



Government of Nepal  
Ministry of Industry



# Findings of Mass Impact Survey

## About MEDEP

With aims to cater the needs of socially excluded groups living below the poverty lines by promoting off-farm employment, the Government of Nepal (GoN) and the UNDP started implementing Micro Enterprise Development Program (MEDEP) in 1998. Since then, it has evolved as a model of entrepreneurship development with potentials of lifting thousands of people out of poverty.

Targeting the rural poor, women and disadvantaged groups, with successful three phases, MEDEP now is on its fourth phase.

As of September 2016, MEDEP has created over 81,666 micro enterprises and 90,673 sustainable jobs that employs 70% women and 30% men in rural areas of Nepal. Currently, the program is being implemented in 69 districts. By June 2018, the program aims to cover all districts of Nepal.

This study was carried out between October-December, 2015 to identify products and services that have emerged as important micro enterprises in MEDEP working districts. Of the 38 working districts, the study covered 11. Twenty products from four different sectors: agro, forest, artisan and service were studied.



## MEDEP working sectors

The Industrial Policy 2010 has categorized enterprises into 10 categories; agricultural and forestry; production oriented; export oriented; energy oriented; mining; tourism; construction; Information and Communication Technology (ICT); artisan and service. Of them, MEDEP has extensively supported four sectors; Agriculture, Forest, Artisan and Service.

### Forest Based enterprises

Under this sector, 10,509 (13% of total) entrepreneurs are developed in different types of forest based enterprises. Study has shown that the average annual income of forest based enterprises is equivalent to Nrs 117,211 (USD 1,095).

### Artisan Based enterprises

The average income of MEDEP supported micro entrepreneur from artisan based products is Nrs. 262,222 (USD 2,450). Altogether 8,084 (10 % of total) micro entrepreneurs are involved in different enterprises in this sector.

### Agro Based enterprises

Altogether, 40,421 (50 % of total) micro entrepreneurs are currently involved in different agro-based enterprises. Average annual income of entrepreneurs from the sector is Nrs. 158,626 (USD 1, 508).

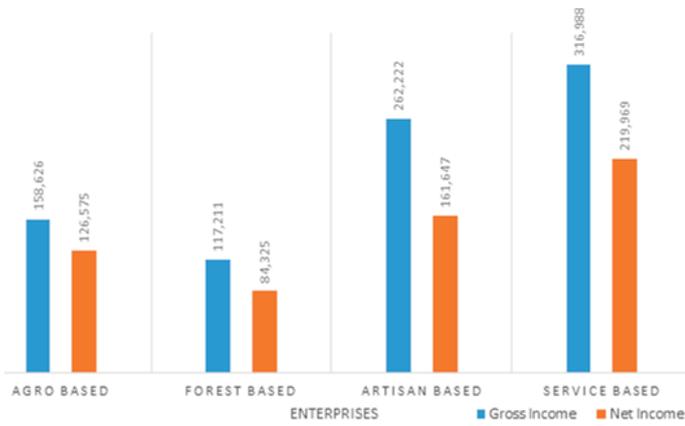
### Service Based enterprises

Average annual income of micro entrepreneurs in this sector stands at Nrs. 316,988.25 (USD 3,150). Altogether, 12,126 (15 % of total) micro entrepreneurs are engaged in the sector through different enterprises.

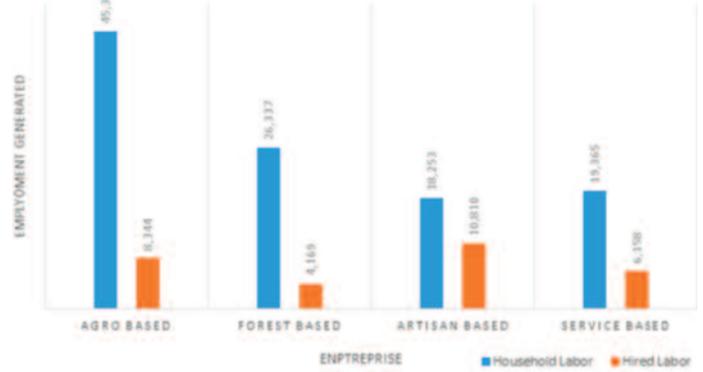
# Fast facts

- Total survey districts: 11
- Total Female Participant: 818
- Survey Duration: October –December 2015
- Total Products Surveyed: 20
- Total Participant: 1,099
- Participant by ethnicity: Hill janajati, Terai janajati, Hill Dalit, Terai Dalit, Hill BCTS, Terai BCTS (Brahmin Chhetri Thakuri Sanyasi), Muslim, Other Madheshi.
- Total Male Participant: 281

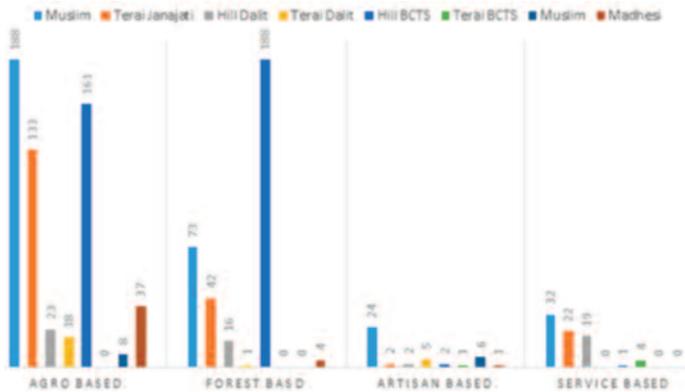
## Average income of MEDEP supported Micro entrepreneurs



