Response to **NEPAL EARTHQUAKE**
Rapid Enterprise and Livelihoods Recovery Project (REL RP)

1. Situation Analysis
The 25 April earthquake in central Nepal and subsequent aftershocks including 6.8 on 12 May left over 8,600 people dead and more than 22,000 injured. The earthquakes have further destroyed houses, small businesses and common market facilities. Significant damage to enterprises, markets and livelihoods has occurred - up to 90% in the most affected areas, with significant loss of livelihood assets and infrastructure. Major sources of livelihoods of the people in the affected areas were their small farms, agro products, sale of vegetables, artisanal products and jobs from local tourism services. The earthquake has threatened almost all of these livelihoods. Chronic vulnerabilities such as poverty, social exclusion and inequality, and remoteness undermine coping mechanisms of the affected communities.

Equally devastating is the effect of the earthquake on the hundreds of thousands of people who have lost their jobs and livelihoods and are left with limited access to public services, markets and common facilities. Loss of food grains for consumption and seeds for planting during forthcoming rainy season are adding to the stress on immediate recovery. Large areas of agricultural farmland has been rendered unsuitable for farming and will require rehabilitation of small irrigation channels, feeder roads and retilling the soils. The fragile structure of the soil caused due to the quake has compelled local dwellers to relocate habitat into safer areas. The migration rate was already high in pre-disaster times, with mainly male population being away as job migrants. This has left mainly women, elderly and children behind to rebuild the livelihoods. This obviously

---

increases vulnerabilities of these communities, as access to and control over resources and information is tilted to those with more power (men) and mobility (men and youth). The Micro Enterprise Development Programme (MEDEP), a joint poverty alleviation initiative of the government of Nepal and UNDP with financial support from DFAT, has an established presence in 7 out of 15 most affected districts\(^2\) Nuwakot, Sindhupalchok, Rasuwa, Kavre, Ramechhap, Dolakha, and Sindhuli (see map in Annex 2). A total of 13,700 micro entrepreneurs (MEs) were supported in these districts (including those supported by Micro Enterprise Development for Poverty Alleviation (MEDPA) Programme of the Government of Nepal, to which MEDEP is providing technical backstopping and capacity building support to replicate MEDEP model.) The disaster had a devastating effect on these MEs. According to preliminary assessments, equipment and facilities of more than 12,000 MEs (i.e. 88% of total) were affected, of which 10,200 (75% of the total) are fully damaged, and 1800 (15%) – partially damaged. Detailed data on the losses of MEs is given in Table 1 below. In addition, a large proportion of MEs lost their houses and property.

In the immediate aftermath of the earthquake, MEDEP set up Help Desks to provide counseling for enterprise recovery, collect data of enterprise losses and to help the affected MEs establish linkages with organizations providing rescue and relief support.

Despite this devastating loss of property and capital for their livelihoods, the community has a strong record of entrepreneurship and have the necessary skill sets, knowledge and experience to rebuild. They have established linkages to market and business services, which creates a good precondition for them to restart their businesses with targeted support. The proposed initiative is a rapid response to stabilize livelihoods through micro enterprise development. It provides special support measures to re-start micro-enterprises which were damaged or destroyed during the earthquake and business initiatives which benefit communities and promotes social cohesion.

\(^2\)Sindhupalchowk, Kathmandu, Nuwakot, Dhading, Rasuwa, Gorkha, Bhaktapur, Kavre, Lalitpur, Dolakha, Ramechhap, Makawanpur, Solukhumbu, Okhaldunga, Sindhuli.
<table>
<thead>
<tr>
<th>Districts</th>
<th>Total MEs (MEDEP)</th>
<th>Total MEs (MEDPA)</th>
<th>Total Affected MEs</th>
<th>Affected CFCs</th>
<th>Fully Damaged Entrepreneurs</th>
<th>Partially Damaged Entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dalit s</td>
<td>IN</td>
<td>BC</td>
<td>Women</td>
<td>Men</td>
<td>Total</td>
</tr>
<tr>
<td>Kavre</td>
<td>1362</td>
<td>609</td>
<td>1971</td>
<td>12</td>
<td>35</td>
<td>679</td>
</tr>
<tr>
<td>Sindhupalchok</td>
<td>2126</td>
<td>570</td>
<td>2627</td>
<td>24</td>
<td>42</td>
<td>133</td>
</tr>
<tr>
<td>Dolakha</td>
<td>1664</td>
<td>465</td>
<td>2079</td>
<td>22</td>
<td>71</td>
<td>111</td>
</tr>
<tr>
<td>Ramechhap</td>
<td>595</td>
<td>146</td>
<td>146</td>
<td>16</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Nuwakot</td>
<td>2121</td>
<td>619</td>
<td>2636</td>
<td>8</td>
<td>33</td>
<td>124</td>
</tr>
<tr>
<td>Rasuwa</td>
<td>1963</td>
<td>514</td>
<td>2471</td>
<td>5</td>
<td>22</td>
<td>143</td>
</tr>
<tr>
<td>Sindhu</td>
<td>922</td>
<td>97</td>
<td>97</td>
<td>10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>10753</td>
<td>3020</td>
<td>12027</td>
<td>97</td>
<td>16</td>
<td>579</td>
</tr>
</tbody>
</table>

2. Project Rationale

The Rapid Enterprise and Livelihoods Recovery Project (RELPR) will enable earthquake survivors to achieve sustainable livelihoods while also reviving the local economies and responding to market needs in earthquake affected areas. The primary objective is to support the existing MEDEP Micro entrepreneurs to revive their enterprises and livelihoods. These entrepreneurs already represent the most disadvantaged members of their communities, and successful MEDEP interventions will be protected by providing early recovery assistance to these people.

Secondly, to promote social cohesion and local economic recovery other selected earthquake affected people will be supported to establish new enterprises.

The successful implementation of the project will have an important multiplier effect on the local economy as it will open up greater business opportunities at the community and district level for broader local economic development.

