

# Sustainable Regional Food Networks in Border Regions - Nepal

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*Professional training and education for entrepreneurship and sustainable  
development in Nepal*

**Authors:**

Tulsi Giri, Founder of Development Voyage Pvt. Ltd.

Patrick Honauer, Founder of BachserMärt GmbH

Pokhara (Nepal) and Zurich (Switzerland) in August 2013

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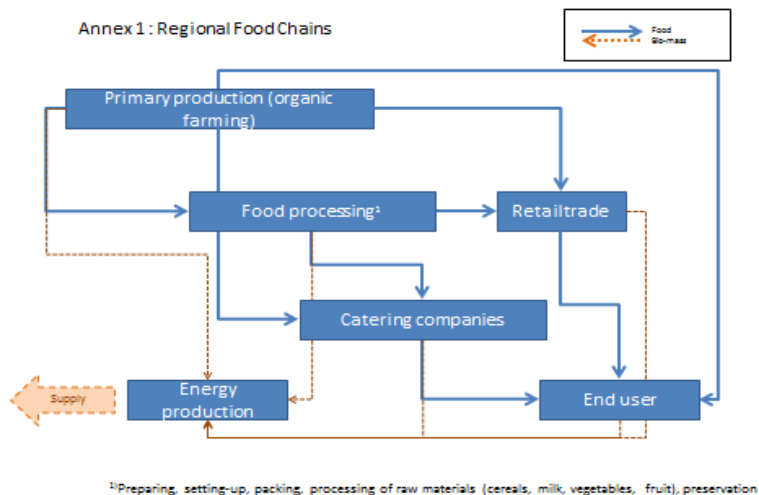
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## Summary

Development Voyage (Pokhara, Nepal) and BachserMärt (Zurich, Switzerland) are initiating a long-term partnership to develop border regions through the education and professional training of young social entrepreneurs in starting up their own regional food businesses – sustainable farms, agritourism, grocery shops, food processing, logistics, warehouse and take away.

Both companies are working to foster sustainable regional food chains, each in their country to increase the value added in the countryside.



BachserMärt operates as a model and training company with two food stores, a restaurant, a dairy and a bakery in the countryside and three shops in the city of Zurich, connected through a small logistics centre to 32 regional farmers and small scale food manufacturers.

Development Voyage runs an organic farm with training character and a network of more than 300 small farmers delivering to two sales points in Pokhara.

We plan Development Voyage to develop into a model for sustainable regional food networks with prototype businesses:

- Saathi Bio Farm with agritourism
- Logistics and Warehouse with trade
- THE BAZAAR organic shops with franchising option for young entrepreneurs
- Ecological food processing and central production for the THE BAZAAR take away
- THE BAZAAR organic take away with franchising option for young entrepreneurs

The businesses shall serve as training venues and examples for young entrepreneurs, who will learn how to build a sustainable future for themselves and their region. The networks of the rundumkultur association and BachserMärt in Switzerland and the Bazaar cooperative in Nepal will support the new independent businesses with additional training, credit, marketing support, consulting and bookkeeping services.

Rather than through fair-trade (physically exporting and importing nutrition) BachserMärt develops border regions through the exchange of people, knowledge, ideas and funding.

## Introduction

Tulsi Giri visited Switzerland in 2012 and discovered that a social entrepreneur in Zurich was working on the same vision as himself: offering development opportunities to young people through the creation of sustainable regional food networks.

Tulsi's company, Development Voyage, and the Swiss company, BachserMärt, got connected and in 2013 decided to join forces to develop a prototype in Pokhara, Nepal, of a sustainable regional food network which can be multiplied in Nepal and other border regions of the World.

## Two regions – one vision

### Zurich, Switzerland: the story of BachserMärt

In the summer of 2008 the social entrepreneur Patrick Honauer took over the village shop in Bachs, 25km north of Zurich, and opened the first BachserMärt food store. Over 30 local farmers and food processors supported the setup of a regional distribution of their products. In 2009 BachserMärt opened the second branch, a neighborhood store in Zurich Albisrieden, thereby creating the first urban counterpart to the village shop in Bachs. Since then three more stores and a small-scale logistics center have been added, and BachserMärt is now a GmbH (Ltd.) employing 35 people.

BachserMärt aims to handle food products in a completely sustainable manner, from the primary production to processing, wholesale and retail trade. A major part of the food products sold is sourced through short supply chains from a growing network of most organic local farmers, small scale food manufacturers, a restaurant with agritourism in the countryside, take away in the city. BachserMärt engages in regional contractual agricultural and food processing (bakery, cheese dairy, food preserving) initiatives, and increasingly cooperates with existing local retail trade structures (cooperatives and small retail shops). Zero food waste is guaranteed by recycling food in the network.

Since the start BachserMärt has partnered with axisBildung, an educational network of socio-economic companies. BachserMärt is currently training more than 40 young people with impairments in retail trade and logistics within a professional social-pedagogical setting.

