



## Himalayan Project

A Nepali-Danish NGO dealing with  
Development Aid in Nepal

**Himalayan Project Nepal (HIPRON):**

Neel Saraswati Marga, Lazimpat-2, Kathmandu

G.P.O. Box 8974 E.P.C. 168

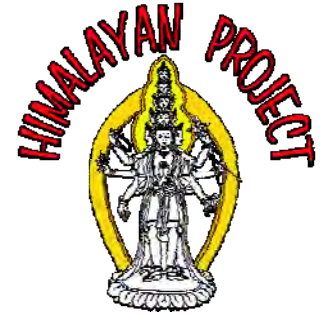
00977-1-4428934 /-5, hipron@wlink.com.np

**Himalayan Project Denmark (HP):**

Kjeldbjergvej 34, DK-7800 Skive

0045-97545308, klomborg@post11.tele.dk

[www.nepalhelp.dk](http://www.nepalhelp.dk)



### REPORT

## Bhakanje Highland Tea

May 2018

By Papa Kurt and Janaki Khadka

In the period 17. March to 4. April we worked in Kathmandu and Bhakanje with the sole objective to gain knowledge and take preliminary action on the Bhakanje Tea Project. In Kathmandu, we had meetings with experts in production of tea, lawyers, accountants and engineers, as well as we took part of "Third International Tea Festival" representing "A.C.Perch's Thehandel". Three hour drive out of Kathmandu we visited "Everest Tea Garden" in Sindhupalchowk where Tea Master Andrew gave us a profound insight in the farming and production of tea. In Bhakanje we visited places of importance, had meetings with the cooperative committee, with individual farmers as well as we performed a full day mass meeting.



Many processes initiated but were not completed while in Nepal, so we continue our

clarification in April and May, and still new information will come up continuously.

Below you will find subject wise information on the situation by spring 2018, where the dry season is approaching its end and monsoon slowly shows showers and misty air.

**Politically** the three former VDCs' Bhakanje, Chaulakharka and Goli is now merged into one unit, Likhu-Pikey Gaupalika (rural area), with the leadership of chairman Dhamber Bahadur Basnet. This unit is divided into 5 wards of which Bhakanje is Ward no. 5, under the ward chairmanship of Ngim Chhirri Sherpa. Both chairmen are interested in the tea factory in Bhakanje, and we can expect their favor and support.



**Electricity** is now influencing this upper part of Likhu Khola. Likhu 2 Hydroelectric Project is completing its preparatory steps in constructing 33 MegaWatt power plant. From Chhiringkharka at 2.450 m elevation a tunnel will be drilled 7 km up to same elevation of the upper Likhu Khola for water intake. A delivery pipe will reach the turbine house at the confluence of Hongde Khola and Likhu Khola below Sagardanda, at 1.750 m elevation. A drop height of 700 meter. The main power station is under construction in Kenja, 3,5 km from the turbine house.

This preparation involves among others delivery of three-phase electricity from the national grid at Garjang up to Kenja (17 km), as well as to Sagardanda. Right now, the masts are erected all the way to Kenja, and the wire is mounted, but still not connected, until below Bhandar (6 km before Kenja). It is expected that Kenja will be connected before end of May.

The last part to Sagardanda will be delayed until the road on that stretch is complete, probably by early autumn.

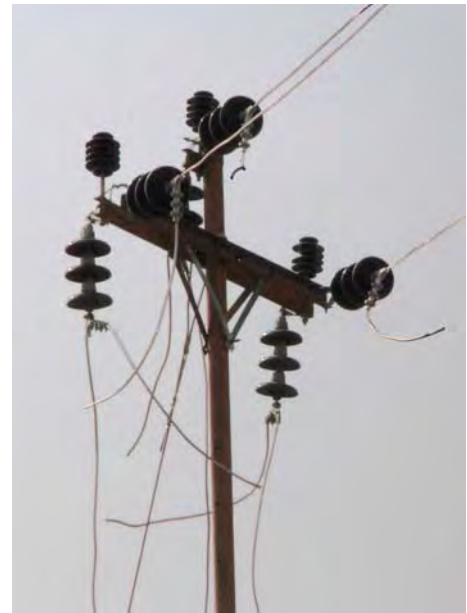
As a part of their social responsibility, the hydro power project shall benefit the local societies by providing electric grid to nearby villages by subsidizing 90% of the line and transformers. Even the last 10% can be subsidized when applied for. The Khorem Power Company with Rajan Karki from Bhandar controls this work.

Bhakanje will connect from below Sagardanda, so our factory can have its own transformer with only a short line connection to the grid. We have requested BTE to support this development. With some luck, we can connect by spring 2019, but it could also delay by various processes, so it could be after 2-3 years. We will therefore depend on having a generator at the factory, both for the initial period and later for eventual events of power failure.

**Road Access** is developing rapidly. Now you can reach Kenja with 2WD jeep, and with 4WD even up through Sagardanda, Bhakanje, Chhimbu to Dakchhu and within a year or two over Lamjura to Junbesi. A side road from Sagardanda to Chhiringkharka will complete soon. Still there is a rock blocking the way between Kenja and Sagardanda, but it will be blast away within this year. The main road along Likhu Khola and up to Chhiringkharka will be prepared for big and heavy trucks due to the power project, and actually also the road to Bhakanje is prepared the same way with wide turnings. All those roads regularly block for a day or two when a heavy shower has passed by and of course during monsoon for a longer period. It is sure that we can transport construction materials all the way up to our construction site by next December-January. Many locals have part in several excavators, so we can order their support if necessary.

