



Micro-Enterprise Development Programme (MEDEP) Phase II (NEP/03/018)

MID TERM REVIEW

April 2006

Review Team:

Richard Huntington, Consultant
Pushkar Bajracharya, Consultant
Homa Thakali, Consultant
Hari P. Basyal, Government Representative

Table of Contents

List of Acronyms

List of Tables

Executive Summary	1
I. Introduction	4
A. MEDEP Programme	
B. Mid Term Review	
II. Programme Concept and Design	5
III. Programme Implementation	5
A. Challenges to Implementation Strategy	
B. MEDEP Implementation Partners	
C. Implementation training and technical assistance for Micro-Entrepreneurs	
IV. Results	8
A. Relevance	
B. Efficiency	
C. Outputs	
D. Impact	
V. Conclusions	20
VI. Recommendations	22
Annex 1: Terms of Reference	26
Annex 2: Schedule of Field Visits and Meetings	31
Annex 3: Contact Persons for the District Micro-Entrepreneur Group Associations (D-MEGAs)	40
Annex 4: Gender and Social Inclusion in MEDEP Implementation	41
Annex 5. Proposed Revision of MEDEP Phase II Log Frame	43

List of Acronyms

ADB/N	Agricultural Development Bank of Nepal
APRA	Appreciative Participatory Rural Appraisal
APSO	Area Programme Support Office
BDS	Business Development Services
BDSPO	Business Development Service Provider Organisation
COBDEPS	Community for Business Promotion Society
CPF	Client Protection Fund
CSD	Centre for Self-Help Development
CSIDB	Cottage and Small Industries Development Board
DCCI	District Chamber of Commerce and Industries
DCRDC	Dhaulagiri Community Resources Development Centre
DCSI	Department of Cottage and Small Industries
DCSIO	District Cottage and Small Industry Office
DDC	District Development Committee
DEDC	District Enterprise Development Committee
DFID	Department for International Development (UK)
D-MEGA	District Micro-Entrepreneurs Group Association
DNH	Do No Harm
DPIO	District Programme Implementation Office
EDF	Enterprise Development Facilitator
EDO	Enterprise Development Officer
EDU	Enterprise Development Unit
FACBUD	Facilitation Centre for Business Development
FI-NGO	Financial Intermediary NGO
FNCCI	Federation of Nepalese Chamber of Commerce and Industries
FNCSI	Federation of Nepalese Cottage and Small Industries
IEDI	Industrial Enterprise Development Institute
ILO	International Labour Organization
LDF	Local Development Fund
MECD	Micro Enterprise Creation and Development
MEDEP	Micro Enterprise Development Programme
MEG	Micro Entrepreneurs Group
MEGA	Micro Enterprise Group Association
Mers	Micro Entrepreneurs
ME	Micro Enterprise
MFI	Microfinance Institution
MoICS	Ministry of Industry Commerce and Supplies
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
N-MEGA	National Micro Entrepreneurs' Group Association
NPD	National Programme Director
NPM	National Programme Manager

NPSO	National Programme Support Office
NSSC	Neighbourhood Society Service Centre
NZAID	New Zealand Aid
PA	Programme Assistant/Associate
PSC	Programme Steering Committee
RSRF	Rural Self Reliance Fund
SEDC	Safe and Effective Development in Conflict
SEEWA	Sustainable Enterprises, Environment and Women Awareness Society
SIYB	Start and Improve Your Business (Package developed by UNDP/ILO)
SKBB	Sana Kisan Bikas Bank (Small Farmers Development Bank)
UNDP	United Nations Development Programme
VDC	Village Development Committee

List of Tables

	page
Table 1. MEDEP Partner Organizations	6
Table 2. Micro-Entrepreneurs (up to Dec. 2005), by ethnic/caste categories	9
Table 3. Appropriate Technologies used by MEDEP entrepreneurs	11
Table 4. Utilization of Micro-Finance	13
Table 5. Phase I Entrepreneurs' increase in per capita family income	16
Table 6. Phase II Entrepreneurs' increase in per capita family income	17
Table 7. Change in Per Capita Family Income after MEDEP, by Entrepreneurs' Gender	18
Table 8. Entrepreneurs' increase in per capita family income, by "ethnicity"	18

List of Case Studies

Pyathun Soap	11
Producing the "Beehive" Charcoal Briquette	12
Buddhi Maya Sunar	13
Reborn at Age 57	18

Executive Summary

The Micro-Enterprise Development Programme (MEDEP) aims to diversify the livelihoods and increase the incomes of low-income families. MEDEP takes an integrated and market oriented approach to micro-enterprise development, providing and coordinating entrepreneurship training, technical skills training, and micro-finance access for potential micro-entrepreneurs. Local market and resource studies inform product and enterprise selection. MEDEP stresses the areas surrounding local market centres as the critical locales for identifying, training, and assisting selected poor men and women to initiate and grow their micro-enterprises.

MEDEP is a “nationally-executed” project of the United Nations Development Programme (UNDP) under the Ministry of Industry, Commerce and Supplies (MoICS). The United Kingdom’s Department for International Development (DFID) and New Zealand AID (NZ Aid) join UNDP in funding Phase II of MEDEP.

MEDEP Phase II significantly refined its definition of MEDEP beneficiaries, stressing that the programme should go beyond merely serving the poor, targeting a significant percentage of its beneficiaries as “ultra poor”, and socially excluded. A minimum of 30% of MEDEP beneficiaries should be members of socially-excluded castes (*Dalits*), indigenous nationalities (*Indigenous Nationalities*), or ultra poor of any caste of ethnic origin. This change is part of a major initiative of UNDP, its donor partners, and the government to assist categories of persons well below the poverty line who have long been bypassed by development programming. Additionally, MEDEP maintains its target of having 70% of its entrepreneurs be women.

Findings

Despite events and conditions that significantly undermined key MEDEP implementation strategies, MEDEP has continued to demonstrate in Phase II that its integrated approach to micro-enterprise development has an impact on relatively large numbers of beneficiaries. 14,000 MEDEP entrepreneurs are now in business, increasing their family incomes by an average of over 50 percent.

With 70% of its entrepreneurs drawn from the hard core poor (incomes below 4,000 Rs.), *Dalits*, or *Janjati*, MEDEP demonstrates an extraordinary ability, during an insurgency, in reaching the difficult cases with an enterprise development opportunities, rather than humanitarian welfare.

Conclusions

1. Reaching the “Unreachables”. MEDEP is very successful in reaching out to the ultra poor and disadvantaged social categories and assisting them in establishing viable micro-enterprises. Under MEDEP, large numbers of *Dalits*, *Indigenous Nationalities*, and ultra poor have successfully begun their self-employment operations. However, for clients starting from highly disadvantaged positions, the process takes longer, and the enterprises are more modest than those of the MEDEP clients who started as merely poor. MEDEP entrepreneurs have increased their incomes significantly, by an average of 240% per entrepreneur, and have increased their per capita family income by over 50%.

2. An Effective and Cost-Effective Approach. MEDEP provides an effective and cost-effective model for creating sustainable enterprises among the poor, the ultra poor, and the severely socially excluded. There is considerable potential for scaling up of the process. However, it is important to keep sight of the fact that the integrated, sequenced, and market-led approach utilized by MEDEP is complex. It can be tailored for different situations, but it must retain its essential set of activities in order to have success.

MEDEP has produced 14,000 entrepreneurs throughout 20 districts. 95% of these entrepreneurs are still continuing with their enterprises. Because of the low drop-out rate and extensive utilization of trained local enterprise development facilitators, MEDEP has a “unit cost” of approximately US\$450 per entrepreneur.

3. Marketing Challenges. Much work remains to meet the increasing marketing challenges facing MEDEP and its entrepreneurs. The longer-established enterprises are wrestling with wider market linkages, including export, where quality control, packaging, and reliable delivery are key challenges. A number of the new entrepreneurs, after only a few months, are still learning some basic entrepreneurship skills such as product selection and pricing.

4. Sustainability of Business Services. The transformation of the local MEDEP staff into a local NGO dedicated to providing business development services (BDSPO), in combination with the further strengthening of the District Micro-Entrepreneur Groups Association (DMEGA) appears likely to provide a mechanism for on-going micro-enterprise support in some districts. But these associations are just beginning.

5. Micro-Finance. Although in the longer term the diversification of MFIs puts micro-finance access on a more sustainable footing for MEDEP entrepreneurs, the transition, coming at a time of other difficulties (especially conflict-related), is difficult and is slowing enterprise growth.

6. “Internalization” of Enterprise Development. Without “internalization” into government and non-government programmes, entrepreneurship creation will not move to significantly expanding and sustainable levels.

Recommendations

1. Expand Marketing Efforts. MEDEP should considerably strengthen its efforts to link entrepreneurs’ products systematically to export-oriented market chains. For each of the identified products, MEDEP should develop a full workplan, formally identifying the constraints (product quality, levels and timeliness of production, packaging, business linkages), develop programs to address these issues, identify market partners, and develop the necessary institutional arrangements to facilitate and maintain strategic marketing linkages.

2. Implement “Internalization”. Now that the MEDEP-type integrated approach to micro-enterprise development has proven effective and, most important, cost-effective, it is time to start a significant process of internalization of the model. As a first step, is for DCSI and CSIDB to allocate a percentage of the budgets they now use for purely technical skills training for use in an integrated entrepreneurship approach in selected formerly-MEDEP districts.

3. Support the Enactment of Two Policy Changes. The current Industrial Policy / Industrial Enterprises Act should be updated to address two changes needed for a more conducive environment for micro-enterprise growth: (a) *Definition*. There needs to be an official designation and definition of the micro-enterprise category of business; and (b) *Registration*. There needs to be developed a relatively simple process for registration of micro-enterprises (once there is a definition of the category) by the Village Development Committees (VDCs).

4. Extend MEDEP Programme through 2007. The current MEDEP, Phase II program should be extended by one year, through December 2007. This is in line with the extension by one year of the current UNDP Country Programme. From an implementation point of view, it provides the time that makes up for the delayed start-up recruiting, the need to switch micro-finance partners, and other events

that put Phase II behind schedule. As UNDP assesses the situation in preparation for the next Country Programme, it should then consider the future role of interventions in the micro-enterprise sector, depending on the national situation at that time. MEDEP, during 2006 and 2007 should focus on the following activities:

- Strengthen product-specific value chains.
- Increase UNDP programme synergy.
- Continue providing capacity building for BDSPO and DMEGA organizations
- Continue providing advice and support to new MEDEP entrepreneurs.
- Support “Internalization” of MEDEP-Type Model.
- Revise MEDEP Log Frame to more fully represent MEDEP’s commitment to the hard-core poor and socially disadvantaged. (See Annex 5 for a draft revision.)

I. INTRODUCTION

A. MEDEP Programme

Approach. The Micro-Enterprise Development Programme (MEDEP) aims to diversify the livelihoods and increase the incomes of low-income families. MEDEP takes an integrated and market oriented approach to micro-enterprise development, providing and coordinating entrepreneurship training, technical skills training, and micro-finance access for potential micro-entrepreneurs. Local market and resource studies inform product and enterprise selection. MEDEP stresses the areas surrounding local market centres as the critical locales for identifying, training, and assisting selected poor men and women to initiate and grow their micro-enterprises.

Partnerships. MEDEP's approach to implementation stresses a set of strategic partnerships with both government and private sector organizations¹ at the national and district level. Coordination of field operations, especially recruitment of local personnel, is with the District Development Committees. MEDEP is a "nationally-executed" project of the United Nations Development Programme (UNDP) under the Ministry of Industry, Commerce and Supplies (MoICS). The United Kingdom's Department for International Development (DFID) and New Zealand AID (NZ AID) join UNDP in funding Phase II of MEDEP.

Phases. The pilot phase of the programme began in 1998 and was expanded and extended up to 2003. Based on the considerable success of Phase I, UNDP and its donor partners initiated a three-year Phase II in 2004, expanding geographical coverage from ten² to twenty districts³ (Figure 1). Phase II is scheduled to end in December 2006.

Reaching the Disadvantaged. Phase II significantly refined its definition of MEDEP beneficiaries, stressing that the programme should go beyond merely serving the poor, targeting a significant percentage of its beneficiaries as "ultra poor", and socially excluded. A minimum of 30% of MEDEP beneficiaries should be members of socially-excluded castes (*Dalits*), indigenous nationalities (*Indigenous Nationalities*), or ultra poor of any caste of ethnic origin. This change is part of a major initiative of UNDP, its donor partners, and the government to assist categories of persons well below the poverty line who have long been bypassed by development programming. Additionally, MEDEP maintains its target of having 70% of its entrepreneurs be women.

B. Mid-Term Review

A four-person team, including one international consultant, two national consultants, and one representative of the government, performed the mid-term review between 1 March and 8 April 2006, observing operations and enterprises in ten MEDEP districts, including a mix of Phase I and Phase II districts, located in the Far West, Mid West, West, Central, and Eastern regions, representing both *terai* and hill situations, covering some districts severely affected by the conflict. The team met with key partner organizations, District Enterprise Development Committees (under the DDC), and newly formed entrepreneur associations in district and field settings, and with the appropriate donor, government,

¹ Cottage and Small Industries Development Board, Department of Cottage and Small Industries (Ministry of Commerce and Industry), Federation of Nepalese Chambers of Commerce and Industry, Federation of Nepalese Cottage and Small Industries, and the Industrial Enterprise Development Unit.

² Phase I districts: Daldeldhura, Baitadi, Dang, Pyuthan, Parbat, Parasi, Nuwakot, Dhanusha, Sunsari, and Terathum.

³ Phase II districts: Kailali, Darchula, Bardiya, Banke, Myagdi, Rasuwa, Ramechhap, Sindhupalchok, Udayapur, and Sindhuli.

private sector organizations and businesses in Kathmandu. (See Annex 2 for the schedule of visits, interviews, consultations, and meetings.)

