

# Rapid Enterprise and Livelihoods Recovery Project (RELRP)

# **Final Report for**

# Department of Foreign Affairs and External Trade (DFAT)



# UNITED NATION DEVELOPMENT PROGRAMME

# DONORS

## Department of Foreign Affairs and Trade (DFAT)

# The Government of Australia



### **PROJECT INFORMATION**

Project ID: 00095805 Duration: 3 June 2015 to 30 June 2016 ANDS Component: Contributing to NPP: MEDEP IV

#### **CPAP Outcome:**

- UNDAF Outcome 2: Vulnerable groups have improved access to economic opportunities and adequate social protection
- CPAP Output 2.2.1 35,000 micro entrepreneurs created and 40,000 existing ones scaled up for poverty reduction employment generation and sustainability

#### **UNDP Strategic Plan Component:**

- Output 1.1: National and sub national systems and institutions enabled to achieve structural transformation productive capacities that are sustainable and employmentand livelihood intensive
- Output 6.1: From the humanitarian phase after crisis, early economic revitalization generates jobs and other environmentally sustainable livelihoods opportunities for crisis affected men and women

Total Budget: AUD 7,850,000 (US\$ 5,826,592.23 )

#### Implementing Partners:

- 1. District Micro Entrepreneur Group Associations (7 no.)
- 2. Micro Enterprise Development Service Providers (22 no.)

Key Responsible Parties: DFAT and UNDP Project Manager: Dr. Shailendra Thakali Chief Technical Advisor: Arthi Patel Responsible Assistant Country Director: Heema Devi Khadka

### ACRONYMS

| CFC    | Common Facility Centre                                  |
|--------|---|
| CFUG   | Community Forest Users Group                            |
| СРАР   | Country Program Action Plan                             |
| CSIDB  | Cottage and Small Industries Development Board          |
| CSIDBO | Cottage and Small Industries Development Board Office   |
| CSIO   | Cottage and Small Industries Office                     |
| CTEVT  | Council for Technical Education and Vocational Training |
| DCSI   | Department of Cottage and Small Industries              |
| DDC    | District Development Committee                          |
| DEDC   | District Enterprise Development Committee               |
| DEDSP  | District Enterprise Development Strategic Plan          |
| DFAT   | Department of Foreign Affairs and Trade                 |
| DMEGA  | District Micro Entrepreneurs' Groups Association        |
| EDF    | Enterprise Development Facilitator                      |
| ESP    | Enterprise Service Provider                             |
| GoN    | Government of Nepal                                     |
| IEDI   | Industrial Enterprise Development Institute             |
| LDO    | Local Development Officer                               |
| MDG    | Millennium Development Goals                            |
| MEs    | Micro Entrepreneurs                                     |
| MEA    | Micro Entrepreneurs' Association                        |
| MED    | Micro Enterprise Development                            |
| MEDEP  | Micro Enterprise Development Programme                  |
| MEDPA  | Micro Enterprise Development for Poverty Alleviation    |
| MEDSP  | Micro Enterprise Development Service Provider           |
| MEG    | Micro Entrepreneurs' Groups                             |
| MEGA   | Micro Entrepreneurs' Groups Association                 |
| Mol    | Ministry of Industry                                    |
| MoFALD | Ministry of Federal Affairs and Local Development       |
| NEDC   | National Entrepreneurship Development Centre            |
| NMEFEN | National Micro Entrepreneurs Federation Nepal           |
| NSTB   | National Skill Testing Board                            |
|        |   |

| NRB   | Nepal Rastra Bank                                 |
|-------|---|
| OJT   | On the Job Training                               |
| RELRP | Rapid Enterprise and Livelihoods Recovery Project |
| RMDC  | Rural Micro Finance Development Centre            |
| RSRF  | Rural Self Reliance Fund                          |
| SDG   | Sustainable Development Goals                     |
| SKBB  | Sana Kisan Bikas Bank                             |
| SGOP  | Second Generation Operation Plan                  |
| SLC   | School Leaving Certificate                        |
| TSLC  | Technical School Leaving Certificate              |
| UNDAF | United Nations Development Assistance Framework   |
| UNDP  | United Nations Development Program                |
| VDC   | Village Development Committee                     |
| VEDC  | Village Enterprise Development Committee          |
| VEDP  | Village Enterprise Development Plans              |

