

EU-Nepal Trade-Related Assistance: Facilitating Increased Trade and Participation in Coffee and Pashmina Value Chains Project

Supporting the export competitiveness of the Pashmina sector

Sector and Enterprise Competitiveness (SEC) and Research and Strategy for Exports (RSE)



Background

Chyangra Pashmina (CP) is internationally recognized as cashmere of the highest grade. It is the world's most revered luxury fiber, sourced from the native Himalayan mountain goats called 'Chyangra' in Nepal. Despite these unique characteristics, the Chyangra pashmina sector is not living up to its potential in terms of export development and employment creation, especially in rural areas of the Upper Himalaya. The reasons for that are manifold, but include the absence of a comprehensive and inclusive sector strategy, a disconnected value chain between goat farmers that produce the cashmere fibre and manufacturers of final products destined for world markets, and missing linkages to the luxury market segments looking for genuine products that show positive social and environmental impact, among others.

The project will address these three components in an inclusive and integrated manner, while building on the achievements and lessons learnt from the Pashmina Enhancement and Trade Support (PETS) as well as EU-project on cleaner production approaches implemented together with the Nepal Pashmina Industries Association (NPIA).

First, the project will support the development of CP trade strategy and action plan. This will be done in an inclusive manner with the full participation of stakeholders along the value chain. The sector trade strategy and action plan will, among others, contribute towards improving linkages within the sector and to direct resources and interventions along the value chain in an integrated manner. Building on a value chain analysis, the strategy will give the Government and NPIA the tool to steer the development of the sector and coordinate donor interventions, where applicable.

Second, goat farmer cooperatives in Upper Mustang will be strengthened to support farmers effectively to develop value addition skills such as, fibre collection and processing (de-hairing, washing and carding) and hand spinning to capture additional income from the fibre they produce. This will increase resilience of farmers and increases incentives to supply the fibre to the Nepalese value chain rather than abroad.

Third, the international competitiveness of CP products made from Nepalese fibre will be enhanced through capacity development support at the institutional and enterprise levels. Farmers will be capacitated to supply and market high quality raw material fibres as well as hand-spun yarn, thus capturing value to improve livelihoods. Chyangra Pashmina product manufacturers that use Nepalese fibres will be linked to the high-end market segment. Communicating the social and environmental benefits of the projects will be a key element of the marketing efforts.

Expected Results

The following results can be expected after completion of project activities:

- Endorsed, coherent, comprehensive and prioritized Chyangra Pashmina Export Strategy document, completed with a 5-year Plan of Action and identified priority activities;
- Improved public and private dialogue supporting the export sector development;
- Chyangra pashmina farmer association effectively supporting farmers in value addition;
- Increased revenue of CP farmers from fibre production;
- CP farmers in Upper Mustang effectively linked to export-oriented SMEs in Kathmandu, connecting a broken supply chain;
- Genuine hand-made CP products of Nepalese fibres marketed to high-end markets.

Sector Strategy Design Tools

- Research and value-chain mapping tools for key actors, processes and links, as well as various development options identifications;
- Trade Support Network Analysis tool to define the services available to implement the strategy and capacity-building requirements;
- Assessment tools (Online or phone survey questionnaire) for competitiveness constraint along the value chain and impact of Covid-19 along the value chain;
- SME competitiveness analysis tool will allow a prioritization of constraints in order to drive subsequent solution-seeking activities during the consultations workshop and design sound sector trade strategy recovery plan.

ITC Chyangra Pashmina component focal points

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