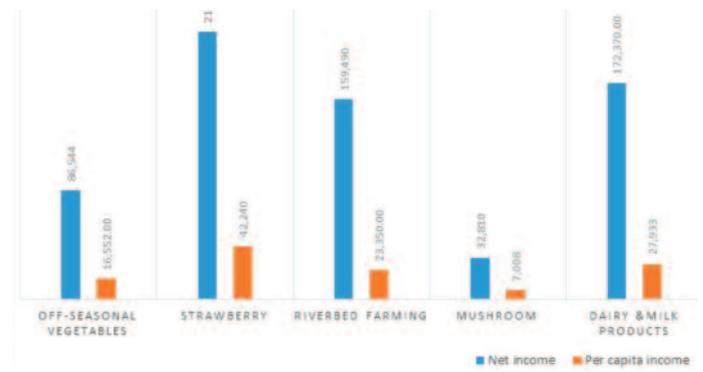
## Employment generation in Person/Days by enterprises



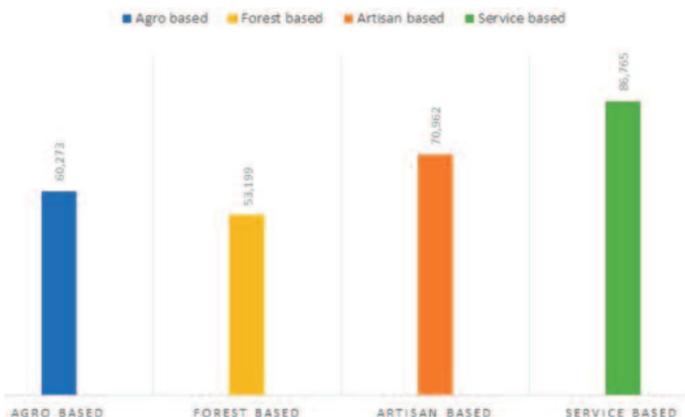
## Ethnic diversity in enterprises



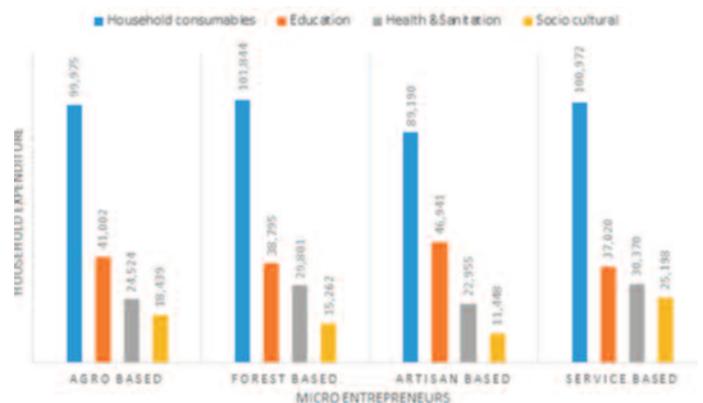
## Number of enterprises in different sectors



## Per Capita Change after MEDEP support of Micro entrepreneurs



## Entrepreneurs and their expenditures



## Recommendations

- Number of products and services to be promoted need to reduce for its impacting invention, fine tune in the identification of market demand and supply lines at local to national level markets, access to finance should be improved by widening various sources.
- The product values needs to be increased with coordinating with private sectors such as Federation of Nepalese Chamber of Commerce and Industries (FNCCI), the Chamber of commerce, and CG and so on.
- To increase the efficiency in terms of resources, investment and sustainability micro entrepreneurs need to focus on the products that are comparatively more viable and economically rewarding.
- Financial support should be provided to the very poor and marginalized micro entrepreneurs.
- MEDEP needs to focus on employment creation in micro enterprises sector which generate employment in a very short period.
- Gender Equality and Social Inclusion should further be reviewed and the programme should focus on bringing the marginalized household of indigenous nationalities and Dalits.
- Legal provision for promotion of micro enterprises for poverty alleviation should be explicitly documented to reduce confusion in accessing resources required to the micro entrepreneurs

## Conclusion

- A behavioral change among the Dalit's has also been observed as they actively present themselves in community decision making.
- MEDEP's support has helped Dalit's not only to get productive employment opportunities but also to accumulate land and live-stock.

