. However, an initial study is ideal, including a critical analysis of opportunities, impacts and challenges, with a particular reference to geo-specific situations, to identify the synergistic effects of this relationship.

In conclusion, the integration of organic farming, fair-trade and ecotourism may result in an ideal situation with a unique identity, ultimately leading to environmental conservation and improvement of sustainable development in Nepal, by increasing income through ecotourism, sustainable production, and the trade of commodities, products and services.

# Fair Trade in Small-holder Coffee: Nepalese Perspective

Prachanda Man Shrestha, Chairperson, Beautiful Coffee Nepal



## 1. Introduction

In major coffee producing districts of Nepal, coffee producers are organized into coffee producer groups. The coffee producer groups form District Coffee Producers Association (DCPA) at

the district level. The District Coffee Producers Associations are federated into Nepal Coffee Producers Association (NCPA) at the central level (Figure 1). Majority of the coffee producer groups are registered with District Agriculture Development Office (DADO). The DCPAs and NCPA are registered with respective District Administration Office as Non-Governmental Organization, not for profit.

Initially, coffee used to be collected by the traders in Kathmandu through collectors in the district. This system of collection is still in existence in many coffee-producing districts. In this traditional system of coffee collection and supply, farmers were not able to know at

what price the trader is buying their coffee and where the coffee is being sold. This system was characterized by late payment to the farmers, which discouraged farmers to improve the orchard management and do timely harvest. Similarly, pulper operators engaged in primary processing of coffee at village level, were discouraged to produce good quality dry parchment at the pulping center.

Initial step towards introduction of fair-trade principles in production, processing and marketing of coffee was taken by Coffee Promotion Programme of HELVETAS Swiss Intercooperation Nepal in the year 2005 by formation of Market Facilitation Committees within the DCPAs in Lalitpur, Gulmi, Syangja and Parbat to improve transparency in the coffee supply chain. Market Facilitation Committees were able to organize collection and supply procedure to some extent and maintain certain level of transparency in the coffee supply chain. Market Facilitation Committee motivated and paved way to form coffee producer's cooperatives through the



## Success story of Coffee Cooperative Union, Lalitpur encouraged DCPAs in other coffee producing districts to form coffee producer’s cooperatives.

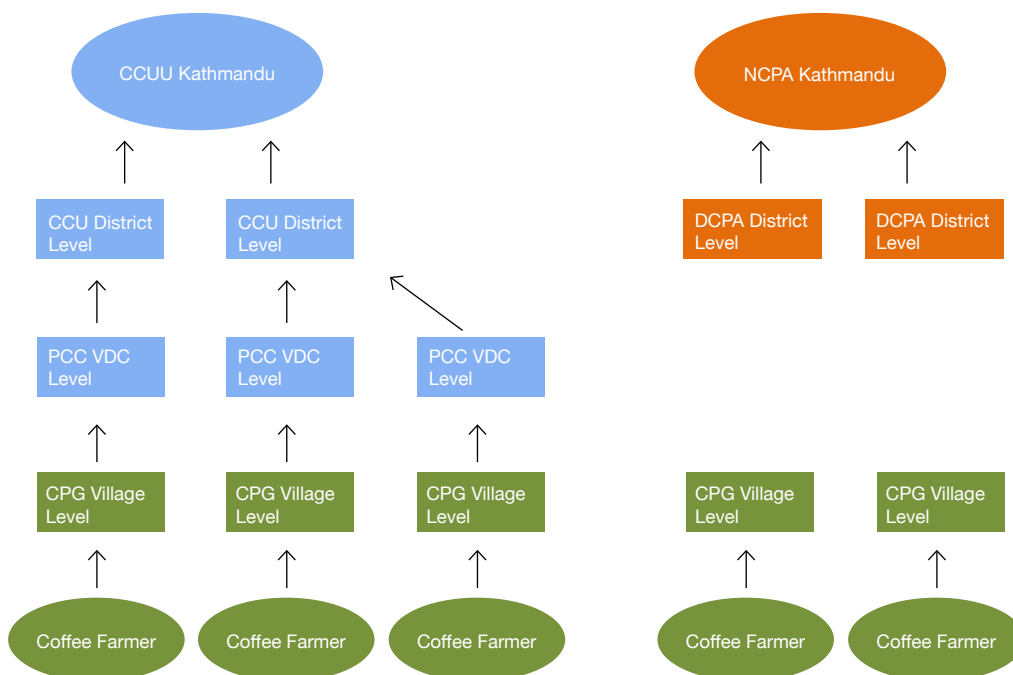
self-motivation and initiatives of the coffee producers and their association i.e. DCPA.