3. MEDEP/UNDP and MOI Experience

UNDP has supported micro enterprise development through its MEDEP programme for more than 15 years. It is in its fourth phase of implementation with financial support of the Government of Australia and in partnership with the Ministry of Industry. Total number of beneficiaries exceeds 71,000 in 38 districts of the country. More than 70% of its beneficiaries are women. MEDEP is now being institutionalized as the Government has initiated Micro Enterprise Development for Poverty Alleviation (MEDPA) programme, to which MEDEP/UNDP is providing backstopping and technical support. Towards the end of the current phase MEDEP will be integrated into MEDPA and will be administered and funded by the Government of Nepal. UNDP has a strong social cohesion, ethnicity and gender programming guidelines.
MEDEP/UNDP also has experience of implementing early recovery programmes after disasters and during the conflict period. Most recently in response to Kosi floods in 2009-2010, MEDEP/UNDP provided quick enterprise recovery support, building on its strong and wide network of enterprise professionals, institutions and the MEDEP community. As a result, more than 754 households are successfully operating enterprises now. MEDEP/UNDP also successfully supported reintegration of former Maoist combatants into their communities and their engagement in entrepreneurship. With short training courses and start-up capital support, 585 discharged combatants have created sustainable enterprises.

Another significant achievement of MEDEP/UNDP is successful implementation of the Quick Impact and Peace Support Initiative (QUIPSI) implemented in the backdrop of the brewing armed conflict in Nepal’s Terai region. MEDEP/UNDP targeted the youths involved or likely to be involved in such conflicts and trained them to become entrepreneurs. This was also particularly successful as in ten months, 2,241 youths, over half of them women, had become successful entrepreneurs. Such early recovery projects were successfully implemented and beneficiaries were able to earn income in a short period and are sustainable.

Experience generated and lessons learnt from previous initiatives in response to disasters and crisis will guide implementation of proposed RELRP, as well as provide demonstrated models for scaling them up as needed in medium to longer term schemes in a national development and recovery plan for Nepal.

4. Beneficiaries
The project will support beneficiaries from 300 VDCs of seven districts out of the most affected 15. The selection is based on MEDEP’s pre-disaster presence in the districts. The project will support following two categories of beneficiaries:

1) Existing MEDEP/MEDPA MEs who are affected by the earthquake and require immediate support to revive their enterprises and livelihoods; and
2) Selected members of affected communities who show willingness and have potential to start enterprises, mainly with the purpose to serve community needs and promote social cohesion.

A differential support package will be provided for existing micro entrepreneurs depending upon the severity of the damage to their enterprises and their economic status pre and post-earthquake.

New beneficiaries will be selected through community consultation following a participatory approach. The following will be considered while selecting beneficiaries:
- Individuals showing interest in starting entrepreneurship activities, who have no other source of income (or limited economic opportunity – this will involve considering whether the individual owns property and business in other areas, access to remittances or other income)
- Individuals who were already in business but lost their businesses to earthquake
- Individuals proposing business ideas that respond to community needs (e.g., small shop in the village, etc.) or potentially link to the existing businesses of MEs – ancillary enterprises

Table 2 presents the summary of the target beneficiaries.

**Table 2: Target Micro Entrepreneurs (MEs) by districts**

<table>
<thead>
<tr>
<th>S.N.</th>
<th>District</th>
<th>Outcome 1: Support to existing MEs</th>
<th>Outcome 2: New MEs Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>District</td>
<td>MEDEP</td>
<td>MEDPA</td>
</tr>
<tr>
<td>1</td>
<td>Nuwakot</td>
<td>1815</td>
<td>350</td>
</tr>
<tr>
<td>2</td>
<td>Sindhupalchok</td>
<td>1851</td>
<td>250</td>
</tr>
<tr>
<td>3</td>
<td>Rasuwa</td>
<td>1761</td>
<td>250</td>
</tr>
<tr>
<td>4</td>
<td>Kavre</td>
<td>990</td>
<td>350</td>
</tr>
<tr>
<td>5</td>
<td>Ramechhap</td>
<td>1812</td>
<td>100</td>
</tr>
<tr>
<td>6</td>
<td>Dolakha</td>
<td>1358</td>
<td>250</td>
</tr>
<tr>
<td>7</td>
<td>Sindhuli</td>
<td>913</td>
<td>50</td>
</tr>
</tbody>
</table>

5. **Project Key Strategies**

The project will use rapid implementation mechanisms, based on already existing MEDEP approaches but tailored to enable quick early recovery assistance. These include Public-Private-NGO-Community partnerships; Gender and Social Inclusion sensitivity and support for social cohesion, mobilization of multiple Business Development Service Provider Organization’s (BDSPOs/NGOs); fast track fund flow mechanism; coordination with Government of Nepal and local stakeholders, and continuity of support by building linkages with the ongoing MEDEP programme. For social cohesion, the target groups will be identified through participatory means with focus on inclusion of earthquake affected people as potential MEs willing to initiate an enterprise. The project will focus on supporting people living below the poverty line and socially excluded and marginalized groups identified by the community. The community can benefit from quick enterprises such as grocery shops, repair and maintenance shops, productive infrastructures like CFCs, etc.

6. **Project Objectives**

**Project Goal:** Rapid revitalization of microenterprises and restoration of livelihoods for the earthquake affected people.

The **Objectives** of this project are:

1: To provide immediate support to earthquake affected MEDEP/MEDPA entrepreneurs to revive their enterprises and stabilize their livelihoods;

2: To promote social cohesion and local economic recovery by supporting selected earthquake survivors to establish new micro enterprises.
7. Expected Results
1. At least 12,000 existing MEDEP/MEDPA MEs (women 71%, Dalits 16%, and Indigenous Nationalities 58%) will recover their enterprises. This represents 90% of all affected MEDEP/MEDPA MEs
2. At least 7,000 new Micro Entrepreneurs will be developed
3. At least 21,000 jobs created.
4. 97 existing Common Facility Centers (CFC) repaired/rebuilt and 123 new CFCs constructed.