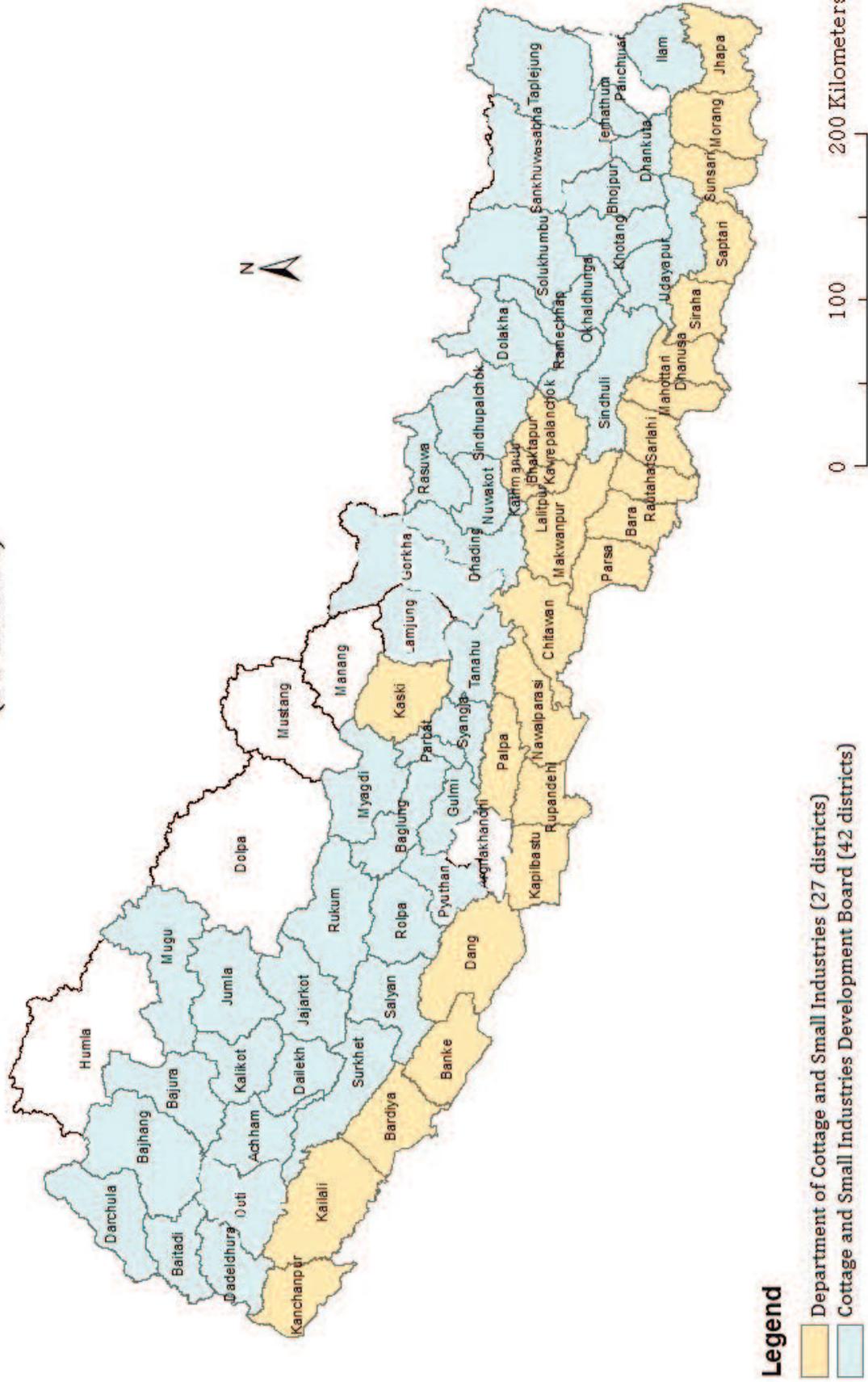


Honorable Minister of Industry, Mr. Nabindra Raj Joshi observes products made from Himalayan Stinging Nettle (Allo) at Ritu Saugat, Pokhara.

- Gender Equality and Social Inclusion (GESI) dimension of development and gender sensitive interventions has helped the women micro entrepreneur, poor and marginalized households to gain human as well as social dignity (Breaking the culture of Silence).
- Legal and policy level provision are supportive for promotion of micro enterprises by Government of Nepal. Dissemination of these at local level should be massively increased.
- The programme has been successful in increasing the employment opportunities and level of income of the poor and marginalized Dalits and indigenous nationalities.

# Micro Enterprise Development for Poverty Alleviation (MEDPA) Implemented Districts

(FY 2073/74)





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## Agriculture based enterprises

Agriculture is the backbone of national economy. Around two third of the country's population depend on agriculture. Of the total Gross Domestic Product (GDP), the sector's contribution stands at one third.

Agriculture based enterprises include products such as vegetables, strawberry, riverbed farming, mushroom, fishery, dairy and milk products, apple drying and vegetables seeds. On average, micro entrepreneurs invest a minimum of NRS. 63,176 or USD\$ 591.85 per annum.

Average annual income stands at NRS. 126,575 or USD 1,185.78. The sector employs 53,741 people; the largest employment generated by enterprises amongst other three sectors; artisan, forest and service.



### Riverbed Farming

Farming along the river bank on sandy or partially gravelled or alluvial soil is known as riverbed farming. Agricultural products such as watermelons, cereal crops and vegetables can be grown in the riverbeds. 72 river bed enterprises generates 12,361 person days employments. Of them, 946 are hired labourer whereas the remaining 11,415 are household labourer. On average, entrepreneurs engaged in the sector earn Nrs. 177,382 (USD 1,662) as gross income and Nrs. 159,491 (USD 1,495) as net income per annum.