Despite successful intervention of coffee stakeholders and increased production and sale of coffee during first half of 2000s, structural misfit at the farmers’ level and exploitation of the farmers by the traders and their collectors raised the issue of involving farmers and their associations in coffee marketing for the benefit of the farmers with transparency along the supply chain. As a result, HELVETAS commissioned a study on existing organizational set up of the coffee farmers and need for the future. “Revisit to Organizational Arrangement of Coffee Growers in Nepal” the report of the study clearly recommended to move ahead with the formation of converting strong coffee producer groups, one or more, to Primary Coffee Cooperative and transformation of DCPAs into CCUs, district level federation of PCCs at village level.

Coffee Cooperative Union, Lalitpur established itself as the first coffee producers’ cooperative to export

coffee to GEPA, fair-trade buyer in Germany in 2010. Presently Coffee Cooperative Union (CCU) Lalitpur is annually exporting around 12 metric tons of green coffee to Germany and roasting coffee for sale in the domestic market. Success story of Coffee Cooperative Union, Lalitpur encouraged DCPAs in other coffee producing districts to form coffee producer’s cooperatives. DCPAs themselves, transformed groups into primary cooperatives and federated them under district cooperative unions. Information collected in 2014 shows that there are CCUs formed in 12 districts (Syangja, Parbat, Kaski, Gulmi, Palpa, Kavre, Nuwakot, Gorkha, Lamjung, Tanahu, Sindhupalchok and Lalitpur) and 118 PCCs formed in 13 districts (Table 1). CCUs and PCCs are registered with the District Cooperative Office of the Department of Cooperatives of the Government of Nepal. The information do not include the PCCs formally registered but not affiliated with CCU. According to the statistics of coffee cooperative enterprises, 2014 published by Department of Cooperatives, Government of Nepal, there are 146 primary coffee cooperatives (35 PCCs in

### Organizational structure of smallholder coffee in Nepal





## Principle of Fair Trade



### Coffee producers' cooperatives, June 2014

S.N.	District	CCU	Number of PCCs
1	Syanga	Formed	10
2	Parbat	Formed	10
3	Kaski	Formed	12
4	Gulmi	Formed	11
5	Palpa	Formed	7
6	Kavre	Formed	9
7	Nuwakot	Formed	10
8	Gorkha	Formed	11
9	Lamjung	Formed	10
10	Tanahu	Formed	10
11	Sindhupalchok	Formed	8
12	Myagdi	Not Formed	1
13	Lalitpur	Formed	9
	Total	12	118

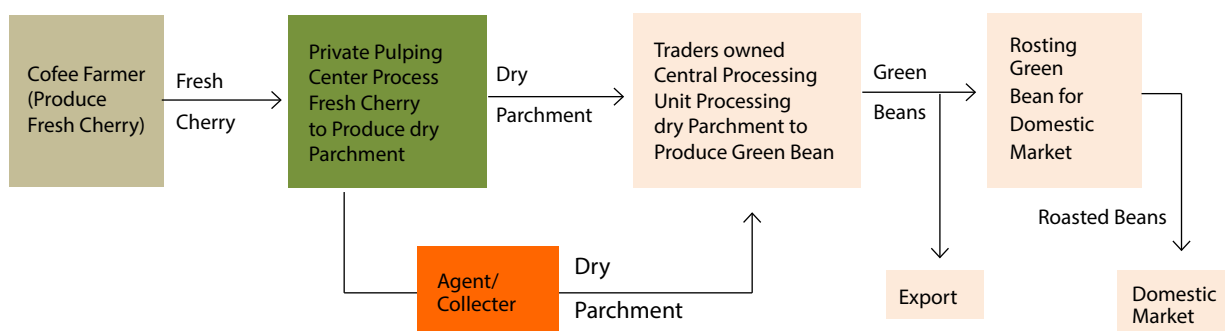
Central Development Region, 109 PCCs in Western Development Region and 2 PCCs in Mid-western Development Region) in Nepal.

