

BHUTAN ASSOCIATION OF WOMEN ENTREPRENEURS (BAOWE)

Annual Report 2022







Bhutan Association of Women Entrepreneurs (BAOWE) received the National Order of Merit (Gold Medal) from His Majesty the King during 109th National Day Celebrations in the year 2016

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Message from the Executive Director/Founder



After successful urban initiatives, BAOWE, with the backing of the ADB project, established self-help groups and engaged smallholder farmers, predominantly women, who had been practicing subsistence farming. The objective was to identify potential cash crops for future commercialization.

Thanks to a grant from the Bhutan Foundation, provided by USAID, BAOWE has introduced value-added facilities and equipment in specific regions, with plans for future expansion. This strategic move allows us to enhance the value of farmers' existing produce and promotes the marketing of their products within and outside of Bhutan.

BAOWE also operates the BAOWE-Pelzhing Microfinance Institution as a supplementary endeavor to support its members by offering affordable financial services and savings accounts, aligning with the government's financial inclusion efforts. Among the activities within this program is the provision of financial literacy training to its members.

Within the realm of rural entrepreneurship, BAOWE works with individuals who have formed groups with shared interests, primarily focusing on the economic betterment of their communities. These entrepreneurial groups are characterized by their innovation, creativity, and the ability to discern business opportunities in small, isolated communities. They harness the unique resources, including natural assets and local markets prevalent in rural areas, to initiate and grow their businesses.

The majority of farms in these areas are subsistence farms with limited land holdings, often owned by women and scattered throughout the countryside. BAOWE assists these communities in identifying products that thrive and are sustainable, frequently favoring traditional crops that farmers are comfortable cultivating.

In addition to the creation of self-help groups and the promotion of products, BAOWE launched the BAOWE-Pelzhing Microfinance Institution to provide affordable financial services and savings accounts, in alignment with the government's financial inclusion goals. This initiative also encompasses financial literacy training for its members.

BAOWE has ambitious plans to establish mini-processing centers within rural communities, facilitating value addition and expanding market opportunities. This move aims to integrate women entrepreneurs into sustainable global value chains, including digital networks and e-commerce. Another significant project involves the creation of a gender-disaggregated database for inclusive policy interventions.

With 12 years of dedicated service, over 15,000 direct and indirect beneficiaries, and a presence in most of the country's 20 Dzongkhags (districts) with a team of 5 staff, BAOWE now looks to explore international markets. Nevertheless, they face numerous challenges, including limited access to capital, infrastructure, and conducive markets.

Over the next five years, BAOWE plans to leverage technology to develop a user-friendly marketing app, connecting farmers with manufacturers and consumers, and integrating with existing government apps to provide essential agricultural information.

On behalf of the BAOWE Board and the entire team, I extend my gratitude to our donors and partners for their invaluable support to date. I earnestly request your continued support to aid us in this meaningful endeavor. Last but certainly not least, I appreciate the dedicated BAOWE team for their hard work and achievements thus far.

Background on Bhutan Association of Women Entrepreneurs

MISSION	VISION
<i>To promote sustainable and equitable opportunities for women entrepreneurs</i>	<i>To promote a conducive environment for sustainable and equitable opportunities of women entrepreneurs</i>

BAOWE was formed and working way back with the inspired and conceptualized by the Ms. Damchae Dem (Executive Chairperson of Pelden Enterprise Limited) and who shared the President's passion, mission and purpose in life to benefit the less privileged women, unorganized sectors and youth and help them empower themselves to lead productive and meaningful lives.