### Education and training in BachserMärt:

Based on our experience in running sustainable closed food chains, BachserMärt offers to young entrepreneurs who want to learn how to start up similar businesses in border regions around the world the following training content:

- Basic education in regional sustainable closed food chains for entrepreneurs and their employees
- Professional vocational training in all professions along the food chain:
  - Organic agriculture (incl. bio-dynamics), organic fish farming
  - retail trade
  - logistics
  - baker, cook and catering, waiter
  - housekeeping, administration
- Management of:

- Warehousing and logistics (village-/city, farmer-/shop) including reducing postharvest food waste
- Sustainable retail shop operation (mainly organic products, zero waste)
- Small scale food processing (bakery, dairy, food preserving)
- Operating sustainable restaurants and take away units
- Operating B&B in the countryside, agritourism
- Social work, Integrate people with impairments into the normal economics

## **Pokhara, Nepal: the story of Development Voyage**

Development Voyage is a socio-economic company in Pokhara, Nepal. The company envisions instilling the concepts of sustainability in the society and market of Nepal. It has initiated 'THE BAZAAR: market for fairtrade & organic', 'Saathi Bio Farm' and 'THE BAZAAR Agriculture Cooperative' as its ventures to meet its objectives of sustainable economy.

The vision is two-fold:

### **Vision 1: Contribution towards sustainability**

Sustainability thinking is the core value of the company. Development Voyage contributes towards sustainability movement by promoting the market-oriented approaches like organic, fairtrade, eco-production, sustainable production and consumption etc. In every activity it introduces they will have long-term impact in sustainable development of the Nepali communities.

- **We develop a sustainable food network what empowers border regions**

### **Vision 2: Sustainable economy through productive engagement of youth**

Economy has a bigger role in delivering sustainable results in the modern world. Nepal needs initiatives to balanced growth and counter social imbalances and environmental damage. Creating a balance requires responsible consumer behaviour and the availability of 'sustainable' products. To meet these balances we focus on creating sustainable economy through productive engagement of youth.

- **We educate young Nepali in professional skills:**
  - **learning by seeing, sensing and doing**
  - **initiating business as a social entrepreneur**

The concept of this business model was coined over the period since 2008 in 'learning by doing' process. Milestones of the process are pointed out below:

#### *2008: Initiated youth movement for community development*

Tulsi Giri and his friends registered an NGO named USSHA Foundation and launched Youth in Sustainable Development (YSD) in Rivan Village in August 2008. The aim of this project was to engage rural youth in income generating activities using of local resources and contribute to sustainable development of their own community. By 2010 this project resulted in an agriculture cooperative having 105 farmers involved in fish farming and organic farming, a community resource center (CRC) providing computer training courses to the youth, home-stay project for tourism initiatives.

*2009: Initiated Development Voyage Pvt. Ltd.*

During the implementation of project Tulsi Giri realized that a market-oriented approach is very important to foster the entrepreneurship and production capacity of the farmers and rural youth.

Leaving their self-reliant households, more and more young people in Nepal are migrating to cities or foreign countries in search of alternative income sources. Considering Nepal's natural resources there is a huge potential in creating a strong sustainable production sector. This will have both social and ecological benefits as it will create more employment opportunities and will support an environmentally conscious trade. While most communities in Nepal are still producing food and handicrafts for self-use, most of them cannot sell their products in a profitable way, due to tough competition with imported goods, lack of incentives, bad roads, inaccessibility of a near market, lack of branding and unfair trading methods.

Development Voyage envisioned to support producers in their efforts to brand and distribute their products, and will offer them a fair-trade market.

Tulsi's visit to Switzerland in 2008/09 for a development course gave him further ideas in the sector of sustainable development as well as linkages to international organizations. After returning back from Europe in April 2009, Tulsi and Tanka Raj Subedi initiated Development Voyage.

*Entrepreneurship was not an easy task:*

With excitement and enthusiasm Tulsi and Tanka decided to start a departmental stores named 'NAMAN Supermarket' for selling local products in August 2009. They took a loan from a local bank with interest rate of 16% per annum. NAMAN was established in Chipledhunga (downtown market of Pokhara) and consisted of a grocery shop, a restaurant and a cybercafé all in one premise. Over the period of 10 months they realized strategic weakness in branding, customer communication and management of the business. The business made a net loss of almost Euro 22,000.00.

In April 2010, Tulsi went back to Europe and successfully made contact with a Swiss development aid organization named ACACIA. ACACIA together with GLS Foundation in Germany committed Euro 30,000.00 as soft loan to Development Voyage. It then shifted the business to Rastra Bank Chowk, Pokhara (present location) in November 2010 and re-branded the business as 'THE BAZAAR'. In 2011, the team of Development Voyage worked massively with different international experts and volunteers to strengthen the business concept, concretizing the business model and improving the management system. The business itself was yet not progressing in-terms of customer & cash flow; by the end of the fiscal year 2011/12 the business was making operational loss of around Euro 80,000.00. Nevertheless, it was getting better in character and strategically unique in the market. It got some recognition from media and was selected as one of the top 9 finalists in a social entrepreneurship award organized in Kathmandu.