### Off-seasonal vegetables

Observed 297 off-seasonal vegetable enterprises generate around 25,212 person days employment. Of it, 20,745 are household labourers whereas the remaining 4,467 are hired labour. Off-seasonal vegetable production contributes to 50 per cent of the total vegetables produced in Nepal. It also caters to 60 per cent of market products. Average gross income per ME is Nrs. 108,199 (USD 1,014) and net income is Nrs 86,545 (USD 811). Micro entrepreneurs grow tomatoes, cabbages, cauliflowers, broad leaf mustard, peas, radish, onions, carrots, potatoes amongst others.

### Mushroom Farming

Mushroom farming is increasing rapidly in MEDEP district as it provides rice straw as a raw materials. With support from MEDEP, entrepreneurs engaged in this enterprise earn gross NRS. 45,092 or USD 422.68 per annum and net income is NRS 32,810 or USD 307.56. Hill and Terai Janajati, Dalits, Muslims and BCTs are major ethnicities engaged in the enterprise. On average, the enterprise generates 3,107 employments, of which 3,069 is household and the remaining 38 is hired.

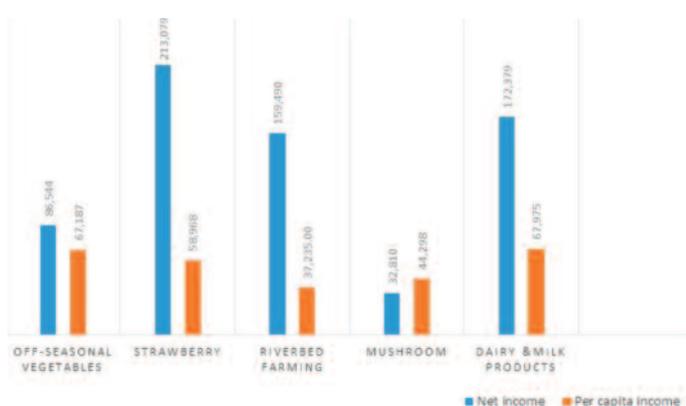
## Strawberry

Strawberries were introduced by Japanese Agricultural In-service Training Institute (JAITI) in Nuwakot district in mid 1990s. MEDEP has been supporting the sector since 1998. Over the course, MEDEP has been able to support micro entrepreneurs to increase gross and net income. Current gross and net income per ME stand at Nrs. 271,747 (USD 2,547) and Nrs. 213,080 (USD 1997) respectively. Of the 7,602 person days employments generated by the enterprise, 6,448 are household labourer and another 1,154 are hired labourer from observed 76 enterprises. Hill Janajati, Dalits and BCTS are common ethnic groups found to be engaged in the enterprise.

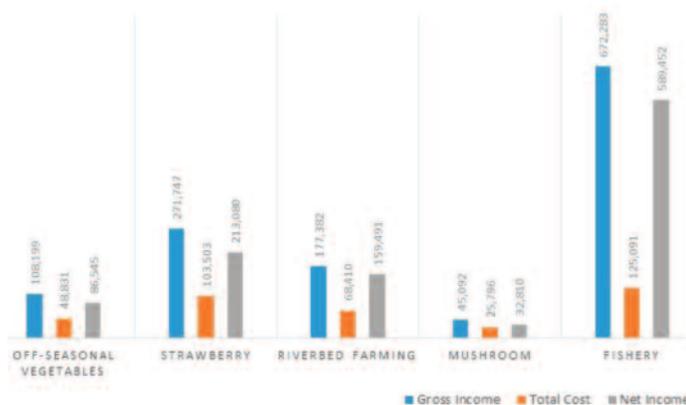


Entrepreneurs package strawberries at Nuwakot. MEDEP has been supporting the sector since 1998.

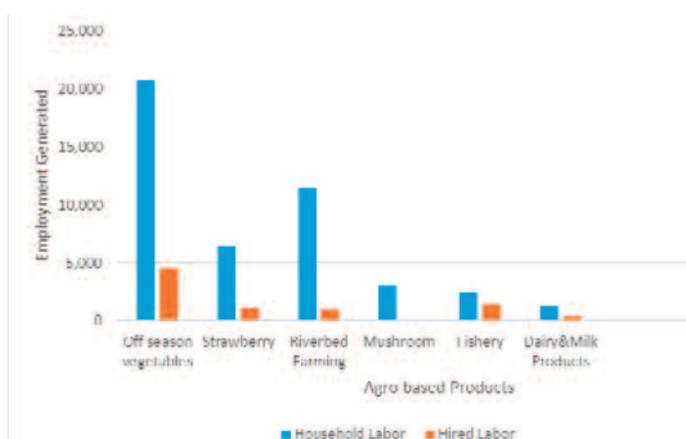
## Per-capita income and Net Income



## Average income after MEDEP support



## Employment generated by the sector



## Fishery

Post MEDEP support, this sector has been able to generate highest gross and net income. Entrepreneurs in the sector are able to earn NRS. 672,283 or USD 6,301.87 gross income per annum. Net income stands at NRS. 589,452.42 or USD 5,525.42. Ethnic communities engaged in the sector include Hill and Terai Janajatis and Madheshis. The sector employs 3,826 people, of which 2,467 is household labor and 1,359 is hired labor.



A child observes other women fishing in a pond at Dhangadi.



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## Service based enterprises

The service based items incorporates small piece of clothing and fitting and metal forger workshop. The sector is largely based in two enterprises; mini-garment and blacksmith workshop.