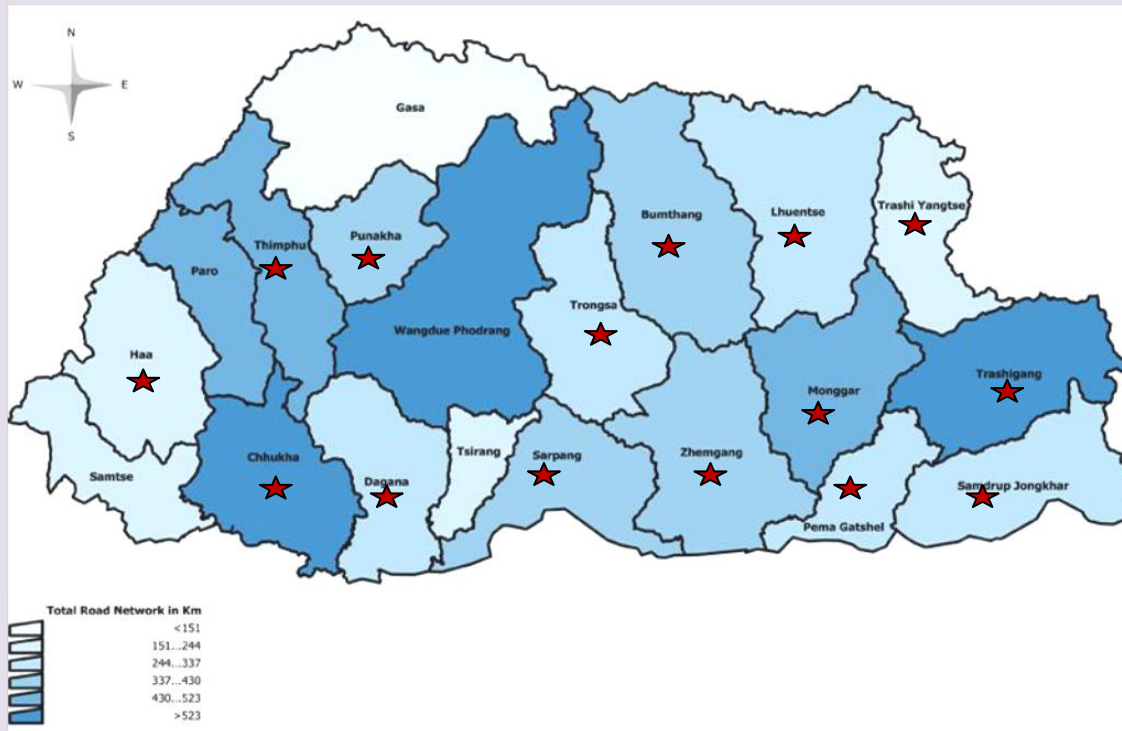
In the year 2010, Bhutan Association of Women Entrepreneurs (BAOWE) was legally registered as a Public Benefit Organization under Bhutan CSO Act 2007 on 15th April 2010 with the aim of reaching out to marginalized members of society mainly single mothers, unorganized sector and unemployed youth.

BAOWE works to ensure the development of women's capacity and related support services to enable women entrepreneurs to conduct profitable businesses and increase their self worth, independence and autonomy and mobilizing communities to bring hitherto undiscovered and unimaginable markets to the invisible small and micro women entrepreneurs without women having to reach out and migrate to urban areas in search of markets and opportunities. BAOWE's cluster cooperatives will be social enterprises developed, owned and run by collectives in the community which will further cultivate GNH at the grassroots level spearheaded by women entrepreneurs.

Due to rapid urbanization, today the rural landscape is largely spotted and dominated by women with a higher rate of male out-migration for employment and education. Owing to limited economic and employment opportunities in rural areas, girls and women show signs of attraction to urban areas too. However, due to their minimal or no education and lack of skills, young girls and women land up in exploitative situations and engage in unsafe, unhealthy and low-paying jobs. Fewer women will opt to migrate to urban areas once livelihood opportunities are at their rural door step through BAOWE's interventions. BAOWE actively intervene, raise awareness, facilitate and support women, recognize their self worth and discover their strengths to lead more meaningful and dignified lives.

Therefore, BAOWE is here to be an enabling platform for 'Hidden' women entrepreneurs to discover their strengths and potential to thrive in a competitive business environment by doing things differently, successfully and profitably.