*Promises & Progresses: A bright future ahead*

In early 2012 it introduced 'organic vegetables' as part of the store concept. In April 2012, it initiated an extension unit for selling fresh produce within a departmental store. By then 'Saathi Bio Farm' was established for regular supply of organic vegetables for THE BAZAAR and a model farm for the producers working together with them. Gradually, the sales of the business was picking up. Customer flow and cash flow both increased. In 2012, the team of Development Voyage realized the necessity of strategic change in the business model. Together with the producers in their network they came up with the idea to start 'THE BAZAAR Agriculture Cooperative Society Ltd.'. One to Watch,

Netherlands successfully generated Euro 18,000.00 as donation for starting capacity building of the producers involved in the cooperation.

Thus, all the hardships this concept went through, the struggle it made to establish itself in the market and the positive intent it has to bring sustainable solutions in Nepali communities provided rationale for producing this investment proposal. The founding team of this venture is confidently looking forward to the generous support from investors to prove that the risk we put into this model will work and is worthy.

## **Prototyping a sustainable regional food network in Nepal**

### **Idea**

Based on the on-going experiences of our companies in Nepal and Switzerland, we envisage Development Voyage to become a professional training and education center for young Nepali entrepreneurs, who wish to build themselves a future while at the same time developing the region in which they live in a sustainable manner. Development voyage also offers professional practical education and training for young what don't want to start their own business.

### **Prototype businesses**

Development Voyage will establish prototypes businesses. They will run its farm, logistics, warehouse, retail points – organic shops, food processing and organic take away as prototype businesses and learning venues.

BachserMärt will support the initiative and is running its business model in Switzerland in a similar direction for youth in border regions of Europe.

### **Common grounds and objectives**

BachserMärt and Development Voyage share similar visions and activities along the food chain. They start together the education for young people from border regions all over the world to learn how to run a sustainable regional food network.

Development Voyage, Nepal	BachserMärt, Switzerland
<b>Agriculture and agritourism</b>	
<p>Saathi Bio farm – own organic model farm in Rivan, near Pokhara.</p> <p><b>Build a agritourism hostel for homestay at Saathi Bio farm, for tourists, volunteers, school classes</b></p> <p>Network of more than 300 organic farmers/farms and two fish farms delivering to the sales points.</p>	<p>No own farm.</p> <p>B&amp;B at the village.</p> <p>Network of 32 farms, organic and non-organic, delivering to the sales points. Fish farm.</p>
<b>Logistics</b>	
<p>Developing own logistics, own jeep since 2013</p> <p>For all transports of goods</p>	<p>Own warehouse and logistics to connect the countryside to the city.</p>
<b>Warehouse</b>	
<p><b>Own warehouse</b></p> <ul style="list-style-type: none"> <li>- <b>to pack organic products, own label</b></li> <li>- <b>for selling higher quality and quantity of organic vegetable to hotels and restaurants in Pokhara</b></li> </ul>	<p>Warehouse to store and deliver products, online shop, biorampe.ch as project to reduce food waste in cooperation with the biggest organic product trader in Switzerland <a href="http://www.biopartner.ch">www.biopartner.ch</a>.</p>
<b>Retail trade</b>	
<p>Organic vegetable stand (shop-in-shop) in the Saleways Departmental Store in Pokhara. Shop already successful running at Rastra bank chokk.</p> <p><b>2 full-assortment organic shops in Pokhara, one will open at lake side soon. Prototypes for franchising.</b></p>	<p>2 shops in the countryside: BachserMärt Eglisau and Bachs with their own networks of regional farmers.</p> <p>3 shops in the city: BachserMärt Albisrieden, Seefeld, Kalkbreite in Zurich as urban sales points for the regional networks.</p>
<b>Food processing and Take away</b>	
<p><b>Food processing to reduce postharvest food waste</b></p> <p><b>Preserving products from overproduction, pickles, chutneys, dried products, etc.</b></p> <p><b>Production of take away vegetarian menu for the BAZAAR take away-coffee shops (Coffee, Fresh fruit juice, Salad, Momo, Veg. Curry)</b></p>	<p>Cooperation with Restaurant Neuhof in Bachs, organic licensed restaurant. Food preservation and production of convenience food to reduce food waste. Bakery producing organic bread for the shops. B&amp;B network in the village Bachs.</p> <p>Cooperation with the Weidmann farm in Bachs with own organic cheese dairy.</p> <p>BachserMärt runs a small restaurant and take away in Zürich city for reducing food waste.</p>
<b>Education and training</b>	
<p>Training courses at the Saathi farm for organic farming.</p> <p>The Bazaar Agricultural Cooperative: network to exchange experience in sustainable agriculture and entrepreneurship. Savings and credits for members of the cooperative.</p> <p><b>2013 will start the first 12 young with their one year education in professional skills and sustainability: Education in regional food networks in border regions.</b></p>	<p>Professional vocational training for 42 apprentices with impairments, partner of axisBildung.</p> <p>Association rundumkultur: start-up courses for entrepreneurs in sustainable economics. Think tank for new models of cooperation and round tables for farmers, retailers and consumers.</p> <p><b>BachserMärt starts with the first courses in sustainable regional food networks in border regions.</b></p>
<b>Organization</b>	
<p>Tulsi Giri and Tanka Raj Subedi as social entrepreneurs with their company Development Voyage.</p> <p>The Bazaar Cooperative.</p>	<p>Patrick Honauer, Carsten Hejndorf, Rebecca Hofer as social entrepreneurs with their company BachserMärt.</p> <p>The association and foundation rundumkultur.</p>