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### **EXECUTIVE SUMMARY**

The earthquake of April 25th, and subsequent aftershocks, devastated thousands of micro entrepreneurs (MEs) supported earlier by Micro Enterprise Development Program (MEDEP) and Micro Enterprise Development for Poverty Alleviation Program (MEDPA) in Nuwakot, Sindhupalchok, Rasuwa, Kavre, Ramechhap, Dolakha, and Sindhuli districts. These MEs lost micro enterprises that were essential parts of their livelihoods and the local economy. They also lost almost all Common Facility Centers (CFCs) which were important to engage them in group based micro enterprises.

Responding to this critical situation, the Australian Government's Department of Foreign Affairs and Trade (DFAT) provided a grant of US\$ 5.82 million in June 2015 in addition to its support to longstanding MEDEP to implement Rapid Enterprise and Livelihoods Recovery Project (RELRP). The main goal of RELRP was the rapid revitalization of microenterprises and restoration of livelihoods for the earthquake affected people. It was supported by two specific objectives. The first objective was to provide immediate support to earthquake affected MEDEP/MEDPA entrepreneurs to revive enterprises and stabilize their livelihoods. The second objective of RELRP was to promote social cohesion and local economic recovery by supporting selected earthquake survivors to establish new micro enterprises.

RELRP started field verification of MEs immediately after the mobilization of partner organizations in districts. The verification process finalized 11,826 existing MEs as final targets for revival support. Targets for new MEs was also increased from 1500 to 2228. After detailed field assessment and survey, CFC targets were revised from the original 145 to 139. By the project end, RELRP successfully revived all 11,826 existing MEs and created 2,986 new MEs and repaired and built 139 CFCs using build back better principles. RELRP results show that RELRP met 100% targets for ME revival and exceeded the target for new ME creation, making it a highly successful early recovery initiative.

RELRP had three outcome level results – the number of family benefited, the number jobs created and the monthly income of MEs. For the first outcome result, RELRP final result shows that 77,384 family members benefited from the project, surpassing this result by 4118 members. The second outcome result shows that RELRP was able to generate 14,291 full time jobs for existing MEs and 2,715 jobs for new MEs. While the result of job creation of existing MEs is consistent with MEDEP's results, the job creation ratio for the new MEs is slighter lower. This is because, many new MEs have just started operating enterprises. The third outcome result shows that the monthly income of existing MEs ranged from NPR. 5,571 to NPR 23,262. The total accumulated income of MEs was NPR. 89,37,3745.00 (US\$

835,268) and the average monthly income per ME was NPR. 10,214 (US\$ 95.45). The accumulative average monthly income of new MEs was NPR 91,93,452 (US\$ 85,920) and the average monthly per ME was NPR 6,750 (US\$ 63). This is a remarkable achievement considering devastation RELRP districts experienced during the earthquakes.

The majority of RELRP beneficiaries or MEs represented poor and marginalized communities. These were also the most exposed and vulnerable groups of people to natural disasters such as the earthquake. 70% of existing MEs who were revived their enterprises were women, 14% were Dalit and 55% were Janajati. Similarly, 66% of new MEs were women. The number of Dalit in new MEs were high compared to existing MEs, i.e., 18%.

RELRP forged a strong partnership with all partner organizations such as Micro Enterprise Development Service Providers (MEDSPs) and District Micro Enterprise Group Associations (DMEGAs) to implement field activities. It also built effective collaborative efforts with its key stakeholders such as UNDP, DFAT, MEDEP, district based government agencies, mainly with District Enterprise Development Committee, and District Disaster Recovery Committee and District Cottage and Small Industry Development Board and Offices as well as with other I/NGOs working in the project districts. Partnership and collaborative approaches were keys to speed up service delivery as well as for the success of the project.

RELRP faced many challenges during the implementation to deliver services and achieve ME revival and new creation targets. Despite adopting fast track approach to recruit staffs and select partner organizations, it took almost three months to have full staff on board and mobilize partners in the field. This gave the project only 9 months for field implementation to achieve very ambitious targets. The border blockages and fuel crisis were also another major challenge not only for the project but also for the entire country. To overcome problems created by this situation, RELRP, MEDSPs and DMEGAs were forced to plan smartly and run multiple programs simultaneously to achieve targets. The majority of RELRP's partner organizations did not have experience of handing large grants as well as working in the post disaster situation. RELRP did not have time and resources to build capacity of partner organizations. The project had to use 'grant management' and 'ME based monitoring system' prudently both to build the capacity of partner organizations and track the project progress.