## 2. Coffee supply chain before involvement of producers' cooperative in coffee collection and marketing

Prior to the formation of coffee producers' cooperatives and their involvement in coffee collection, processing and marketing, coffee produced by the farmers used

to be collected and processed in the pulping center owned/ managed by individual pulper operators on personal basis. The pulper operators process the fresh cherry to produce dry parchment at the pulping center. The dry parchment is supplied to the processor/ traders, mostly based in Kathmandu either directly by the pulper operators or through the agent/collectors in the district with prior arrangement for collection and supply. However, within this coffee supply chain, though value addition was done at the village level (pulping center) the benefit of the added value did not go back to the farmers. The pulper operators or the agent collecting dry parchment from the pulper operators and supplying it to the processor/traders enjoyed the profit. The producer farmers used to get low price and the payment used to be delayed. Low price and delayed payment to the farmers was one of the major reasons for lack of motivation among the farmers to increase the

### Coffee Supply Chain: Before Involvement of Coffee Producer's Co-operative



production and quality of coffee. Price of coffee (fresh cherry and dry parchment) used to be same regardless of the quality of the product.

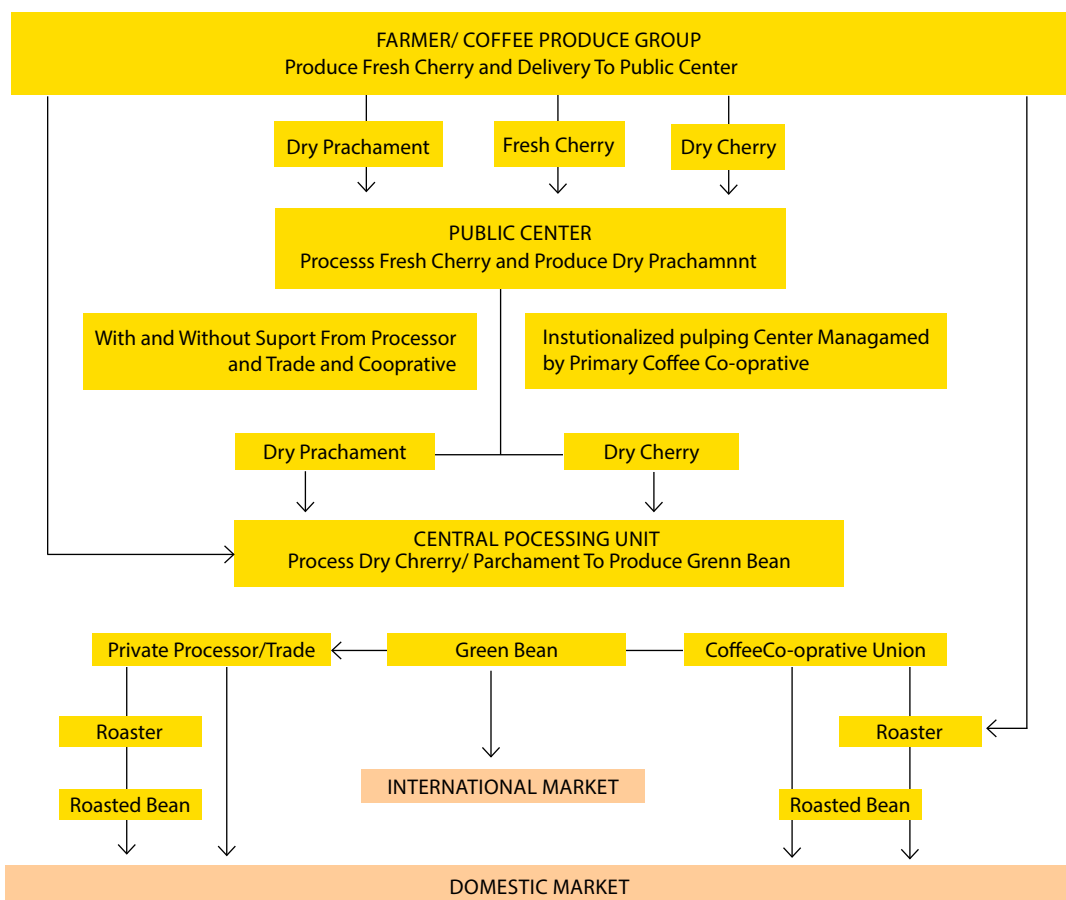
### 3. Initiatives of to develop organic and fair-trade value chain in Nepal