**Mobile phone** access is now available almost all over Bhakanje, from the tower in Deurali. As soon as the electric grid reaches Chhiringkharka, the tower there will start operating and cover the rest of the ward. In busy periods it can be difficult operating Skype and up-down-loading files, and in very misty and rainy days, the signal is weak, as well as lightening regularly sets the tower out of function for shorter periods. We are now downloading the app "My GPS Coordinate" on our smartphones, to be able to locate the exact points of interest, like border of tea fields, climate measures and soil tests.

**Mapping** of Bhakanje has not been available until now in a proper resolution, but we have a hope that the hydropower project have such materials, which we can utilize to create an overview. We expect this "Bhakanje Tea Map" to be available by end of 2018.



**Tea bushes** have experienced a quite tough winter, which has been cold and dry. Especially bushes in higher altitudes and in fields with less protection from trees and shrubs have suffered from freezing with fissures in the bark. Some has died and some are just affected but will survive. Some young bushes has died due to lack of water. Lack of nutrition is keeping some bushes in slow and insufficient development. Stem borer are affecting some bushes. All in all only 2-3% of our 90.000 bushes has died, while up to 10% are weak and will survive and even improve during the coming summer, but without extra care, they will suffer again next winter. Subita Thami is supervising the farmers on these issues.

This spring will not deliver much leaves for home processing. Both the young and the little older bushes has been pruned strongly to give the right shape for easy harvesting. The autumn flush could be expected to give more, and next spring flush should be able to give enough to start a minor production in the factory.

**Climatic conditions** are un-specifically known in general terms. Therefore, we delivered measuring instruments for BTE to distribute among 15 farmers different places in the ward. Together with those, we delivered a format for one-year daily observations.



The delivered instruments were: a) 2 pcs Electronic rain- and temp-measurer with memory, b) 10 pcs Rain collectors, c) 5 pcs Thermometer, d) 5 pcs Soil thermometer, e) 5 pcs pH and moist measurers, f) 5 pcs Lens jars and g) 5 pcs Min / Max Thermometers.

The measures we have requested is: a) Morning: min-max-present temperature and rainfall, b) Mid-day: temperature, c) Evening: temperature and d) Weekly: Soil temperature, pH and moist.

**Soil samples** were taken by HP-DK back in the first days of 2015. In total 157 samples were analyzed from topsoil. Tea will grow in acid soil, pH 4-6 but prefer 4,5-5,5, and it demands edible elements in moderate quantity. The results were: a) pH: 141 samples were acidic (15: 4,1-4,4 – 65: 4,5-4,9 – 50: 5,0-5,4 – 11: 5,5-5,9) and 16 were less acid to neutral (12: 6,0-6,5 – 4: 6,7-6,8), b) Nitrogen: 140 samples were low and 17 medium, c) Phosphorus: 117 low, 29 medium and 11 high, d) Potassium: 86 low, 66 medium and 5 high. The conclusion from this test is that most of the soil is very suitable for growth of tea, but plant nutritional components are scarce. The local animal farming is not very suitable for collecting urine and dung, and now even human waste is almost 100% delivered in septic tanks. To some extend compost can substitute dung fertilizer and especially if prepared together with decoction of horsetail grass and fermented stinging nettle. But it is for sure, that something must be done to secure the bushes their nutrition.

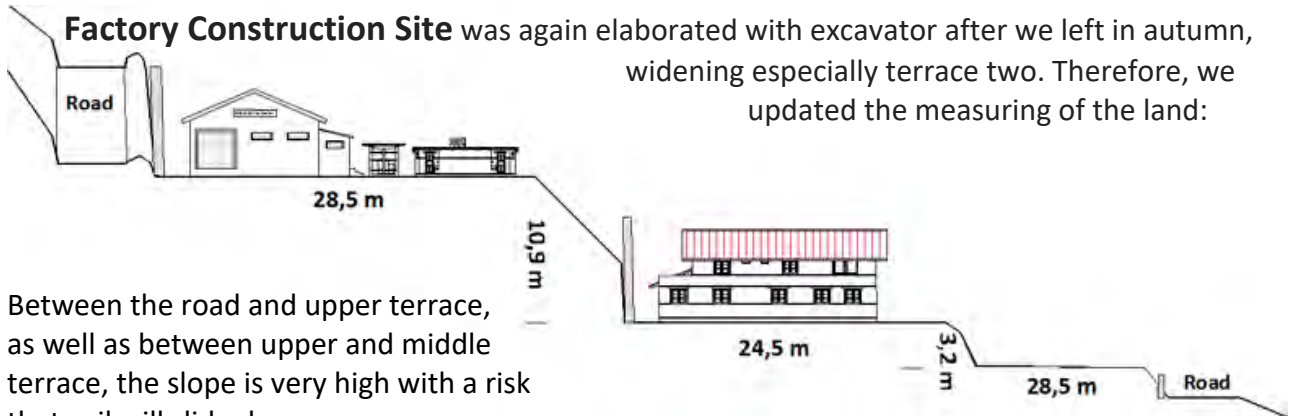
In April 2018 Subita Thami took 14 deep soil samples; 1 – 2 – 3 feet down. As the samples was too less for chemical analysis (shall contain 500 gram), they were only tested for pH. The pH is within narrow margin the same in all 3 levels in 11 tests, but with wide variation in 3 tests in Chhiringkharka-Lole. In average the samples show pH 5,79 at 1 foot, pH 5,76 at 2 feet and pH 5,84 in 3 feet. 5 samples show pH 5,2-5,4; 27 show 5,5-5,9; 8 show 6,0-6,3; 2 show 6,6-6,7.