Apart from psychosocial counselling, RELRP implemented all interventions that MEDEP has promoted for ME creation. Targets for each intervention were also based on MEDEP's experience. RELRP, however, had to revise targets for some interventions, for example, technology support, to respond to real needs of MEs. RELRP was designed in response to the 2015 earthquakes. The project had two objectives to revive existing MEs and create new ones. Inclusion of beneficiaries other than existing ones is one of the most important learnings for the future recovery projects. RELRP's cluster approach was also very effective in reaching affected communities and mobilizing huge amount of funds and delivering services to large number of beneficiaries on timely manner. This decentralized approach should be improved further to ensure effective monitoring and quality assurance. Another important lesson of RELRP is the early recovery initiatives need to be well targeted, should be able to communicate clearly to target groups, maintain effective coordination with the government line agencies, donors and partner organizations, ensure maintain constant follow ups, be flexible and adaptive, build strong and coherent team, offer competitive benefits and incentives, win the confidence of donor, adopt build back better principles in community buildings and provide timely interventions. These are keys for reducing community conflicts, speeding up service delivery, producing timely results, ensuring the success of the project and its sustainability.



## I. CONTEXT

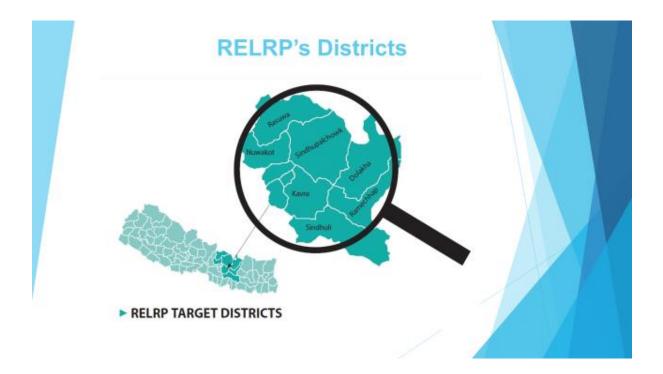
The earthquake of April 25th, and subsequent aftershocks, killed 8,857 people and injured 22,579 across central Nepal. 604,930 homes were completely destroyed and 288,856 were partly damaged. Earthquakes also disrupted flow of public services, markets and businesses. Vital infrastructures such as road network, power supply, water supply and communication system suffered significant damages. Impacts of earthquakes have had been serve on thousands of micro entrepreneurs who not only lost houses but also micro enterprises that were essential parts of the local economy and their livelihoods. They also lost Common Facility Centers (CFCs) which were important work places to engage in group based micro enterprises, particularly for poor and disadvantaged groups.

Rapid Enterprise and Livelihood Recovery Project (RELRP) was one of UNDP's early recovery projects to support micro entrepreneurs (MEs) in 7 most earthquake affected districts. Districts include Nuwakot, Sindhupalchok, Rasuwa, Kavre, Ramechhap, Dolakha, and Sinduli (see map in Annex 1). The Australian Government's Department of Foreign Affairs and Trade (DFAT) provided a grant of US\$ 5.82 million in June 2015 in addition to its support to longstanding Micro Enterprise Development Program (MEDEP). RELRP aimed at supporting micro entrepreneurs supported or created earlier by Micro Enterprise Development Program (MEDPA). While MEDEP and Micro Enterprise Development for Poverty Alleviation Program (MEDPA). While MEDEP is a joint poverty alleviation initiative of the government of Nepal and United Nations Development (UNDP), MEDPA is the government's replication of MEDEP's model. Both programs have well established presence in all 7 RELRP districts (see map below).