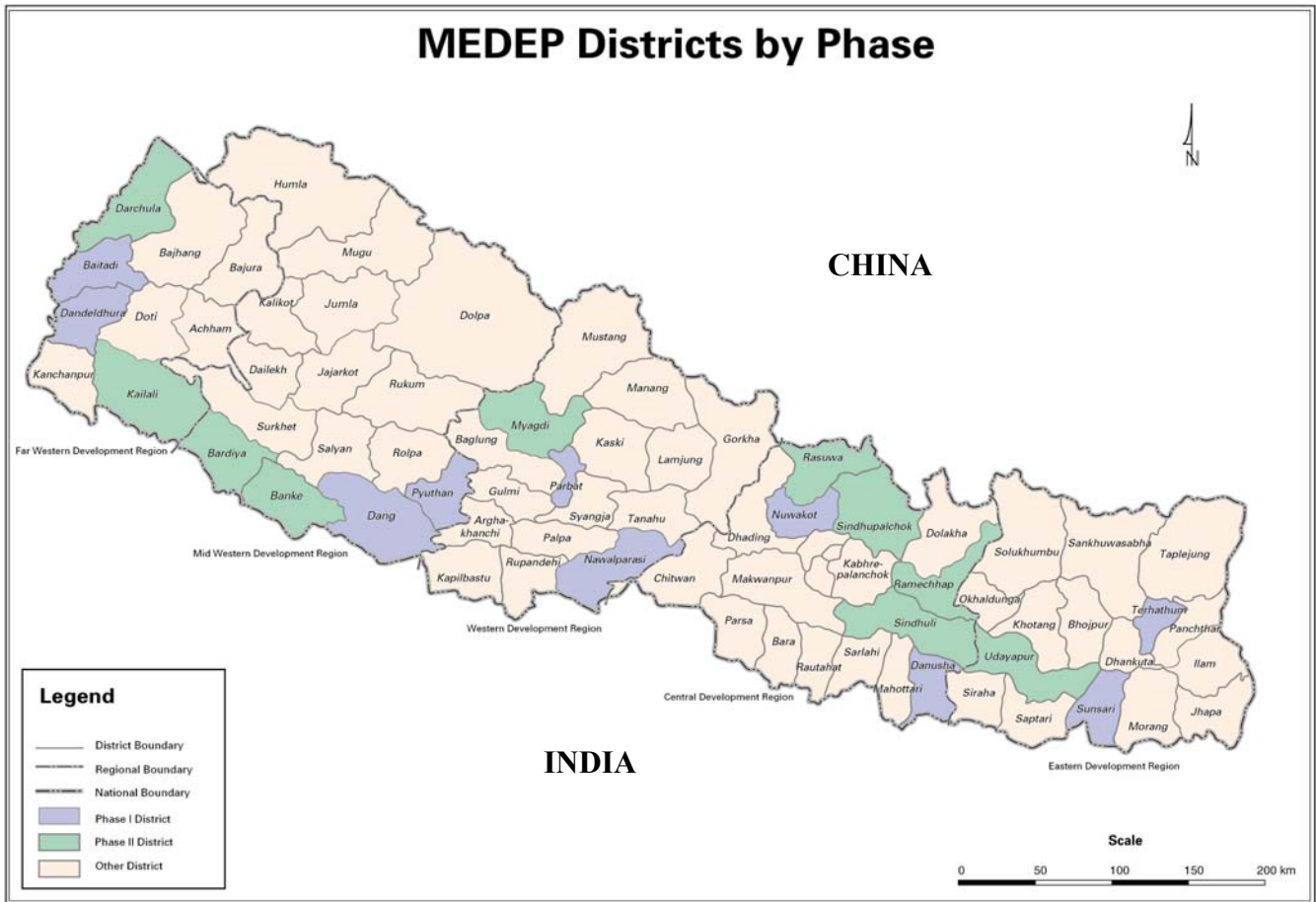


Figure 1: Map of Nepal showing MEDEP phases I and II districts

II. Programme Concept and Design

MEDEP Phase I demonstrated that the market-oriented, integrated approach (potential entrepreneur selection and training, skills training, micro-finance, market linkage and promotion), in partnership with existing government and private sector institutions, provides an effective and cost-effective approach to developing relatively large numbers of sustainable micro-enterprises among the poor. Phase II assumes that the integrated approach is effective and even more essential when one targets persons whose social and/or economic situations put them in even more restricted, poor, and vulnerable conditions.

III. Programme Implementation

A. Challenges to Implementation Strategy

MEDEP Phase II has faced several severe challenges to the core elements of its implementation strategy, challenges that delayed the programme's effective start-up, hampered the delivery of programme services, and raised additional barriers facing new micro-entrepreneurs. These challenges are:

- Delays and uncertainty regarding the Phase II programme;
- The political and administrative changes and uncertainties at the district level;
- The sudden withdrawal of the MEDEP partner in micro-finance (the Agricultural Development Bank) from the sector;
- Conflict-related disruptions and dangers; and
- Reaching the hard-core poor and disadvantaged.

“Delayed” Follow-on from Phase I. Phase II was intended to be a smooth and seamless extension of Phase I. It was expected that Phase II could start-up immediately, allowing an overall shorter programme period. For various reasons, the start of Phase Two was delayed (covered by an uncertain bridging extension of Phase I), creating a climate of uncertainty that resulted in an immediate loss of continuity of senior staff, and slowed the start-up of the programme.

District Level Changes and Delays. MEDEP, like other UNDP projects utilized the elected District Development Committees as an effective and locally responsive body to serve as the district home for the programme. MEDEP local staffs were to be recruited by the DDCs and their Local Development Funds. With the political events of recent years, the status, and some might say, the legitimacy, of the DDCs became uncertain as responsibilities were alternated from elected DDC chairmen, to the Local Development Officers of the Ministry of Local Development, to a nominated DDC body, in an uncertain and revolving situation. Additionally, with the intensification of the Maoist insurgency, MEDEP's association with the DDCs became locally questioned as well as a source of vulnerability. From a practical perspective, these uncertainties slowed the recruitment of MEDEP staff and delayed the beginning of field operations in the new districts by approximately one year.

Loss of MEDEP MFI Partner. MEDEP had an established micro-finance partner with the Agricultural Development Bank, which, with financial support from UNDP, opened a special window to service MEDEP micro-entrepreneurs. It was assumed this successful arrangement would continue during Phase II. Unexpectedly, the Agricultural Development Bank made an overall policy decision to pull out of the micro-finance sector. MEDEP responded by identifying, district-by-district, a variety of alternate sources of micro finance, institutions that had grown up in recent years within the new legal framework for micro-finance. As a result, MEDEP entrepreneurs will now have access to diversified sources of micro-finance. However, identification of new local MFIs, and the variety of loan packages, interest rates, and application procedures, has slowed the process of implementing MEDEP's micro-finance component. Especially, MFIs servicing many hill areas are scarce.

Conflict Related Disruptions and Dangers. Enterprise development, even micro-enterprise, depends on predictable transportation links—for securing raw materials, for assessing different market opportunities, and for delivering products to markets. The current insurgency repeatedly interrupts these critical linkages, and furthermore undermines the entrepreneurial optimism that is key to enterprise expansion. Women are especially constrained in terms of travel and free movement. These insurgency-created travel and transportation problems negatively affect many of the MEDEP assisted micro enterprises, especially in terms of access to raw materials. On the other hand, a number of MEDEP entrepreneurs have turned the problems to their advantage. For example: a rickshaw owner is making unexpected profits by

transporting customers long-distance (by-passing roadblocks), and a tomato marketer was forced into the more lucrative tomato sauce processing business.

UNDP took important steps to strengthen the capacity of its field staffs to cope with the conflict situation and maximize their personal safety. MEDEP field personnel, as a result of the new United Nations Basic Operational Guidelines, related orientation, and special training covering risk minimization skills, Safe and Effective Development in Conflict (SEDC), and “Do No Harm”, are now more confident and effective in their interactions with the local insurgents. MEDEP operates with increased transparency at field level, meeting one aspect of insurgents’ demands. But, of course, MEDEP, as a United Nations project, pays no “taxes” to insurgents and withdraws from any area where staff members feel endangered or are being pressed to meet unacceptable requests. MEDEP continues to operate, although with constraints, in most of its targeted VDCs and market centres. At any given time, there are approximately 10% of its targeted areas where MEDEP is not operating or is unable to maintain contact with the entrepreneurs due to conflict situations.

Challenge of Reaching the Hard-Core Poor and Disadvantaged. The new designation of beneficiary targets for Phase II provided a serious challenge to the MEDEP goal of developing micro-enterprises. Although MEDEP had succeeded during Phase I in demonstrating that those just at the poverty line could be successful entrepreneurs, it was far from certain that those whose lives were severely restricted by cast, ethnic exclusion, and extreme poverty could succeed as entrepreneurs in this society, or succeed within the relatively short time-frame of MEDEP Phase II.

B. Implementation Partners

From the outset, MEDEP has stressed a relatively complex implementation moDality involving a diverse set of partners. The concept is that there are a number of government, private sector, and NGO organizations with responsibilities pertaining to enterprise development. To the extent possible, MEDEP, as a donor-funded project of finite duration, works with and through partners in order to maximize the short-term accomplishments and the future sustainability.

Table 1: MEDEP Partner Organizations

Partner Organisations	Roles and responsibilities
1. Department of Cottage and Small Industries (DCSI) and Cottage and Small Industry Development Board (CSIDB)	Technical skills development training and Information centre
2. Industrial Enterprise Development Institute (IEDI)	ToT in Entrepreneurship development to MEDEP staff and business counselling
3. Agriculture Development Bank of Nepal (ADBN) and several other Micro-Finance Institutions (MFIs)	Micro-credit
4. District Development Committees (DDCs)	Social mobilisation, Enterprise development planning, Monitoring and evaluation, Programme implementation Lead role in District Enterprise Development Committee (DEDC)
5. District Micro-Entrepreneurs Group Association (D-MEGA)	Policy advocacy, Programme implementation, Resource generation Networking and B2B linkage development
6. Business Development Service Providing Organisations (BDSPOs)	Enterprise development programme implementation, Resource generation Policy advocacy and Networking and BDS delivery
7. Federation of Nepalese Chamber	Market promotion and linkage development

of Commerce and Industries (FNCCI) at the centre and at the districts level with their branches	Alliance development, Policy advocacy and Programme implementation
8. Federation of Nepal Cottage and Small Industries (FNCSI) at the centre and at the districts level with their branches	Market promotion and linkage development Alliance development, Policy advocacy and Programme implementation

In a number of instances, these partners are themselves in need of significant capacity building, and therefore their ability to contribute significantly has been limited. Additionally, the conflict situation has limited the constant presence of some of these partner institutions in the districts. Nonetheless, the reciprocal relations between MEDEP and its partners are reported to be mutually beneficial to the institutions, and, most important, beneficial to the participating entrepreneurs.

MEDEP continues to develop strategic relationships with relevant organizations. Especially it works closely with a number of private organizations in Kathmandu that are leaders in the exportation of such products as honey, crafts, natural fibres, soap, medicinal plants, and food products such as spices. MEDEP is also in the process of developing more formal relations with organizations that represent the interests of the caste-related and ethnically-related excluded segments of society.

C. Implementation training and technical assistance for Micro-Entrepreneurs

The MEDEP integrated approach is an intensely interactive process at the “community” (Settlement/Ward) level, where a series of events and trainings are conducted by the Enterprise Development Facilitator (a local change agent trained by MEDEP). These events include:

- A brief Participatory Rural Appraisal process
- A household survey—45,000 households surveyed in 20 districts
- Identification of potential entrepreneurs—24,000 potential entrepreneurs identified
- Entrepreneurship training—18,000 trained in MECD⁴ or SIYB⁵
- Enterprise “selection” process with individual entrepreneurs
- Appropriate technical skill training—10,000 trained
- Appropriate technology transfer – 38 different types
- Enterprise start-up—14,000 have started enterprises
- Group formation—2,600 micro-enterprise groups (MEGs) formed with 14,000 members
- Assistance in securing finance—3,300 micro-entrepreneurs have secured loans

Implementation Summary. Overall, MEDEP is a programme with strong implementation modalities. It has faced these severe challenges and worked systematically and creatively to overcome them, work around them, and/or reduce their negative effects to the extent possible. It is due to this persistent and creative management that the programme is able to come close to meeting and exceeding its original ambitious targets.

⁴ MECD – Micro-Enterprise Creation and Development, a simplified version of CEFE (Creation Entrepreneurs through Formation of Enterprises) originally developed by GTZ, and introduced in Nepal in the 1980s.

⁵ SIYB – Start and Improve Your Business, developed by ILO, includes a number of game modules that are especially effective with illiterate trainees. A special UNDP grant facilitated the translation of SIYB into simple Nepalese.

IV. Results

A. Relevance

The standard evaluation question of relevance looms especially large during times of national political fragility. The expansion in recent years of the Maoist insurgency, the current abridgement of democratically elected government at the central and local levels, and the resultant disruptions and suffering, has led Nepal's donor organizations to each reconsider what programmes and support are most appropriate and useful during such a period. MEDEP is especially relevant and valuable during such an era for four reasons:

- MEDEP has demonstrated its capacity to continue to reach and work with poor beneficiaries in troubled rural areas, at a time when government's ability and other donors' willingness to provide services in most rural areas is greatly weakened.
- MEDEP is reaching segments of the population that the development efforts of the last decade have bypassed, despite the general commitment of government and donors to poverty alleviation. In this sense, MEDEP positively, specifically, and practically addresses key issues of the insurgency movement.
- MEDEP reaches the deprived segments of the population with a development programme rather than just short-term relief or welfare, and provides people with a capacity that is self-sustaining and empowering.
- Continuing MEDEP during the present crisis also maintains a programme outreach capacity that will be a useful component of post-conflict rehabilitation, once peace is reached.

B. Efficiency

The MEDEP integrated approach, combining entrepreneurship training, technical skills training, micro-finance access, market linkages, and considerable on-going advice and encouragement to new entrepreneurs has significant up front costs. However, MEDEP's reliance on Enterprise Development Facilitators who are locally resident, its consolidation of some management functions from the 20 MEDEP districts to five Area Programme Support Offices (APSOs), and other cost efficient strategies helps minimize the expenses, even for a complex project. Most important is that the costs are offset by the low drop-out rate among MEDEP entrepreneurs that results in a relatively low "unit" cost. The average cost of US\$ 425 (28,000 Rs.) per MEDEP entrepreneur⁶ is quickly surpassed by the value of the annual increase in the entrepreneur's income.

C. Outputs

Output 1: Low income families acquire the skills necessary to develop and sustain micro-enterprises

Micro-enterprise Creation. With ten months left in Phase II, the number of MEDEP entrepreneurs (as of February 2006) is over 14,000, but is unlikely to meet the original target number of over 19,000. On the other hand, despite the slow start and other problems mentioned above, the number of MEDEP's

⁶ This figure is arrived at simply by dividing the total MEDEP programme expenditures by the number of entrepreneurs created.

Phase II new entrepreneurs has already surpassed, in less than three years, the output of Phase I during its five years' of operations.

Ultra Poor and Socially Disadvantaged. The MEDEP Phase II Programme Document specifies that at least 30% of its entrepreneurs should be drawn from the ultra-poor (incomes less than 4,000 rest/year) or from extremely disadvantaged castes (*Dalits*) or indigenous nationalities (*Indigenous Nationalities*). This was seen as a tough challenge, especially for an enterprise development project (rather than, say, a welfare-oriented project). Over 70% of the MEDEP entrepreneurs are ultra poor and/or from one or more of the disadvantaged social categories. Specifically, 21% of the entrepreneurs are *Dalits*, and 37% are *Indigenous Nationalities*. 42% of MEDEP entrepreneurs (from all social categories) are from among the ultra poor.