#### Agriculture: Saathi Bio Farm

Saathi Bio Farm is the prototype farm of Development Voyage initiated in 2011 to raise awareness regarding social and environmental aspects of production and to encourage the farmers in surrounding. The farm will answer the need in consistent production of organic vegetables and strengthen 'THE BAZAAR' as a liable brand, selling organic fresh produce. After organizing a series of orientations and training courses on organic/bio-dynamic farming in Rivan in 2010/11 the interested youth and farmers formed a group to start productions. Training inside the classroom was not sufficient to deliver the skills and expertise in sustainable production. A model farm where they can work and learn the skills and ideas of sustainable farming was required.

The farm is still in its initial stage of implementation. It covers around 1.5 hectares of land. At present 2 youth from Rivan are working full time in the farm while farmers from Rivan area are called to work in the farm as required and training is needed.

#### Next steps

- **Buying 4 cows, 15 goats, 25 local chicken to increase the income by selling milk and the animals (no meet production)**
- **Build cattle sheds for collecting manure for composting**
- **Build greenhouses to produce yearlong different vegetable (more diversity) and training space for research and training**
- **Planting fruit trees**
- **Build an agritourism hostel for homestay at Saathi Bio farm, for tourists, volunteers, school classes**

<b>Saathi Bio Farm</b>			<b>Euro</b>
	Pre-investment	30'000	Indiv.
	Cows & cattles	8'500	
	Cattle sheds	5'000	
	Green House & training space	6'000	
	Tools & Machineries	2'500	
	Agritourism homestay	20'000	
			<b>72'000</b>

## Logistics

This shall be the service department of Development Voyage that links the producers in its cooperation to the sales point-THE BAZAAR. This unit will assist in the following ways.

Providing logistic services to the members of the cooperative for delivering the products from the farms to the city Pokhara.

### Next steps

- **Buying bikes to deliver in Pokhara**

Logistics			Euro
	Pre-investment	30'000	BoNP
	Jeep (four-wheeler)	25'000	BoNP
	Bikes for mobility	3'000	
			<b>58'000</b>

## Warehouse

The warehouse buys organic dry products and does the packaging, branding and selling of them. High quality storage as required by individual varieties, sorting, grading and quality packaging of the products. The warehouse sells the vegetables from the farms to hotels and restaurants. They do the regulation of the quality, supply and demand.

Providing direct-delivery services to Business-to-Business sales of THE BAZAAR

The warehouse will support to create value by

1. Regulating the supplies (volume & variety) based on market value
2. Reducing wastage and maintain the quality of the organic products.
3. Adding value through sorting, grading, packaging and branding.

Doing so the farmers will:

1. Get better prices for their produce
2. Stronger guarantee of market adoption
3. It will also offer employment

### Next steps

- **Looking for room together with the third shop**
- **2014 we start build the warehouse and we invest into the infrastructure**
- **Looking for sustainable packaging**

Warehouse			Euro
	Stock	20'000	
	Machineries - cooling & storage	11'500	
	Bikes for mobility	3'000	
	Warehouse tools & equipments	4'000	
	Space interior	4'000	
	Construction of warehouse	20'000	
	POS System	3'000	<b>65'500</b>

## Retail THE BAZAAR

THE BAZAAR connects local producers to middle-class Nepali consumers. It is creating a new consumer market with a focus on locally produced products; home decoration, accessories, groceries & fresh food produce. Its competitive advantage is the value of genuine Nepali quality products for a reasonable price in combination with the reward of offering local producers a fair price and reducing environmental risk. In Pokhara THE BAZAAR is the only brand fully dedicated to the issue of sustainability and fair trade and therefore allows for a unique positioning. THE BAZAAR is a common brand for all the products & producers involved in the cooperation.

THE BAZAAR brand has three different business units:

1. THE BAZAAR-Shop for groceries (coffee, tea, beans, rice, honey, and varieties of dried groceries), fresh produce (vegetables, fruits & fish) and hardware (home accessories, decoration & personal care). Assortment: 100% organic products, Health food, Handicrafts, personal care & home accessories – fairtrade & social projects, Seeds.
2. THE BAZAAR-Shop-in-Shop concept for providing fresh organic produce to customers in different market segments.
3. THE BAZAAR franchised shops. Development voyage gives to young entrepreneurs after their one year education in the sustainable regional food network the possibility to run a organic shop with the brand THE BAZAAR.