It is estimated that achievement of these targets will benefit around 98,000 people. Fast track approach employed in the implementation of the programme will allow quick income generation for the beneficiaries. The entrepreneurs will be able to generate income within a month from starting/reviving the enterprise.

8. Project Implementation:

RELP will be implemented in compliance with MEDEP principles and methodologies, but following a UNDP fast-track approach.

MEDEP team has initiated quick assessments of its MEs to identify and quantify the effect of the earthquake on its beneficiaries. Soon after that the Help Desks were set up in all target districts for ease of communication with MEs. Initially RELRP will use the results of these assessments, while also initiating more in-depth assessment with support of BDSPOs. In parallel, a rapid market survey for identification of potential business opportunities will be undertaken. Conducting such survey is important to ensure that the MEs stay relevant to the changed context and they take full advantage of emerged opportunities.

For existing beneficiaries of MEDEP who suffered losses during the earthquake, the project will design special support packages aiming at re-starting their MEs. The package will include, among others, services for psycho-social counseling of entrepreneurs, refresher training on entrepreneurship technical skills, and provision of support for capital assets – either repair or replacement of damaged ones.

For the new enterprises the project will follow standard MEDEP methodology, however, they will be implemented in a fast track and accelerated manner.

In addition, for both categories of RELRP beneficiaries, project will facilitate access of MEs to finance, support with marketing and access to Common Facility Centres (rehabilitating the damaged ones and setting up new).

Given the urgency of the situation, the RELRP will be implemented using fast track approach. The target seven districts are well known to MEDEP team, large part of the beneficiaries have

---

3 MEDEP calculation based on 1.2 jobs created per entrepreneur, including the ME.
4 Beneficiary is likely to support a family of 5.2, the national average family size.
technical and entrepreneurial skills that they gained as part of MEDEP support. Few sets of standard support packages will be designed for timely response to the needs of the beneficiaries. At early stage of implementation RELRP will prioritise those businesses which are ready for jump starting, like mobile grocers, vending, teashops, etc. which can be vital supplier of essentials to the affected communities. The project will support reconstruction, repair and building of productive infrastructures like Common Facility Centres (CFC) for group based enterprises especially targeted for highly vulnerable, marginalized and non-bankable section of the society/earthquake victims. For others, the project will support in facilitating the access to finance by linking with other financial institutions.

RELRP will be implemented through the MEDEP structure, and MEDEP principles and methodologies will apply. Special efforts will be made to facilitate linkages among the MEDEP beneficiaries from inside, as well as from outside the districts. With this RELRP will aim to create peer support mechanisms when MEs are sharing experience and supporting others. This soft component together with the psycho social support scheme should allow for rapid recovery of micro entrepreneurs from the trauma of the disaster.

**Potential areas of enterprises:** To bring the target beneficiaries out of the vulnerable condition, project will provide services which will create quick income and enterprise development opportunities. The rapid market survey will be conducted at the beginning of the project and the entrepreneurs will be encouraged to start the enterprises which can yield immediate income. Those with high potential but requiring longer term to generate incomes will be provided follow up support by MEDEP regular programme in the subsequent years. Types of potential enterprises are listed as:

a. **Agro based:** Vegetable Vending, Vegetable Farming, Mushroom Farming, Small Livestock (Poultry, Piggery, Goat, Fishery), Dairy product (Paneer, Curd, Chhurpi, Pustakari, sweets), Fruit Farming (Strawberry, Pineapple, Papaya), Fruit and Vegetable Processing, Vegetable Seed Production and Marketing, Forage Production and Livestock Feeding, Honey Production and Processing, Tea & Coffee Processing;

b. **Forest based:** Allo Processing, Cardamom Processing, Medicinal Herb Processing, Chyuri Seed Collection and Processing, Nettle Powder Making, Bio- briquette making; and

c. **Service based:** Welding, Retail shop, Fast food (potato chips, dalmoth, Doughnut, Bakery), Plumbing, Tailoring, Electrical wiring, Masonry, Solar Power Service, Shoe Making /Repair, Tea Shop/Hotel, Motorbike Repairing, Mobile Repairing, Hair cutting/Beauty Parlor, Stationery, house painting, fancy Store, desktop Service/Internet/Email Service, cement block Making, Improved Water Mill, agriculture tools making, improved blacksmiths workshop, etc.

**Project Activities:**

1. **Psycho-social Counseling**

Two big earthquakes and continuous aftershocks not only damaged and destroyed micro enterprises of the MEDEP beneficiaries, but vast majority of the list houses and property. They
witnessed death of their relatives and community members, which is a traumatic experience. RELRP plans to provide targeted psycho-social support to the MEDEP and potential RELRP beneficiaries in conjunction with business counseling to help them overcome trauma and restart normal life. For new/potential micro entrepreneurs, the psycho social counseling will be built in adapted SIYB package and provided to each micro entrepreneur. For the existing MEs, special sessions will be organized with professional counselor. These activities will be coordinated by Business Development Counselor through BDSPOs.

ii. Entrepreneurship skills development for the target beneficiaries

Short training will be provided to build up entrepreneurship capacity of new potential beneficiaries. These will be 2-3 day trainings where first two stages of SIYB (start and improve your business), i.e. Training to Potential Entrepreneurs (ToPE) and Training to Start up Entrepreneurs (ToSE) will be provided.

iii. Enhancing technical skills

Based on the requirement of the target beneficiaries, refresher technical skills training will be provided to entrepreneurs who were operating the enterprise before earthquake. Those willing to switch the enterprises will also be provided technical skills training. For the new start up entrepreneurs, support will be provided to enhance their technical knowledge on the specific enterprise they choose to start.

