

# Public-Private Dialogue

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## **Nepal: Women's Economic Participation Federation of Woman Entrepreneurs' Association of Nepal (FWEAN)**

by

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### **Background and Context:**

The Federation of Woman Entrepreneurs' Associations of Nepal (FWEAN) was established in 2003 to serve as the central body for the Women Entrepreneurs' Associations of Nepal (WEAN), which has chapters in 29 districts of Nepal. Based in Kathmandu, FWEAN's work spans four focus areas: policy advocacy in support of women's economic empowerment, capacity building and skills training for women entrepreneurs, stimulation and promotion of entrepreneurship in rural and urban areas of Nepal, and establishment of WEAN chapters in all 75 districts of Nepal. A total of 110 women entrepreneurs are individual members of FWEAN, and primarily operate micro and small- and medium-sized enterprises (SMEs) in the handicraft, agriculture, services, and retail industries. In the past five years, FWEAN has taken serious organizational strides, going from four permanent staff members to 14 staff members in 2017, including two business development counselors, two program coordinators, a finance officer, and a communications advisor. FWEAN is in the process of establishing nine additional district chapters.

The vision of FWEAN is to stimulate and sustain socio-economic development in Nepal through women's entrepreneurship. FWEAN promotes women's entrepreneurship in the country through advocacy, networking, information dissemination, and capacity building. To meet its yearly goals for advocacy and public-private dialogue, FWEAN organizes an annual national consultation workshop that convenes members from across Nepal's districts to identify the main policy issues affecting women entrepreneurs at the national and sub-national levels. FWEAN uses workshop feedback to draft an advocacy agenda for the year. In addition to advocacy, FWEAN also provides member services such as business counseling, organization of trade expos, and e-marketing through Nepal's first e-commerce site, Winbiz.com. FWEAN has been active in developing Winbiz.com to reduce the challenges women entrepreneurs experience in accessing markets.

FWEAN works closely with the Government of Nepal to increase opportunities for women's entrepreneurship in the country. Other local partners include King's College, a leading business school in Nepal, Kathmandu University, and Kathmandu University School of Management. FWEAN is active in providing research assistance to academic institutions regarding the policy environment for women-owned businesses, and signed a memorandum of understanding with King's College to advance discussion on the contribution of women-owned small and medium-sized (SME) businesses to national development, among other topics.

FWEAN is also a key partner for various international organizations, including the Center for International Private Enterprise (CIPE); Embassy of the US in Nepal; International Labour Organization (ILO); the Lutheran World Federation (LWF); Finn Church Aid; Uniterra, a program of the Centre for International Studies and Cooperation and the World University Service of Canada; and Deutsche Gesellschaft für Internationale Zusammenarbeit.

Since 2012, FWEAN has been a member of CIPE's regional network of South Asian women's business organizations, which includes chambers and business associations from Sri Lanka, Pakistan, Bangladesh, and India. CIPE has led FWEAN through a series of multi-year training and networking workshops that have increased the organization's capacity to meet its members' needs and advocate policy reform. Trainings have focused on the role of business associations in a democracy, board governance, strategic planning, financial and staff management, internal and external communications, membership recruitment and retention, member services, and strategies for policy advocacy. The workshops have also provided FWEAN with the opportunity to exchange information and build relationships with other leading women's business groups in the region seeking to improve the participation of women in their respective national economies. In 2014 and 2015, FWEAN received small grants from CIPE to design and implement policy advocacy programs. With CIPE's support, FWEAN successfully advanced a number of concrete reforms, such as promoting women entrepreneurs in agro-business and making credit more accessible for women-led SMEs.

As part of its partnership with the ILO, FWEAN ran a business clinic that trained women entrepreneurs on registering their businesses and applying for bank loans, among other topics. Through the business development and formalization training workshops, women entrepreneurs learned how to move into the formal sector, develop business plans, manage profits, and market their products online and in exhibitions. For its work on the business clinic, FWEAN was the International Project Management Association's 2016 Gold Award winner in the "Community Service/Development Project" category. In partnership with the LWF and ILO, FWEAN has also conducted enterprise skills-training for women entrepreneurs in the rural areas of seven districts in Nepal.