## Next steps

- **Shop in shop in Saleways shopping center will be new built in front of the shopping center.**
- **Existing shop will be renewed and designed as a prototype of THE BAZAAR, filled up with the organic assortment.**
- **2013 will be opened the second THE BAZAAR organic food shop at lake side in the same design.**
- **2014 we will open the third shop together with the warehouse**
- **More organic shops THE BAZAAR can be opened as franchised shops from young entrepreneurs in future.**

<b>TB-Shop</b>	<b>Investment for 3 shops in same design</b>		<b>Euro</b>
	Pre-investment	30'000	BoNP
	Stock	24'000	
	Veg Stand/Aquarium	15'000	
	Interior with shelves & design	18'000	
	POS System	3'000	
			<b>90'000</b>

### Food processing and take away

The food processing helps to use vegetable from overproduction and to reduce food waste.

We can reduce the postharvest food waste and use all vegetable and fruit for customers.

It is making processed products for e.g. gundruk (dried leafy vegetables), dried mushroom, dried fruit, jam, pickles, chutneys, fresh fruit juice, fresh roasted coffee to sell in the take shops or in the take away.

The food processing kitchen produces the menu for the small take away locations.

They will offer:

- Vegetable salad
- Momo
- Vegetarian curry
- Fresh roasted coffee, fruit juice, soft drinks

The take away THE BAZAAR is a Prototype what will be as well be used for franchising.

Development voyage gives to young entrepreneurs after their one year education in the sustainable regional food network the possibility to run a take away with the brand THE BAZAAR and the menu from the central food processing kitchen.

### Next steps

- **2014 the kitchen for food processing will be built together with the warehouse**
- **The first take away will open the door**
- **More organic take away THE BAZAAR can be opened as franchised shops from young entrepreneurs in future**

TB-Food processing / Take away			Euro
	Kitchen	10'000	
	Packaging	5'000	
	Take away Infrastructure	15'000	
			<b>30'000</b>

## Training & education

Education and training are the primary means to develop future entrepreneurs, provide employment opportunities to youth and initiate independent businesses that promote the development of sustainable food networks in border regions. Education and training are provided at three levels:

- Start-up-training, staff training, on-the-job training for the youth
- Producers capacity building training on organic & fair-trade
- Education and schooling for running sustainable businesses or children in private schools for sustainable behaviour.

### Education in cooperation with rundumkultur and BachserMärt:

1 year

**process to be part of it...**

practical education in professional skills and in sustainability to become a professional as farmer, retailer, take away waiter, cook or to become an entrepreneur as franchising partner of a THE BAZAAR shop or take away or an independent entrepreneur with its own sustainable regional food network in a border region.

**3 months**

**how it works**

seeing and sensing by doing:

What are my interests? Where are my potentials? How does the system works?

Working at the farm, in the logistics, the warehouse, the shop, in the food processing and take away to discover the different professions and needs along the food chain.

3 days course about the basics in sustainability and the options to change something. Individual training in the professional unit.

**3 months**

**go to the source**

presencing and focusing on the intention:

Where is my intention to bring something new into the world? What is the world asking me to do?

Focus on a profession or idea to realize. What skills and talents can I use?

6 days course as a process to find out the individual intention and the needs of the world. Be connected to myself, my source and finding an answer of the needs of the world.

**6 months**

**be connected... do it**

2 different directions of education can now be chosen:

**specializing in a profession**

Become a practical professional

**initiating an own intention**

create a business model, become a social entrepreneur

4 days course in forming the business model and to bring the intention in the world.

## Multiplication

Entrepreneurs who complete the Development Voyage training program can start up their own business as a partner of the Bazaar cooperative:

- Run an own farm with agritourism as partner from THE BAZAAR
- Open a THE BAZAAR organic shops as franchising partner
- Do own ecological food processing and innovate new product
- Open a THE BAZAAR organic take away as franchising partner
- Initiate a new sustainable regional food network in a other border region of Nepal
- Initiate a good sustainable idea

The Bazaar cooperative provides them with credit, management support, consulting, and other services such as bookkeeping and training. The Bazaar offers professional marketing for the whole network. The entrepreneur pays a license fee (franchising fee) to help finance the services.

In Switzerland, the role of the Bazaar cooperative is performed by the rundumkultur association. The two organizations are in direct contact and support each other.

## Execution

### Organization

In order to keep a clear focus in each organization we divide the roles of the four involved organizations into (1) prototype operations and (2) education & multiplication.

Role	Nepal	Switzerland
(1) Operation of prototype regional food businesses	Development Voyage, in Pokhara	BachserMärt, in Zurich
(2) Education of entrepreneurs, network multiplication	The Bazaar cooperative	rundumkultur association and foundation

### Sustainable regional food network

In each their country **Development Voyage** and **BachserMärt** will operate a sustainable regional food network as models, with their prototype companies educating social entrepreneurs on the job how to run a professional sustainable business. The two companies will cooperate through:

- Exchange of experiences and know-how
- Exchange of staff and trainees

Patrick Honauer will join Tulsi Giri and Tanka Raj Subedi as member of the management board of Development Voyage.

### Associative economics

In each their country the **Bazaar cooperative** and the **rundumkultur association** will be responsible for the educational activities and for multiplying and managing the networks of entrepreneurs.