Subita also tested the same samples with pH-measure instrument, to conclude this machine is not accurate at all. It tests much too high. The chemical analysis say 5,8 in average, while the machine say 7,4 in average. The moisture measuring did show more dry the deeper the sample, showing that the soil has good drainage.

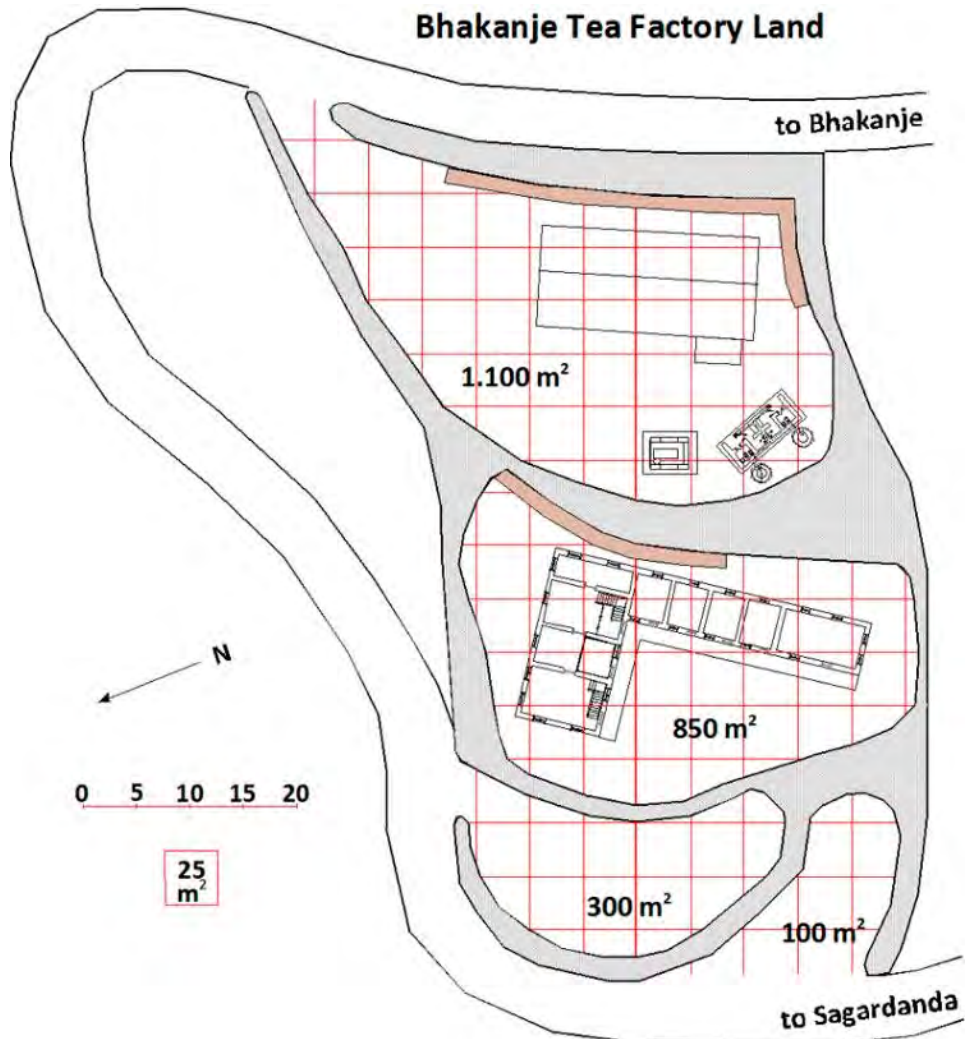
In April 2018 Sushma Lama delivered a sample of tea to be analyzed for unwanted elements. Result is still on the way.

**External Evaluation** was done by Chiran Dahal, Executive Director of “Nepal Tea and Coffee Promotion Center”. He went to Bhakanje for one week visiting all the important places of tea. He was very enthusiastic about the perspectives of producing Bhakanje Highland Tea. He found Bhakanje the perfect place for tea, the soil, the climate, the altitude. Tasting some of the farmer’s handmade tea, he found the aroma interesting and promising with a “herbal sense”. He found that 80% of the bushes are clones of “Takda 78”, while the rest is a mix of “Gumti” and older clones from India and China. In high altitude, “Takda 78” give color but less aroma, while “Gumti” gives opposite. He therefore promised that he will give as a gift 50.000 saplings to the most active and successful farmers to speed up the production and distribution among species.

Chiran is involved in all levels of tea production in Nepal and he is ready to provide us his support in all our stages of establishing, production and cargo.