Entrepreneurs engaged in the sector earn gross income of NPR. 219,969 or USD 2,060, of which, net income stands at NPR. 193,896 or USD 1,816.46. From 78 enterprises, the sector generates employment of 25,523.

Enterprises such as Mini garment and tailoring have helped women, marginalized and highly deprived people to come out of poverty.



Maiya Ramtel, an entrepreneur from Mahadevsthan, Kavrepalanchowk prepares shoes at her shop. Ms, Maiya is one of the few women entrepreneurs in her village who makes shoes for living. She believes that entrepreneurship is especially important for women as it helps them to be independent.

### Tailoring and Mini garment industries

The income and returns of tailoring and mini garments have been very high. With everyday use, the sector is more social, transferable and driving quickly towards strengthening. 60 enterprises currently create 19,856 person days employment, out of them 5,558 are hired person days employment. The enterprise generates gross income of Nrs. 320,448 (USD 2,994) and net income of Nrs. 223,217 (USD 2,091). The enterprise is currently operated by Dalits of both Terai and Hilly region along with Janajati, Brahmin, Chhetri, Thakuri and Sanyasi from the hills.

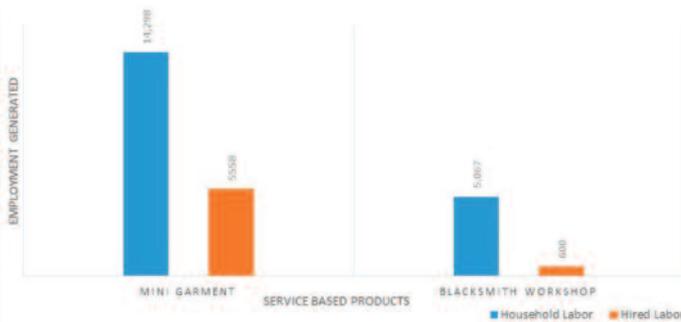
### Blacksmiths' workshop

Dalits metal forgers or Kami is one of the ethnicities engaged in creating different sorts of iron-based products like spade, scrapers, sharp edge for neighbourhood furrow, hatchet, sickle, cut, amongst others. Other ethnicities engaged in the work include Janajati, Dalits, Brahmin, Chhetri, Thakuri and Sanyasi from the hilly region. The sector sees annual gross income of Nrs. 305,500 (USD 2,862) and the net income of Nrs. 209,142 (USD 1,959) per annum. Enterprises also employ both hired and household labour to produce iron products. At present, the sector gives 5,667 person days employment from observed 18 enterprises. Of it, 5,067 is household labour and 600 is hired.



An entrepreneur sews cloth on her tailoring machine.

### Employment generated by the sector

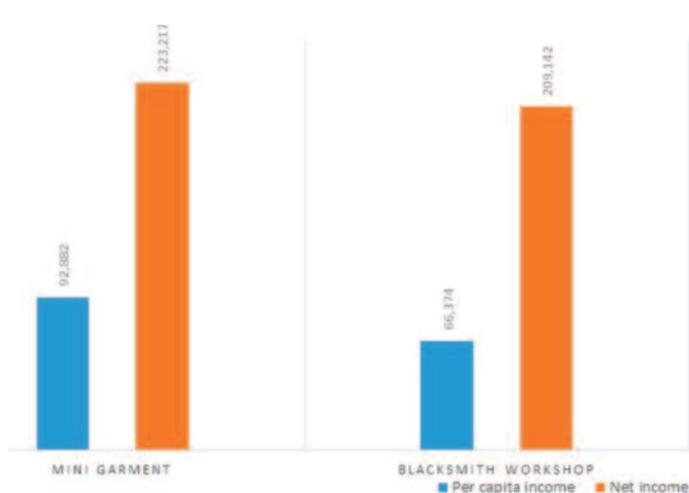


“ Micro Enterprise Development Programme has helped us to not just be economically independent, it also has empowered us. Before, I couldn't collect my thoughts and speak, but now, as you can see, I can express my thoughts with confidence.

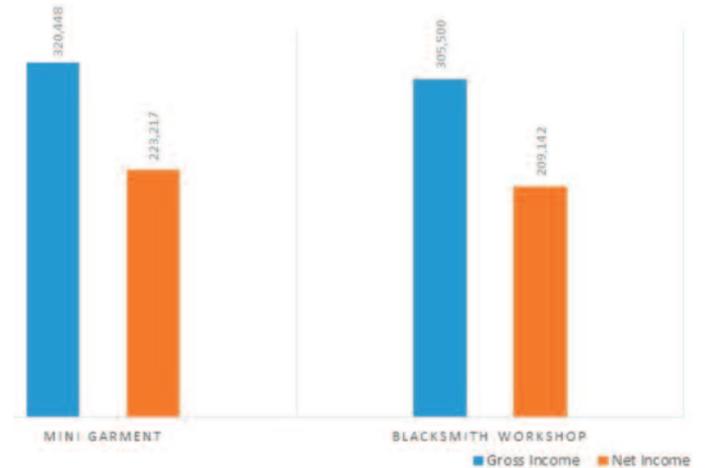
”

Tika Devi Jaisi, Dailekh entrepreneur

### Per-capita and net income after MEDEP support



### Gross income and Net Income after MEDEP support





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## Aartisan based enterprises

Artisan based products include Dhaka items, laha bangles, shyama-panga, cotton sacks, leather goods and shoes.