At the round table initiated by rundumkultur the customers, sales points (warehouse, shops, take away) and the producers work together and base their work on solidarity and sustainability. They become an associative working network.

## Quality management

### Coaching and support

Patrick Honauer will do the support, coaching and controlling in the process. He is experienced in social entrepreneurship since 1993, when he started his first company.

He is the founder and cofounder of: [www.neuhof-bachs.ch](http://www.neuhof-bachs.ch) (first organic restaurant in Switzerland), [www.axisBildung.ch](http://www.axisBildung.ch) (professional vocational training for differently able young people, 180 apprenticeships), [www.BachserMaert.ch](http://www.BachserMaert.ch) (sustainable regional food networks in border regions), [www.rundumkultur.ch](http://www.rundumkultur.ch) (start up for social entrepreneurs), [www.bodenleben.ch](http://www.bodenleben.ch), [www.diesozialfirma.ch](http://www.diesozialfirma.ch), [www.biorampe.ch](http://www.biorampe.ch)

Experience in organic agriculture: board of directors: [www.engelwurz.ch](http://www.engelwurz.ch)

Lecturer at: [www.belvoirpark.ch](http://www.belvoirpark.ch), [www.agogis.ch](http://www.agogis.ch), [www.gastrosuisse.ch](http://www.gastrosuisse.ch)

### Organic production and sustainability

Both networks work together with the office for sustainability [www.weichenstellen.ch](http://www.weichenstellen.ch) from Switzerland. They control the networks from the point of view of sustainability and support to develop it in a sustainable direction.

Development voyage has a manager as an expert from ecological agriculture in its management team, to control the organic production and the supply chain.

### Relation based network

The products are produced, delivered and sold in an overall view network where the individual contact stands in the middle of the activities. At the round table the partners discuss questions and problems and find fair prices, develop a high quality and find solidarity.

They can balance their interests and it grows a common consciousness about the quality of the network. The partners work together with confidence.

## Financing

### Investment plan

<b>Saathi Bio Farm</b>			<b>Euro</b>
	Pre-investment	30'000	Indiv.
	Cows & cattles	8'500	
	Cattle sheds	5'000	
	Green House & training space	6'000	
	Tools & Machineries	2'500	
	Agritourism Homestay	20'000	
			<b>72'000</b>

<b>Logistics</b>			<b>Euro</b>
	Pre-investment	30'000	BoNP
	Jeep (four-wheeler)	25'000	
	Bikes for mobility	3'000	
			<b>58'000</b>

<b>Warehouse</b>			<b>Euro</b>
	Stock	20'000	
	Machineries - cooling & storage	11'500	
	Warehouse tools & equipments	4'000	
	Space interior	4'000	
	Construction of warehouse	20'000	
	POS System	3'000	<b>62'500</b>

<b>TB-Shop</b>	Investment for 3 shops in same design		<b>Euro</b>
	Pre-investment	30'000	BoNP
	Stock	24'000	
	Veg Stand/Aquarium	15'000	
	Interior with shelves & design	18'000	
	POS System	3'000	
			<b>90'000</b>

<b>Food processing TB Take away</b>			<b>Euro</b>
	Kitchen	10'000	
	Packaging	5'000	
	Take away Infrastructure	15'000	
			<b>30'000</b>



<b>Management</b>			
	Branding	5'000	
	Seed fund farmers	15'000	
	Office set-up computers	10'000	
	Certification	10'000	<b>40'000</b>

<b>Total</b>			
	<b>Saathi Bio Farm</b>	72'000	
	<b>Logistics</b>	58'000	
	<b>Warehouse</b>	62'500	
	<b>3 TB-Shop</b>	90'000	
	<b>Food processing TB-Take away</b>	30'000	
	<b>Management</b>	40'000	
			<b>352'500</b>
	donated		<b>10'000</b>
			<b>342'500</b>

## Donations

We are searching donated money to finance the startup and the further developing of the prototype business.

We have also to cover the pre investments by donations to pay back the credits at Nepali bank. It reduces the very high financial costs and helps to found a real prototype as a practical school for young entrepreneurs.

Development voyage can finance by running the prototype businesses the whole education and management costs what are needed in future to educate young social entrepreneurs.

Per year will about 12 – 20 young people finish their education and help to grow the idea of founding sustainable regional food networks in border regions of the world.