History of initiation of coffee marketing by cooperative goes back to 1994 when District Cooperative Federation Gulmi, district level federation of cooperatives including savings and credit cooperative, was formed in Gulmi district. Along with many other products DCF started procurement and sale of coffee from the coffee producers in Gulmi district. However, over the years coffee became the main business of DCF. From the year 2005, District Cooperative Federation Gulmi collected the majority of the coffee produced in Gulmi in coordination with DCPA Gulmi.

With an objective of promoting specialty coffee produced by the resource poor smallholder farmers of remote Nepal, Beautiful Coffee started buying coffee from District Cooperative Federation (DCF) Gulmi from the year 2006/07. BeautifulCoffee is a fair trade social enterprise in South Korea. One of the key principles of Fair Trade is to develop sustainable relations with the supply chain partners and contribute

to their long-term development. Having worked with DCF for a few years BeautifulCoffee started further exploration of the areas for improvement including the quality of coffee and institutionalized collection and supply system that comply with fair-trade principles to benefit the producer farmers. Gap Analysis done in 2011 by Mr. Anup Singh, Fairtrade Consultant from India indicated need of improvement in the existing modus operandi. One of the possibilities was to form primary coffee cooperatives, which will be further federated, into district level Coffee Cooperative Union. The union being responsible for coffee marketing that will be one of the members of the District Cooperative Federation Gulmi. Beautiful coffee in collaboration with coffee stakeholders including Coffee Promotion Programme of HELVETAS Swiss Intercooperation Nepal encouraged the coffee producers' association (both District Cooperative Federation Gulmi and District Coffee Producers Association Gulmi) to adopt the modality of district level Coffee Cooperative Union for involvement of coffee producers not only in coffee cultivation but also in processing and marketing in an institutionalized basis. After the formation of several Primary Coffee Cooperatives at village level and Coffee Cooperative Union at district level, BeautifulCoffee

#### Present Status of Coffee Supply Chain



## Principle of Fair Trade



started buying coffee from Gulmi and Sindhupalchok with respective Coffee Cooperative Unions from the year 2014. Beautiful coffee and Coffee Promotion Programme, under a memorandum of understanding, is collaborating with each other in the area of organic certification, organizational capacity building and institutionalization of coffee supply chain for introduction of Fair Trade principles in the supply chain.

Present status of coffee supply chain with institutionalized coffee supply chain is presented in Figure 2. Farmers produce coffee (fresh cherry) which is delivered to pulping center either managed by individual pulper operator or Primary Coffee Cooperative in collaboration with Coffee Cooperative Union. Fresh cherry is processed in pulping center and dry parchment is produced. The dry parchment is collected by Private processor/traders or Coffee Cooperative Union. The dry parchment is processed in the central processing unit to produce green bean. Green bean is exported and for domestic market, it is roasted.

At present, Coffee Cooperative Unions in Sindhupalchok, Gulmi, Lalitpur and Syangja are exporting coffee to different countries including South Korea, Japan and Germany and fair-trade buyers are making advance payment to enable the coffee cooperatives to make payment to the farmers in time and fair trade premium is provided for community development. Coffee cooperatives in rest of the districts are collecting and supplying coffee (dry parchment and /or green beans) to the domestic market (processors/ traders) depending on the availability of processing facilities and capacity to do business.

## 4. Problems

Attempts to develop Fair Trade coffee supply chain through establishment of institutionalized collection and supply system within the network of coffee producers' cooperatives have been able to establish/develop the fair trade supply chain in several districts. The coffee producers' cooperatives have direct linkage with the coffee producing farmers. However, there are problems and challenges to be addressed to develop sustainable coffee producers' cooperatives. Major problems and challenges are listed below:

- 1) Lack of resources at the district and village level coffee cooperatives including personnel for international market access.
- 2) Except for few districts, farmers lack awareness about fair trade.
- 3) Processing facilities at the village level and district level in many districts are rudimentary.
- 4) Lack of commercialization in coffee production resulting in lower quantity of coffee production thus lower amount of profit.
- 5) Lack of coordination and collaboration among stakeholders for appropriate utilization of funds supported to the cooperatives.
- 6) Lack of coordination among cooperatives and collectors/processors/traders resulting in competition with each other in coffee collection.
- 7) Lack of appropriate production and business plan developed by the cooperatives.