Enterprises in the sector see gross income of Nrs. 161,490 (USD 1,615) and net income stands at Nrs. 161,647 (USD 1,614). A total of 98 wood based enterprises currently function in MEDEP districts.

These enterprises create 29,063 person days employment from 98 artisan based enterprises.

These products have helped women, marginalized and deprived people to come out of poverty level. Artisan based products such as Dhaka have been able to successfully establish value chain across the nation. In turn, it has contributed significantly to increase employment opportunities among the poor and marginalized households.

### Dhaka and Dhaka products

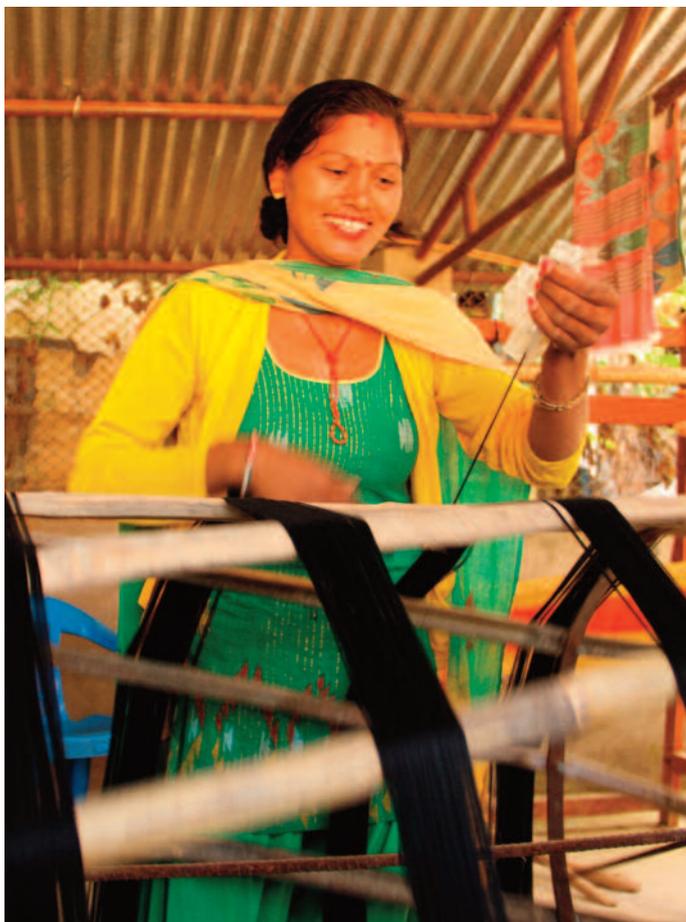
Dhaka products such as shawls, caps, shirts and shoes have immense business potential as the items are valued both nationally and internationally. After support from MEDEP, entrepreneurs engaged in the enterprise have been able to earn gross income of Nrs. 285,362 (USD 2,422) and net income of Nrs. 165,583 (USD 1,552). Of the total person day's employment (22,832) from 55 enterprises, the sector generates employment from both household labourer (12,502) and hired labourer (10,330).



Rajeshwori Paudel from Parbat district weaves Dhaka on her handloom at a Common Facility Center at Patichaur.

### Cotton bag

Upon identifying market for sturdy bags, many women entrepreneurs have been producing and delivering cotton bags in local markets. After MEDEP support, the entrepreneurs have been able to increase gross income to Nrs. 231,669 (USD 2,172) and the net income to Nrs. 142,135 (USD 1,332). The enterprise, commonly done by Janajati, Brahmin, Chhetri, Thakuri and Sanyasi residing in sloped terrains rely in household labourer. Eight enterprises generate 1,610 person days employment, all of which is household labourer.

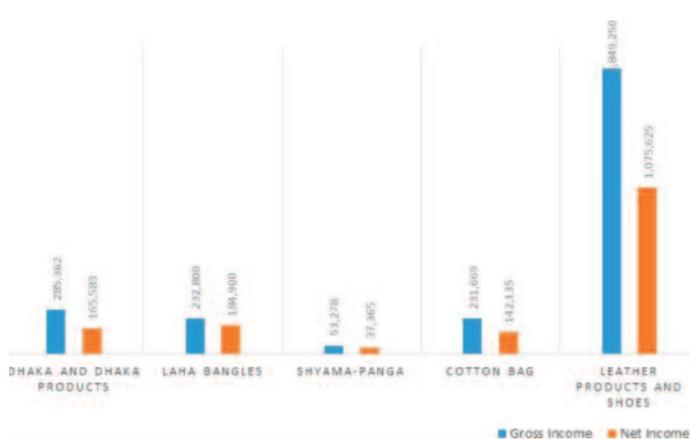


Shanta Chaudhary, an entrepreneur from Surkhet rolls thread to prepare Dhaka sari.