Between the road and upper terrace, as well as between upper and middle terrace, the slope is very high with a risk that soil will slide down during monsoon. We therefore made agreement with the Coop to protect those slopes with gavin wall, which means block stones mounted into iron net boxes. The Gaupalika will pay for that work with 10 lakh (1.000 USD/60.000 DKR) and the work has already started. We also agreed with the Coop, that they must plant grass and bushes, where the slopes are not protected by wall. The land shall belong to BTE, but it will provide it for BTDF free of cost, until BTE can own the Factory (abbreviations are explained on page 9).



**Bhakanje Tea Factory (BTF)** is defined as all structures established on the factory land, which includes the factory, machinery and furnishing, generator house, sanitary complex, water supply, electric supply, staff quarter, visitor center and other structures established.

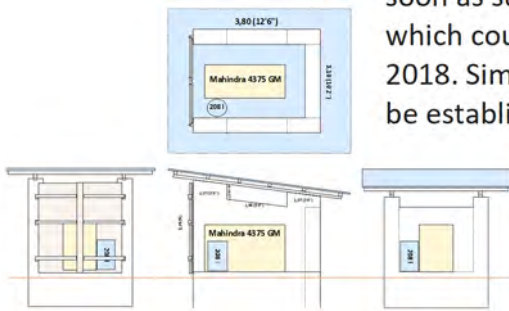
**Factory** is designed to be able to give a sustainable, clean and protected environment for the production of hygienic and highest quality of tea to meet the demands of the markets. With local materials it would not be possible meeting those demands and giving space for machinery and their operation. Therefore, we decided importing steel profiles and insulated panels for the building, and covering the cement floor with marble tiles.

We will start having local sand, gravel and stones delivered at the site, as

soon as sufficient funding is secured, which could be during the early autumn of 2018. Simultaneously water supply shall be established and the Generator House

shall be erected, so the 25KVA Mahindra Diesel Generator

can be installed as soon as the road is accessible after monsoon. The water and generator is necessary for the further work with iron structures of the factory building.



When materials are collected, we can concrete the base and floor. This will be under leadership of the designing engineer and could be in early autumn 2018. In the gap between concreting base and floor, the workers can start working on the Toilet Building.

The engineer will at his own production unit, start customizing the iron and panels to the situation of the fundament. This will take

two weeks, so it can be transported to the site, as soon as the road is ready for trucks. Probably by late autumn. The engineer will bring his own team, who will cut, weld and erect the iron on the spot, and mount the panels. This will complete within two weeks.

An Electric Engineer shall with a local Electrician design and establish the electric system of the factory and adjacent buildings, connecting the generator and prepare setting



up the transformer. Simultaneously marble slabs will be delivered and laid down by experienced people.

Machines for processing the tea can be delivered, set up and connected by mid-winter. The number and specification of machines will depend on the level of funding and the immediate need. Therefore, the first commercial production

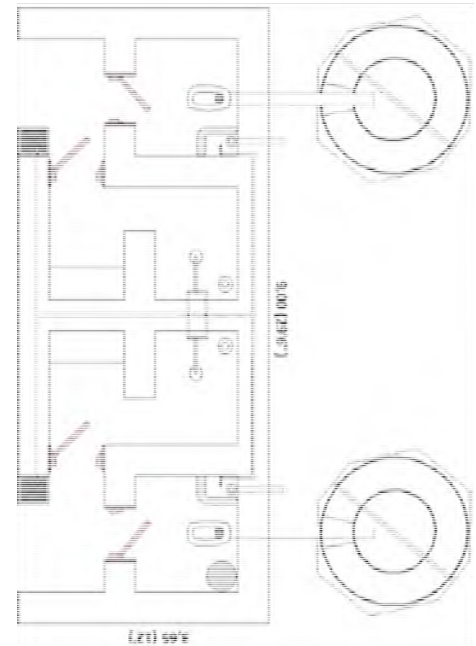
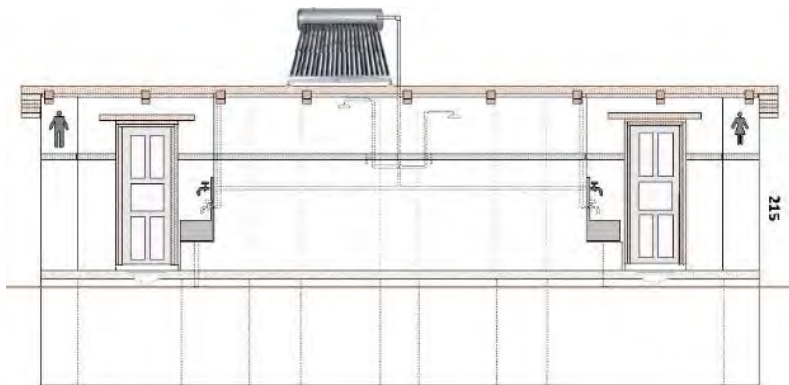


of tea from Bhakanje can start by spring flush by mid-April 2019.

The attainment of Organic Certificate is imposing high demands on all levels of production; also the factory, but nevertheless it will enhance the marketing considerably, so it shall be prepared already by this stage of the establishing. This is the reason of the marble floor, the shoe and workwear changing entrance, the toilet building with shower facilities and also a fence all around the factory area. Access shall only be permitted for authorized persons to prevent all kinds of pollution.