### Financing model:

**rundumkultur foundation collects the donated money and is responsible for the use in the purpose we described. rundumkultur gives the money as a loan to THE BAZAAR cooperative. THE BAZAAR cooperative lends the money as a loan to Development voyage ltd. and collects an interest and the pay back money.**

**That money can then be reinvested to multiply the idea and the vision.**

**To develop the same vision in other regions of Nepal, THE BAZAAR cooperative can then finance new sustainable regional food networks.**

## Budget

Budget Summary For The First Year		2013/14 (According to Nepali Fiscal Year)						
	TB-Shop	TB-Take away	TB-Stand (1)	S B F	L & W	EnT	Mgmt	Total
Summary	253'084	-	241'942	(854'866)	(1'214'411)	(160'000)	-	(1'734'250)
INCOME	6'000'000	-	3'300'000	720'000	1'008'000	-	-	11'028'000
COSTS	2 shops							12
Cost of Goods Sold (COGS)	3'600'000	-	1'980'000	114'750	756'000	-	-	6'450'750
Storage, Transport & Marketing	110'000	-	60'000	6'000	490'000	-	390'000	1'056'000
Staff costs	433'200	-	216'600	483'200	344'800	-	1'354'900	2'832'700
Travel costs	-	-	-	-	-	-	96'000	96'000
Office costs	700'800	-	360'000	68'000	18'000	-	725'000	1'871'800
Equipment & maintenance costs	20'000	-	-	20'000	25'000	-	50'000	115'000
Third-Party cost	-	-	-	-	-	-	180'000	180'000
Management costs	882'916	-	441'458	882'916	588'611	-	(2'795'900)	-
Training costs	-	-	-	-	-	160'000	-	160'000
Budget Summary For The 2nd Year		2014/15 (According to Nepali Fiscal Year)						
	TB-Shop	TB-Take away	TB-Stand (1)	S B F	L & W	EnT	Mgmt	Total
Summary	(31'800)	240'110	325'520	(456'300)	(130'800)	(160'000)	-	(213'270)
INCOME	9'450'000	1'842'000	3'660'000	1'155'000	10'296'000	-	-	26'403'000
COSTS	2 shops with takeaway, 1 shop without							13
Cost of Goods Sold (COGS)	5'670'000	948'630	2'196'000	172'500	7'695'000	-	-	16'682'130
Storage, Transport & Marketing	165'000	-	60'000	6'000	684'000	-	390'000	1'305'000
Staff costs	1'006'000	346'940	274'000	604'000	424'000	-	1'363'000	4'017'940
Travel costs	-	-	-	-	-	-	96'000	96'000
Office costs	1'129'200	-	360'000	68'000	858'000	-	725'000	3'140'200
Equipment & maintenance costs	30'000	10'000	-	20'000	25'000	-	50'000	135'000
Third-Party cost	-	-	-	-	-	-	1'080'000	1'080'000
Management costs	1'481'600	296'320	444'480	740'800	740'800	-	(3'704'000)	-
Training costs	-	-	-	-	-	160'000	-	160'000
Budget Summary For The 3rd Year		2015/16 (According to Nepali Fiscal Year)						
	TB-Shop	TB-Take away	TB-Stand (1)	S B F	L & W	EnT	Mgmt	Total
Summary	885'943	552'701	469'143	(302'829)	(141'429)	(160'000)	-	1'303'530
INCOME	10'470'000	5'022'000	3'900'000	1'233'000	10'310'000	-	-	30'935'000
COSTS	2 shops with takeaway, 1 shop and 1 take away							15
Cost of Goods Sold (COGS)	6'282'000	2'586'330	2'340'000	176'400	7'695'000	-	-	19'079'730
Storage, Transport & Marketing	165'000	-	60'000	6'000	684'000	-	390'000	1'305'000
Staff costs	655'000	1'011'540	274'000	604'000	528'000	-	1'363'000	4'435'540
Travel costs	-	-	-	-	-	-	96'000	96'000
Office costs	1'129'200	180'000	360'000	68'000	858'000	-	725'000	3'320'200
Equipment & maintenance costs	30'000	30'000	-	20'000	25'000	-	50'000	155'000
Third-Party cost	-	-	-	-	-	-	1'080'000	1'080'000
Management costs	1'322'857	661'429	396'857	661'429	661'429	-	(3'704'000)	-
Logistics & Warehousing costs	-	-	-	-	-	-	-	-
Training costs	-	-	-	-	-	160'000	-	160'000
Overview 3 years in Euro		2013 - 2016						
	TB-Shop	TB-R	TB-Stand (3-5)	S B F	L & W	EnT	Mgmt	Total
Summary of profit business incl. Education	11'072	7'928	10'366	(16'140)	(14'866)	(4'800)	-	(6'440)
Total profit of business	11'072	7'928	10'366	(16'140)	(14'866)			(1'640)

