The green mountainside of the remote Nepalese village is covered in wooden frames placed in slanted upright position towards the sun. Placed within the frames is what many people here in the Bajhang and Dolakha districts of Nepal make a living from: traditional handmade paper made from the bark of different species of high elevation Himalayan bushes. The indigenous communities of these rural areas collect the bark, leaves and herbs in their sustainably managed forests to produce a diverse range of lokta paper and essential oils.

Not only the community products are unique, also, the organization of the communities in FSC® certified groups makes the processing, marketing and trade of the products possible. It ensures both responsible sourcing from the forests and social and economic benefits for the communities.

Himalayan Bio Trade Private Limited (HBTL) is the name of the group manager of the Sustainable Bio Trade Group. The group consists of three other members; Deudhunga Small Scale Farmers’ Cooperative Ltd., Everest Gateway Herbs Pvt. Ltd. and Bhimeshwor NTFP Processing and Production Pvt. Ltd., from the Bajhang and Dolakha districts of Nepal and the certified forest area covers more than 17,000 hectares.

So far, HBTL has established business with international paper and packaging corporations and the cosmetic companies Aveda and Estée Lauder.

The FSC certification has helped HBTL push their products out to these consumer markets. At the same time the third party verification of FSC is a way for HBTL to show their responsible forest management and sustainable sourcing of raw materials and the certification strengthens the internal control of the company. These efforts help create reliable supply chains that will benefit the local communities for years.
Products from community managed forests

HBTL buys and carries out further processing of the non-timber forest products that are harvested in the community managed forests and processed by community-owned enterprises. For example, some of the community-produced paper is sent to HBTL’s Kathmandu facilities for custom dying, printing and assembling. The finished products include letter size sheets, notebooks, bags, lampshades and paper flowers that are sold by HBTL to buyers in the US, Korea, Japan, Australia and some European countries.

HBTL also sells luxury paper sheets (more than 230,000 a year) to the international paper companies Howard Packaging and Johnson Printing and Packaging, both located in the US, who use the paper to produce packaging gift boxes for cosmetics. In the future, HBTL would like to establish business with more international companies such as Domtar Corporation, another US-based paper enterprise, and the French company International Paper.
In addition, HBTL has made a business of producing and trading essential oils distilled from the many different species of aromatic plants and herbs such as wintergreen and juniper that the forest communities collect. The oils are sold mainly to wholesalers of which some refine the oil and use it as ingredients in cosmetics and personal care products for aromatherapy. Others sell the oils directly to consumers or producers of other products.

Benefits for rural communities

Founded in 2000, HBTL is owned by a consortium of community-based forest groups and enterprises. One of the company’s goals is to link the communities with more international markets and create profitable and sustainable businesses for the smallholders that live in the remote forest areas of the Himalayas. Ensuring benefits for the rural communities has also been one of the main objectives of getting FSC certified. HBTL has succeeded in benefiting the communities with fair prices for their products since its establishment. The community producers calculate the prices of their products based on the cost of production including an economic benefit for the communities. Thereby, HBTL supports the communities when buying their produce. This agreement benefits both parties; the communities manage their forests sustainably and sell their products with a profit margin and HBTL buys unique products of high quality from environmentally and socially responsible sources.

The fair trade conditions have empowered the communities to fight poverty and improve their living standards as the certification has created income and employment at a local level. Communities have since been able to send their children to school, secure sufficient food supplies and even set aside some money for the future.

Plans for the future

HBTL is consistently working to strengthen the supply chain to further optimize quality and lead times. This is done by increasing the FSC certified area and by assisting new enterprises in terms of technology, quality control and sourcing of the certified products. Also, HBTL approaches new buyers via personal contacts and participation in trade fairs.

HBTL is interested in using the FSC Small and Community Label Option (SCLO) as a driver in approaching new markets and buyers. The constantly evolving company of HBTL is always working to refine existing and develop new products and the SCLO can be a means for them to further expand the market for their sustainable products.