**Sanitary complex** is mandatory to secure a proper hygiene among people who have access to the factory; employed as well as farmers. Separate section for women and men, with washing basin just outside the toilet. In both sections there will be solar heated hot shower for those who are deemed not hygienic enough to enter the production hall. This must be kept very strictly in practice, so the facility must appear comfortable with dressing room, wooden grill on the floor and always-functioning hot water. The hot water

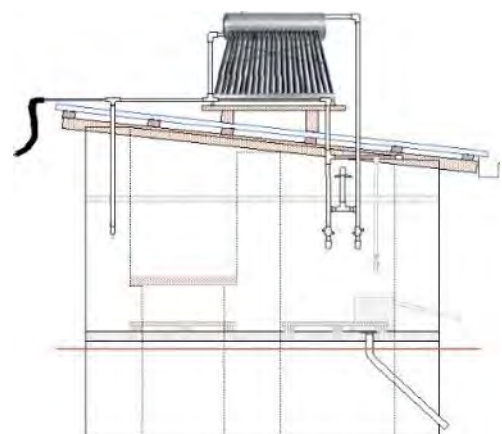


this period will be very scarce. It is our experience that there will be minimum 6-8 showers available during a normal spring and autumn day, and even early morning there will still be enough water for 2-3 short showers.

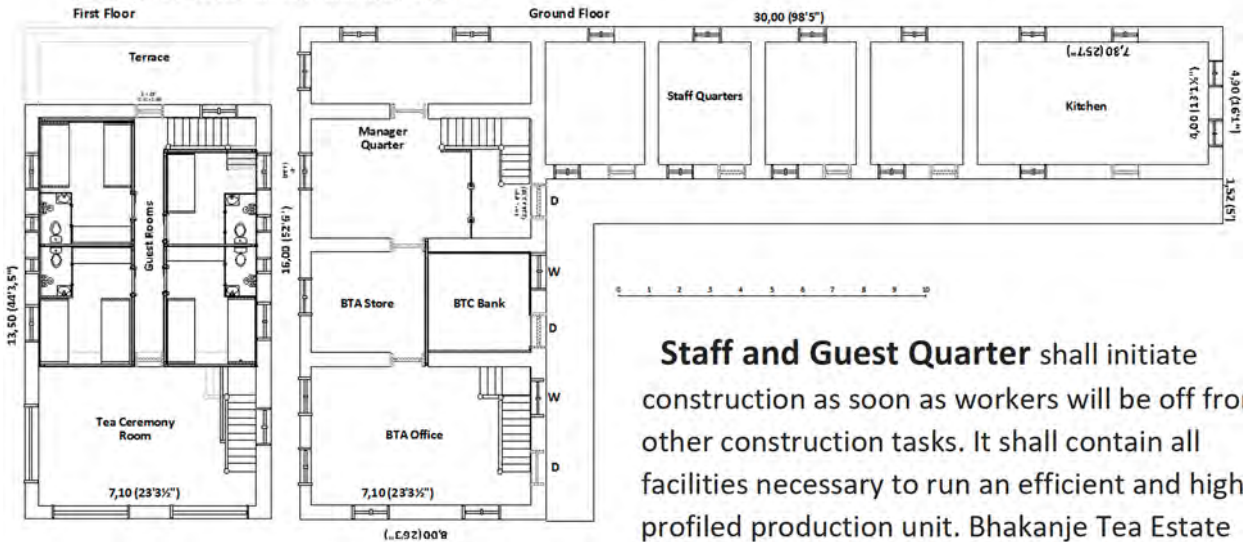
**Changing room** will be in front of the normal entrance door to the factory. All workers has to change their shoes to wear clean slippers and take on an overall or smock. Visitors has at least to change their shoes to clean slippers, and if they wish to stay for long or to give a hand, then also



a smock is a must. Leaving the factory premises must again lead to change of shoe and clothes; even when just leaving shortly, and especially for visiting the toilet.



**Bhakanje Tea Association Staff and Guest Quarter**



**Staff and Guest Quarter** shall initiate construction as soon as workers will be off from other construction tasks. It shall contain all facilities necessary to run an efficient and highly profiled production unit. Bhakanje Tea Estate Room with adjacent Store Room. The well-

(BTE) need an Office-Meeting established Bhakanje Tea Cooperative Bank (BTCB) need a room for their banking operation. There shall be living quarter for a person being in charge of the whole compound. It shall be spacious and comfortable enough to attract a family who can at the same time act as manager, kitchen staff and guesthouse staff. In addition, other staff, permanent or temporary, shall have a living quarter. Combined Kitchen and Canteen is necessary to serve the staff who are bound by their work to remain at the factory while the tea is processing, as well as the staff living at the compound, and finally to serve the Guesthouse.

**Guesthouse** should not be omitted. Nepal Tea is earnestly entering the global sphere of quality tea, and tea estates are experiencing a demand of Tea Tourism, where tea lovers from all over is including the tea experience in their Himalaya trekking. This will also help in creating a focus on Bhakanje as the place of Specialty Tea. Bhakanje village has no other guesthouses to accommodate tourists. Therefore, the guesthouse can create income to BTE and to the staff also during off-

season. BTE or we could invite tea experts periodically to support us in improving the production. We ourselves, all of us Danish supporters of Bhakanje Tea, will love staying there, while taking part of the tea activities during the year. Especially the Tea Ceremony





Room will be an attraction for tourists as well as locals, for tasting the white, green, oolong and black productions, while watching the evening sun shining on the Numbur Mountains.