iv. Appropriate Technologies /Equipment

RELRP envisions provision of equipment and technologies for MEs to start or restart their businesses. Where equipment could be repaired, RELRP will also support their repair. A differential support package will be provided based upon the severity of the damage to the existing enterprises and the economic status of the beneficiary pre and post-earthquake. MEDEP Guidelines for equipment provision will be followed; however, some of the processes may require revision for fast tracking.

v. Setting up Common Facility Centres and support with productive infrastructure

Project will provide support for repairing existing damaged or building new Common Facility Centres or productive infrastructures like irrigation canals, green houses, product collection centres, sales outlets etc. which will benefit poor target beneficiaries. Here too, MEDEP guidelines and principles for CFC establishment will be followed, with minor modifications for fast tracking. Effort will be made to establish linkages with other UNDP projects or Government initiatives supporting productive infrastructure rehabilitation for complementarity and mutual benefit, including cost-sharing approach. New infrastructures will be built with focus on “Building back Better” to make them resistant during disasters like earthquake, floods and landslides. The project has provisioned a civil engineer who will be responsible to assure this aspect.
vi. Linking Micro-Entrepreneurs with Banking Institutions through Start up Business Support

Most of the families have lost their businesses and assets and are unable to invest on new or an existing business. While RELRP will provide the start-up support in the form of appropriate technology, Common Facility Centre, machinery and tools to the MEs, access to finance will still remain critical for the MEs to be able to re/start their businesses. In addition to the start-up support from RELRP, it is estimated that a ME will need approximately NRs10,000 working capital to re/start their business.

Banking institutions are currently undecided on future lending to these entrepreneurs as the financing environment Post-Earthquake is fluid and unstable. It is expected that the GoN/Nepal Rastra Bank (Central Bank – NRB) will issue new policies and support packages, including concessional loan, for the affected people. Until these are finalized by the government, banks are not confident to provide new loans. The Nepal Microfinance Bankers Association (NMBA) have said that they are eagerly awaiting for the government’s decision to start refinancing, rescheduling and/or providing new loans. It is expected that these decisions will be made before the end of June 2015.

REL RP will utilize the existing MEDEP mechanisms on Access to Finance and adopt the following strategies to facilitate access to financial services for the MEs:

1. **Using Existing Cooperatives:** There are currently 37 cooperatives run by micro-entrepreneurs in the seven affected districts and over 20 of them are eligible for wholesale loan. More than 2,130 micro-entrepreneurs are associated with these cooperatives. The existing cooperatives will be one of the options for micro-entrepreneurs to access loan. RELRP will support these cooperatives to increase its membership base by attracting new MEs. The cooperatives will also be supported to access wholesale lending. For this, dialogue with wholesale loan providers including the NRB and Sana Kisan Bikas Bank has been initiated to fast-track some of their wholesale lending processes. Access to wholesale lending will increase the cooperatives’ ability to serve additional micro-entrepreneurs.

2. **Partner Banks:** MEDEP already has a central level Memorandum of understanding with several national level banking institutions (Civil Bank, Swablamban Bank, Nirdhan Bank, Mega Bank). These banks are already operational in the program districts and effort will be made to mobilize them for the purpose of RELRP. Many affected MEDEP micro-entrepreneurs (who will be RELRP beneficiaries) are already borrowers of these banks. RELRP will work together with these banks to jointly identify the beneficiaries. The start-up support to be provided by RELRP for the MEs to re/start their businesses will be used as an incentive to build the banks’ confidence to finance these MEs.

3. **Other projects and programmes:** There are more than 17 organizations working in the area of access to finance in these districts but they mostly operate in the more accessible areas. RELRP will work with these institutions to also serve the more remote settlements and will subsidize some of their running costs to cater to the remote population. There is
an established mechanism for this with MEDEP, which will be rapidly activated in these districts.

4. **Dialogue with the Nepal Rastra Bank (Central Bank - NRB):** GoN is introducing concessional housing loan for the earthquake victims. MEDEP/UNDP is initiating dialogue with NRB to persuade them to establish a similar concessional business loan for the micro-entrepreneurs.

5. **Guarantee Fund:** will be used as the last alternative to attract banks and micro-financing institutions to lend MEs. If banks/MFIs are reluctant to provide loans to the MEs, remaining within UNDP’s rules and regulations, MEDEP will work together with banking institutions to establish a guarantee fund which can be utilized by RELRP. A guarantee fund will help ensure that the financial market is not distorted and at the same time the beneficiaries are able to access loan for their businesses through a regulated banking institutions. The nature and value of the Guarantee Fund will be worked out by the end of June 2015.

**vii. Marketing and Business Counseling**

The target beneficiaries will be encouraged to adopt enterprises that ensure quick return. The entrepreneur’s products will be linked to markets in the local areas, district headquarters and outside to Kathmandu. Regular business counseling will be provided to all MEs to ensure smooth and sustainable operation of enterprises.

**Results**

**Objective 1:** To provide immediate support to earthquake affected MEDEP/MEDPA entrepreneurs to revive enterprises and stabilize their livelihoods;

This objective focuses on providing support to the existing MEDEP/MEDPA entrepreneurs whose enterprises and livelihoods are damaged. The Project will adapt a tailor-made rapid enterprise package for immediate enterprise revival of existing entrepreneurs. The existing entrepreneur will be provided options if s/he wants to continue or switch to another more profitable or quicker enterprise. Table 3 sums up the major activities to be implemented to achieve this outcome.