Table 2. Micro-Entrepreneurs (up to Dec. 2005), by ethnic/caste categories

	Female	Male	Total	Percentage
<i>Dalit</i>	1583	1261	2844	21%
Indigenous Nationalities	3214	1760	4974	37%
Others	3322	2441	5763	42%
Total	8119	5462	13581	100%
Percentage	60%	40%	100%	

Preparing these poorest and most disadvantaged persons for entrepreneurship is a challenge, due to their vulnerability and limited perspectives. The process takes longer, the starting enterprises tend to be simpler and more limited than those that characterized the less disadvantaged entrepreneurs of MEDEP's first phase. MEDEP recognizes that these "clients" have special limitations that must be addressed if they are to be able to participate in the series of trainings and activities required by the MEDEP integrated and sequenced approach. MEDEP is learning how to provide the support they need without undermining the sense of self-responsibility that is at the heart of entrepreneurship.

MEDEP has addressed this in two ways. Regarding participation in training, MEDEP has agreed that it must provide, at the end of the training day, a certain amount of cooking products (mainly rice) so that the trainee and his or her family will not suffer from the loss of one day's paid labour. The poorest people live from day to day. Another important element is that, the poorest often have no access to micro-finance, and need assistance to start their businesses. MEDEP stresses providing small but critical support to establishing shared resource facilities or "common facility centres" to groups of hard core poor participants. A typical example seen by the Review Team was a common resource facility for a group of *Dalit* blacksmiths, consisting of a storeroom and outdoor facility in the market. For this MEDEP provided several technology improvements such as more effective handle-driven "bellows" that improve productivity. This simple facility (a group grant), when combined with skills upgrading and entrepreneurship training allowed the members of this group to quickly double their previous blacksmithing earnings. It is not an easy balance between providing the needed assistance and preserving (developing) the independent spirit. But these compromises appear to work in many instances.

Women. MEDEP's target for women's participation as beneficiaries is for 70% of its entrepreneurs to be women. This has been a difficult target to meet. At the end of Phase I, only 52% of MEDEP entrepreneurs were women. MEDEP then took several steps to address this issue:

- Identifying more female Enterprise Development Facilitators;
- Providing Gender Sensitization Training to a broad range of staff and participants; and
- Carrying out studies to better understand the constraints and opportunities for poor women's entrepreneurship.

During Phase II, 66% of new entrepreneurs are women, bringing the overall MEDEP average up to 60%.

The Review Team notes, by contrast, that no women are members of MEDEP's Programme Steering Committee, and that although special efforts were made with some success to recruit women as Enterprise Development Facilitators in the districts, women are notably absent at the Area Programme Service Offices that coordinate the work of several districts each. Similarly, MEDEP is late in fully including representative organizations of *Dalits* and *Indigenous Nationalities* as part of its most active partnerships, but is now working to counter that lapse⁷.

Marketing. MEDEP entrepreneurs in Phase II are facing, with mixed success, increased marketing challenges both for locally marketed products and for "export-oriented" products. One evidence of this is the fact that even for the established Phase I entrepreneurs, the average annual income has recently decreased by about 15% in the face of conflict-related and other marketing constraints.

- *Local Products.* Under Phase II, especially with the increased number of women, ultra poor, and other disadvantaged entrepreneurs, a greater number of MEDEP entrepreneurs are starting simpler and smaller enterprises for the local market. They have taken their long first step—making a product and selling it. But they do not yet have the entrepreneurial skills regarding product pricing, product selection and positioning, marketing, etc. They are in many instances self-employed producers, but not yet entrepreneurs.
- *Export Products.* At the same time, other MEDEP entrepreneurs, especially from Phase I, are moving into situations that require more sophisticated business skills and better linkages to viable market chains. For this segment of the market, product quality, timely delivery, increased production capacity, and sharper packaging are all required. To date, many opportunities for expanded markets are being missed, especially because: (a) not all MEDEP entrepreneurs understand the critical requirements of these markets; (b) the communication linkages are not in place allowing micro-entrepreneurs to respond rapidly to opportunities; and (c) micro-entrepreneurs are not prepared to produce in sufficient quantities.

The phase II MEDEP has proposed two pronged strategies including developing marketing skill through marketing / business plan preparation, marketing management training and regular business counseling and market survey at local and district markets preparing a list of potential buyers to the micro entrepreneurs and developing market linkages according to specific considerations of local, district, regional and national level markets. The strategies have been well laid out but implementation has not been uniform. There are some products, which may be suitable to local market only. But this recognition and implications have not been adequately made aware of to the entrepreneurs. Especially among the ultra poor entrepreneurs, product selection appears to be based on the request of 'would be ' entrepreneurs, who, as has been mentioned earlier, may lack knowledge and information pertaining to the market. Some products based on bamboo crafts may be suited to high end markets only and sporadic sales at local markets may not fully meet the requirements of the entrepreneurs for example as noted in Kailali, Pyuthan and Sindhupalchok. They need to be cushioned with bamboo and rattan products suited to local market ranging from furniture to baskets etc.

⁷ See Annex 4 for an accounting the representation of women and socially excluded categories of persons in MEDEP implementation

Case Study: Pyuthan Soap

People in Pyuthan are proud of many facets of Pyuthan, including its growing recognition as the home of soap production.

A group of women in Maranthana, having received training and support from MEDEP selected for soap production because it seemed to have a regular market as well as the locally abundant organic raw material—oil from the *Chyuri* tree. They used simple technologies are used as vats for boiling, dyes, cutting instruments etc. In view of the expansion and to give a definite recognition, a stamping machine was provided by MEDEP as a support to enable their activities to be more commercial. They produced and packaged the product so that it was similar in look and price to the Indian manufactured soaps they were familiar with in the local market. They're pleased with their product and have opened a workshop/store/sales room at Maranthana. They have also been experimenting new herbal mixes as *titepati*, which is reputed to have qualities to cure allergies and skin infection.

Despite the beginnings of success they are facing the realization that they have a pricing problem. Their product sells for 15 Rs. With a materials cost of 10 Rs., and 2 Rs. To the retailers, they are making only 3 Rs. per bar of soap. Regular manufactured Indian soap is locally available at 13 Rs. There is a definite limit to the number of customers who are willing to pay extra for local soap just because it is “herbal”.

MEDEP made a market linkage with Kathmandu up-market exporters of organic, herbal, and natural Nepali products. These exporters sell similar soap, in a simply, snappy packaging including a simple wooden soap tray, for 210 Rs! The Kathmandu retailers have made suggestions to the Pyathan soap makers regarding appearance, quality, etc. So far the Pyathun soap makers have not responded as suggested, partly because of communication difficulties, partly because they do not understand how soap could sell for 210 Rs. a bar, and partly because they have already sunk their available cash in the local-looking packaging.

Another important issue has been the absence of a full time marketing expert at NPSO, though, in the second phase, with increasing maturity, entrepreneurs will require more support, up-linkage and exposure to higher end marketing issues like pricing, positioning, quality, branding, labelling, packaging, promotion and distribution management. MEDEP Phase II has made enhanced efforts to link with intermediaries like Mahaguthi, Organic Village, WEAN Cooperative, API-NET, GLOBAL packaging etc. There is a clear need to allocate more resources and extend greater attention to make entrepreneurship development successful and sustainable.

Technology Transfer. Small technological innovations are often the key to providing the efficiency and quality control that make small-scale production possible and profitable. Table 3 lists the range of such technologies that have been taken up by MEDEP entrepreneurs, and which, in most cases have made the enterprise possible and/or more viable.

Additionally, MEDEP operates a program of Participatory Action Research to test potential appropriate technologies. In this regard, MEDEP worked with partners to test several “new” technologies *in situ*:

- Solar Dryer for Ginger, Vegetables, and Fruits. (Research Centre for Applied Science and Technology (RECAST), Tribhuvan University. Was tested and then used by the participants in their enterprises.
- “Beehive” Briquette Production. Tested with the Langhali Community Forest User Group in Sunsari district. MEDEP entrepreneurs are now utilizing the process and marketing these briquettes to both urban and rural customers.
- Improved Water Mills (*ghatta*). MEDEP, in cooperation with the Centre for Rural Technology, created awareness, demonstrations, and operations of the water mills

Case Study: Producing the “Beehive” Charcoal Briquette

One product with potential for an expanded market is the “beehive” charcoal Briquette. This briquette is just the size to efficiently cook one meal, especially when placed snugly in the specially designed simple stove. It competes with kerosene, and its market can expand with any increase in the kerosene price.

In Mude, MEDEP entrepreneurs were using a stove made by CRT, which helped to produce charcoal appropriately, but were grinding charcoal and pressing it manually. They put in less water, reducing the drying period to one to two days in cooler climate like that of Mude. On the other hand, in Dharan, the MEDEP entrepreneurs adapted a mill to grind the charcoal and are also using pressurization to produce a standard output. But they are using ordinary stoves or pits to make charcoal. They are also using more water requiring drying for 5 or 6 days in a relatively hotter place like Dharan. The exchange of experiences as well as information on tools and methods will help both the groups to improve their productivity and benefits. Additionally, dies should be made to enable to produce briquette to last shorter period also to attract diversified market. Last but not the least improvement in briquette stove (for consumers) also is expected to improve and expand its use.

Given the importance of appropriate technology innovations for the micro-enterprise sector, the progress in this area is frustratingly slow. Although there are a number of public and private sector institutions active in the arena, it is difficult to discover which technologies are currently being developed and tested in Nepal or already being disseminated.

Table 3. Appropriate Technologies used by MEDEP entrepreneurs

	Indigenous and Appropriate Technologies	Enterprise
1	Modern Beehive and Accessories	Beekeeping
2	Honey Extractor, Honey processors	Beekeeping
3	Raspador machine	Ketuki Fibre Processing
4	Stitching Machine	Hosiery and Tailoring
5	Cream Separator	Milk Products
6	Grinding machine	Spice and Rittha powder making
7	Tapari Making Machine	Leaf Plate (Tapari) Making
8	Papad Press	Papad Making
9	Leather Products Stitching Machine	Leather Products
10	Solar Dryer	Ginger Drying
11	Sealing machine	Bottle sealing
12	Warpin drum	Allo and Dhaka processing
13	Dhaka and allo weaving loom	Dhaka and Allo products
14	Rope maker	Babiyo rope
15	Wood cutting machine, Electrical saw	Bamboo crafts
16	Spinning Machine	Allo Fibre Processing
17	Ceramics Furnace / Kiln	Ceramic Products
18	Cutting machine, stamping dice	Soap making
19	Baking oven	Bakery products
20	Ice churner	Ice cream
21	Bamboo splitting tools	Bamboo crafts
22	Handlooms, Jacquard looms	Jhalla and allo weaving, Dhaka
23	Camera	Photography
24	Screen print	Envelop and file making

25	Screen print	Paper bag making
26	Die	Chalk manufacturing
27	Die, vibrators, compressors	Cement block making
28	Improved water mills	Milling and oil extraction of grains
29	Refrigerator	Fresh house
30	Sundhara Oil Extractor	Chyuri Oil
31	Labelling and Cutter	Soap Making
32	Oil Dehydrator	Dalmoth making
33	Spinning Wheel	Pottery
34	Spinning wheel	Wool spinning
35	Chulesi die	Chulesi making
36	Chocolate cutter die	Chocolate making
37	Slicing machine	Potato chips
38	Bangles making equipment	Laha products

Output 2: Low income families able to secure financing to develop and sustain micro-enterprises

Sustainable Access to Credit. During the first phase MEDEP had developed partnerships with Agriculture Development Bank of Nepal (ADB/N) creating a joint micro-credit fund. Entrepreneurs had easy access to loan due to three reasons: (1) EDFs of MEDEP use to facilitate to entrepreneurs to process all the necessary documents (2) ADBN had wide spread network of its Branches and Sub-Branches and (3) special provision of credit procedure was prepared, agreed by both parties and followed uniformly in all districts. However, due to the change in policy of ADBN in 2005 it could not be continued.

With the withdrawal of the Agricultural Development Bank from the micro-finance sector, new MEDEP entrepreneurs are having difficulties in financing their micro-enterprises, despite the fact the MEDEP has signed MOUs with a number of MFIs. Access to finance is especially difficult in hill districts and for highly disadvantaged entrepreneurs who lack citizenship certificates. As this change from a single established MFI partner to multiple MFIs is recent, the situation is likely to improve. One consequence of having multiple MFIs is that it is at present difficult to monitor how many MEDEP entrepreneurs have loans, what their status is, and so forth.

Case Study: Buddhi Maya Sunar

Budhi Maya Sunar is a happy looking woman. Her 'dhaka' weaving business is flourishing. With a very humble beginning, she is now employing 13 persons to weave Dhaka. Most of these are used for caps, shawls, blouses or shirts. They are being sold locally as well as at a common show room at Narayanghat. Her major sales, however, are through dealer/wholesalers who come to her door. As a result of her business, she has been able to build her own house as well as buy some additional land. Her daughter is pursuing studies at class II.

The two contented looking women thank MEDEP for this metamorphosis. Mrs. Sunar has reached at this level after a lot of struggle. She, a *Dalit* woman, lost her husband when her daughter was only two. Then the days of her struggle began. She had not only to survive herself but also bring up the baby daughter. She did get some sympathy but not total support from her own home. She worked as a daily labourer and somehow survived. MEDEP came to Nawalparasi in 1998 and she was lucky to be selected for entrepreneurship training in view of her humble condition. She recalls her days of struggle as days of utter frustration and destitution.

MEDEP training and support enabled her to begin Dhaka weaving. She got the first cycle loan amounting to Rs. 5,000 from Agriculture Development Bank and bought a loom and started weaving dahka cloth as many in Ganga Basti chose to do.

The transformation in about seven years is awe-inspiring and the total purposfulness and missionary zeal of a destitute woman led to her fight for survival. With MEDEP's aid has been able not only to come above the poverty trap but also able to provide employment to others

Dhaka cloth, which flourished in Palpa about 3 or 4 decades ago, was given a new boost in the east at Terhathum with laudable innovations in design and colour. But, in Palpa itself, it did not sustain very well and the activities declined significantly. Many people in Kathmandu view Dhaka promotion in Nawalparasi, as not so encouraging a development in view of perceived limitation of the market in Nawalparasi, a region with hot climate where demand for Dhaka cloth is assumed to be low and due to high level of competition in Kathmandu market. But the actual experience has been different with Dhaka being rated as the most viable and profitable among the products of Nawalparasi by the entrepreneurs. Mrs. Sunar will have to watch for increasing competition and also search for new markets. She along with other entrepreneurs will also have to innovate new designs and uses. But she shows confidence and willingness to move in these directions.