## 5. Conclusion

The initiatives to improve the quality of coffee and develop Fair Trade coffee supply chain through establishment of institutionalized collection and supply system, will need coordination and collaboration with likeminded coffee stakeholders. The fulfillment of the objective of the initiatives will depend on the clearly defined role of the actors in the supply/value chain; and coordination and linkage among the structures of coffee producers' association/cooperative.

Experience has shown that if improvements are done in existing pulping centers with establishment of a system for timely payment of the coffee farmers, it will not only increase the quantity of coffee collected through the cooperatives, but also motivate farmers and pulper operators to improve the quality.

Though Fair Trade concept is a new concept in coffee sub-sector, successful introduction of Fair Trade principles in the coffee sub-sector is worth commendable due to the involvement of the coffee stakeholders including the coffee farmers in the fair-trade movement. However, there is enough room for improvement by disseminating the Fair Trade knowhow at the grass roots level and bringing majority of the coffee producer farmers within the network of coffee producers' cooperatives. For this the executive members of the cooperatives should be transparent and should not be involved in the personal coffee business.

# Advocacy through World Fair Trade Day Celebration



## Glimpses of FTG Activities



20th Annual  
General Meeting



FTG Nepal member  
organizations Participating in  
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WFTO Global Conference  
2009 hosted by FTG Nepal



WFTO Global Conference  
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(Creating income opportunities through organic and fair-trade coffee value chain)

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Email: [nlt@mail.com.np](mailto:nlt@mail.com.np)

Contact: Mr. Kamal Shrestha  
 Chief Executive Officer



**Nepal Leprosy Trust (NLT)** was established with the purpose of improving the lifestyle of people affected by leprosy, people with disability, and other marginalized people. It provides medical, social and economic benefits by providing employment, health care and support to its producers and beneficiaries.

**NLT produces very high quality leather goods, Batik wall-hangings and cards, and felt products from its income generating projects.**

## Women's Skills Development Organization

Women's Skills Development Organization Pokhara is a Fair Trade Organization which has been working as non-profit organization and income generating program to economically disadvantage, disabled, widowed, divorced, single, out caste women from rural Nepal providing them free finest vocational skills training and after job facility to become self-supportive since 1975.

After arriving in WSDO, women are provided training on following disciplines, material cutting, sewing, weaving, dyeing, business management and various other skill trainings related to handicraft in Nepal and in abroad countries. This results WSDO the best handicraft organization in Pokhara and an example of one of successful local NGO in Nepal running since last 41 years without any local or international donations.

WSDO insures production process to minimize environment impact using local raw materials, 100% cotton and eco-friendly dyes. WSDO makes wide range of handmade bags, toys, cases and purses, footwear, kitchen and household accessories. We are committed to provide our customers with high quality products and services. We now export more than 80% of our production to Europe, America, Australia, Japan and Korea, Taiwan ....



Contact : Ram Kali Khadka  
 Founder/Executive Director  
 Address : Simalchaur-08, Pokhara, Nepal  
 Call us : +977 61 534025  
 Email : [wdonepal@gmail.com](mailto:wdonepal@gmail.com)  
 Website: [www.wdonepal.com](http://www.wdonepal.com)





We congratulate to Fair Trade Group Nepal on the successful path of 20 year



**Introduction**

"HATALE" in Nepali means "MADE BY HAND"  
Hatale Udhog (P) LTD is a manufacturer & exporter of handmade woolen felt items & knitwears established since 2000. Hatale also produces varieties nepali handmade lokta paper and paper products in its product range.

Hatale is a Member of World Fair Trade Group, Nepal since the year 2016.

Our factory is located in the foothills of Kathmandu, Nepal with over 300 employees. More than 80% of our employees comprise of women from nearby villages. Our main objective is to develop Nepali traditional craft industries so as to improve the living standard of the producers/workers and their families from the rural areas of the country but only through FAIR TRADE PRACTISES. Hatale is a sister concern of Nepali Paper Products (P) Ltd.