**Table 3: Activities and Expected Outputs under Objective 1**

<table>
<thead>
<tr>
<th>Activities</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide psycho socio counseling to affected Micro Entrepreneurs</td>
<td>At least 12,000 received psycho social counseling</td>
</tr>
<tr>
<td>Conduct need assessment of existing MEs</td>
<td>At least 12,000 MEs’ needs assessed for revival of their enterprises</td>
</tr>
<tr>
<td>Rapid enterprise potential, resource and market demand analysis</td>
<td>Market demand and potential resources assessed in 7 districts⁵</td>
</tr>
</tbody>
</table>

---

⁵This activity will provide information for Outcome 1 and Outcome 2.
- Provide quick technical skills trainings to the entrepreneurs willing to switch their enterprises and/or refresher training for revival
- Repair and maintenance of existing equipment/purchase of new equipment with appropriate technologies, machinery (improvement in the existing technology and introducing new technology)
- Support Entrepreneurs to access enterprise loan
- Repair and build new Common Facility Centres linked to productive community infrastructure such as Market outlet, Micro irrigation system, Water harvesting Tanks, Processing Shed, Product Collection shed etc.
- Business counseling, market development and linkages

5,000 MEs received technical skills training (only for those who need refresher training or want to switch enterprise)
6,500 MEs received equipment and appropriate technology
100% of MEs who need loan have access to finance
97 existing Common Facility Centres repaired or rebuilt and 53 new common facility centres/productive infrastructures established.
5,000 MEs have access to business counseling and markets

Objective2: To promote social cohesion and local economic recovery by supporting selected earthquake survivors to establish new micro enterprises

This objective focuses on providing support to the new beneficiaries who are affected by the earthquake in the MEDEP working communities and are willing to become micro-entrepreneurs. Considerations to be followed for the selection of this group of beneficiary is provided under the beneficiary section

Supporting those who are not MEDEP beneficiaries yet but are equally impacted by the earthquake will enhance social cohesion and entrepreneurship culture in the communities. Enterprise opportunities from the immediate recovery support around the affected districts will be explored (food, water, hygiene, gas supplies etc). These will create conducive environment for enterprise and business development with participation of all stakeholders such as private sector, public sector, community and NGOs. Their capacities will be developed in business and enterprise development contributing to the local and national economy of the country in the long run. These recovery initiatives will open up greater business opportunities at community and district level for broader local economic development. Table 4 sums of major activities and results under this outcome.
Table 4: Activities and Expected Outputs under Objective 2

<table>
<thead>
<tr>
<th>Activities</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification of beneficiaries</td>
<td>At least 7,700 women and men identified for new MEs creation</td>
</tr>
<tr>
<td>Psychosocial counseling</td>
<td>At least 7,7006 received psycho social counseling</td>
</tr>
<tr>
<td>Entrepreneurship development training</td>
<td>At least 7,700 women and men received Business development services</td>
</tr>
<tr>
<td>Technical Skills training</td>
<td>6,300 of the identified potential MEs receive technical skills training</td>
</tr>
<tr>
<td>Appropriate technology support (equipment, machinery, tools)</td>
<td>4,000 MEs received equipment and appropriate technology.</td>
</tr>
<tr>
<td>Support for access to finance</td>
<td>3,000 new Micro Entrepreneurs accessed financial services</td>
</tr>
<tr>
<td>Marketing and Business counseling support</td>
<td>6,300 MEs accessed to market and receive business counseling</td>
</tr>
<tr>
<td>Establishment of Common Facility Centre and other Productive Infrastructure to further promote enterprises</td>
<td>At least 70 Common Facility Centers/productive infrastructures established</td>
</tr>
<tr>
<td>Building community cohesion through awareness raising in micro enterprise development</td>
<td>At least 1,000 communities supported in implementing this programme.</td>
</tr>
</tbody>
</table>

**Project implementation modality:** This project will be implemented as part of the UNDP Early Recovery programme. MEDEP will be used as vehicle for implementation to ensure maximum coherence, complementarity and synchronization with MEDEP/MEDPA. MEDEP principles will be respected and MEDEP guidelines will be utilized. Where necessary, guidelines will be modified for fast tracking activities for quick impacts.

Given the urgency of the situation and the pressures to generate quick results, RELRP will be implemented using the UNDP Direct Implementation Modality (DIM), taking advantage of fast track procedures7 for recruitment and procurement.

**UNDP's Fast Track** procedures in crisis situations will be used which makes specific provisions to enable a significant reduction in the time it takes to carry out some of the key operational procedures, such as:

4. Programme and Project management provisions
5. Partnership Management provisions

---

6To avoid under achievement owing to possible drop out, MEDEP takes 10% more than the target during the initial target groups
7see UNDP Fast Track http://info.undp.org/global/popp/ft/Pages/Fast-Track.aspx
Using some already existing structures will bring desired efficiency and cost effectiveness. The Initiative will be implemented through multiple Business Development Service Provider Organizations (BDSPOs) at the district level.

9. Management Arrangements

Local bodies such as the Village Development Committees (VDC) at the micro level and District Development Committee (DDC) at the meso level are the local level entities through which MEDEP/UNDP has been implementing its regular programme. The strategy will differ for this project as the relationship with these entities will only be for coordination purposes and not regulatory in nature. As the project is for early recovery support, no approval will be required from these entities including District Enterprise Development Committee (DEDC) in managing the project. In the VDCs where Village Enterprise Development Committee has not been formed, a loose coordination will be established with VDC, Community Awareness Centre (CAC), Ward Citizen Forum (WCF), etc. to implement the project. At the district level, the project will be implemented in coordination with District Disaster Relief Committee (DDRC), DEDC and Cottage and Small Industries Office (CSIO). UNDP will coordinate and regularly inform the MoI about project implementation status and progress through the MEDEP Project Board. Multiple business development service provider organizations from NGO and Private sector will be attracted to implement this initiative.

DFAT will be kept closely informed on the implementation of RELRP. Any change to the proposed concept, detailed implementation plan, procurement plan and HR plan will be agreed with DFAT in advance.