Altogether, MEDEP records show that MEDEP entrepreneurs have borrowed at least 41.4 million Rs. In Phase I, more men borrowed than women; but in Phase II the situation has reversed with many more women borrowers. This may be due to increased female entrepreneurs in the second phase. Borrowers are relatively more among indigenous nationalities. *Dalit* women had lesser access to finance than other categories. In totality, however, credit access in Phase II remains a serious constraint, despite the efforts made by MEDEP to make arrangements with a number of MFIs. Potential alternative sources and means of financing micro-enterprises may include Postal Saving and Community Forestry Groups. MEDEP's targets related to micro-finance have not been achieved and there is continued demand for such access at proper interest rates across all segments of the micro-entrepreneurs.

Table 4. Utilization of Micro-Finance

	Male	Female	Total Portfolio (Rs. Million)
Phase I	1153	1097	35.5
Phase II	380	732	5.9
Total	1533	1809	41.4
Percentage %	45.6%	53.4%	

The basic issue for micro-finance component of MEDEP remains one of limited access. (Only 23.7 percent MEDEP are reported to have accessed micro-finance.) Linkage to multiple local institutions operating on a commercial basis, however, is expected to provide better access in the medium term, but, for the most part at higher interest rates than were charged by the Agricultural Development Bank. The new MFI's tend to charge interest (APR) of between 18% and 24%.

Output 3: Micro-Entrepreneurs have continued access to business development services

Sustainability of Local Business Development Services. From the start, MEDEP was committed to a multi-pronged approach to the future sustainability and expansion of MEDEP-like entrepreneurship creation and support. MEDEP's close partnership with appropriate government, private business, and banking organizations, at both the district implementation level and at the national policy level aimed to internalize MEDEP approaches and experiences. Additionally, the utilization of the DCC and its associated District Development Fund and its Enterprise Development Unit was also a key element in a program of internalization.

Plans and hopes did not materialize that the DDC, District FNCCI offices, and Agricultural Development Bank might, in different ways, each absorb some MEDEP staff and appropriate functions into their regular operations. Budgetary cuts, changes in the DDC situation, new policies for ADB all worked against these internalization plans.

MEDEP has addressed these problems by establishing district NGOs (Business Development Services Provision Organizations—BDSPO) comprising the ex-MEDEP enterprise facilitators from the district. It is expected that these NGOs will receive contracts from a variety of sources to provide enterprise-related

training, advisory services, market surveys, and so forth in the district. These BDSPOs are now established in the ten districts from Phase I. The non-governmental status of the BDSPOs is important for their abilities to function in the field during these times.

Business Development Service Provision Organizations

The Friends of Dhanusha

Ms. Sudha Karna, Chairperson
Janakpurdhan, Dhanusha
Telephone and Fax: 041-523742 Email: mitradhanusha@ntc.net.np

Facilitation Centre for Business Development (FACEBUD)

Mr. Nava Raj Gurung, Chairperson
Inaruwa, Sunsari
email: bds_sunsari@medep.org.np Telephone: 025-560862

Resource Centre for Enterprise Development (RCED), Nepal

Ms. Kopila Poudel, Chairperson
Ram Gram Municipality, Ward No. 2, Shanti Tole, Nawalparasi
Telephone: 078-520483, Fax: 078-520482

Community for Business Development and Promotion Society (COBDEPS), Nuwakot

Ms. Rachana Pandit, Chairperson
Trisuli, Nuwakot
Telephone: 010-560137, 560245 Email: nuwakot@medep.org.np

Society for Environment and Women Awareness (SEWA)

Mr. Krishna Dev Pandey, Chairperson
Dasharatha Chand Municipality, Ward No. 3, Baitadi
Telephone: 095-520109 Email: bds_baitadi@medep.org.np

Enterprise Development Awareness Center, Nepal (SEDAC Nepal)

Mr. Devi Bahadur Bhandari, Chairperson
Myanglung, Tehrathum
Telephone: 026-460274 Email: sedac_nepal@ntc.com.np

Sustainable Enterprise, Environment and Women Awareness Society (SEEWAS)

Mr. Yudhisthir Sharma, Chairperson
Kusma, Parbat
Telephone and Fax: 067-420217 Email: parbat@medep.org.np

Rural Economic Development Forum (RECODEF)

Mr. Bijay G.C., Chairperson
Khalanga, Pyuthan
Telephone and Fax: 085-420139
Email: pyuthan@medep.org.np

Enterprise Development and Research Centre (EDRC)

Mr. Hurmat Bahadur Oli, Chairperson
Ghorahi, Dang
Telephone and Fax: 085-560918, Email: dang@medep.org.np

Sustainable Economic and Environmental Development Society (SEEDS)

Ms. Sharada Rawal, Chairperson
Dadeldhura
Telephone and Fax: 096-420631, Email: dadeldhura@medep.org.np

An additional element of sustainability is the creation of District Micro-Enterprise Group Associations (DMEGA), which serves their members in advocacy and market facilitation roles.

Enterprise Sustainability and Growth. One important indicator of enterprise sustainability is the drop-out rate. As of February 2006, only 3% of the more than 14,000 micro-enterprises are reported to have ceased operations. (Another 2% of entrepreneurs are reported to have died or migrated out of their district, although an unknown number of those who have moved are continuing their businesses.) Despite apparent slowdowns in the rural economy due to conflict-related disruptions, the enterprises from Phase I are almost universally still in business after several years of operation, and with relatively little continued assistance from MEDEP. As indicated above, over 70% of MEDEP enterprises are making an important, even, in many cases, life-changing, contribution to the level of family income. It is in the entrepreneurs' interests to do every thing they can to keep these activities going.

A number of MEDEP enterprises have achieved very impressive growth, now employing between ten and twenty full time employees, and are still in the process of expansion.

Output 4: Improve Policy and Regulatory Framework for Micro and Small Enterprises in Nepal

Improved Policy and Regulatory Framework. The policy arena is where MEDEP has had least success. It may also be naïve to expect that a project will be able to make adequate representation at the government level to make necessary policy changes. MEDEP has made significant and appropriate efforts in this direction *albeit* without encouraging results. The policy study conducted by ILO and UNDP was submitted to the government. This study is the basis for the current draft of a revised industrial policy. Less grand policy issues concern the micro-entrepreneurs, who feel the strong need for a simple system for official certification as micro-entrepreneurs. At the moment the lack of an official status and certification is an impediment, especially to access to credit. Draft policies regarding a certification process stress that it should be very simple and inexpensive, available at the Village Development Committee.

D. Impact

Increasing Family Incomes. One important purpose of micro-enterprise is to significantly increase the incomes of the poor. As one indicator of success regarding incomes, MEDEP compares the participating entrepreneur's family per capita income before MEDEP with the net income (revenues minus all non-family-labour costs) of the resultant micro-enterprise (not including any other income that the family may still be earning). The average MEDEP micro-enterprise now provides 56% more per capita family income⁸ than the family was receiving before MEDEP.⁹ The percentage increase in family incomes is similar for *Dalits*, *Indigenous Nationalities*, and ultra poor, however their enterprises are smaller than those of other MEDEP entrepreneurs.

Although the average increase in family per capita income is 56%, it is important to note the differences. The following situations appear to affect performance.

Age of Enterprise. The percentages of entrepreneurs experiencing higher increases in income is greater among the Phase I entrepreneurs than with the Phase II entrepreneurs who have only recently begun their enterprises. Tables 5 and 6 below show that only about 10% of the Phase II entrepreneurs show a family income change of over 50%. (And this calculation does not include those that have not been in business long enough to report an annual post-MEDEP income.) On the other hand, the table of Phase I

⁸ Total enterprise revenues, minus all expenses (excluding the entrepreneur's labour), divided by the number of family members.

⁹ The average growth of individual MEDEP enterprises (not divided by the number of family members) is 230%.

entrepreneurs shows that about 85% are above the 50% mark in terms of increase in per capita family income.

Table 5. Phase I Entrepreneurs' increase in per capita family income

	Percentage Increase				
	0-25%	26-50%	51-75%	76-100%	<101%
Baitadi	1	814	411		
Dadeldhura		59	506	278	
Dang		619			
Pyuthan			892		
Parbat			384	555	
Parasi			599	776	
Nuwakot				604	439
Dhanusha				400	770
Sunsari			557	486	91
Terhathum			172	878	

Table 6. Phase II Entrepreneurs' increase in per capita family income

	Percentage Increase				
	0-25%	26-50%	51-75%	76-100%	<101%
Darchula	213	96			
Kailali	483				
Bardia		83	298		
Banke	129	246			
Myagdi		381			
Rasuwa		160			
Sindhupalchok		120			
Ramechhap	183	308			
Sindhuli		120			
Udayapur		642			

Geography. The districts in Tables 5 and 6 above are listed in order from west to east. The trend is clear for both the Phase I and Phase II groups. Entrepreneurs' performance generally improves as one moves east.

Gender. Women lag behind the male entrepreneurs in their rate of family income growth (average increase 48%). This is attributed to a large number of part-time enterprises managed by women, the fact that a greater percentage of women are recently begun new entrepreneurs, and because women may face more problems than men in travelling during conflict situations.

Table 7. Change in Per Capita Family Income after MEDEP, by Entrepreneurs' Gender

	Entrepreneur Family		
	Before Rs	After RS	% change
Female	25,502	38,089	48%
Male	25,219	42,089	64%
Total	25,360	40,089	56%

"Ethnicity." Interestingly, the socially excluded Dalits and Indigenous Nationalities perform well in terms of the increase in family incomes as a result of their participation in MEDEP. On average, they start from a smaller base salary, resulting in larger increases percentage wise. Nonetheless, such rapid

increases in family income among the very poor and disadvantaged often have very significant impacts on their lives.

Table 8. Entrepreneurs' increase in per capita family income, by "ethnicity"

% change	Dalit			Indigenous Nationalities			Others		
	Female %	Male %	Total %	Female %	Male %	Total %	Female %	Male %	Total %
0-25%	9.3	0.8	5.5	11.3	8.2	10.2	4.8	5.8	8.3
26-50%	33.8	24.5	29.7	28.8	15.4	23.9	33.6	29.2	31.7
51-75%	28.9	37.3	32.6	19.1	28.0	22.3	25.8	32.4	23.7
76-100%	22.2	31.5	26.3	28.6	29.9	29.1	29.6	26.5	27.8
<101%	5.9	5.8	5.9	12.2	18.5	14.5	6.1	6.1	8.5

Impact on Women's Positions. Women entrepreneurs report that they have been able to raise their status and identity inside and outside their household, and strengthen their role in household decision making. The majority of the women entrepreneurs interviewed stated that their income generally goes for better food, clothing, education for their children and other household expenses including their children's marriage¹⁰.

A small in number but highly successful women entrepreneurs are the single women, either widow or abandoned by their husbands. These group of women have employed 2- 23 people. They have scaled up their enterprises, constructed houses, providing education to their children. Women who have had low self-esteem become economically empowered, at decision making have a higher standing in the community and sense of solidarity. A large number of the women are operating house based enterprises in a slow but continued mode due to their family responsibilities.

Case Study: Reborn at Age 57

A old women from Lamahi Dang has been making candle since last four months. She, with her two friends, makes one quintal of candles every six days. They sell the candles in the local market and the nearby villages. The "profit" is 20% over the costs of materials and production.

She had been hoping for such an opportunity for a long time. She says she is a member of the "community forestry group" where she has a saving and credit scheme and also raises goats from that credit. She is also a member of a "mothers group". She was involved in both these groups aiming to improve her economic condition but neither the goat-raising nor the savings scheme provided what she was hoping for. After attending the MEDEP SIYB and candle making training, she has tremendously changed her income within four months. She says she is finally economically independent from her alcoholic husband who is a forest guard. Her husband come five six times in a day to their candle making place to ask her to go home earlier, but she does not care.

Now she is economically independent at the age of 57. She says at the age of 57:

"I have been given a rebirth by the help of MEDEP. Thanks to MEDEP, which has given me such a wonderful knowledge and skill. MEDEP is a like a god for me" she says, with her wet eyes and crumbling voice.

¹⁰ A woman from Janakpur very proudly said that her income from micro enterprise has made her proud to get her two daughters married done.

V. CONCLUSIONS

1. Reaching the “Unreachables”. MEDEP is very successful in reaching out to the ultra poor and disadvantaged social categories and assisting them in establishing viable micro-enterprises.

Under MEDEP, large numbers of *Dalits*, *Indigenous Nationalities*, and ultra poor have successfully begun their self-employment operations. However, for clients starting from highly disadvantaged positions, the process takes longer, and the enterprises are more modest than those of the MEDEP clients who started as merely poor.

Starting these enterprises has an important positive social and psychological impact on participants and their families. MEDEP, although it does offset some of the risk and costs for the ultra poor participants, maintains its strong emphasis on creating self-sustaining business enterprises, even if they are very small. MEDEP must continue to be vigilant that its service to ultra poor does not slide from an enterprise to a welfare mode.

2. An Effective and Cost-Effective Approach. MEDEP provides an effective and cost-effective model for creating sustainable enterprises among the poor, the ultra poor, and the severely socially excluded. There is considerable potential for scaling up of the process. However, it is important to keep sight of the fact that the integrated, sequenced, and market-led approach utilized by MEDEP is complex. It can be tailored for different situations, but it must retain its essential set of activities in order to have success.

3. Marketing Challenges. Much work remains to meet the increasing marketing challenges facing MEDEP and its entrepreneurs.

MEDEP began in 1998 with a strong focus on assuring the market demand for the products and services provided by its micro-entrepreneurs. Meeting that responsibility is moving into more complex stages for both the local products of new entrepreneurs and, especially, for products seeking wider national and even international customers.

4. Sustainability of Business Services. The transformation of the district MEDEP staff into a local NGO dedicated to providing business development services (BDSPO), in combination with the further strengthening of the District Micro-Entrepreneur Groups Association (DMEGA) appears likely to provide a mechanism for on-going micro-enterprise support in some districts.

This NGO solution is particularly appropriate for the current conflict situation. These Business Development Service Provider Organizations are likely to receive enough grants and contracts to sustain themselves in the near future. It is not clear to what extent these grants and contracts will enable the NGO to continue their support for relatively poor (rarely paying for services) entrepreneurs. One can expect that the entrepreneurs’ association (DMEGA) will shoulder important roles—pressuring the NGO to continue to provide advisory services in addition to whatever contracts it is fulfilling, and to become a focal point for marketing linkages. But at this point, the actual success of these organizations is speculative.