Hatale manufactures felt from 100% sheep wool, and uses lab tested Azo free dyes only. It only manufactures HANDMADE felt, but not machine made.

Hatale Udhog complies with the norms of ISO 9001:2000 Quality Management) and ISO 14001 (Environmental Management) Therefore, our products are manufactured with the highest level of quality and in respect of environmental and corporate social responsibility standards.



HATALE  
SITAPAILA, WARD # 3KA  
KATHMANDU, NEPAL

T.+977015140759  
E-mail: james@hatale.com  
www.hatale.com



We extend our warm wishes and congratulations for your 20th years of commitment and hard work in contributing to the upliftment of thousands of producers. Your support and dedication is greatly appreciated.

We wish you all the best for your future and look forward to celebrating many more years of success!



## New SADLE

Baikunthapuri Nagari, Kapan 6, Kathmandu, Nepal

Tel: 977-1-4821259, 4820680

Fax: 977-1-4821609

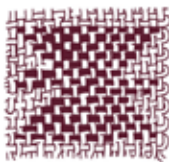
E-mail: [nepraev@wlink.com.np](mailto:nepraev@wlink.com.np)

Website: [www.newsadle.org.np](http://www.newsadle.org.np)



Congratulations to Fair Trade Group Nepal for their vision, commitment and dedication to milestones.

We are very proud to be associated with FTG. On its 20th anniversary, we toast to FTG's continued success.



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**CRAFT WITH CONSCIENCE**

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P.O.Box 13762, Kathmandu, Nepal

Phone:- +977-1-5533197, 5180007, 5532981 Fax:- +977-1-5521493

E-mail:- [mguthi@mos.com.np](mailto:mguthi@mos.com.np)



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commitment and dedication to milestones.

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anniversary, we toast to FTG's continued success.



**WE – Empowering Women**

SAARC Chamber Craft Village  
Pulchowk, Lalitpur,  
Tel :5523766  
Email: we.sccv@gmail.com

We extend our warm wishes and congratulations for your  
20th years of commitment and hard work in contributing to  
the upliftment of thousands of producers. Your support and  
dedication is greatly appreciated.

We wish you all the best for your future and look forward to  
celebrating many more years of success!



**Kevin Rohan Memorial Eco Foundation**

Mr. Krishna Gurung  
Address: Chalnakhel-5 Khahare, Kathmandu  
Tel : 9851043710/ 9851121118  
E-mail: krishna@krmef.org, santosh@krmef.org  
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**Namaste Freight Service**  
A division of Namaste Travel (P) Ltd  
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**Contact Person:**

- Mr. Prakash Singh Karki (Managing Director)
- Mr. Rajendra Ban/Mr. Sitaram Timalsina

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**Address**  
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Email: [info@wfinepal.com.np](mailto:info@wfinepal.com.np), [operation@wfinepal.com](mailto:operation@wfinepal.com), [Prakash@wfinepal.com](mailto:Prakash@wfinepal.com)  
URL: [www.wfinepal.com](http://www.wfinepal.com)

**Paragon Travels & Tours Pvt. Ltd.**  
(Dom./Int'l Ticketing Agent, Tour Operator & Travel Manager)

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Tel: 977-1-4412235, 4425590, Fax: 977-1-4425587  
Email: [paragon@wlink.com.np](mailto:paragon@wlink.com.np)  
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*We, Folk Nepal family, heartily would like to congratulate Fair Trade Group Nepal on the auspicious occasion of 20<sup>th</sup> Anniversary!!*

*We are so happy to be a part of this organization and we would like to give big thanks to the founder members who established this beautiful and valuable organization.*



**Folk Nepal**

A fair trading social welfare organization.

Lazimpat-2, Kathmandu, Nepal

Telephone no.: 01 4426009; 01 4426042

Email: [info@folknepal.com](mailto:info@folknepal.com) , [folknepal@info.com.np](mailto:folknepal@info.com.np)

Website: [www.folknepal.com](http://www.folknepal.com), [www.nepaltextiles.com](http://www.nepaltextiles.com)

Congratulations to Fair Trade Group Nepal for their vision, commitment and dedication to milestones.

We are very proud to be associated with FTG. On its 20th anniversary, we toast to FTG's continued success.