To implement this programme, the following additional human resources will be mobilized with 100% time contribution into the MEDEP office:

1. RELRP Programme Manager (SB V) - 1
2. International RELRP Advisor (Surge)
3. Monitoring and Evaluation Officer (SB IV) - 1
4. Communication and Documentation Officer (SB IV) – 1
5. Gender Equality and Social Inclusion Officer (SB IV) – 1
6. Admin and Finance Specialist (SB IV) – 1
7. Civil Engineer (SB IV) – 1
8. District Coordinators (SB IV) – 7
9. Programme Support Officer (SB III)-1

The RELRP Manager will report to MEDEP National Programme Manager. Other professionals related to this project will report to the RELRP Manager. An organogram for this project is provided in annex 1.

---

8 After discussion with NPD and Secretary on May 22, the UNDP has sent a letter to MoI on 27 May seeking consent to implement Quick Recovery Programme for Micro Entrepreneurs. Reciprocal letter from MoI is expected soon.
9 Only four new positions will be recruited as district coordinators and three existing MDS and GSS will be mobilized to take up this assignment.
The Deputy Country Director (Programmes) will provide overall leadership to early recovery response at UNDP country office. The quality assurance of this project will be the responsibility of the UNDP Poverty and Inclusion Unit (PIU) led by Assistant Country Director (ACD). The ACD will be supported by Programme Analyst (Livelihoods/Employment and Private sector Development) and programme associate of PIU for effective implementation and meeting reporting requirements. UNDP Surge personnel (Early Recovery Adviser and Livelihoods Adviser) will also provide support to RELRP, and one surge staff will be placed in RELRP for 12 months (see Annexes 1 and 5). Existing staff at both the MEDEP National Programme Support Office and Area Programme Support Offices will contribute significantly to this initiative (See table 5).

Table 5: Indicative time contribution from UNDP and MEDEP staff for RELRP

<table>
<thead>
<tr>
<th>Name of the position</th>
<th>Office</th>
<th>Time contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Technical Advisor</td>
<td>MEDEP NPSO</td>
<td>10%</td>
</tr>
<tr>
<td>National Programme Manager</td>
<td>MEDEP NPSO</td>
<td>25%</td>
</tr>
<tr>
<td>RELRP Advisor (Surge)</td>
<td>UNDP Surge support to RELRP</td>
<td>100%</td>
</tr>
<tr>
<td>Component Managers- ICM 3 Strengthening ME Associations, ICM 4 - Business Development Services and ICM 5 - Access to Finance</td>
<td>MEDEP NPSO</td>
<td>30%</td>
</tr>
<tr>
<td>Other Component Managers and Specialists</td>
<td>MEDEP NPSO</td>
<td>10%</td>
</tr>
<tr>
<td>Area Programme Support Manager</td>
<td>APSO Kathmandu</td>
<td>50%</td>
</tr>
<tr>
<td>Area Programme Support Manager</td>
<td>APSO Hetauda</td>
<td>20%</td>
</tr>
<tr>
<td>3 MDS/GSS</td>
<td>APSO Kathmandu and Hetauda</td>
<td>100%</td>
</tr>
</tbody>
</table>

A DFAT professional will be seconded to UNDP to facilitate and support project implementation. DFAT professional will be part of the RELRP Team based in and report to

---

10 National Programme Manager, Chief Technical Advisor, Component Managers, Senior Monitoring and Evaluation Specialist, Communication and Documentation Specialist

11 Two Area Programme Support Manager (APSM) of Kathmandu and Hetauda APSOs and four MDS/GSS will be mobilized to implement this programme.
UNDP. S/he will work closely with MEDEP Team at NPSO and field level. UNDP and DFAT will jointly develop the Term of Reference for this position.

**Monitoring and Evaluation:** MEDEP/UNDP already has a functioning Management Information system which collects data on every micro-entrepreneur. The same MIS format will be used in collecting data and information for the early recovery project but will be separately maintained and managed. Regular Monitoring field visits will be carried out by MEDEP/UNDP staff and DFAT representatives. MEDEP staff will monitor on a monthly basis. MEDEP will also invite DDC/DEDCC members, DDRC members and GoN representatives to monitor the project.

**Reporting:** Monthly field report will be prepared by the field staff based on the information provided by partner organizations. A half yearly Progress report and a project completion report will be prepared in November 2015 and August 2016 respectively. UNDP will share the monthly field reports and the half yearly project progress report with DFAT; the project completion report will be submitted at the conclusion of the Project.

**Communication and Branding:** For visibility and transparency of the activities, results and impacts of the project will be broadly shared with relevant stakeholders. In consultation with DFAT publicity materials such as t-shirts, plaques, hoarding boards, certificates and banners will be printed and displayed during various occasions. Existing channels of MEDEP/UNDP like website and social media channels will be utilized to disseminate project related information.

**BUDGET**

The total estimated cost of this Early Recovery Initiative is USD 9.6 million. The DFAT has pledged support of AUD 6.85m (approximately USD 5.4 million) to this initiative. UNDP will seek other donors to support the unfunded budget. In case the funding is not confirmed, the initiative will focus on outcome 1 which will support existing MEs affected by the earthquake. It is likely that locating 100% target population may be challenging owing to migration, death and voluntary drop outs. In that case, resources even within currently confirmed DFAT support will be used to create new Micro Entrepreneurs from the affected communities, promoting social cohesion. Exact number of existing micro entrepreneurs and new beneficiaries to be reached will be determined by the end of June 2015. Similarly, about 500,000 USD will be utilized from MEDEP regular budget for creating new entrepreneurs.
The table below outlines budget by broad activities.

