

# Sustainable Livelihoods in a Changing World

Various factors affect the livelihoods of people in mountain regions, especially climate variability. ICIMOD is giving priority to the question of how to strengthen the resilience of the mountain communities responding to a changing climate. It has identified elements with the most potential for promoting sustainable livelihoods in the mountains and is now developing three approaches: payment for environmental services, value chains for mountain niche products, and the use of remittances from external labour.

In consultation with international resource persons and regional stakeholders, ICIMOD is developing payment for environmental services (PES) as an instrument to give a clear rationale for the importance of mountain systems and the relevance of the upstream-downstream linkages. PES requires a clear attribution and validation of services to concrete activities, which is methodologically difficult. Such environmental services require a market, but since most of them are considered public property, promoting PES will be a long-term effort. We prepared a policy paper and began to associate with regional partners sharing similar experiences and knowledge. With this network of Hindu Kush-Himalayan stakeholders, ICIMOD is promoting regional exchange for common learning.

An overall highlight of our programme in 2009 was the introduction, application, adaptation, and use of the pro-poor mountain specific value chain framework to identify and promote strategies for income generation, increasing the resilience of mountain populations and strengthening rural-urban and highland-lowland linkages. Together with local development partners, we have successfully implemented small but well thought through interventions. The study of bay leaves and their value chain in Nepal proved that through relatively simple measures the farm gate values of the product can be improved.

In India, the value chain analysis identified specific policies as major obstacles for poor mountain farmers to earn income from non-timber forest products. ICIMOD started a dialogue among government organisations

(GOs), non-government organisations (NGOs), community-based organisations (CBOs), and the private sector that resulted in readjustments of policies that control the harvesting and marketing of bay leaves. The impact is that mountain communities are now able to sustainably collect and market bay leaves. The increase in income to poor families was sufficient to raise many above the poverty line. The State Government of Uttarakhand has started to implement the pilot model with other non-timber forest products.

Research by ICIMOD has shown that migration for employment is an important livelihood strategy of mountain people. They use the remittances for daily consumption, repayment of debt, education, and health. Although many migrants do not yet know how to invest in productive activities, remittances have potential benefits for livelihoods, poverty alleviation, and community development. Remittances are often the most stable inflow of foreign currency and at least triple development assistance.

ICIMOD's long-term efforts in small scale business, employment, and income generation have been successfully scaled up in the Chittagong Hill Tracts of Bangladesh in close collaboration with a UNDP project and local GO and NGO partners. The project introduced beekeeping, mushroom cultivation, biobriquetting, and medicinal plants activities to foster employment and income generation. National and regional exposure visits had a considerable impact as the communities obtained ideas on how to improve their livelihoods even in difficult situations.

ICIMOD supported partners in China to understand better the potential of tourism as a tool for poverty reduction in a changing climate and mountain context. A 10-day tourism workshop focused on transboundary pro-poor tourism between Tibet AR, China and Nepal. Furthermore, a village tourism pilot in Tibet AR will be scaled up in the national tourism programme of UNDP and the Government of China to have nationwide outreach.

## Value chains – Bringing markets to the bay leaf collectors

People in remote mountain villages in Uttarakhand, India now make better livelihoods since an ICIMOD project organised markets for herbs and medicinal plants in their local area.

*“People have organised themselves and see an opportunity in diversifying their incomes from forest resources. People are now aware of sustainable collection,” says Mr. Laik Ram, Chairperson of the Village Forest Council in Byara village. “Forest areas should be opened every year for harvesting and the auctions held locally.”*

Mountain communities dwelling in remote regions of Uttarakhand, India, were constrained by poor access to mainstream and profitable markets. ICIMOD together with the national partners has been conducting an action research project that promotes specific interventions to reduce risks and increase benefits for mountain producers to participate more equitably in value chains.

The project also promotes cross-border learning and sharing of good practices between practitioners in India and Nepal. In collaboration with the Overseas Development Institute (ODI), the project targets 250 households in selected areas of Udayapur district, eastern Nepal and Chamoli district of Uttarakhand state, India. It promotes a pro-poor value chain for *Cinnamomum tamala* (bay leaf), which is in high demand for spice and traditional medicine.