### **Youth and Inclusion Dimension:**

In Nepal, women entrepreneurs confront a range of legal, regulatory, and cultural barriers to their full socio-economic participation. Focus on closing the gender gap is important for national prosperity. For example, according to a 2012 International Finance Corporation [study](#), women entrepreneurs in Nepal generated six percent higher profits on annual sales than their male counterparts, despite operating smaller businesses. These women entrepreneurs, moreover, are largely confined to the micro and SME sectors due to difficulty in obtaining collateral-free or low-interest bank loans and proprietary customs granting men land ownership. In 2014, FWEAN successfully lobbied the government to identify the number of newly registered SMEs that were run by women. Of the 22,155 SMEs registered in 2015, 48.5 percent were women-owned businesses. If the credit requirements of Nepal's women entrepreneurs were adequately met, they could significantly grow both their own businesses and Nepal's economy. FWEAN, in the meantime, is assisting women with formalizing their businesses.

FWEAN engages in and organizes public-private dialogues to build a business-enabling environment for women entrepreneurs to open and grow businesses, as well as provide employment opportunities to other women. Through its national consultation workshops and engagements with district chapter leadership, FWEAN takes stock of the top policy barriers

limiting its members' entrepreneurial activity. From 2015-2017, FWEAN members identified the following challenges: lack of gender-sensitive industry, tax, and trade legislation; weak implementation of labor policies to increase competitiveness; limited access to credit; limited access to markets and knowledge of market-entry processes; poor information dissemination of government services and benefits available to women entrepreneurs; limited incentives for women entrepreneurs; lack of women's representation in government boards; and low exposure of women-led businesses. In light of these challenges, its members have also communicated the following needs: access to finance; skills, technology, and marketing training; skilled labor; opportunities for product development and capacity building; and publicity.

One recent and striking way FWEAN has addressed its members' need for increased business promotion and engagement with government is through organization of Nepal's first-ever International Women's Trade Expo. The expo convenes Nepali women entrepreneurs to showcase their products to and discuss their businesses with government and consumers, network and form partnerships with other South Asian women entrepreneurs, and exchange knowledge about entry into international markets. At the first trade expo in 2016, Ishwari Ghimire, executive director of the Trade and Export Promotion Center, a sub-division of the Ministry of Commerce, acknowledged the exhibition as providing the Nepali government with a clear snapshot of the status of women's entrepreneurship in Nepal.

### **Partnership, Structure, and Processes:**

FWEAN has well-established relationships with governmental legislative and regulatory agencies, and has the network-reach to take up advocacy efforts. FWEAN was recognized by the Nepal Ministry of Commerce and Supply as a Commercially Important Person for its robust efforts to break down structural barriers to women's entrepreneurship and promote gender mainstreaming in economic policy development. In addition, FWEAN has been invited to join meetings on SME policy at the Ministry of Industry and the Ministry of Commerce and Supply (MoCS), as well as sits on the MoCS's Board of Trade to advise the government on policies to promote women's entrepreneurship in Nepal. FWEAN's high visibility among government economic agencies led to five major political party leaders, including the current Prime Minister of Nepal, endorsing FWEAN's 2015 advocacy agenda titled, "Economic Empowerment of Women through Entrepreneurship."

FWEAN also enjoys wide-ranging representation within several prominent national business organizations, such as the Federation of Nepalese Chambers of Commerce and Industries (FNCCI), the Nepal Chamber of Commerce (NCC), and the National Business Initiative (NBI). FWEAN's leadership occupy executive positions within these mainstream organizations, encouraging them to lobby the government for policies that facilitate women's economic participation. One of FWEAN's main arms for advocacy and public-private dialogue is the NBI. Established in 2005, the NBI's 18 member associations and 21 individual member companies work together to create a better business environment and promote inclusive economic growth. To this end, the NBI has held two national and six regional workshops on public security and service delivery in post-conflict Nepal and conducted needs assessments of micro enterprises.