This Guesthouse will be situated on first floor of the quarter with three double rooms and one single room with attached toilet-bathroom with solar hot shower. An adjacent terrace



for sunbathers can be replaced by two rooms with toilet in the yard.

The lower flat terrace of the land can be reserved for parking area for BTE tractor or visitor jeeps and motorbikes.

**Project Management by Himalayan Project (HP-DK) and Himalayan project Nepal (HIPRON)** will be under the leadership of HIPRON Director Janaki Khadka in close cooperation with Himalayan Project Administrator Kurt Lomborg. In HIPRON Office we have full time employed Finance and Administrative Officer Bidhya Swanarkar taking the responsibility for all accounting and other administrative tasks. We also have full time employed Junior Administrative Officer Dendi Sherpa, who it taking care of sending, receiving and filing papers and files, as well as he is the one ordering and arranging the transportation of materials.



Janaki and Kurt has been working closely together as a team since 2010. We know each other’s opinion and next thought without being needed to express it. Janaki and her team is experts in construction materials and logistics, as well as in complex accounting and registration. In the field, Janaki is in good command with workers and stakeholders and can take decisions on construction details and order actions among workers. Even if doubt come up, Janaki and Kurt can any time take direct contract via mobile phone between Bhakanje and Danmark, and with Skype exchanging live streaming.

While Kurt is working voluntarily without compensation from the project, Janaki and her staff is having salaries and expenses paid. On the other hand, we have no other project expenses for Contractors or consultants except for the Factory building. HIPRON is also covering the expenses to establish legal papers on the relation between HIPRON and BTE, as well as maintaining public registration and approvals.

For this work HIPRON will withhold 10% of the donations for the project.

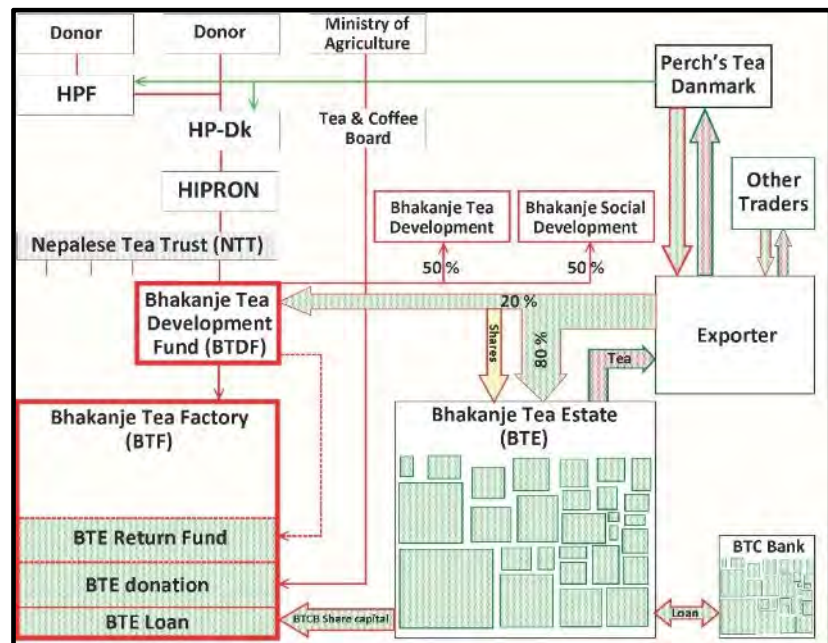




## Project Organization

<b>HPF</b>	Human Practice Foundation	Representing Danish Donors
<b>Perch</b>	A.C.Perch's Thehandel	Danish social responsible Tea Trader
<b>HP-DK</b>	Himalayan Project	Project Management and Donor representation
<b>HIPRON</b>	Himalayan Project Nepal	Project Management in Nepal
<b>NTT</b>	Nepalese Tea Trust	Umbrella organization for BTDF and NTCP
<b>NTPC</b>	Nepal Tea & Coffee Promotion	Dealing with all aspects of commercial tea business
<b>BTDF</b>	Bhakanje Tea Development Fund	Investor for BTF and returning social fund
<b>TCB</b>	Tea and Coffee Board	Subdivision in Ministry of Agriculture
<b>BTF</b>	Bhakanje Tea Factory	The factory gradually taken over by BTE
<b>BTE</b>	Bhakanje Tea Estate	Farmers Association producing tea at BTF
<b>BTCB</b>	Bhakanje Tea Coop Bank	Bank run by BTE to develop Tea and other business

On the one hand, foreign donations are one-way directed and must remain in Nepal when invested. On the other hand, it will be unfair just donating a huge value to a business association like BTE, as it will just add a huge fortune to the owners; the shareholders. They might be tempted to realize the value by selling to external investors. Therefore, a legal structure has to be developed to act as the temporary owner of the BTF, until the farmers of BTE can take it over by personal investment.



**Bhakanje Tea Development Fund (BTDF)** is the central structure between the Donors and BTE. As a Fund, it can invest according to specified objectives; but it has to operate non-profit, with only limited and justifiable expenses on administration and meetings.