Common Facility Centres (CFCs) in ruin

Between 1998 and 2015, MEDEP created 13,668 Micro Entrepreneurs (MEs) in seven RELRP districts. MEDPA started its implementation in 7 districts only in 2010 and it successful created 1,827 MEs since then. Immediately after the earthquakes, UNDP conducted a need assessment survey to find out the status of existing MEs supported earlier by MEDEP and MEDPA. The report estimated that 12,059 MEs not only lost houses but also micro enterprises with devastating impacts on household economy and livelihoods. The report also included 128 CFCs built with the financial support of MEDEP and MEDPA either had damaged or destroyed. The report included ME details and recommendations to revive damaged enterprises and repair/rebuild CFCs.



The main goal of RELRP was the rapid revitalization of microenterprises and restoration of livelihoods for the earthquake affected people. It was supported by two specific objectives.

The first objective was to provide immediate support to earthquake affected MEDEP/MEDPA entrepreneurs to revive enterprises and stabilize their livelihoods.

The second objective of RELRP was to promote social cohesion and local economic recovery by supporting selected earthquake survivors to establish new micro enterprises, particularly supporting individuals who were living in the same villages or localities of existing MEs, were affected by the earthquake, interested to start enterprises, and those

who were not supported earlier by MEDEP/MEDPA programs. For social cohesion, new MEs were identified using participatory methods and tools.

To fast track service delivery, UNDP used streamlined emergency response mechanisms and the DEX modality, i.e., directly executed by the UNDP. It secured the approval from MoI for the project and established a fully equipped and staffed project office in Lalitpur to manage RELRP. One of the first things the project did was to contract 7 District Micro Enterprise Group Associations (DMEGAs) to conduct detailed need assessment in all 7 districts. Findings of the assessment were used to determine targets for each cluster and also for different support or interventions that the project were providing through Micro Enterprise Development Service Providers (MEDSPs) and DMEGAs.

Furthermore, RELRP districts were divided into 22 clusters with around 450-500 MEs for each cluster. UNDP/RELRP provided micro capital grants to 22 Nepali NGOs and two private organizations (one in each cluster) to deliver well targeted and customized interventions - psycho social counselling, entrepreneurship training, skill trainings, technology support and marketing and finance linkages. RELRP also provided micro capital grants to District Micro Enterprise Group Association (DMEGAs) to repair, rebuild and construct a total of 139 CFCs. DFAT also seconded a senior adviser into UNDP to fast track recovery assistance.

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The first objective was to provide immediate support to earthquake affected MEDEP/MEDPA entrepreneurs to revive enterprises and stabilize their livelihoods. The second objective of RELRP was to promote social cohesion and local economic recovery by supporting selected earthquake survivors to establish new micro enterprises. New MEs included those who were living in the same villages or localities of existing MEs and were not supported earlier by MEDEP/MEDPA programs.

RELRP was delivered over a 12-month period, immediately following the earthquakes. Due to the delay in establishing the project's district offices and mobilizing Micro Enterprise Development Service Providers (MEDSPs) in the field, the field implementation started only in September 2015. RELRP provided micro capital grants to 22 MEDSPs to provide ME revival and new creation support. Similarly, RELRP provided micro capital grants to 7 respective District Micro Enterprise Group Associations (DMEGAs) to repair and build common facility centers (CFCs).

In September 2015, Nepal had to face a major political challenge which made relief and recovery efforts after the devastating earthquakes even more challenging. Nepal

promulgated its new constitution on 20<sup>th</sup> of September 2015 but it was rejected by some major Tarai based political parties who were fighting for greater regional autonomy. They started agitations in Tarai region to exert pressure on the government to amend constitution to address their concerns. The political situation deepened further after the change in the government in October and subsequent events. India imposed 'undeclared' blockade along the southern boarders, disrupting supply of fuels, foods and other basic commodities, crippling Nepali economy as well as the recovery and reconstruction process. The blockage was lifted in February 2016 but it took another two months to normalize supply situation in the country.

Nepal held Nepal Reconstruction Conference in June 2015. The conference was used to present Post Disaster Needs Assessment to international donor agencies and it was successful in securing a pledge of US\$ 6.1 billon recovery budget from eight leading donor agencies for five years. The government established National Reconstruction Authority (NRA) in January 2016 to lead the recovery efforts. NRA, however, was not able to function effectively due to blockade, changes in the government and its own leadership, and delayed legislative processes. RELRP had to operate within this challenging context to deliver services to revive existing MEs and create new ones.