5. Micro-Finance. Although in the longer term the diversification of MFIs puts micro-finance access on a more sustainable footing for MEDEP entrepreneurs, the transition, coming at a time of other difficulties (especially conflict-related), is difficult and is slowing enterprise growth.

6. “Internalization” of Enterprise Development. Without “internalization” into government and non-government programmes, entrepreneurship creation will not move to significantly expanding and sustainable levels.

Despite a close and positive partnership with the Department of Cottage and Small Industries and with the Cottage and Small Industries Development Board, neither organization has significantly adopted and internalized the entrepreneurial approach to its training modalities.

VI. RECOMMENDATIONS

1. Expand Marketing Efforts. MEDEP should considerably strengthen its efforts to link entrepreneurs' products systematically to export-oriented market chains.

Much needs to be done, product-by-product, regarding the timeliness, quality, quantity, positioning, and packaging of entrepreneurs' products. With Nepal's accession to WTO, it is critically important that viable exports be expanded. Given the competition with Nepal's more industrial neighbours, craft and specialty products from small entrepreneurs could form an important niche stressing Nepal's comparative advantage. Creating such export-oriented linkages to micro-entrepreneurs can contribute significantly to rural poverty reduction over time.

MEDEP has been working on strengthening these linkages, but without a specific marketing budget and, for much of the time, without a full time marketing person on the national support office. The programme revision/extension should include a specific marketing budget and assure the continuation of a full time marketing person in the national support office.

For each of the identified products, MEDEP should develop a full workplan, formally identifying the constraints (product quality, levels and timeliness of production, packaging, business linkages), develop programs to address these issues, identify market partners, and develop the necessary institutional arrangements to facilitate and maintain strategic marketing linkages.

2. Implement "Internalization". Now that the MEDEP-type integrated approach to micro-enterprise development has proven effective and, most important, cost-effective, it is time to start a significant process of internalization of the model.

As a first step, is for DCSI and CSIDB to allocate a percentage of the budgets they now use for purely technical skills training for use in an integrated entrepreneurship approach in selected formerly-MEDEP districts.

These funds could be contracted to the new district-level BDSPOs (as local NGOs) established by ex-MEDEP field staff on a contract basis with clear targets of numbers of micro-enterprises to be established on an annual basis. As DCSI and CSIDB have moved in recent years to increase the amount of training that is outsourced to NGOs, contracting specific micro-enterprise development to the BDSOP NGOs should be part of normal mechanisms. It should be noted that such a contracts to BDSOPs would constitute only part of the work of the participating independent BDSOP NGOs. DCSI/CSIDB would, where appropriate provide the skill training elements, and would be responsible for the overall monitoring of the results.

At the DDC level, it will also be important, when conditions are conducive, for all DDCs to approve their Enterprise Development Periodic Plans in order to provide a framework for district level activities. However, it is important to remember that the appropriate role of local government is to facilitate enterprise development, not implement it. Many actors, mostly private sector and non-governmental will be actually developing the enterprises.

3. Support the Enactment of Two Policy Changes. The current Industrial Policy / Industrial Enterprises Act should be updated to address several elements needed for a more conducive environment for micro-enterprise growth. The following are two relatively small policy actions that would considerably facilitate the growth of the micro-enterprise sub-sector:

Definition. There needs to be an official designation and definition of the micro-enterprise category of business.

Registration. There needs to be developed a relatively simple process for registration of micro-enterprises (once there is a definition of the category) by the Village Development Committees (VDCs). Such registration would facilitate micro-entrepreneurs in procuring and transporting needed raw materials (including forest products), assist in securing micro-finance, and enable micro-enterprises to work with larger enterprises, and so forth. The simplicity of the registration procedure is essential.

MEDEP consultants and others have drafted language for these two policy changes and are continuing discussions with the Ministry of Industry, Commerce and Supplies and other parties in an effort to move these changes forward as soon as the overall governmental situation permits.

4. Extend MEDEP Programme through 2007. The current MEDEP, Phase II program should be extended by one year, through December 2007. This is in line with the extension by one year of the current UNDP Country Programme. From an implementation point of view, it provides the time that makes up for the delayed start-up recruiting, the need to switch micro-finance partners, and other events that put Phase II behind schedule. As UNDP assesses the situation in preparation for the next Country Programme, it should then consider the future role of interventions in the micro-enterprise sector, depending on the national situation at that time.

MEDEP, during 2006 and 2007 should focus on the following activities:

- *Strengthen product-specific value chains.* Develop serious sustainable linkages to viable value/market chains for at least six entrepreneurial products with major export potential.
- *Increase UNDP Programme Synergy.* The new MEDEP-like programme would provide micro-enterprise services to all relevant UNDP projects. In this way the micro-enterprise element would build upon the social mobilization and other investments (i.e. rural energy installations) and provide a proven process of micro-enterprise creation to selected beneficiaries of these other projects. Appropriate mechanisms by which other projects can access MEDEP services, or the services of the MEDEP-formed BDSPOs will need to be developed and tailored for the specific situations.
- *Provide Capacity Building for BDSPO and DMEGA organizations.* MEDEP will continue to provide capacity building assistance to these two types of institutions that are critical to the sustainability of the delivery of enterprise support services and to the sustainability and growth of the enterprises themselves. Both types of organization are very new and have little experience, and, over the next 17 months, much can be done to guide them, train them, and assure that they are on a sustainable footing.
- *Continue providing advice and support to new MEDEP entrepreneurs.* Most of the Phase II entrepreneurs are newly begun in their enterprises, and have not yet reached the threshold where their enterprises provide a significant portion of the family income. Much work needs to be done

to (a) secure their access to micro-finance and (b) assure that they develop stronger strategic entrepreneurial attitudes and skills. The project should focus on strengthening the existing new enterprises, and on helping those participants who are already in the pipeline to start and develop their enterprises. At the end of 2006, MEDEP should identify all the entrepreneurs of Phase II whose enterprises are “under performing”, and launch a special assessment of their problems (credit, product positioning, pricing, raw materials) and work with them to address these issues successfully.

- *Support “Internalization” of MEDEP-Type Model.* As mentioned in Recommendation 2, now is the time to finally institute significant “internalization” of the MEDEP-like process and experience to continue to reach out to ever-larger numbers of potential micro-entrepreneurs. During 2006 and 2007, MEDEP will work closely with its government partner(s) to help bring this to realization.
- *Revise Log Frame.* Revise MEDEP Log Frame to more fully represent MEDEP’s commitment to the hard-core poor and socially disadvantaged (see 3 for a draft revision.)

ANNEXES

**Terms of Reference
For
Mid-Term Evaluation of
Micro-Enterprise Development Programme (Phase II)
NEP/03/018**

1. Context for the evaluation

The Micro-Enterprise Development Programme Phase II (MEDEP II) builds on the experiences and lessons of MEDEP Phase I which was implemented from 1998 to 2003 in 10 district of Nepal. MEDEP Phase I was evaluated in 2000 by a team of independent consultants. The evaluation mission concluded that MEDEP's strategy taking a market-led, integrated approach is highly successful, as is its partnership approach. It recommended that MEDEP should be scaled up. Accordingly, the current programme, MEDEP Phase II, is being implemented for a period of 2004 to 2006. The goal of MEDEP II is to improve the socio-economic condition of the low-income families of Nepal through the promotion of micro-enterprises. At the end of 2006, MEDEP II aims to promote nearly 20,000 micro-entrepreneurs of whom 70% would be women. By undertaking micro-enterprise activities, the poor people are expected to increase their income by two fold. With a view to promote micro enterprises among the most disadvantaged poorest groups, (*Dalits* and indigenous nationalities), MEDEP has introduced specially designed package to encourage poorest people to undertake micro-enterprises. MEDEP's target is to include 30% Dalits and indigenous nationalities amongst the successful micro-entrepreneurs. The poorest are defined as those who have a per capita income below US\$ 58 at 2003 price.

MEDEP II analyses the resource potential of the area, local people's needs, and markets - both local as well as external - prior to initiating support to promote micro- entrepreneurs. Micro entrepreneurs are also selected through a rigorous screening process. Out of 100 households surveyed, approximately 20 - 25 households actually qualify for receiving support to undertake micro enterprises. Once products and potential micro entrepreneurs are identified, MEDEP organises necessary skills training, and provides access to technologies, access to micro credit and other business services as well as policy support to promote micro-enterprises. Eventually, successful micro entrepreneurs would be federated at the district, and hopefully, at the national level and linked to other institutions and business service providers for sustainability. MEDEP is currently working in 20 districts across five development regions.

It should be noted that the social landscape of Nepal has changed considerably since MEDEP was first designed. The conflict which began in 1996 has intensified in recent years, and the political and economic situation which characterized the period during which MEDEP II was designed has further deteriorated.

UNDP Nepal conducted a review of its over all programme in August 2005. One of its recommendations is that MEDEP should become the hub of all micro enterprise development activities undertaken in different projects. In this context, MEDEP is expected to provide

micro enterprise related services in the form of training, capacity building and advisory services to other UNDP supported projects as required.

In conjunction with the above-mentioned UNDP programme review, a study was conducted to examine UNDP's outreach to disadvantaged groups, and MEDEP was one of the six programmes included in the study. The study team observed a number of successful micro-enterprises, but also noted cases where programme support was insufficient to make a real impact on very poor people, especially on those living in remote and conflict-affected areas. The study recommended that a more in-depth study of MEDEP be conducted to examine its strengths and weaknesses, especially with respect to reaching the most disadvantaged, and working in a conflict context.

Ministry of Industry, Commerce and Supplies (MOICS) is the executing agency of the programme. DFID, UNDP and NZAID have provided financial support to MEDEP II.

2. Purpose of the evaluation

The overall purpose of the evaluation is to examine the concept, design, implementation, modality, efficiency, effectiveness, relevance, impact and sustainability of MEDEP II including an assessment of its management arrangements. It will assess the overall progress of the MEDEP II, and its likelihood to achieve the target of promoting nearly 20,000 micro-entrepreneurs (70% women and 30% disadvantaged groups). The mission will focus on the logframe as provided in the MEDEP II project document while at the same time assessing the wider issues (conflict, governance, policy environment, financial and non-financial sectors) that impinge on the institutionalisation and sustainability of MEDEP activities. Based on this assessment, the mission will identify key milestones for the remaining period of the project, and provide a sound basis for monitoring of activities. The recommendations of the evaluation mission will also provide a basis for future course of action for all stakeholders and development partners.

3. Scope of work

- Review the area potential surveys carried out by the project to select the area and products
- Examine the MEDEP's approaches to reach the disadvantaged groups and poorest of the poor
- Analyse the appropriateness of the selection process of the target groups and implementing partner organizations as primary and secondary stakeholders in the context of socio-economic condition, gender, service delivery mechanism and geographical condition.
- Examine whether the programme resources are efficiently used to produce planned results and whether the results can be achieved within the planned period.
- Identify the lessons (both positive and negative) that can be drawn from the experience of the programme, especially with respect to micro-enterprise development in a conflict context, and in including the poorest of the poor and the traditionally excluded.
- Assess if there are clear signals that the poverty in the target group is reducing.
- Review the MEDEP's experiences in providing grants - instead of micro credit - to the poorest of the poor, and draw lessons

- Assess and review the monitoring mechanism set up by MEDEP adequate to monitor the results, especially in the remote districts and villages
- Review the partnership arrangements of MEDEP with other institutions such as Local Government, Local Development Fund, Department of Cottage Industries, Chamber of Commerce, etc. Assess if the practice of hiring Enterprise Development Facilitators through the Local Development Fund is effective?
- Review the quality, timeliness, affordability and sustainability of the services provided by Business Development Service (BDS) providers to the micro-entrepreneurs
- Examine the current strategy of MEDEP for availing micro-credit services through Micro-finance Institutions
- Assess the current MEDEP management and staffing structure and recommend efficient system to cater the needs of the micro-entrepreneurs in 20 districts.
- Assess and recommend the potential role of MEDEP in providing technical services to other relevant projects in the areas of micro-enterprise development in reaching larger population.

4. Evaluation Criteria

The key criteria for the evaluation should include:

- Efficiency: the amount of outputs created in relation to the resources invested;
- Effectiveness: the extent to which the planned outputs and outcomes are being achieved;
- Relevance: to what extent the projects and programmes are addressing problems of high priority, mainly as viewed by the stakeholders;
- Sustainability: national ownership and guidance by the Government;
- Management arrangements: the extent to which management arrangements support the above.

The Evaluation report should include in its summary a rating (e.g. very high, high, medium, low, very low) for each of the above criteria.

5. Key Evaluation Questions

Key questions, derived from the key criteria for the evaluation, include:

- Given the resources invested, are the outputs created, and the impact on the target groups' well-being, in the current conflict context, acceptable? Could greater outputs and impacts be achieved through other approaches?
- Are the planned outputs and outcomes being achieved? If not, is this a result of an inadequate or inappropriate project design, or are the targets unrealistic in the current context?
- How relevant are the project interventions for the target beneficiaries in the current context, i.e. the poorest of the poor?
- Is poverty being reduced amongst the target groups?
- What are the best mechanisms for reaching the poorest of the poor, especially women, Dalits and indigenous nationalities, and making the most impact on their well-being? How can project mechanisms and processes be adapted to better serve the target beneficiaries?

- How sustainable is the project? Is contracting out to Business Development Service Providers an appropriate approach?
- Are the management arrangements appropriate for achieving the project's objectives?
- What would need to be changed in order to provide micro-enterprise services to other UNDP supported projects in MEDEP's 20 working districts?

6. Methodology

- Review the background documents, project document, progress reports of MEDEP and other micro enterprise related projects in Nepal, and other reports examining issues relating to micro-enterprise development in the current context
- Review the legal and policy framework that guide the micro enterprise sector in Nepal
- Interact with the multilateral, bilateral institutions, NGOs, private sector that are supporting micro enterprises in Nepal
- Make field visits to assess the ground reality
- Use structured semi-structured questionnaires and/or focus group discussion to gather relevant data.
- Meet with government officials (Ministry of Finance, Ministry of Industry, National Planning Commission) Nepal Rastra Bank, and wholesale lending institutions.
- Brief UNDP/DFID on a weekly basis about the progress of the work
- Draft the report and circulate to all stakeholders
- Finalise the report based on the comments received

(Note: MEDEP office will provide the required logistical and secretarial support as required including the working space. It will also appoint a focal point to support the mission)

7. Products

The evaluation mission will prepare a comprehensive report evaluating the overall efficiency, effectiveness, concept, design and implementation strategies of MEDEP. The report will contain key findings, recommendations, lessons learnt and rating on the performance of MEDEP. The recommendations will include future direction and strategies that MEDEP should take to support other projects. The strategies will focus on reaching the poorest of the poor living in remote districts and villages.