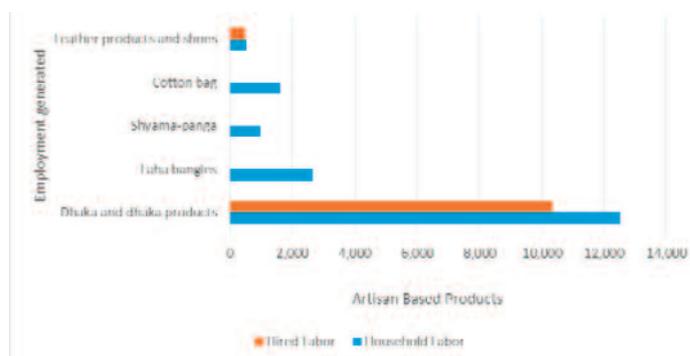
## Laha Bangles

Laha bangles are steadily finding markets. With crude Laha or Lac coming from India, entrepreneurs engaged in the profession earn gross income of Nrs. 49,553 (USD 470). After support from MEDEP, entrepreneurs have been able to increase their gross income to Nrs. 232,800 (USD 2,182) and net income to Nrs. 184,900 (USD 1,733). 2,650 person days employment (Households) create from 15 enterprises.

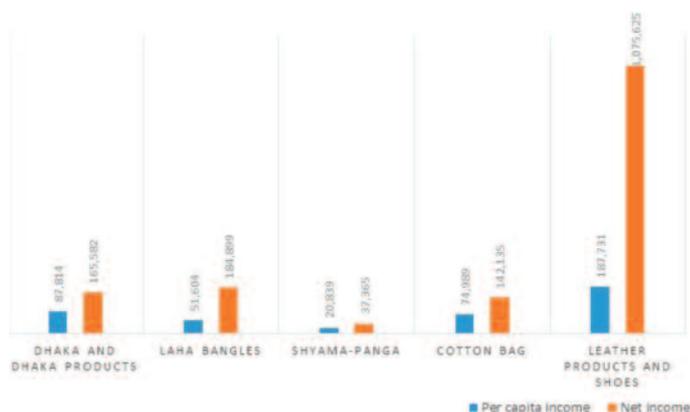
## Gross and Net Income from the Sector



## Employment generated by the Sector



## Per-capita Income and Net income after MEDEP support



## Leather products and shoes

Traditionally perceived to be a low work of the Sarki (cobbler) community, the enterprise now is one of the growing sectors that generate larger income. MEDEP's support through trainings and transfer of appropriate technologies, entrepreneurs in the sector have been able to earn gross income of NPR. 1,849,250 or USD 17,334.55. Of it, net income stands at NPR. 1,075,625 or USD 10,082.72. The sector has seen almost equal number of labor force from household (520) and hired (480).

## Shyama-Panga

A cultural product, Shyama-Panga is made using pure sheep's wool and locally fabricated wooden handloom. The wool is dyed in various colors to produce diverse products like table mats, vests, hats and bags. The enterprise generates gross income of Nrs. 53,278 (USD 500) and net income of Nrs. 37,365 (USD 350). Observed 18 enterprises generate 971 person days employment, all of which is household labourer.



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## Forest based enterprises

Forest-based enterprises include products such as Himalayan Stinging Nettle (Allo) products, honey bee keeping, stick furniture and bamboo items, babiyo rope making, pater items, vex powder and incense stick. Net income earned from this item by per ME is Nrs 84,325 (USD 790.33). Many forest products such as babiyo rope, honey and pater products do not require much investment for raw materials as they are primarily available for free or at low price. Thus micro entrepreneur can easily start at village level with a very limited capital investment. Forest-based enterprises have been especially important as it has helped deprived, marginalized and excluded communities move out of poverty.



Gayatri Bohora from Aletar VDC, Dadeldhura extracts honey. Entrepreneurs engaged in the sector easily find market in Dadeldhura, Kailali and other nearby districts.

### Himalayan Stinging Nettle (Allo) processing

Allo fiber is extracted from Allo Sisnu, a species of the giant stinging nettle *Girdardinia diversifolia*. The nettle is a wild plant found between 900-2,500 meters above sea level. The Allo fibre is harvested each year in autumn from the bark of the Allo Sisnu plant. Before MEDEP's support, the income of the individual beneficiary stood at Nrs. 20,675 (USD 194). Since MEDEP's support, gross income rose to Nrs. 160,590 (USD 1,505) per annum and net income to Nrs. 115,758 (USD 1,085). The sector enterprise generates 7,489 person days employment from 30 enterprises. Of it, 5,369 is household labour and 2,120 is hired.

### Babiyo rope making

By supporting appropriate technologies to produce Babiyo rope, MEDEP has helped create entrepreneurs on the same. The sector employs 4,195 person days from 43 enterprises. Of it, family labourer contributes to 4,192 and three are hired. Gross income stands at Nrs. 89,763 (USD 841.42) and net income stands at Nrs 82,639 (USD 775).

### Cane furniture and bamboo products

This is one of the important sectors undertaken by MEDEP to support in vocational skills. The support of MEDEP has bolstered the gross earnings to Nrs. 217,080 (USD 2,042) and the net wage to Nrs. 123,050 (USD 1,153). Of the total person days employment generated by this enterprise 6,385 is family labourer and 1,888 is hired by observed 51 enterprises.