<table>
<thead>
<tr>
<th>Objectives 1</th>
<th>Activities</th>
<th>Outputs</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Need Assessment of existing MEs</td>
<td>Identified the needs of 12,000 MEs</td>
<td>34,000</td>
</tr>
<tr>
<td></td>
<td>Rapid enterprise potential, resource and market demand analysis</td>
<td>Market demand and potential resources assessed in 7 districts(^\text{12})</td>
<td>25,000</td>
</tr>
<tr>
<td></td>
<td>Psycho socio counseling linked specifically to strengthening enterprises.</td>
<td>At least 12,000 receive psycho social counseling</td>
<td>65,000</td>
</tr>
<tr>
<td></td>
<td>Providing quick technical skills trainings to related fields as per the need assessment</td>
<td>5,000 provided with technical skills training</td>
<td>1,060,000</td>
</tr>
<tr>
<td></td>
<td>Manuals, posters and toolkits for MEs, including media mobilization</td>
<td></td>
<td>50,000</td>
</tr>
<tr>
<td></td>
<td>Appropriate Technologies, Machinery, Equipment (improvement in the existing technology and introducing new technology)</td>
<td>At least 6,500 MEs Assessments and machinery upgraded</td>
<td>1,980,000</td>
</tr>
<tr>
<td></td>
<td>Support to develop linkages for improving access to finance</td>
<td>100% Entrepreneurs who need loan have access to finance for enterprises</td>
<td>100,000</td>
</tr>
<tr>
<td></td>
<td>Rehabilitation and/or construction of Common Facility Centre and enterprise development linked with community infrastructure to further promote entrepreneurship.</td>
<td>97 existing Common Facility Centres rehabilitated or rebuilt and 53 new common facility centres/productive infrastructures established benefitting 3,000 poor micro entrepreneurs.</td>
<td>825,000</td>
</tr>
<tr>
<td></td>
<td>Business counseling, market development and linkages</td>
<td>Support to 5,000 MEs</td>
<td>275,000</td>
</tr>
</tbody>
</table>

| Sub Total 1 |  |  | 4,414,000 |

<table>
<thead>
<tr>
<th>Objective 2</th>
<th>Activities</th>
<th>Outputs</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Identification of new beneficiaries</td>
<td>At least 7,700 women and men identified for entrepreneurship development</td>
<td>22,000</td>
</tr>
</tbody>
</table>

\(^{12}\) This activity will provide information for Outcome 1 and Outcome 2.
- Psycho socio counseling linked specifically to strengthening enterprises. | 7,700 receive psycho social counseling | 185,000
- Entrepreneurship development training including Gender Equality and Social Inclusion (GESI) aspects | At least 7,700 women and men receive Entrepreneurship Development training | 231,000
- Technical Skills training | 6,300 provided with technical skills training | 1,700,000
- Appropriate technology support (equipment, machinery, tools, Startup Capital) | 4000 provided with appropriate technology and startup capital | 1,200,000
- Establishment of Common Facility Centre to further promote enterprise | 70 Common Facility Centres established | 385,000
- Access to Finance – facilitate to establish linkage between MEs and MFIs | 4000 new MEs linked with Finance Institutes | 80,000
- Marketing and Business counseling support | 6300 MEs receive marketing and business counseling support | 340,000
- Manuals, posters and toolkits for MEs, including media mobilization | | 50,000

Sub Total 2 | | 4,193,000
Total (Sub-Total1+Sub-Total2) | | 8,607,000
Programme Support Cost | | 600,000
General Management Support (Cost sharing agreement Article 5 clause1) | | 401,120
Grand Total | | 9,608,120
Confirmed funding from DFAT | | 5.4 million
Unfunded budget for outcome 2 | | 4.2 million

13General Management Support Cost is calculated on the committed fund only.
Annex 1. Organogram of the Early Recovery Programme

1. UNDP: Overall assurance and back stopping from ACD, the Programme Analyst (Livelihoods), will ensure quality implementation.

2. DFAT Seconed personnel will be part of the RELRP Team based in Poverty and Inclusion Unit in UNDP. The ToR will be jointly prepared by DFAT and UNDP.

3. NPSO Team will support the early recovery programme

*Surge support see Annex 5

**District Coordinators (SB IV)
- Two from existing MDS/GSS (Government Support Specialist)
- Three new Specialists will be recruited to work as District Coordinator

**District Coordinator (SB IV)
- One from existing MDS (Market Development Specialist/GSS)
- One new Specialist will be recruited as district coordinator
Annex 2: Map of Programme districts

Nepal: UNDP Early Recovery Programme Target Districts

Legend
- EQ Affected Districts
- EQ Most Affected Districts
- UNDP Target Districts
- Humanitarian Hub

Existing UNDP Projects
- CDRMP
- MEDEP
- LGCDP II
- ROLHR

Target Districts
- Dolakha
- Kavrepalanchok
- Makwanpur
- Nuwakot
- Ramechap
- Okhaldhunga
- Sindhuli
- Sindhupalchowk
- Rasuwa
Annex 3
Requisition Plan for 2015 (Tentative only)

<table>
<thead>
<tr>
<th>No.</th>
<th>Project Name</th>
<th>Project No.</th>
<th>Budget Owner</th>
<th>Description</th>
<th>ATLAS Account code</th>
<th>Category</th>
<th>Qty</th>
<th>Est. Contract Amount (USD)</th>
<th>Planned Delivery Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MEDEP</td>
<td></td>
<td></td>
<td>Motorcycle</td>
<td>72200</td>
<td>Furniture &amp; Equipments</td>
<td>4</td>
<td>8,000.00</td>
<td>Quarter 3</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>Laptop Computer</td>
<td>72200</td>
<td>Furniture &amp; Equipments</td>
<td>12</td>
<td>20,000.00</td>
<td>Quarter 3</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>Digital Camera</td>
<td>72200</td>
<td>Furniture &amp; Equipments</td>
<td>7</td>
<td>1,875.00</td>
<td>Quarter 3</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td>Printer</td>
<td>72200</td>
<td>Furniture &amp; Equipments</td>
<td>7</td>
<td>2,800.00</td>
<td>Quarter 3</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>LCD projector</td>
<td>72200</td>
<td>Furniture &amp; Equipments</td>
<td>2</td>
<td>1,200.00</td>
<td>Quarter 3</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td>Furniture</td>
<td>72200</td>
<td>Furniture &amp; Equipments</td>
<td>12</td>
<td>9,000.00</td>
<td>Quarter 3</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td>Tent</td>
<td>72500</td>
<td>Office supplies</td>
<td>15</td>
<td>3,750.00</td>
<td>Quarter 3</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td>Logistics (Bag, Sleeping Bag, torch, umbrella etc)</td>
<td>72500</td>
<td>Office supplies</td>
<td>15</td>
<td>13,500.00</td>
<td>Quarter 3</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td>BDSPs contract</td>
<td>72100</td>
<td>Contr Ser Comp</td>
<td>18</td>
<td>3,600,000.00</td>
<td>Quarter 3</td>
</tr>
</tbody>
</table>