8. Use of Evaluation Results

The results of the evaluation will be used to reorient MEDEP in the current conflict situation and for providing micro-enterprise development support services to other relevant UNDP supported programmes.

9. The Evaluation Team

The evaluation team will consist of 1 international consultant and 2 national consultants. UNDP will invite the Government to depute one of their officials to participate in the evaluation mission.

The international consultant will lead the evaluation team with overall responsibility for finalising the report.

The Team Leader will have at least a Masters degree in economics or business management with more than 15 years of practical experience in the field of micro enterprise and social side of trade. He/she should have proven experience in leading and managing the evaluation mission.

The two national consultants will have a Masters degree and 10 years of experiences in the areas of micro enterprise promotion. One of them will have expertise in community mobilization and examining micro enterprises in conflict situation while the other will have experience in social, poverty, women related issues and micro-finance. They will have in-depth knowledge of the legal, policy and institutional issues governing micro enterprise in Nepal.

The international consultants will be recruited for a period of 4 weeks whereas the national consultants will be recruited for a period of 6 weeks. National consultants will use the first 2 weeks (prior to the arrival of international consultant) in reviewing the background documents, planning the mission including field visits, as well as collecting information for the mission work. It is proposed that the evaluation mission begin its work towards the end of November/ early December 2005.

Annex 2. Schedule of Meetings and Field Visits

MICRO-ENTERPRISE DEVELOPMENT PROGRAMME (MEDEP) PHASE II

NEP/03/018 – HMGN/MOICS/UNDP

Final Schedule of Evaluation Mission

Date: 1 March to 12 April 2006

Date	Time	Activity	Remarks/ Responsibility
1 March 2006 (2062/11/17) Wednesday		<ul style="list-style-type: none"> Joining by local Consultants Dr. Pushkar Bajracharya and Ms. Homa Thakali 	NPSO
2 to 5 March 2006 (2062/11/18- 2062/11/21) Thursday – Sunday		<ul style="list-style-type: none"> Review of relevant documents, MEDEP's achievements and database, meeting with MEDEP's professionals 	NPSO
6 March 2006 (2062/11/22) Monday	11:00– 12:00	<ul style="list-style-type: none"> Joint meeting with officials of Governance Unit and Monitoring and Evaluation Unit in UNDP and Livelihoods and Economic Development Advisers of DFID. Review documents and meeting with NPSO staff 	NPSO
7 March 2006 (2062/11/23), Tuesday	10:20 – 11:00	<ul style="list-style-type: none"> Fly to Ramechhap by RA Flight No. 132 Night stay in Hotel in Manthali, district headquarters 	NPSO/APSO Kathmandu
	11:00 – 12:30	<ul style="list-style-type: none"> Meeting and interaction with DPIO staff 	NPSO/APSO Kathmandu
	12:30 – 13:30	<ul style="list-style-type: none"> Lunch 	NPSO/APSO Kathmandu
	13:30 – 15:00	<ul style="list-style-type: none"> Meeting and interaction with DEDC members 	NPSO/APSO Kathmandu
	15:00 – 18:00	<ul style="list-style-type: none"> Meeting and interaction with entrepreneurs assembled from different Market Centres 	NPSO/APSO Kathmandu
8 March 2006 (2062/11/24), Wednesday	7:00 – 7:30	<ul style="list-style-type: none"> Breakfast 	NPSO/APSO Kathmandu
	7:30 – 9:00	<ul style="list-style-type: none"> Departure from Manthali and arrival at Ramechhap Market Centre 	NPSO/APSO Kathmandu
	9:00 – 10:30	<ul style="list-style-type: none"> Observation and interaction with Ramechhap Fruit Products Enterprise Owners 	NPSO/APSO Kathmandu
	10:30 – 12:00	<ul style="list-style-type: none"> Departure from Ramechhap and arrival at Manthali 	NPSO/APSO Kathmandu

	12:00 – 13:00	<ul style="list-style-type: none"> Lunch 	NPSO/APSO Kathmandu
	13:00 – 16:30	<ul style="list-style-type: none"> Departure from Manthali and arrival at Mudhe Market Centre in Sindhupalchowk 	NPSO/APSO Kathmandu
	16:30 – 17:00	<ul style="list-style-type: none"> Observe and interaction with Briquette Entrepreneurs at Mudhe 	NPSO/APSO Kathmandu
	17:00 – 18:00	<ul style="list-style-type: none"> Departure from Mudhe and arrival at Tuki Association of Sunkoshi (TASK) office, Thumpakhar Night stay at TASK Office 	NPSO/APSO Kathmandu
9 March 2006 (2062/11/25), Thursday	7:00 – 7:15	<ul style="list-style-type: none"> Departure from Thumpakhar and arrival at Khandichour Market Centre. 	NPSO/APSO Kathmandu
	7:15 – 8:00	<ul style="list-style-type: none"> Breakfast at Majhi Gaon 	NPSO/APSO Kathmandu
	8:00 – 9:00	<ul style="list-style-type: none"> Meet and interact with entrepreneurs at Majhi Gaon 	NPSO/APSO Kathmandu
	9:00 – 11:00	<ul style="list-style-type: none"> Departure from Khandichour and arrival at Chautara, district headquarters of Sindhupalchowk. 	NPSO/APSO Kathmandu
	11:00 – 12:00	<ul style="list-style-type: none"> Meeting and discussion with DPIO staff 	NPSO/APSO Kathmandu
	12:00 – 12:30	<ul style="list-style-type: none"> Lunch 	NPSO/APSO Kathmandu
	12:30 – 13:30	<ul style="list-style-type: none"> Meeting and discussion with DEDC members 	NPSO/APSO Kathmandu
	13:30 – 15:00	<ul style="list-style-type: none"> Observation and interaction with entrepreneurs 	NPSO/APSO Kathmandu
	15:00 – 18:00	<ul style="list-style-type: none"> Departure from Choutara and arrival at Kathmandu 	NPSO/APSO Kathmandu
10 March 2006 (2062/11/26) Friday	09:00 – 10:00	<ul style="list-style-type: none"> Departure from Kathmandu and arrival at Biratnagar Airport by Buddha Air Flight No. BWA 751 Reception by Mr. Sunil Khanal MES/APSO Udayapur 	
	10:00 – 11:00	<ul style="list-style-type: none"> Departure from Biratnagar and arrival at Dharan 	NPSO/APSO Udayapur
	11:00 – 12:00	<ul style="list-style-type: none"> Observe Briquette coal production enterprise and interact with Entrepreneurs and Executive Committee of Langhali Forest User Group 	FACEBUD & APSO
	12:00 – 13:00	<ul style="list-style-type: none"> Lunch 	
	13:00 – 13:30	<ul style="list-style-type: none"> Departure from Dharan and arrival at Tarahara Market Centre 	
	13:30 – 14:00	<ul style="list-style-type: none"> Observe Turmeric powder, spice production, Paper bag and Candle production enterprise and interact with entrepreneurs 	FACEBUD & APSO
	14:00 – 15:00	<ul style="list-style-type: none"> Departure from Tarahara and arrival at Inaruwa 	
	15:00 – 16:00	<ul style="list-style-type: none"> Meeting and interaction with BDSPO - Facilitation Centre for Business Development (FACEBUD). The meeting will start with a brief presentation by FACEBUD Chairperson followed by discussion and Interaction with District Micro-Entrepreneurs Group Association (D-MEGA) Committee members 	FACEBUD & DMEGA
	16:00 – 17:00	<ul style="list-style-type: none"> Meeting and discussion with DEDC members at DDC Inaruwa 	FACEBUD & APSO

	17:00 – 19:00	<ul style="list-style-type: none"> • Departure from Inaruwa and arrival at Lahan • Night stay in Hotel Bishal, Lahan 	
11 March 2006 (2062/11/27) Saturday	7:00-7:30	<ul style="list-style-type: none"> • Breakfast at Hotel 	
	7:30-8:30	<ul style="list-style-type: none"> • Departure from Lahan and arrival at Gaighat 	
	8:30 – 10:00	<ul style="list-style-type: none"> • Meeting and discussion with DEDC members 	EDO
	10:00 – 11:30	<ul style="list-style-type: none"> • Meeting and discussion with DPIO staff. The meeting will start with a brief presentation by EDO/MES followed by discussion 	EDO & APSO
	11:30 – 12:30	<ul style="list-style-type: none"> • Lunch 	
	12:30 – 13:00	<ul style="list-style-type: none"> • Departure from Gaighat and arrival at Jaljale Market Centre 	DPIO/APSO
	13:00 – 14:30	<ul style="list-style-type: none"> • Observe enterprises such as Incense Stick enterprise, Photography Studio run by female entrepreneurs, Observe Pickle Making, Dalmoth Bhujiya Production enterprises, etc. and interact with entrepreneurs 	EDF, EDO
	14:30 – 18:30	<ul style="list-style-type: none"> • Departure from Jaljale and arrival at Janakpur, district headquarters of Dhanusha and night stay at Hotal Manaki International 	TFD & APSO
12 March 2006 (2062/11/28) Sunday	8:30 – 10:30	<ul style="list-style-type: none"> • Meeting with BDSPO - The Friends of Dhanusha (TFD). The meeting will start with a brief presentation by TFD Chairperson followed by discussion • Meeting with DMEGA 	TFD, DMEGA & APSO (Band Day)
	10:30 – 12:30	<ul style="list-style-type: none"> • Observe micro-enterprises such as Soap Production, Incense Stick Production, Bamboo Products, etc. and interact with entrepreneurs 	TFD, DMEGA
	12:30 – 13:30	<ul style="list-style-type: none"> • Lunch 	
	13:30 -15:30	<ul style="list-style-type: none"> • Meeting with DEDC members at DDC Dhanusha 	TFD, DCSI, APSO
	16:10 – 17: 00	<ul style="list-style-type: none"> • Return to Kathmandu by Buddha Air Flight No. 508 	
13 March 2006 (2062/11/29) Monday	11:00 – 12:00	<ul style="list-style-type: none"> • Meeting with Chairpersons of Sindhupalchowk and Ramechhap 	NPSO
14 March 2006 (2062/12/1) Tuesday	10:00 – 17:00	<ul style="list-style-type: none"> • Free Time Prepare Report on field visit 	NPSO
15 March 2006 (2062/12/2) Wednesday	10:00 – 17:00	<ul style="list-style-type: none"> • Free Time Prepare Report on field visit 	NPSO
16 March 2006 (2062/12/3) Thursday	10:00 – 17:00	<ul style="list-style-type: none"> • Free Time Prepare Report on field visit 	NPSO
17 March 2006	10:00 – 17:00	<ul style="list-style-type: none"> • Free Time Prepare Report on field visit 	NPSO

(2062/12/4) Friday	10:00 – 17:00		
18 March 2006 (2062/12/5) Saturday	12:45 15:00-17:00	<ul style="list-style-type: none"> • Holiday • Arrival of Dr. Richard Huntington, Team Leader of Evaluation Mission • Joining by Dr. Huntington with National Consultants and Government Representative • Briefing on Programme by NPM, Professional Staff at NPSO, MEDEP • Lunch at NPSO • Review of documents at NPSO/MEDEP 	NPSO
19 March 2006 (2062/12/6) Sunday	09:00 – 11:30	<ul style="list-style-type: none"> • Review of documents at NPSO/MEDEP 	NPSO
	12:00 – 13:00	<ul style="list-style-type: none"> • Meeting with Mr. Bharat Bahadur Thapa, Secretary, Ministry of Industry, commerce and Supplies (MOICS) and Chairperson, Programme Steering Committee (PSC) of MEDEP and Mr. Punya P. Neupane, National Programme Director (NPD), MEDEP and Joint Secretary, MOICS, Mr. Madhu Soodan Poudyal, National Programme Coordinator, (NPC), MEDEP and Under Secretary, MOICS 	NPSO
	13:00 – 14:00	<ul style="list-style-type: none"> • Lunch 	NPSO
	14:00 – 15:00	<ul style="list-style-type: none"> • Meeting with Mr. Chandi P. Dhakal, President, Federation of Nepalese Chamber of Commerce and Industries (FNCCI) and member of Programme Steering Committee (PSC) of MEDEP 	NPSO
	15:15 – 16:15	<ul style="list-style-type: none"> • Meeting with Mr. Ang Dendi Sherpa, President, Federation of Nepal Cottage and Small Industries (FNCSI), and member of PSC of MEDEP 	NPSO
	16:15 – 17:00	<ul style="list-style-type: none"> • Free time 	NPSO
20 March 2006 (2062/12/7) Monday	09:00 – 10:00	<ul style="list-style-type: none"> • Meeting with Mr. Ghulam Isaczai, DRR, (Programme) Mr. Sharad Neupane, ARR, Mr. Anil K.C., Senior Programme Officer, Governance Unit, UNDP 	NPSO
	10:00 – 12:30	<ul style="list-style-type: none"> • Meeting with UNDP Security Unit 	NPSO
	12:30 – 13:30	<ul style="list-style-type: none"> • Lunch 	NPSO
	14:00 – 17:00	<ul style="list-style-type: none"> • Meeting and discussion with National Programme Managers (NPMs) of DLGSP, RUPP, PPPUE, MGEP, TRPAP, PCP, REDP 	NPSO At MEDEP
	9:00-9:45	<ul style="list-style-type: none"> • Meeting with Ms. Heather Bryant, Monitoring and Evaluation Unit, UNDP 	
21 March 2006 (2062/12/8) Tuesday	10:00 – 11:00	<ul style="list-style-type: none"> • Meeting with Mr. Hari Gopal Gorkhali, General Manager, Agriculture Development Bank of Nepal (ADB) and member of PSC of MEDEP 	NPSO
	11:00 -13:00	<ul style="list-style-type: none"> • Meeting with Mr. Baburam Ranabhat, Executive Director, Industrial Enterprise Development Institute (IEDI) and member of PSC of MEDEP, Mr. Bishwa Karki, Director, Rural enterprise Assistance Project (REAP)/IEDI 	NPSO
	13:00 – 14:00	Lunch	NPSO
	14:00 – 15:00	<ul style="list-style-type: none"> • Free time 	NPSO