To address the economic marginalisation of poor collectors of bay leaf, the first local auction at the production site for bay leaves was organised in Chamoli district in June 2009. Bringing the market closer to the producers is empowering them to be active participants in pro-poor value chain (VC) development. The process was facilitated by ICIMOD with the State Forest Department and the Himalayan Action Research Centre (HARC).

The project has a two-pronged approach: to bestow more ownership on the local collectors in accessing bay leaf resources and simultaneously empower them to participate equitably in markets. The participation of women was planned from the beginning of the project and women were organised into self-help groups that managed the entire collection process, including issuing permits to collectors but not contractors. The Forest Department and HARC provided training on different aspects of sustainable harvesting, group management, and marketing. Local codes of conduct were developed to ensure that bay leaves were harvested sustainably and to ensure equity among the collecting households.

In 2009, 88 people (53 women and 35 men) collected 7.6 tons of bay leaves from government owned forest. The poorest families were able to generate additional income during a time of the year when no other economic activities were locally accessible.

Despite opposition from vested interests, the auction was held at the village with the participation of buyers from outside the district to discourage the practice of cartel formation and attempts to thwart the rise of bid prices. This helped the collectors to receive a price of IRs 21/kg (up from IRs 10/kg in 2003) and a greater share (from 30 to 40%) of the wholesale price of leaves in the state.



Government agencies, international development partners, and NGOs are now interested in replicating the process. The Forest Department of Uttarakhand announced the establishment of 50 new ‘floating’ markets closer to the resource catchments and identified five different products for similar interventions. Lessons from the project are being integrated into the working plans of the Forest Department with proposals for establishing species-specific harvesting processes in each forest range.

## Beekeeping – Providing both simple advice and market capacity

“In my seven years of beekeeping, I didn’t learn as much as I did in those three hours!” exclaimed Abdul Shakoor in Takhar, Afghanistan after attending a half-day session with the ICIMOD beekeeping specialist, Dr. Farooq Ahmad (Aga Khan Foundation, Afghanistan Newsletter, October 2009).

The small technical support, about adding honey chambers to beehives, had resulted in Mr. Shakoor increasing the production of his beekeeping by 5 kg per hive each season. Like many people living in isolated areas, Abdul Shakoor had received only basic training from another local beekeeper when he started his business seven years ago. It was not until the beekeeping specialist visited that he realised he could substantially increase his honey production and his income by adding a honey chamber to his hives.

During a two-week visit to Afghanistan, Dr. Farooq led many workshops for local beekeepers in collaboration with local partners, such as the Aga Khan Foundation Enterprise Development Programme. He visited numerous beekeepers at their homes and gave each farmer individual advice on improving the quality, productivity, and overall health of his bees. He says beekeepers

themselves are often the best communicators of new knowledge and techniques so one-on-one visits are an effective extension methodology for disseminating new information in rural areas.

To replicate the process, the beekeeping programme has examined how



China has become the largest honey exporter in the world in a low cost way. In response, Pakistan has established a joint venture company of government, producer, and researcher stakeholders. It has built the capacity of producers to process, package, and transport honey according to international standards.

The farmers now store honey collectively and upgrade the containers they use to package it. The programme has also built the capacity of the farmers to bargain collectively with middlemen rather than individually. The bargaining capacity of Pakistani producers has further improved by developing markets specifically for speciality honey and other bee products for Gulf markets. As a result, the price of Pakistani speciality honey has increased fourfold. In Pakistan, the honey producers and exporters association established an exclusive export market where they trade speciality honey and export it to foreign destinations. Through the market, honey producers were able to expose themselves to the emerging needs and requirements of quality, hygiene, and standards. The members of the association own the export market, which helps in sustaining the supply chain.

ICIMOD is now working with partners to replicate this accomplishment in India and Nepal. The Chinese government has agreed to send experts to share knowledge when regional partners need them.

Partners in Pakistan have synchronised their activities by establishing the Pakistan Agrotech Company Private Ltd (PATCO) for upgrading and marketing high value bee products by helping small honey producers to have access to marketing and processing facilities. This joint effort of the Honeybee Research Institute (HBRI) and Pakistan Agriculture Research Council (PARC) helped farmers to include their product in a quality supply chain. More than 4,000 bee enterprises are expected to participate.





Khumbu, Nepal