National Reconstructio n conference provided an excellent platform to share RELRP and other recovery efforts in the country during the past one year

## II. PERFORMANCE REVIEW

Output 2.2.1 of United National Development Assistance Framework (UNDAF, 2013) and the Country Program Action Plan (CPAP) aims at creating 35,000 micro entrepreneurs and scaling up 40,000 existing ones to achieve poverty reduction, employment generation and sustainability objectives and targets. RELRP outputs are aligned to this overarching output target through two specific project level output targets or objectives. Firstly, to revive 12,059 MEDEP/MEDPA created micro entrepreneurs (MEs); secondly, create 1500 new micro entrepreneurs to promote social harmony. The target to repair and rebuild Common Facility Centers (CFCs) was integral to outputs one and two. During the detailed implementation plan preparation, 145 CFCs were identified for repairing and construction support.

#### Outputs

The original output targets in the Concept and Detailed Implementation Plan were based on a rapid needs assessment immediately after the earthquakes. Once RELRP had an established presence in each district the targets were revised, based on the changes observed on the ground. Total number of existing MEs verified in the field was 12,754. This included 62 dead and 966 migrated MEs. This figure also included verifying the status of 1,764 MEs, mainly created by MEDPA, who were not accounted for during the need assessment. After the adjustment, the final number of existing MEs was 11,826. The original concept had 1500 as a target for new ME creation, based on budget availability. By the end of the project, due to savings and reallocation of funds, RELRP was able to create 2,986 new MEs. After field verification, CFC target was revised from 145 to 139. There were several reasons for the change in CFC target. Some CFCs that were listed did not exist in the field due to migration of MEs, some CFCs could not be rebuilt due to unavailability of land (eq hosiery CFC in Rasuwa) and some CFCs did not have a group of MEs - only one was found active so they were not considered for infrastructure support (Sindhuli and Dolakha). By the end of the project, the revised targets for existing MEs, ME creation and CFC rebuild or construction had all been met. The addition of the 1486 new MEs was a significant achievement. It, thus, can be rated as a highly successful early recovery initiative of UNDP in the post 2015 earthquakes.

Assessments against specific indicators show that RELRP exceeded most of its targets. The number MEs benefiting from psychosocial counseling exceeded by 1%. The number of MEs receiving skill training exceeded by 14% and technology support by 44%. These results indicate that the demand for skill training and technology were very high. In terms of micro

financial services, 3,717 or 93% of MEs targeted for this support were able to link to financial services or access loans. This target was underachieved mainly because existing MEs with outstanding loans were barred from taking new loans. Similarly, only 3,176 existing MEs out of target of 4000 received business counselling and market development support, under achieving this output indicator by 21%. One of the main reasons for falling short in achieving this indicator was that the majority of existing MEs had no problem selling their products in local markets.

Assessments of progress against output two indicators show that the project was able to meet, and exceed all revised output indicator targets. The original target for new ME creation was 1500. This was increased to 2264 during the early 2016 to utilize underspent fund. By the end of the project, RELRP created 2986 new MEs which is over 32% against the revised target and 99% against the original target. 3036 people were identified as potential MEs and they all received psychosocial and potential entrepreneurship trainings. Out of 3036 potential new MEs, only 2,317 received skill training, exceeding the target of this output indicator by 65%. 2,458 new MEs received technology support to start up new micro enterprises. While 1534 MEs were linked to financial services, and 766 new MEs received market linkage support.

RELRP revived a Junar Enterprise in Ramechhap with improved technology. It now captures 70% of Junar Juice Market in the district. 160 strawberry entrepreneurs in Nuwakot was able to make in an average NPRs. 80,000 per person this season. RELRP provided 1500 runners each to revive this enterprise.





The Detailed Implementation Plan had identified that 71 CFCs need to be repaired and 52 need to be rebuilt. The report recommended one new CFC for each cluster. The number of new CFCs, therefore, was 22. After field verification by RELRP engineers, these targets were revised. The revised targets had 50 CFCs for repair, 63 for rebuild and 25 for new construction and 1 for retrofitting, 139 CFCs in total. RELRP achieved 100% of CFC targets. All new and rebuilt CFCs are in consistent with the Government of Nepal (GoN) and UNDP's build back better principals. Construction followed the government's building codes using the earthquake resilient design and materials, and also have separate toilets for men and women and child care rooms. CFCs also have been fitted with ramp and railing to ensure access to differently able MEs.