	15:15 – 16:15	<ul style="list-style-type: none"> Meeting with Mr. Tej Raj Shakya, Director General, Department of Cottage and Small Industry (DCSI) and member of PSC of MEDEP 	NPSO
22 March 2006 (2062/12/9) Wednesday	11:00-12:30	<ul style="list-style-type: none"> Departure from Kathmandu and arrival at Dhangadhi by Gorkha Air Flight No. 141 	NPSO
	12:30 - 12:40	<ul style="list-style-type: none"> Departure from Airport and arrival at Hotel Jagadamba 	NPSO/APSO DPIO
	12:40 – 13:30	<ul style="list-style-type: none"> Brief presentation by DPIO/MES at DPIO Kailali followed by discussion and interaction with staff 	NPSO/APSO DPIO
	13:30 – 14:30	<ul style="list-style-type: none"> Meeting with DEDC/DPIC members in DPIO/Jagadamba Kailali 	NPSO/APSO DPIO
	14:30 – 18:00	<ul style="list-style-type: none"> Observation of Mini Fair/Exhibition of entrepreneurs' products in Hotel Jagadamba Interaction with ME individual entrepreneurs, Micro-Entrepreneurs' Group Associations (MEGA) visit to Dhangadhi or (meeting with BDSPOs and DMEGAs representatives) Night stay in Hotel Jagadamba (Tel: 091-523590/520390) 	NPSO/APSO DPIO
23 March 2006 (2062/12/10) Thursday	7:00 – 7:30	<ul style="list-style-type: none"> Break fast at Hotel Jagadamba 	NPSO/APSO DPIO
	7:30 – 9:00	<ul style="list-style-type: none"> Departure from Hotel Jagadamba and arrival at Lamki Market Center via Sukhad MC (highway) 	NPSO/APSO DPIO
	9:00 – 10:00	<ul style="list-style-type: none"> Observe micro-enterprises and interact with entrepreneurs 	NPSO/APSO DPIO
	10:00 – 11:30	<ul style="list-style-type: none"> Departure from Lamki and arrival at Kohalpur 	NPSO
	11:30 – 12:30	<ul style="list-style-type: none"> Lunch at Kohalpur 	NPSO/APSO Bardiya
	12:30 – 13:00	<ul style="list-style-type: none"> Departure from Kohalpur and arrival at Naubasta market Centre Observe enterprises and interact with Bamboo entrepreneurs. This market centre is under Banke district 	NPSO/APSO Bardiya
	13:00 – 15:15	<ul style="list-style-type: none"> Departure from Naubasta and arrival at Gadhawa Market Centre via Lamahi 	NPSO/APSO Bardiya
	15:15 – 16:15	<ul style="list-style-type: none"> Observe and interact with Ceramic entrepreneurs in Gadhawa, Dang 	NPSO/APSO Bardiya
24 March 2006 (2062/12/11) Friday	7:00 – 7:30	<ul style="list-style-type: none"> Breakfast at Hotel Rapti 	NPSO/APSO Bardiya
	7:30 – 8:30	<ul style="list-style-type: none"> Meeting with Enterprise Development and Research Centre (EDRC) BDSPO. The will start with presentation by EDRC Chairperson followed by discussion 	NPSO/APSO Bardiya
	8:30 – 9:30	<ul style="list-style-type: none"> Meeting and discussion with D-MEGA members 	NPSO/APSO Bardiya
	9:30 – 11:00	<ul style="list-style-type: none"> Meeting and discussion with DEDC members 	NPSO/APSO Bardiya
	11:00 – 12:00	<ul style="list-style-type: none"> Early lunch at Hotel Rapti 	NPSO/APSO Bardiya

	12:00 – 13:00	<ul style="list-style-type: none"> Departure from Hotel Rapti and arrival at Tulsipur Market Centre 	NPSO/APSO Bardiya
	13:00 – 14:00	<ul style="list-style-type: none"> Observe Honey based enterprise Common Facility Centre (CFC) such as Sales Outlet and Honey Processing Plant and interact with honey entrepreneurs 	NPSO/APSO Bardiya
	14:00 – 15:00	<ul style="list-style-type: none"> Departure from Tulsipur and arrival at Hotel Rapti, Ghorahi 	NPSO/APSO Bardiya
	15:00 – 18:00	<ul style="list-style-type: none"> Observe mini Trade Fair organised by D-MEGA and Product Associations and interact with entrepreneurs Night stay in Hotel Rapti (Tel: 082-560153) 	NPSO/APSO Bardiya
25 March 2006 (2062/12/12) Saturday	7:00 – 7:30	<ul style="list-style-type: none"> Breakfast at Hotel Rapti 	NPSO/APSO Bardiya
	7:30 – 8:30	<ul style="list-style-type: none"> Departure from Hotel Rapti and arrival at Lamahi Market Centre 	NPSO/APSO Bardiya
	8:30 – 9:30	<ul style="list-style-type: none"> Observe Blacksmith CFC and interact with entrepreneurs 	NPSO/APSO Bardiya
	9:30 – 10:30	<ul style="list-style-type: none"> Departure from Lamahi and arrival at Bhalubang Market Centre 	NPSO/APSO Bardiya
	10:30 – 11:00	<ul style="list-style-type: none"> Observe the Rope Making CFC and interact with entrepreneurs 	NPSO/APSO Bardiya
	11:00 – 12:30	<ul style="list-style-type: none"> Departure from Bhalubang and arrival at Baddanda Market Centre 	NPSO/APSO Bardiya
	12:30 – 13:30	<ul style="list-style-type: none"> Observe Honey and Ginger based Enterprises and interact with Honey and Ginger Product Association members 	NPSO/APSO Bardiya
	13:30 – 14:30	<ul style="list-style-type: none"> Departure from Baddanda and arrival at Bijuwar Market Centre 	NPSO/APSO Bardiya
	14:30 – 16:30	<ul style="list-style-type: none"> Observe enterprises such as Incense Sticks and Dalmoth at Bijuwar and interact with entrepreneurs 	NPSO/APSO Bardiya
	16:30 – 17:30	<ul style="list-style-type: none"> Departure from Bijuwar and arrival at Pyuthan Khalanga district headquarters Night stop in Khalanga Hotel Saino Khalanga, Pyuthan (Tel: 086 420197) 	NPSO/APSO Bardiya
26 March 2006 (2062/12/13) Sunday	7:00 – 7:30	<ul style="list-style-type: none"> Breakfast 	NPSO/APSO Bardiya
	7:30 – 8:30	<ul style="list-style-type: none"> Meeting and discussion with Rural Economic Development Forum (RECODEF), BDSPO. The meeting will start with brief presentation by Chairperson of RICODEF followed by discussion 	NPSO/APSO Bardiya
	8:30 – 9:30	<ul style="list-style-type: none"> Meeting and discussion with D-MEGA members 	NPSO/APSO Bardiya
	9:30 – 11:00	<ul style="list-style-type: none"> Meeting with DEDC members 	NPSO/APSO Bardiya
	11:00 – 11:30	<ul style="list-style-type: none"> Departure from Khalanga and arrival at Maranthana Market Centre 	NPSO/APSO Bardiya
	11:30 – 12:30	<ul style="list-style-type: none"> Observe and interact with Soap making entrepreneurs 	NPSO/APSO Bardiya
	12:30 – 18:00	<ul style="list-style-type: none"> Departure from Maranthana and arrival at Bhairahawa with lunch on the way Night stay at Hotel Yeti Bhairahawa (Tel: 071-520551) 	NPSO/APSO Bardiya
27 March 2006	7:00 – 7:30	<ul style="list-style-type: none"> Breakfast at Hotel 	NPSO/APSO Myagdi

(2062/12/14) Monday	7:30 – 8:30	<ul style="list-style-type: none"> Departure from Bhairahawa and arrival at Parasi via direct route 	NPSO/APSO Myagdi
	8:30 – 9:30	<ul style="list-style-type: none"> Meeting with Resource Centre for Enterprise Development (RCED). The meeting will start with a brief presentation by RCED Chairperson followed by discussion 	NPSO/APSO Myagdi and RCED
	9:30 – 10:30	<ul style="list-style-type: none"> Meeting with D-MEGA members 	RCED/D-MEGA
	10:30 – 12:00	<ul style="list-style-type: none"> Meeting with DEDC members 	APSO Myagdi
	12:00 – 12:30	<ul style="list-style-type: none"> Lunch 	APSO Myagdi
	12:30 – 14:00	<ul style="list-style-type: none"> Departure from Parasi and arrival at Ganga Basti Market Centre 	APSO Myagdi/RCED
	14:00 – 15:00	<ul style="list-style-type: none"> Observe Dhaka enterprises and interact with entrepreneurs. Most of the Entrepreneurs are Graduated 	APSO Myagdi/RCED
	15:00 – 15:30	<ul style="list-style-type: none"> Departure from Ganga Basti and arrival at Triveni Market Centre 	APSO Myagdi/RCED
	15:30 – 16:00	<ul style="list-style-type: none"> Observe and interact with entrepreneur of Bhattarai Dairy – Graduated Entrepreneur 	APSO Myagdi/RCED
	16:00 – 17:30	<ul style="list-style-type: none"> Departure from Triveni and arrival at Arun Khola Market Centre 	APSO Myagdi/RCED
	17:30 – 18:00	<ul style="list-style-type: none"> Observe and interact with Tika Making and Tailoring Entrepreneurs. Most of them are Graduated Entrepreneurs 	APSO Myagdi/RCED
	18:00 – 19:00	<ul style="list-style-type: none"> Departure from Arunkhola and arrival at Naraynaghat Night stop in Narayanghat Hotel Royal Century, Bharatpur (Tel: 056525165). 	APSO Myagdi
28 March 2006 (2062/12/15) Tuesday	7:00 – 8:00	<ul style="list-style-type: none"> Breakfast 	APSO Myagdi
	8:00 – 8:15	<ul style="list-style-type: none"> Departure from Narayanghat and arrival at Bote Tole, Gaindakot, Nawalparasi 	APSO Myagdi/RCED
	8:15 – 10:30	<ul style="list-style-type: none"> Observe Bamboo based enterprises and interact with entrepreneurs 	APSO Myagdi/RCED
	10:30 – 10:45	<ul style="list-style-type: none"> Departure from Bote Tole and arrival at Bharatpur Airport 	APSO Myagdi
	11:10 – 11:30	<ul style="list-style-type: none"> Fly from Bharatpur to Kathmandu by Buddha Air Flight No. BHA 352 	NPSO/APSO Myagdi
	11:30 – 14:00	<ul style="list-style-type: none"> Meeting with Partner Institutions Mr. Samir Newa, The Organic Village, Dr. Mohan Bikram Gywali, RECAST, Mr. Pandey, Global Packaging, Mr. Sunil Chitrakar, MAHAGUTHI, Mr. Rajendra Manandher MOEST, Mr. Brajesh Vaidya, Love Green Nepal, Ms. Indira Bhattarai, Bhotu Indira, Ms. Mahalaxmi Shrestha, Api-Net, Ms. Tamanna Hamal, WEAN, Hari Gopal Chansi, Bhaktapur at The Organic Village Pvt. Ltd. Baluwatar followed by lunch 	Baluwatar, Kathmandu
29 March 2006 (2062/12/16) Wednesday	10:00 – 17:00	<ul style="list-style-type: none"> Free time for preparing draft report 	NPSO
	10:00 – 10:45	<ul style="list-style-type: none"> Free time 	NPSO
30 March 2006 (2062/12/17)	10:45 – 11:45	<ul style="list-style-type: none"> Meeting with Mr. Bishnu Nath Sharma, Joint Secretary Ministry of Local Development and member of PSC of MEDEP 	NPSO To be confirmed on 26

Thursday	12:00 – 13:00	<ul style="list-style-type: none"> Meeting with DFID team, Mr. Mark Mallaleiu, Head of DFID, Mr. Martin Seargent, Senior Rural Livelihoods and Infrastructure Adviser, Mr. Andrew Hall, Economic development Adviser, Dr. Pradeep M. Tulachan, Livelihoods Adviser and Mr. Shailendra Thakali, Deputy Livelihoods Adviser, DFID, Ekantakuna 	NPSO confirmed
	13:00 – 14:00	<ul style="list-style-type: none"> Lunch 	NPSO
	14:00 – 15:00	<ul style="list-style-type: none"> free time 	NPSO
	15:00 – 16:00	<ul style="list-style-type: none"> Meeting with Mr. Rajeshwar P. Panta, Executive Director, Cottage and Small Industry Development Board (CSIDB) and member of PSC of MEDEP 	NPSO
31 March 2006 (2062/12/18) Friday	9:00-10:00	<ul style="list-style-type: none"> Free time 	NPSO
	10:00-11:00	<ul style="list-style-type: none"> Meeting with Mr. Armin Hofmann, Principal Adviser, PSPP/GTZ 	NPSO
	11:00-12:00	<ul style="list-style-type: none"> Free time 	NPSO
	13:00-14:00	<ul style="list-style-type: none"> 	
	15:30-16:30	<ul style="list-style-type: none"> Joint meeting with Mr. Ghulam Isaczai, DRR (Programmes) and Mr. Sharad C. Neupane, ARR, Mr. Anil K.C., SPO, UNDP for informal sharing of the report 	
1 April 2006 (2062/12/19) Saturday		<ul style="list-style-type: none"> Free time for report preparation 	NPSO
2 April 2006 (2062/12/20) Sunday	10:30-11:30	<ul style="list-style-type: none"> Dr. Mohan Man Sainju, Honourable Vice-Chairperson, Poverty Alleviation Fund, Chakupat 	NPSO
	11:30-12:00	<ul style="list-style-type: none"> Free Time 	
	12:00-13:00	<ul style="list-style-type: none"> Lunch 	
	14:00-15:00	<ul style="list-style-type: none"> Meeting with Dr. Shankar Sharma, Honourable Vice-Chairperson and Dr. Champak Pokhrel, Honourable Member, National Planning Commission, Singha Darbar 	NPSO
	15:00-17:00	<ul style="list-style-type: none"> Free Time 	
3 April 2006 (2062/12/21) Monday	10:30 – 11:30	<ul style="list-style-type: none"> Meeting with Mr. Rameshwar P. Khanal, Joint Secretary, Ministry of Finance, Singha Darbar for sharing report internally 	NPSO
	12:00 – 13:00	<ul style="list-style-type: none"> Meeting with Mr. Punya P. Neupane, NPD, MEDEP and Joint Secretary, MOICS and MEDEP professionals for informal sharing of report 	NPSO
	13:00 – 14:00	<ul style="list-style-type: none"> Lunch 	NPSO
	14:00- 15:00	<ul style="list-style-type: none"> Meeting with Mr. Srijana Rana, Private Sector Development Manager, SNV Nepal 	
	15:30 – 16:30	<ul style="list-style-type: none"> Meeting with Dr. Genevieve Federspiel, Deputy Country Director, SDC, Ekantakuna 	NPSO
4 April 2006 (2062/12/22) Tuesday	9:00-16:00	<ul style="list-style-type: none"> Report preparation and distribution Executive Summary to the PSC members and other invitees 	NPSO /All PSC members and concern agency representatives

			will be invited
	16:00 – 17:00	<ul style="list-style-type: none"> Meeting with Mr. Mathew Kahane, RR, UNDP for informal sharing of the report 	NPSO
5 April 2006 (2062/12/23) Wednesday	10:00 – 13:00	<ul style="list-style-type: none"> Preparation for presentation of the Report at MOICS 	MOICS/NPSO/ UNDP
	12:30-13:30	<ul style="list-style-type: none"> Lunch 	
	14:30 – 16:30	<ul style="list-style-type: none"> Report presentation by the Consultants at Noordijk hall, Hotel Summit 	MOICS/NPSO/ UNDP
6 April 2006 (2062/12/24) Thursday	10:00 – 16:00	<ul style="list-style-type: none"> Free time for finalisation of the report 	MOICS/NPSO/ UNDP
7 April 2006 (2062/12/25) Friday	10:00-17:00	<ul style="list-style-type: none"> Free time for finalisation of the report 	MOICS/NPSO/ UNDP
8 April 2006 (2062/12/26) Saturday	01:40 PM	<ul style="list-style-type: none"> Departure of Dr. Richard Huntington 	MOICS/NPSO/ UNDP
9 April 2006 (2062/12/27) Sunday		<ul style="list-style-type: none"> Free time for finalisation of the report 	MOICS/NPSO/ UNDP
10 April 2006 (2062/12/28) Monday		<ul style="list-style-type: none"> Incorporation of comments and suggestions received in the meeting by National Consultants 	NPSO
11 April 2006 (2062/12/29) Tuesday		<ul style="list-style-type: none"> Finalisation of report by national Consultants 	MOICS/NPSO/ UNDP
12 April 2006 (2062/12/30) Wednesday		<ul style="list-style-type: none"> Submission of Final Report to UNDP 	MOICS/NPSO