### Bee keeping (Honey)

Bee keeping has been drilled by both non-poor and poor. The honey is sold as natural honey and earnings range between Nrs. 600,000 (USD 6,000) to Nrs 850,000 (USD 8,500) per annum. Observed 110 enterprises provide 8,836 person days employment, of which, 8,712 are household labourers while 124 is hired.

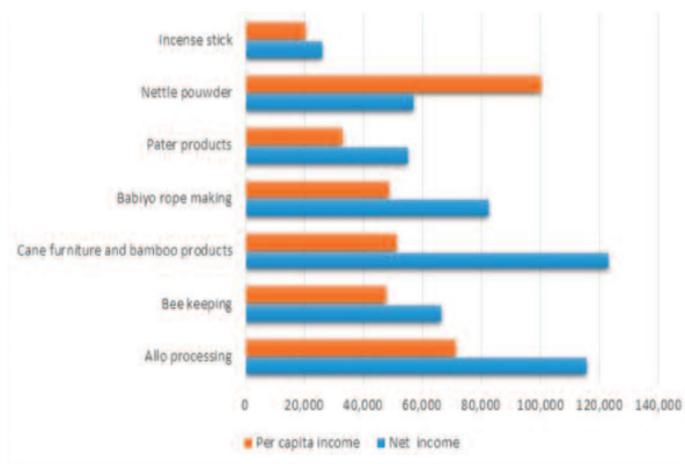
### Pater products

With profits of 2.68 per cent per item, pater products have come as new avenue of enterprise. Currently produced by only Terai Janajati entrepreneurs, the enterprise generates annual gross income of Nrs. 66,654 (US 625) with net income being Nrs 55,046 (USD 516). The sector currently draws labourer force both family (338 PD) and hired (34 PD) by 13 enterprises.

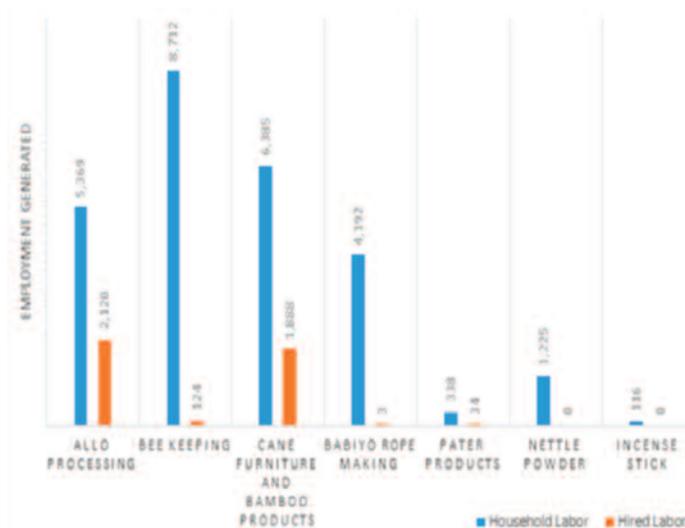
## Incense Stick

Incense sticks are mostly produced by Janajati residing in Hilly region. Production of incense stick utilizes local assets such as bamboo and kaulo. As a result, the enterprise is able to yield larger returns with minimum investment. The sector sees gross income of Nrs. 32,500 (USD 305). Net income stands at Nrs. 26,025 (USD 244). 116 house hold person days employment create from two observed enterprises.

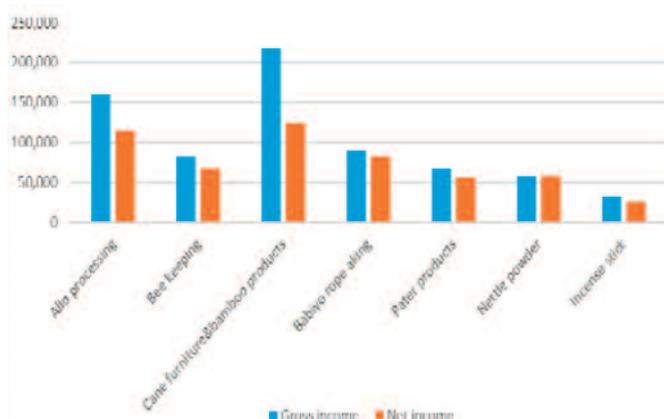
## Per-capita and Net Income



## Employment generated by the sector



## Average income



## Nettle powder

Nettle is a small plant reaching about two to three feet in height with an erect stem; it bears dark green leaves that are marked by serrated margins. Nettle powder has been used for hundreds of years to treat painful muscles and joints, eczema, arthritis, gout, and anaemia. Many people use it for urinary tract infections, high fever (allergic rhinitis), or in compresses or creams for treating joint pain, sprains and strains, tendonitis, and insect bites. The ethnic gathering who manages these item are Dalit, Janajati, Brahmin, Chettri, Thakuri and Sanyasi from the hilly regions. Post MEDEP support, the enterprise has been able to see increased annual gross income of Nrs. 57,975 (USD 543) and net income of Nrs 56,862 (USD 533). 1,225 Person days employment create from 14 nettle enterprises.



Sher Bahadur Bogati, an entrepreneur from Dailekh winnows dried nettle leaves. Bogati, Bogati, a former Maoists Platoon commander entered into the enterprise a decade ago. Currently only selling raw nettle powder, Bogati aims to buy a refinery machine. This would enable him to produce nettle powder and sell at his ease.