### Note:

TB-Shop: THE BAZAAR Shop with organic products

TB-R: THE BAZAAR food processing and take away

TB-Stand: THE BAZAAR shop in shop in the shopping center Saleways

SBF: Saathi organic farm with agritourism

L&W: Logistics and warehousing, own jeep for transports

EnT: Education and training

Mgmt: Management and overhead costs for the whole prototype business

## Timeline

Key-Activities	Year	2013		2014		2015	
		Prototypes	2nd Half	1st Half	2nd Half	1st Half	2nd Half
Build Sustainable Food Networks - Prototype businesses	Saathi Bio Farm	Buying 4 cows, 15 goats, 25 local chicken to increase the income by selling milk and the animals (no	Build an agritourism hostel for homestay at Saathi Bio farm, for tourists, volunteers, school classes	-	Fine Tuning	Fine Tuning	Fine Tuning
		Build cattle sheds for collecting manure for composting					
		Build greenhouses to produce yearlong different vegetable (more planting fruits & herbs trees					
	Logistics		Buying bikes (as sustainable as possible) to deliver in Pokhara	Logistics runs-up	Logistics runs-up	Logistics runs-up	
	Warehouse	Looking for room together with the third shop, office of development	we start build the warehouse and we invest into the infrastructure	-	Fine Tuning	Fine Tuning	Fine Tuning
		Looking for sustainable packaging					
	Shop-Retail	Shop in shop in Saleways shopping center will be new built in front of the shopping center.	2014 we will open the third shop together with the warehouse and a take away	-	Fine Tuning	Fine Tuning	Fine Tuning
Existing shop will be renewed and designed as a prototype of THE BAZAAR, filled up with the organic							
Food Processing & Take-Away	2013 will be opened the second THE BAZAAR organic food shop at lake side in the same design.	2014 the kitchen for food processing will be built together with the warehouse	-	Fine Tuning	Fine Tuning	Fine Tuning	
		The first 2 take away will open the door, they are integrated in the 2 new shops					
Finance Needed		Euro 197,000.00	Euro 155,500.00	-	-	-	
All Prototypes	All Prototypes	Train producers in organic farming and fair-trade	Train producers in organic farming and fair trade	Farmers training continues	Farmers training continues	Farmers training continues	
		Professional vocational training for employees of prototype business	Professional vocational training for employees of prototype	Staff Training continues	Staff Training continues	Staff Training continues	
		Develop training courses for entrepreneurs in all prototype	Training for the trainers	Training for young entrepreneurs continues	Training for young entrepreneurs continues	Training for young entrepreneurs continues	
			Start training and education for entrepreneurs in all prototype businesses				
	Finance Needed		-	-	-	-	-
Multiplication	All Prototypes	-	-	Prepare students for opening their own businesses, technical support	Young Entrepreneurs will start at least 1 farm	Monitoring, Standardizing, Evaluating	
					More organic shops THE BAZAAR can be opened as franchised shops from young entrepreneurs		
Finance Needed		-	-	-	-	-	

## Output – Outcome

The following Outputs and Outcomes are already realized now.

Output	Outcome
<p>Organic farming</p> <ul style="list-style-type: none"> <li>- More than 80 organic farmers delivering vegetables</li> <li>- Every farmer delivered 2012 an average of 424 kg which will be increasing after the project is implemented (warehouse and food processing)</li> <li>- Healthy food for more than 80 customers per day by now</li> <li>- Less food waste by logistics, warehouse and food processing (Take away)</li> <li>- High transparency for customers and producers</li> <li>- Fair pricing in the network</li> </ul>	<p>Organic farming</p> <ul style="list-style-type: none"> <li>- More than 300 farmers in the organic farming network of the cooperative THE BAZAAR</li> <li>- Local economics in the countryside has increased, from subsistence farming to higher value generating production</li> <li>- Consciousness of organic nutrition is increased</li> <li>- Less postharvest food waste, contributes to food security issues</li> <li>- Trust into the regional food networks what contributes into the vision of community development</li> </ul>
<p>Youth working in the network</p> <ul style="list-style-type: none"> <li>- Already created 14 jobs for youth</li> <li>- end of 2013 will be 26 jobs including 12 students starting their education</li> </ul>	<p>Youth working in the network</p> <ul style="list-style-type: none"> <li>- less labor emigration</li> <li>- Initiatives from young social entrepreneurs what will run their business (multiplication)</li> </ul>
<p>Education</p> <ul style="list-style-type: none"> <li>- 9 trainings for organic farming to 270 farmers</li> </ul>	<p>Education</p> <ul style="list-style-type: none"> <li>- Built the network of THE BAZAAR cooperative and the vision of sustainable food networks</li> </ul>
<p>Company development voyage</p> <ul style="list-style-type: none"> <li>- The company is still not financially profitable</li> </ul>	<p>Company Development voyage</p> <ul style="list-style-type: none"> <li>- Experience and confidence increased, so the prototype businesses can be used for training</li> <li>- Cooperation with BachserMärt and rundumkultur Switzerland makes the vision global and can become a model for regional food networks all over the world</li> </ul>

## Contact

### **Development Voyage Pvt. Ltd.**

Tulsi Giri, founder and CEO

Damside Marga, Rastra Bank Chowk, Pokhara 977, Nepal

E-Mail: [giritulsi@gmail.com](mailto:giritulsi@gmail.com)

Phone (+977) 61-460415 ext. 460351

Internet: [www.thebazaar.com.np](http://www.thebazaar.com.np)

### **BachserMärt GmbH**

Patrick Honauer, founder and CEO

Buckhauserstrasse 30, 8048 Zurich, Switzerland

E-Mail: [patrick.honauer@rundumkultur.ch](mailto:patrick.honauer@rundumkultur.ch)

Phone: (+41) 79 648 03 22

Internet: [www.bachsermaert.ch](http://www.bachsermaert.ch)      [www.rundumkultur.ch](http://www.rundumkultur.ch)

# Organogramm