**Coffee Cooperative Union Lalitpur**

Thuladurlung- 4, Lalitpur

Tel : 5574009

E-mail: [cculalitpur@gmail.com](mailto:cculalitpur@gmail.com)

Website: [www.coffeecullnepal.org](http://www.coffeecullnepal.org)

We extend our warm wishes and congratulations for your 20th years of commitment and hard work in contributing to the upliftment of thousands of producers. Your support and dedication is greatly appreciated.

We wish you all the best for your future and look forward to celebrating many more years of success!



**CHILDREN-Nepal**

Pokhara, Masbar, Nepal, PO Box 357

Telephone: 977-(0)61-461554, 461938

E-mail: [csumu@ntc.net.np](mailto:csumu@ntc.net.np)

Website: [www.children-nepal.net/suryamukhi](http://www.children-nepal.net/suryamukhi)

Congratulations to Fair Trade Group Nepal for their vision, commitment and dedication to milestones.

We are very proud to be associated with FTG. On its 20th anniversary, we toast to FTG's continued success.



**Nepal Girls Care Centre**

Baneshwor, Kathmandu, Nepal, GPO Box 5196

Tel: 977-1-4109026 (head office), 4495211

(production centre)

Fax: 977-1-4109026

E-mail: [ngcc@mail.com.np](mailto:ngcc@mail.com.np)

Website: [www.ngcc.info](http://www.ngcc.info)

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### Hotel Greenwich Village

PO Box 837, Kupondole Height  
Lalitpur, Kathmandu, Nepal.  
Tel: (977-1) 5521780, 5522399  
Facsimile: (977-1) 5526683  
hotel@greenwich.wlink.com.np

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### Organic World and Fair Future

1250 Prayag Marg, Baneshwor Nepal,  
Kathmandu – 34, GPO Box 5196  
Tel: 977-1-4109140  
Email: organicworld2008@gmail.com  
Website: www.organicworldfairfuture.com

Welcome to all the Distinguish Guest to Our

20

ANNIVERSARY CELEBRATION



# Member Organization Details



## Association for Craft Producers

Ms Meera Bhattarai  
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Telephone: 977-1-4270721, 4275108  
Fax: 977-1-4272676  
E-mail: program@craftacp.org.np , export@craftacp.org.np  
Website: www.acp.org.np



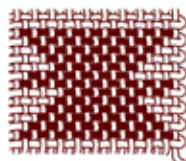
## Janakpur Women's Development Centre

Mr Santosh Mishra  
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Telephone: 977-(0)41-521080  
E-mail: info\_jwdc@yahoo.com



## Kumbeshwar Technical School

Mr. Kiran B. Khadgi  
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Fax: 977-1-5549118  
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Website: www.kumbeshwar.com



## MAHAGUTHI Craft with Conscience

### Mahaguthi Craft with Conscience

Mr. Sunil Chitrakar  
Address: Kopundole, Lalitpur, P.O. Box 13762, Kathmandu, Nepal  
Telephone: 977-1-5533197, 5532981  
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Website: www.mahaguthi.org



## Manushi

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E-mail: manushi@mail.com.np, manushi@ntc.net.np  
Website: www.manushiarts.com



## HASTAKALA

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## Sana Hastakala

Mr. Chandra P. Kachhipati  
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## Women's Skills Development Organization

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Website: www.womensskillsdevelopment.org



### New SADLE

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### Nepal Girls Care Centre

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office), 4495211 (production centre)  
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E-mail: ngcc@mail.com.np  
Website: www.ngcc.info



### Hatale Udyog Pvt. Ltd.

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nepalipp@wlink.com.np, info@  
hatale.com,  
Website: www.hatale.com



### Nepal Leprosy Trust

Mr. Kamal Narayan Shrestha  
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Nepal  
Telephone: 977-1-5521622  
Fax: 977-1-5523322  
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knshrestha@gmail.com.np  
Website: www.nepalleprosytrust.org



### Get Paper Industries

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Nepal, PO Box 3245  
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E-mail: ratna@gpicoop.org  
Website: www.gpicoop.org



### WEAN Multi Purpose Cooperative Ltd.

Ms. Kalawati Rai  
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E-mail: weancop@wlink.com.np,  
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### CHILDREN-Nepal