BAOWE's OUTREACH



1. Thimphu – Market structure (Sales Outlet)
 2. Haa – Dairy
 3. Chukha – Agriculture and Dairy
 4. Trongsa – Aromatic Plants
 5. Bumthang – Buckwheat (Sweet & Bitter)
 6. Trashigang – Cattle and Poultry Feed production
 7. Trashiyangtse – Urkha Bangla chilli production
 8. Zhemgang – Cardamom, Rice, Dairy, Turmeric, Rice, Mustard Oil and Vegetable production
 9. Sarpang – Sales Outlet
 10. S/Jongkhar – Food Processing Unit
 11. Punkha- Pangtsi Oil
 12. Pematshel – Tshatsi Buram (Jaggery)
 13. Monggar
 14. Lhuentse
 15. Dagana
- } Sustainable Hospitality Industry Inclusive of Native Entrepreneurs (SHINE)

1. ECONOMIC DEVELOPMENT PROGRAMMES

1.1 BAOWE-Pelzhing- Micro Finance Programme

BAOWE_Pelzhing or BAOWE Microfinance institution is one of the few microfinance institutions in the country licensed by Royal Monetary Authority in the year 2017. BAOWE feels that poverty is the mismatch between opportunity and potential. Thus, BAOWE_Pelzhing aims to bridge the gap between the banked and unbanked citizens of the country.

More importantly, financial literacy was felt necessary for its group members because they were not aware of the importance of financial management, savings and channels of fund for business expansion and development. It was therefore, apt for BAOWE as one of the Microfinance institutions in the country to introduce its products and services, orient group members on the alternative funding channels and importance of savings through financial literacy programs.



1.2 Development of Women Owned Open Market (WOOM) to address urban poverty

One of the many manifestations of urban poverty is the increasing number of ‘footpath vendors’ In its quest to address urban poverty by empowering women economically, BAOWE in collaboration with Thimphu and Phuentsholing Thromdey introduced a pilot vendor’s outlet for women in urban nerve centers of Thimphu and Phuentsholing. The beneficiaries of this Project are mostly illiterate and semiliterate single mothers, women and girls. It is envisioned that through this initiative, they will become empowered, independent and live a dignified life as contributing members of society. Basically, BAOWE facilitate and provide a secure and conducive environment for erstwhile street hawkers to sell their produce such as home grown vegetables, fruits and home cooked food/snacks hygienically under the supervision of BAFRA.



**Sales outlet at RSTA Bus Terminal,
Thimphu**



**Sales Outlet & Yogurt Unit near
RSTA Bus Terminal, Phuentsholing**

2. SHINE (Sustainable Hospitality Industry Inclusive of Native Entrepreneurs)

The SHINE project receives financial support from the SWITCH-Asia Programme and is being carried out in seven specific Dzongkhags: Dagana, Lhuntse, Mongar, Pemagatshel, Trashigang, Trashiyantse, and Zhemgang. Its primary aim is to promote sustainable and inclusive tourism development in Bhutan. The project strives to spread tourism activities more evenly across these regions and increase their overall value. Additionally, it seeks to empower Micro, Small, and Medium Enterprises (MSMEs) and groups of agro-product and handicraft producers in rural areas. These efforts enable these businesses to earn a steady and sustainable income by actively participating in the tourism supply chain.

The SHINE project aligns with Bhutan's broader vision of creating a more balanced and regionally equitable tourism sector. This not only contributes to the economic well-being of rural communities but also enhances Bhutan's appeal as a tourist destination. By involving local businesses, including MSMEs and producers, the project aims to establish a mutually beneficial relationship, where tourism benefits the communities and, in return, these communities enrich the tourism experience with their unique offerings. In these ways, the project contributes to the overarching goal of fostering an inclusive and economically viable tourism industry in Bhutan.

In the case of the Food Trial Program, which was conducted in collaboration with hotels and restaurants in Thimphu, it had two primary objectives. First, it aimed to bridge the gap between those who prepare food and those who enjoy it. Second, it encouraged the use of local ingredients, including unique flowers found in Bhutan.