Total: 3,660,125.00

<table>
<thead>
<tr>
<th>Functional Title</th>
<th>Category</th>
<th>Reference to Activity ID</th>
<th>Duration</th>
<th>No of Position(s)</th>
<th>Budget</th>
<th>Date - Final TOR submit to UNDP</th>
<th>Expected Entry on Duty Date</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>As Regular Staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RELRP Programme Manager</td>
<td>SB 5</td>
<td></td>
<td>1 year</td>
<td>1</td>
<td>$25,000</td>
<td>15-Jun</td>
<td>Jul-15</td>
<td></td>
</tr>
<tr>
<td>Monitoring and Evaluation Officer</td>
<td>SB 4</td>
<td></td>
<td>1 year</td>
<td>1</td>
<td>$12,000</td>
<td>15-Jun</td>
<td>Jul-15</td>
<td></td>
</tr>
<tr>
<td>Communication and Documentation Officer</td>
<td>SB 4</td>
<td></td>
<td>1 year</td>
<td>1</td>
<td>$12,000</td>
<td>15-Jun</td>
<td>Jul-15</td>
<td></td>
</tr>
<tr>
<td>Gender Equality and Social Inclusion Officer</td>
<td>SB 4</td>
<td></td>
<td>1 year</td>
<td>1</td>
<td>$12,000</td>
<td>15-Jun</td>
<td>Jul-15</td>
<td></td>
</tr>
<tr>
<td>Admin and Finance Officer</td>
<td>SB 4</td>
<td></td>
<td>1 year</td>
<td>1</td>
<td>$12,000</td>
<td>15-Jun</td>
<td>Jul-15</td>
<td></td>
</tr>
<tr>
<td>Civil Engineer</td>
<td>SB 4</td>
<td></td>
<td>1 year</td>
<td>1</td>
<td>$12,000</td>
<td>15-Jun</td>
<td>Jul-15</td>
<td></td>
</tr>
<tr>
<td>District Coordinators</td>
<td>SB 4</td>
<td></td>
<td>1 year</td>
<td>4</td>
<td>$57,000</td>
<td>15-Jun</td>
<td>Jul-15</td>
<td></td>
</tr>
<tr>
<td>Programme Support Assistant</td>
<td>SB 3</td>
<td></td>
<td>1 year</td>
<td>1</td>
<td>$8,000</td>
<td>15-Jun</td>
<td>Jul-15</td>
<td></td>
</tr>
</tbody>
</table>
Annex 4: UNDP SURGE support to RELRP

UNDP Nepal will ensure to complement the Programme Management and technical implementation of this project through its SURGE mechanism. Enhancing the operational and programmatic capacities of UNDP Country Offices in the aftermath of a crisis is critical to ensure continued functioning of the office and the ability to take on large scale recovery programmes. UNDP Nepal has already approved and activated the SURGE deployment mechanism wherein senior qualified staff, cleared through the CO are deployed to Nepal for the immediate 3-6 months period, with extensions possible as required. SURGE Advisors are UNDP staff with extensive experience in their technical field and in crisis operations with skills for immediate crisis response, including technical/managerial, analytic and communication and skills. The deployments are funded by UNDP. UNDP Nepal’s Programme will benefit from the SURGE deployments of the following advisors.

Early recovery Adviser (SURGE) (3 months initially and possibility for extension)

The Senior Early Recovery Advisor on SURGE deployment to Nepal provides guidance and advise on the overall early recovery programming. He is responsible to develop an overall integrated Programme framework bringing together the relevant components of UNDP’s Recovery response covering debris management, livelihoods, enterprise development, disaster risk resilience, social cohesion, gender and natural resources management. Similarly he will be responsible for developing conducive coordination and management arrangements for the programme framework. The Senior Early Recover Advisor works under the direct subordination of the Deputy Country Director (Programme) and in close collaboration with the relevant programmes and projects and will provide expert advice throughout programme implementation.

Livelihoods Adviser (SURGE) (2 months initially and possibility for extension)

The Livelihoods Adviser is responsible for the strategic guidance and technical oversight on the Livelihoods and economic recovery portfolio. She develops the framework for Livelihoods and Recovery to target the quick revival of the local economy, enhancing stability and recovery in a post crisis situation. Programme design includes emergency employment through cash for work (including in in debris management), immediate livelihoods support, critical community and productive infrastructure rehabilitation, rehabilitation of community infrastructure through emergency employment schemes implemented through cash for work, targeted livelihoods and self-employment start up kits/grants aimed at restoring micro and small enterprises and rehabilitation of socio community infrastructure for essential services delivery.

REL RP Advisor (SURGE 12 months)

The RELRP Advisor will be responsible for the successful implementation of the Early Recovery Response through Rapid Enterprise and Livelihood Recovery Project (REL RP) and ultimately responsible for the revival of existing micro-entrepreneurs whose business/enterprises became affected fully/partially due to Nepal Earthquake 2015 and the number of micro-entrepreneurs created in the earthquake affected seven districts. S/He will be responsible for the project implementation under the close supervision and guidance of the National Programme Manager (NPM) of MEDEP. The RELRP Advisor (Surge) will work in close coordination with the RELRP National Program Manager, Area Programme Support Manager (APSMs) of Area Programme Support Office (APSOS Kathmandu and Hetauda) and NPSO teams. The position will be filled for the duration of the RELRP.