The Nepal Business Forum (NBF) is another major mechanism through which FWEAN engages in public-private partnership. Established in 2010 by the Nepali government with support from the International Finance Cooperation, the NBF aims to stimulate dialogue between government agencies and apex business associations (e.g. FWEAN, FNCCI, NCC, the

NBI, the Confederation of Nepali Industries, and the Nepal Bankers Association) regarding barriers to doing business and investment in Nepal. The NBF is comprised of six working groups, and each group is led by a government and a private sector representative. Among the six is the Women's Entrepreneurship Development Working Group, which is co-chaired by FWEAN and the Secretary of the Ministry of Women, Children, and Social Welfare. Membership in the working group pulls from the women's committees of the FNCCI, Federation of Nepal Cottage and Small Industries, and Federation of Handicraft Associations of Nepal. A high-level business forum meets every six months to hear results of working group discussions. The inclusion of a working group on women's entrepreneurship among others on trade and exportation, infrastructure, and banking and insurance indicates receptivity among government and civil society to promoting women in business in Nepal.

### **Results of FWEAN's Advocacy:**

FWEAN has successfully advocated a number of policies designed to help women-owned SMEs. In 2014-2015, FWEAN pushed for full implementation of an agricultural bill that had languished in Parliament for years and that would provide support to women-owned agribusinesses. Despite an ongoing political battle to complete the constitution, FWEAN persevered in reaching out to government ministries interested in moving the bill forward, holding a number of events to publicize the importance of the issue. As a result of the positive response from the government, FWEAN is seen as a credible representative of women in business – and the organization's membership, in turn, continues to grow.

FWEAN's efforts at public-private dialogue have also prompted the government to establish the landmark Women's Entrepreneurship Development Fund, which guarantees low-interest and collateral-free loans to women entrepreneurs. The present fund amount available to women entrepreneurs is 40 million rupees (USD \$385,000), with the promise of yearly increase. In addition, because women in Nepal find it difficult to market their goods, FWEAN also advocated for the establishment of a women's craft village. The government has identified land for this marketplace and the Department of Cottage and Small Industry has agreed to build basic infrastructure. To expand access to credit for women entrepreneurs, FWEAN has lobbied the national bank of Nepal, Nepal Rastra Bank (NRB), to provide collateral-free loans to women entrepreneurs. NRB has directed commercial banks to provide loans up to 500,000 rupees (\$4,775) at low interest to women entrepreneurs.

### **Challenges and Expectations:**

FWEAN has done a remarkable job at increasing finance and credit opportunities for women entrepreneurs in Nepal, as well as creating opportunities for the country's rural and urban women to participate in national and international trade fairs, market their products, increase their business skills, and increase their knowledge of compliance requirements for international markets. In addition, FWEAN is included in governmental trade and commerce committees and is well-known for its gender-sensitive advocacy efforts. Yet, information on government services and incentive schemes often remains unknown to business organizations and their membership bases, and more work is yet to be done to ensure better flows of information at local levels, particularly as Nepal federalizes.

Moving forward, FWEAN would like the Nepal Rastra Bank to direct commercial banks to allocate three to five percent of their total loan portfolios for women entrepreneurs. FWEAN would also like the government to institute a national curriculum on entrepreneurship for high

school students; prepare a booklet and webpage that provide information on the public services available to women entrepreneurs; and allocate five percent of the display space in existing industrial estates for women entrepreneurs.

**Biography of the Author:**

**Ms. Sharada Rijal Adhikari**

*Managing Director of Milan Garments, First Vice President of FWEAN*

Prior to life as an entrepreneur, Ms. Sharada Rijal Adhikari was a primary and secondary school teacher for 10 years. Adhikari started Milan Garments – a manufacturing, trading, and exporting company specializing in cotton, hemp, felt and wool products – in 1989 with USD \$100, three sewing machines, and a single rented room. Adhikari began exporting handmade hats to Switzerland in 1992, after which her business grew rapidly. Today, Milan Garments produces hats, bags, slippers, scarves, and other accessories, as well as directly employs 30 women artisans. Adhikari has received the “Best Woman Entrepreneur Award of 2003,” an honor given by the Prime Minister of Nepal; the Nepal Ministry of Industry’s “Successful Woman Entrepreneur Award of 2010”; and the Felt Industries Association of Nepal’s “Best Felt Social Entrepreneur Award of 2015.” She also serves as the Director of the United Nepal Felt Industries and the Director of Lalit Handicrafts.