The income of the Fund will initially come from HP-DK, with the construction process advancing. Later the income will come from BTE, as it gradually will invest a part of its surplus in acquiring the factory, as well as BTE shall transfer the support, which they receive, from other sides. It shall also be expected that BTE will take a substantial loan in their own bank to invest in the BTF. In other words it is the purpose and condition from donors side, that the donated funds shall revolve, by being paid back to BTDF. The funds to revolve shall be the full amount of foreign investment in the BTF, deducted a rate of depreciation according to Nepalese rules.

The expenses of the Fund will initially be on constructing the factory structures, BTF, until this is complete. The revolving fund will be invested with 50% in tea development and 50% in social purposes in Bhakanje. When income is terminating and the revolving has come to an end, the BTDF can close down, unless BTE or others decide to continue the social commitment of BTDF.



The BTDF will be the nominal owner of the BTF until BTE has succeeded fulfilling their revolving payment, and only by then the legal ownership will be handed over to BTE. It shall be agreed contractually with BTE, that the profit of the production shall be reduced with 20% to be transferred to BTDF. The remaining 80% can be paid to the producer. BTE can compensate the producers with shares equivalent to the withheld amounts.

It shall not be the responsibility of the donors to add supplementary donations, if the budget exceeds. Instead, BTDF shall find the exceeding funds from the income from BTE or from other donors. BTDF shall therefore keep a strict account on the funds in responsibility, separating in holdings according to the origin of the funds.

Expenses on production costs, administration and legal expenses shall be held by BTE, or is anyhow not the responsibility of BTDF, unless it is applied for and approved by BTDF Committee. BTE can apply external donors for this support. In this initial stage, the legal papers and approvals of BTDF and BTF will be covered by HIPRON project management amount.

The Statute of BTDF is still undergoing extensive elaboration, to make it completely clear how to operate all situations. It will be sent to key stakeholders as soon as first draft is available, and to others by request.

BTDF will be governed by a Committee consisting of representatives from HIPRON, BTE, local authorities and from NTT.

**Nepalese Tea Trust (NTT)** is a non-profit Independent Organization with the objectives of promoting growth, production and marketing of quality tea in Nepal. Already in the preparation process ongoing right now, they are supporting HP-DK and HIPRON in organizing the project.

According to Nepalese rules, Funds and Independent Organizations cannot close down, as they any time in future, could receive funds to administer. Therefore, they will have continuously to give account and seek yearly official approval, even having a zero turnover. But if BTDF is established as an independent subcommittee under NTT, BTDF can close down when job is done, as NTT will take care of the continuation. NTT is intended to function as an umbrella for other organizations and companies dealing with tea business. Among others NTPC.

**Nepal Tea and Coffee Promotion Center Pvt.Ltd. (NTPC)** has also supported our processes in an altruistic manner, which convinces us to utilize their expertise in business related issues in future. They can provide experts and masters, as well as education, equipment, transportation and marketing. They are already giving us a lot of knowledge about tea. They are young and energetic in a humble and pleasant way.

**Bhakanje Tea Estate (BTE)** was established September 2014 under the name of Sagarmatha Organic Tea Producers and Processing Cooperative Ltd, and with the common name Bhakanje Tea Cooperative. At that time, they were seeking advice in relevant offices, but they received very poor and even incorrect consultancy, so they ended up with a statute relevant for a Cooperative Bank, but definitely not relevant for an Agricultural Production Cooperative. We have now requested the Coop to establish a new association, which can operate a Tea Factory in Bhakanje. According to new rules, this kind of small-scale industry has to register through "District Cottage Industry" and it is told, that regular Coop cannot be established anymore. It is our demand that this work shall be complete before we can start our part of the





process. At the time of writing, this process is initiated and ongoing, and the name of the new association will be **Bhakanje Tea Estate (BTE)**. We have an expectation, that this new association will have rules similar to a cooperative, mentioning, that even the ownership of BTE follows the number of shares; the right of vote follow the person, one to one. We expect the rules mentioning, that obtaining membership demands having tea bushes and having a certain amount of shares.

During its first years, the enthusiasm among the farmers was high, but after an earthquake, and after gaining varying experiences, many investors have cooled somehow down. Only 12-15 farmers are still keeping the spirit high (they own 80% of bushes), while 40-50 are letting things go, waiting to see (owning the next 16% of bushes), while the rest around 100 farmers with only few bushes do nothing. It is now more than one year ago the last person has bought shares; even we have urged them to do. Only the most active are still dealing with nursery plants. Many people in Bhakanje feel neglected by authorities after the earthquake, and they have experienced a new growth of cheating and corruption lately. So all in all the sentiment has a touch of depression. Many find our way of organizing this project difficult to understand, and especially they are afraid of being cheated by this returning of the fund. They are so used to have foreign funds as donations, but on the other hand, they also know, that they have never been cheated and misguided by us. We have to focus our work on the few active farmers and trust that the rest will follow up, when they experience the progress of the active ones. Another gap of incomprehensibility and conflicting interests is developing around the existing Coop, the banking coop.

Nevertheless, when we called in for mass meeting among members of the Coop, around 70 took part of the meeting. Among those around 35 took part of all the 8 hours, and most arrived timely to take part of the opening tea ceremony, where we served different high quality tea, explaining how to smell, look and taste. For many, this was a revelation, experiencing tea without sugar and milk, and an aroma taste beyond the bitterness. Within the meeting, we went through all the details explained in this report. There were many comments and questions, and we sensed an appropriate understanding.