Annex 3: Contact Persons for the District Micro-Entrepreneur Group Associations (D-MEGAs)

1. **DMEGA Baitadi**, Mr Mohandev Bhatta, Chairperson, Dashrath-chand Municipality, Ward No 9 Dungara, Baitadi, Telephone: 095-520109
2. **DMEGA Dadeldhura**, MS Shobha Bhatta, Chairperson, Amargadhi Municipality, Ward No 6 Pokhara, Dadeldhura, Telephone: 096-420631
3. **DMEGA Nuwakot**, Krishana Gopal Shrestha, Chairperson, Bidur –3, Nuwakot, Ph: 010-560472/ 560947
4. **DMEGA Dhanusha**, Mr. Ram Nandan Roy, Chairperson, Digambarpur -9, 041-523742
5. **DMEGA Tehrathum**, Mr. Tulasi Prasad Adhikari, Chairperson, Tamfula 026-460274
6. **DMEGA Nawalparasi**, Mr. Gopal Chandra Dhakal, Chairperson, 078 520482
7. **DMEGA Parbat**, Ms. Kesha Pariyar, Chairperson, Kusma Parbat, 067-420286
8. **DMEGA Dang**, Ms Balika Tiwari, Chairperson, Tribhuvan Municipality Ward no.10 Ghorai, Dang 082-561093
9. **DMEGA Pyuthan**, Mr. Megh Bahadur Pandey, Chairperson, Bijubar, Pyuthan
10. **DMEGA Sunsari**, Mr. Mahendra Neupane, Chairperson, Inaruwa, Sunsari, 025-560556

Annex 4: Gender and Social Inclusion in MEDEP Implementation

Total	Male	Female	Dalit	IN	Others	Remarks
15	15	-	-	1	14	
Percent						

IPO level in districts

Total	Male	Female	Dalit	IN	Others	Remarks
296	255	16	8	27	261	

BDSPOs

1.	Districts	Total	Male	Female	Dalit	IN	Others	Remarks
2.	Baitadi	13	11	2	-	-	13	
3.	Sunsari	11	9	2	1	3	7	
4.	Dhanusha	13	9	4	2	1	10	
5.	Terhathum	9	6	3	-	1	8	
6.	Nuwakot	12	8	4			12	
7.	Parbat	11	5	6	-	1	11	
8.	Nawalparasi	9	5	4	2	3	4	
Total		78						
Percentage			53	25	5	9	65	

Professional and support staff in National Programme Support Office (NPSO)

Total	Male	Female	Dalit	IN	Others	Remarks
9	6	3	-	4	5	Both professionals and support staff
Percentage	67	33	-	44	56	

DEDC

District	Total	Female	Male	Dalit	IN	Others	Remarks
Parbat	11	2	9	1	5	6	
Nawalparasi	7	1	6	-	-	7	
Myagdi	10	-	10	1	-	9	
Pyuthan	8	-	8	-	2	6	
Dang	8	0	8	-	1	7	
Bardia	8	-	8	-	-	8	
Banke	8	-	8	1	-	7	
Udayapur	7	0	7	0	1	6	
Sindhuli	7	0	7	-	-	7	
Terhathum	8	-	8	1	1	7	
Sunsari	7	-	7	-	-	7	
Dhanusha	7	1	6	-	2	5	
Dadeldhura	14	2	12	-	-	14	
Baitadi	14	1	13	-	-	14	
Darchula	8	-	8	-	1	7	
Kailali	9	1	8	-	1	8	

Nuwakot	13	1	12	-	1	12	
Rasuwa	10	1	9	-	1	12	
Ramechhap	11	1	10	1	2	8	
Sindhupalchowk	11	1	10	1	-	10	
Total	267	15	252	8	25	234	
Percentage		6	94	3	9	88	

Staff in Area Programme Support Office (APSO)

Total	Male	Female	Dalit	IN	Others	Remarks
13	13	-	-	2	11	Including support staff like Drivers
Percentage	100	-	-	15	85	

Staff in District Programme Implementation Office (DPIO)

Total	Male	Female	Dalit	IN	Others	Remarks
151	75	76	8	20	123	13 districts where staff are not converted into BDSPO
Percentage	49.9	50.1	5	13	82	

Annex 5: Proposed Revision of the Programme Document LogFrame

The goal, purpose, outputs and activities, objectively verifiable indicators and assumptions are given below in Logical Framework of MEDEP Phase II.

Narrative Summary	OVIs	MoV	Assumptions
<p>Goal: To improve socio-economic status of low-income families of Nepal</p>			
<p>Purpose (Objective): To diversify the livelihoods and increase the income of low-income families through micro-enterprise development</p>	<p>EoPS:</p> <ul style="list-style-type: none"> • 17,500 (90%) of 19,840 poor and excluded house-holds achieve an average increase in income of 50 percent • 17,500 micro-entrepreneurs (90% of 19,840) promoted are operating enterprises at the end of three years (Assets and Services) • Women and men from excluded caste/ethnic/religious groups occupy at least two key decision making positions¹¹ of BDSPOs (Voice, Influence and Agency) 	<p>Project evaluation and impact study reports</p>	<ul style="list-style-type: none"> • Higher income leads to increased expenditure on health, education and other goods and services, which improve family welfare. • Conflict does not adversely affect the programme activities
<p>Outputs (Immediate Objectives):</p>			<ul style="list-style-type: none"> • While the conflict is certainly a key adverse factor, based on previous experience it is assumed that localised (even intra-district) and home-based business activities will not be severely disrupted. This applies to local transportation and market demand for products/services etc.
<p>1 Low-income families acquire the skills necessary to develop and sustain micro-enterprises (skills)</p>	<ul style="list-style-type: none"> • 17,500 (with at least 12,200 – 70% women) poor and excluded entrepreneurs have the skills necessary to develop and sustain micro-enterprises (Assets and Services) 	<p>Annual Progress Reports Programme periodic Reports, Successes Stories and occasional reports</p>	

¹¹ Key decision making positions of the executive committee are Chairperson/Manager, Secretary and Treasurer

Narrative Summary	OVI	MoV	Assumptions
<p>2 Low-income families able to secure financing to develop and sustain micro-enterprises (financial investment)</p>	<ul style="list-style-type: none"> • 11,900 poor and excluded micro-entrepreneurs (60% of 19,840) secure credit through different Micro-Finance Institutions (MFIs) (15 percent will complete third cycle loan) at the end of three years (Assets and Services) • The Micro-Entrepreneurs Group Associations (MEGAs) function as Co-operatives to provide financial services to entrepreneurs in all MEDEP phased out districts 	<p>Annual Progress Reports, Programme periodic Reports, Successes Stories and occasional reports</p>	<ul style="list-style-type: none"> • Trade and industrial policies allow micro-entrepreneurs to compete with medium and large scale industries and imported products • Financial institutions willing and able to meet increasing demand of credit from entrepreneurs. • Cost of local level BDS providers can be covered by entrepreneurs or partner organizations (DDC, DCSIO/CSIDB, DCCI, FNCSI, IEDI, ADB/N, DADO, DLSO and other relevant line agencies) • HMG/N adopts the recommendations of MSE policy study and recommendations of MTR on policy of micro-enterprises.
<p>3 Micro-entrepreneurs have continued access to business development services (access to BDS)</p>	<ul style="list-style-type: none"> • EDOs, EDFs and AFAs (10 to 12 in number) with at least 50 percent representing from women, excluded caste/ethnic/religious minority groups per district set up Business Development Service providing Organisations (Private or NGO) (Voice, Influence and Agency) • Micro-Entrepreneurs' organisations and institutions established in each MEDEP working district. (Voice, Influence and Agency) 	<p>Annual Progress Reports, Programme periodic Reports, Successes Stories and occasional reports</p>	<ul style="list-style-type: none"> • EDOs, EDFs and AFAs willing to form BDSPOs in all districts • BDSPOs have staff representing women, different castes/ethnicities or religious minorities • There is conducive environment to register BDSPOs in the districts • Government implements already developed policies on MSEs and further formulates and implements new policies on micro and small enterprises

Narrative Summary	OVI	MoV	Assumptions
4. Policy and regulatory changes to enable participation of the poor and excluded in micro and small enterprises supported	<ul style="list-style-type: none"> • Draft definition of Micro-Enterprises in place (Rules of the Game). (Rule of the Game) • Draft poor and excluded friendly sectoral policies on micro and small enterprises in place (Rule of the Game) 	Programme reports	
Activities:	Inputs:	MOV	Assumptions
<ol style="list-style-type: none"> 1 Identify ten new districts 2 Conduct district enterprise potential survey 3 Conduct Participatory Planning Workshop (PPW), sign MoU with partner organizations and set up DPIC 4 Recruit EDFs/EDOs 5 Train EDFs/EDOs 6 Provide Training/Exposure visits to Professional and Support Staffs 7 Mobilize EDFs/EDOs 8 Select market centers and conduct market survey 9 Mobilize low-income families for participation as potential micro-entrepreneurs (PRA, HH Survey, Screening, Orientation at Community level) 10 Conduct entrepreneurship & business management training (SIYB/MECD packages) 11 Conduct training on IDs (Cooperatives, Business Companies, Prod. Ass.) 12 Conduct technical skill training 13 Conduct gender sensitisation training 14 Conduct participatory action-research for 	<ol style="list-style-type: none"> 1. Specific Task Assignment (25.01) 2. Workshop (34.01) 3. Management Cost (26.02) 4. Training (33.01) 5. Training (33.01), Exposure Visits (32.01) 6. Salary (26.01) 7. Salary (26.01), Workshop (34.01) 8. Training (33.01) 9. Training (33.01) 10. Training (33.01) 11. Training (33.01) 12. Training (33.01) 13. Action Research (27.02) 14. Monitoring Visit (15.01) 15. Physical Infrastructure Support to MERS (27.01) 16. Market Linkage (32.02) 17. Monitoring Visit (15.01) 18. Monitoring Visit (15.02) 19. Workshop (34.01), Subcontract (25.01) 	Quarterly progress reports and MIS	<ul style="list-style-type: none"> • MEDEP districts, though conflict-affected, have been chosen so that micro-enterprise work will be minimally disrupted by the ongoing violence. (MEDEP's strategy is aimed at mitigating potential adverse effects of conflict, e.g. targeting low-income families, using local people as project staff: [See Lessons Learnt 11 p. 8ff]). • The participation of low-income families is not constrained by other demands on their time. (MEDEP approach will be to conduct training or other programme activities at the convenience of low-income families). • Active participation of partner organizations in project implementation (e.g. credit, skill training, marketing linkages, registration/regulation etc.) • Partner organizations work together to improve institutional and policy framework (e.g. continue the presence of EDFs as BDS providers at local level)

Narrative Summary	OVIs	MoV	Assumptions
<p>technology transfer and product development</p> <p>15 Facilitate entrepreneurs' access to micro-credit and investments</p> <p>16 Support for the establishment of Common Facility Centres of micro-entrepreneurs</p> <p>17 Conduct market exposure visits/market linkage activities</p> <p>18 Monitor programme activities – Staffs/IPOs</p> <p>19 Monitor Programme Activities – UNDP/DFID</p> <p>20 Support DDC to prepare Periodic District Enterprise Development Plan</p> <p>21 Conduct workshops/seminars at national and district level for policy influence, review and implementations</p> <p>22 Capacity Building of IPOs (salary support, visits, documentation, training)</p> <p>23 Prepare Manuals, Guidelines, Documentary for programme implementation</p> <p>24 Conduct Impact Studies, Survey, Other Studies</p> <p>25 Mobilize support staffs</p> <p>26 Mobilize professional staffs</p> <p>27 Office Rental/Security</p> <p>28 Office Supplies/Equipment</p> <p>29 Operation & Maintenance</p> <p>30 Reporting & Publication</p> <p>31 Utilities (Electricity, Water)</p> <p>32 Communication (Telephone, LAN/Email/Intranet, Postage)</p> <p>33 Miscellaneous</p>	<p>20. Workshop (34.01), Sub-contract (25.01)</p> <p>21. Salary (21.01), Training (33.01), Visits (32.01)</p> <p>22. Manuals & Programme Advocacy (22.01)</p> <p>23. Survey (25.01)</p> <p>24. Salary (13.), Salary (26.01)</p> <p>25. Salary (17.)</p> <p>26. Office Rental (24.01)</p> <p>27. Office Supplies and Equipment (45.01)</p> <p>28. Operation & Maintenance (45.03)</p> <p>29. Reporting/Publication Cost (52.01)</p> <p>30. Utilities (53.01)</p> <p>31. Communication (53.02)</p> <p>32. Miscellaneous (53.03), NEX Mgmt. Support (53.04)</p> <p>33. Logistic to EDFs (26.01)</p> <p>34. Logistic to ME Groups (26.01)</p> <p>35. Management/Coordination Cost (21.02)</p> <p>36. Support for Mkt. Exchange, Rev. Fund, Tech. Transfer (Sub-contract, 27.03)</p>		

Narrative Summary	OVI	MoV	Assumptions
34 Provide Logistic Support to EDFs 35 Provide Logistic Support to ME Groups 36 Management Support for Implementing Partner Organizations 37 Special package support to ultra poor			
	Total	US\$ 3,750,000	