This program had a profound impact. It not only showcased the diverse cuisine of Bhutan but also provided local food creators with the opportunity to share their innovative ideas with restaurants. This increased the popularity of unique ingredients and led to the creation of new culinary concepts, benefiting both farmers and food enthusiasts.

As a result of the program, Bhutan's food industry experienced growth. More people expressed interest in purchasing locally sourced ingredients, supporting small-scale farmers in earning income. People also had the chance to enjoy new and exciting dishes. Furthermore, the program contributes to environmental sustainability and enhances both Bhutan's food and tourism industries.



2.1 FOOD PROGRAM HELD AT ZHIWALING ASENT, THIMPHU FOR EU-DELEGATES

Bringing local products to tourists" is a deliberate effort to offer visitors a more immersive experience by connecting them with the unique culture and products of a region. The "Food Program" at Zhiwaling in Thimphu, for EU Delegates, is a prime example of this approach.

Through the "Food Program," local producers and culinary experts showcase their regional specialties to EU Delegates, offering a taste of Bhutan's unique flavors and traditions.

This initiative fosters cultural exchange, boosts the local economy, enhances tourist satisfaction, promotes sustainability, and ultimately elevates Bhutan's reputation as a sought-after destination.



2.2 PROCESSING FERMENTED CHILLI PASTE

Within the framework of the SHINE project, an inaugural experiment and training session were organized to impart knowledge and skills related to the production of fermented chili paste. The primary goal of this training was to assist the chili farmers' group, with a particular focus on addressing issues related to spoilage during the peak season.

This training initiative was designed to provide farmers with practical insights into the fermentation process of chili paste. By equipping them with the necessary know-how and techniques, farmers are better prepared to process and preserve their chili crops effectively, thereby reducing spoilage and optimizing their produce.

In essence, the training offered through the SHINE project not only enhances the farmers' agricultural practices but also has the potential to positively impact their livelihoods. By learning to create fermented chili paste, farmers can harness their resources more efficiently, increasing the economic value of their chili harvest and securing a sustainable source of income. This, in turn, contributes to the broader objectives of the SHINE project by promoting agricultural sustainability and supporting the economic well-being of local farming communities.



2.3 THE SHINE PROJECT PARTNERS MEETING

The SIHINE project partners recently convened for an internal meeting to deliberate on the most efficient and effective strategies for implementing the remaining activities. This meeting served as an opportunity for the partners to assess the project's progress, identify potential challenges, and chart a course forward.

During this meeting, the partners engaged in discussions aimed at optimizing the project's implementation, ensuring that the remaining activities align with the project's goals and timelines. They explored innovative approaches and collaborative solutions to enhance efficiency and effectiveness in achieving the desired outcomes.

This collaborative internal meeting underlines the commitment of the SIHINE project partners to maximize the positive impact of their efforts. It reflects their dedication to delivering sustainable and inclusive outcomes in their shared mission. Through such strategic meetings, the partners aim to ensure the project's success and the realization of its objectives.



DONORS and PROGRAMME PARTNERS

Bhutan Association of Women Entrepreneurs would like to thank our development partners for their continued support in our quest to better the lives of underserved women and girls.

1. Royal Monetary Authority
2. Pelden Group of Companies
3. EU-Switch Asia
4. Bhutan National Bank Limited (BNBL)
5. EIF (Enhanced Integrated Framework), MoEA
6. Bhutan Foundation USAID
7. Thimphu Thromdey
8. Samdrup Jongkhar Thromdey
9. Gelephu Thromdey
10. Phuntsholing Thromdey
11. Ministry of Agriculture and Forests
12. Asian Development Bank
13. Helvatas Bhutan
14. ICIMOD
15. Canadian Foundation
16. Norwegian Government for FK Exchange Program

BAOWE as an informal platform addressing the economic and social needs of its member is being stretched beyond capacity. The need for a formal platform addressing these issues within BAOWE is an urgent impetus that can no longer be ignored. We need financial and technical support in building this platform and invite interested individuals and institutions to help us in this meaningful endeavor.

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