The Coop has employed Lhakpa Chhirri Sherpa as the Manager. Half salary from Coop and the other half from HPF. HP-DK has employed Subita Thami as the agricultural technician of BTE, and we send her for repeated trainings in Ilam. They are both enthusiastic and try their best to meet the demands and expectations of the farmers and from us.



**Bhakanje Tea Cooperative Bank (BTCBank)** will always be bound to the unprecise name of Sagarmatha Organic Tea Producers and Processing Cooperative Ltd. It has from the very beginning acted as the statute mention; as a bank for members of the cooperative, among which some even do not have tea bushes. They will try by an amendment to give the Coop the more explaining public name of Bhakanje Tea Cooperative Bank.

We have made an agreement with this BTC-Bank, that they by coming august will have all their loans repaid, and trying to convert the savings into shares. In that way the bank will have a holding at least 2 million rupees (115.000 DKR/19.000 USD), which we expect the bank to invest in the factory through BTE as a loan to BTE or by converting bank-shares into business-shares. We wish to see activities and commitment in this respect, before we start transferring donor funds.

**Tea and Coffee Board (TCB)** is a subdivision under the Ministry of Agriculture dealing with the development of tea and coffee. It is establishing a branch office in Kangel, Solukhumbu and



are paying a special interest in promoting the production of tea in Solukhumbu. At our meeting with the executive secretary of the ministry, we received a commitment to support our project through TCB to BTE with an initial 25 lakh (150.000 DKR / 24.000 USD), but subsidizing only the very factory building. This amount will have final approval by beginning of next fiscal year by July. The money will be released within the next 2-3 quarters when we can show the progress. If we face problems later, we shall contact him again.

**A.C.Perch Thehandel (Perch)** is a Danish tea trading house being in operation continuously for 183 years at same address. They are paying an increasing interest in Nepal Tea and especially in the Highland Tea from Bhakanje. Their corporate social responsibility (CSR) strategy is focusing on supporting the development work in Nepal implemented by HPF and HP-DK. They are doing by selling Nepal Tea in packets called Human Empowerment Tea, where all the profit accrues to the two organizations. It is their intention that the packet in future shall contain Bhakanje Highland Tea. The two owners of Perch visited Bhakanje in 2016.

**Donors** are approached, but they wish to feel secure, that all stakeholders are acting according the description in this report. Especially the attitude of local stakeholders but also the statute of BTDF is of uttermost importance. They will not be named publicly before they have approved the conditions of the project and has released their funds. Their commitment to the project will only



come into action when all stakeholders has done what can be expected from them to prepare the project. The expected donors will let their funds administer through HPF or through HP-DK with HP-DK as the implementing organization.

**Human Practice Foundation (HPF)** is well known to the people of Bhakanje, as several executive members has visited Bhakanje. HPF is mainly involved with schools and education, but now also with Nepali tea and coffee.

It is the assignment of HPF to secure their donors the project being implemented to the intention of their donors.

**This report** is an update on the situation of the project “**Constructing Bhakanje Tea Factory**” which should initiate within this year of 2018. The tea bushes of Bhakanje will now be ready to start producing a fantastic tea. The farmers need to see the project changing to reality. The infrastructure of Bhakanje is now ready to support the project. Papa Kurt and Janaki, together with Lhakpa Chhirri and Subita, are ready to start now, as they have gained sufficient knowledge to feel safe taking the right decisions. They had the rating of Chiran, that when Teamaster Andrew is 80% tea expert, then Chiran himself is 30%, and we are 3%, which according to Chiran is a lot in the World of Tea.

We need to see the **first step** complete or at least initiate before **1. July**. We need to have at least a thoroughly elaborated draft of Statute of BTDF. We need to see the new constitution of BTE. We must see that the gavin wall and planting of grass and bushes in tea land is ongoing.

**Second step** will be having approval from donors, that they will at least cover the majority of the budget estimate. If we cannot secure the first year of project implementation **before mid-july**, when funds from Ministry of Agriculture shall be applied for, then we will have to delay the project for one more year.

**Third step** will start immediately step two is secured, by finalizing the construction descriptions, ordering the factory, ordering materials and organizing that all manpower will be on the spot at right time by **mid-october**.

### **Supportive documents:**

Following supportive documents are available and will be delivered on request from Kurt Lomborg, [klomborg@post11.tele.dk](mailto:klomborg@post11.tele.dk)

**Nepalese Tea Trust – Memorandum of Association (Oct. 2016)**

**Statute of Sagarmatha Organic Tea Producers and Processing Cooperative Ltd. (Sept. 2014)**

**Draft of Regulations of Bhakanje Tea Supportive Fund expected to be available soon.**

**Analysis Report on Baseline Survey by Bhakanje Tea Coop (May 2016)**

**Detailed map of Likhu-Pikey Gaupalika ward No. 5, Bhakanje**

We will at any time be available for further comments, discussions and information:

Kurt Lomborg, 0045 97 54 53 08 / 0045 21 77 53 08 / [klomborg@post11.tele.dk](mailto:klomborg@post11.tele.dk)

Janaki Khadka, 00977 9843 44 44 82 / 00977 01 44 28 934 / [hipron@mos.com.np](mailto:hipron@mos.com.np)

With best regards from

Kurt Lomborg

Janaki Khadka