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461938  
E-mail: cnsumu@ntc.net.np  
Website: www.children-nepal.net/  
suryamukhi



### Folk Nepal

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Nepal, PO Box 7355  
Telephone:  
977-1-4426009(showroom), 4415350  
(office)  
E-mail: arati@folknepal.com; info@  
folknepal.com  
Website: www.folknepal.com



### Organic World and Fair Future

Mr. Umesh Lama  
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Baneshwor Nepal, Kathmandu - 34,  
GPO Box 5196  
Tel: 977-1-4109140  
Email: oganicworld2008@gmail.com  
www.organicworldfairfuture.com





### Sujha Traders & Exports

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Kathmandu, Nepal  
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4362248  
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Website: www.sujhatraders.com



### WE – Empowering Women

SAARC Chamber Craft Village  
Ms. Jyoti Tuladhar  
Address: Pulchowk, Lalitpur,  
Tel : 5523766  
Email: we.sccv@gmail.com



### Coffee Cooperative Union Lalitpur

Mr. Dolraj Adhikari  
Address: Thuladurlung- 4, Lalitpur  
Tel : 5574009  
E-mail: ccualitpur@gmail.com  
Website: www.coffeecullnepal.org



### Yak & Yeti Enterprises Pvt Ltd

Mr. Swambhu Ratna Tuladhar  
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Nepal P.O. Box 3548  
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4428599  
Fax : 977 1 4410992  
Email : yye@mos.com.np &  
yysilver@mos.com.np  
Website : www.yysilver.com



### Beautiful Coffee Nepal

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Website: www.beautifulcoffee.org



### Kevin Rohan Memorial Eco Foundation

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Address: Chalnakhel-5 Khahare,  
Kathmandu  
Tel : 9851043710/ 9851121118  
E-mail: krishna@krmef.org,  
santosh@krmef.org  
Website: www.krmef.org



### Tibetan Handicraft & Paper P. Ltd.

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Kathmandu, Nepal, P.O. Box No.:  
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Fax : 977-01-4820727  
E-mail: thi@wlink.com.np  
Website: www.tibetanhandicraftpaper.com

# Congratulations

The success of the Fair Trade movement in Nepal would not be the same without the enduring spirit of its dedicated advocates. Over the years, Fair Trade Group Nepal has been a testament to fair trade excellence and continues to be a greatly appreciated partner in uplifting the lives of producers.

Congratulations and thank you for 20 wonderful years of service and dedication!

We wish you many more years of success to come!



**Association for  
Craft Producers**  
हस्तकला उत्पादक संघ



**Dhukuti**  
ढुकुटी



**Nepali Craft  
Trading Private Limited**  
नेपाली क्राफ्ट ट्रेडिंग प्रा. लिमिटेड



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We wish you all the best for your future and look forward to celebrating many more years of success



**Sana Hastakala**

Serving Small and Marginalized Craft Producers since 1989

Kopundole, Lalitpur, Nepal, PO Box 9701

Tel: 977-01-5522628, 5555837

Fax: 977-01-5526985

E-mail: sanahast@wlink.com.np

Website: [www.sanahastakala.com](http://www.sanahastakala.com)



## SUJHA TRADERS & EXPORTS

Sujha Traders and Exports is an export oriented organization manufacturing high quality garments. It was registered in 1998 with the government of Nepal. The garments items are produced by economically disadvantage people such as Tharu girls (Kamlaris), other ethnic and lower caste also. The organization is operated by Mr. Jhaindra Prasad Ghimire, proprietor who is a well known person in the garment sector along with a dedicated and experienced team. The main products of Sujha Traders are jackets, shirts, coats, trousers, skirts, hats, gloves, made of cotton woven and knitted fabric. These items are exported to USA, Canada, Europe, Australia and other Asian countries. The required raw materials are imported from China, India and are sourced locally.

In addition Sujha Traders also extends other programs to help orphanages, poor and destitute people through economic support.

### **Sujha Traders & Exports**

Gongabu-7, Mahadevtar,  
Kathmandu, Nepal  
Tel: 977-1-43622 16, 43622 17,  
4362248  
Email: [jhaindra@subisu.net.np](mailto:jhaindra@subisu.net.np)  
Website: [www.sujhatraders.com](http://www.sujhatraders.com)