#### Outcomes

RELRP had three outcome level results, that were based on MEDEP outcomes. The first was the number of family members benefited, the second was the number jobs created and the third was the monthly income of MEs. For the first outcome result, estimated 77,384 family members benefited from the project<sup>1</sup>. This means 4118 more family members benefited from the project<sup>1</sup>. This means 4118 more family members benefited from the project<sup>1</sup>. This means 4118 more family members benefited from the project shows that RELRP was able to generate 14,291 full time jobs for existing MEs and 2,715 jobs for new MEs. While the result of job creation of existing MEs is consistent with MEDEP's results, the job creation ratio for the new MEs is slighter lower. This is because, many new MEs have started operating enterprises in April/May of 2016 and so were not in a position to create jobs, beyond self-employment.

The third outcome result shows that the monthly income of existing MEs ranged from NPR. 5,571 to NPR 23,262 (US\$ 52 to 217)<sup>2</sup>. The total accumulated income of MEs was NPR. 89,37,3745.00 (US\$ 835,268) and the average monthly income per ME is NPR. 10,214 (US\$ 95.45). The accumulative average monthly income of new MEs is NPR 91,93,452 (US\$ 85,920) and the average monthly per ME is NPR 6,750 (US\$ 63). The Nepal poverty line is NPR. 27,6653 per annum and the international poverty line is US\$ 1.90per day. Given that MEs had been reduced to zero income this recovery is remarkable. It should be noted that "recovery" was defined as putting people back on their feet. In some cases, MEs had much higher incomes before the earthquakes. RELRP assistance succeeded in re-establishing these businesses, but it will take some time to expand to the pre-EQ levels. For example, most of strawberry based MEs used to have over 5000 strawberry plants each before the

<sup>&</sup>lt;sup>1</sup>Calculation based on MEDEP analysis of 5.2 family members supported by a ME. RELRP's ME based report shows an average family size of 5.6 per ME. As only 60% of MEs provided information on their family size, MEDEP's figure was used t calculate number of family members benefiting from the project.

<sup>&</sup>lt;sup>2</sup> Exchange rate US\$ 1 = NPR. 107.

<sup>&</sup>lt;sup>3</sup> GoN, Monetary Policy (2016)

earthquakes but they lost most of mother plants during the earthquakes and could not produce runners. To revive strawberry based enterprises, RELRP provided 1500 runner to each ME in September 2015 even before MEDSPs were mobilized in the field. A total of 160 MEs benefited from this support. Some MEs added 1000 to 2000 runners in addition to what the project provided. MEs had a good season. By February 2016, each ME earned in an average NPR. 85,000 in the season. A strawberry mother plant can produce about 20 runners. MEs have a plan to increase strawberry plants and incomes by four to five times in the next season.

RELRP had two approaches to target existing MEs and new MEs. MEDEP/MEDPA supported existing MEs were already there so the project had to verify them, and provide services to revive damaged enterprises. It, however, had to ensure that project beneficiaries were consistent to MEDEP's GESI guidelines. Consequently, 70% of revived MEs were women, ,14% were Dalit and 55% were Janajati. RELRP districts have relatively a high number of Janajati (>55%) and a low number of Dalit (< 9%) population. To identify new MEs, the project used participatory rapid appraisal and rapid resource and market analysis in selected villages or settlements where existing MEs were or in their neighborhoods. New MEs not only had to meet MEDEP's poverty and GESI criteria (70% women, 30% Dalit and 40% Janajati) but also had to meet two other criteria - some previous experience of running micro enterprises, and willing to become entrepreneurs. MEDEP uses a Management Information System (MIS) to analyze data to identify target groups. RELRP could not use MEDEP's MIS system for this purpose as it was being migrated from desk-top based data system to web-based data system and this process was not finalized until April 2016. Despite this limitation, while women represented 66% of new MEs but over 70% of them benefited from different services the project provided to new MEs. The number of Dalit in new MEs was also higher as compared to existing MEs, i.e., 18% as compared to 14% in existing MEs.



Honorable Minister of Tourism and Civil Aviation inaugurating RELRP closing workshop in Dolakha. High level support and government ownership were keys to the success of RELRP.

### III. IMPLEMENTATION REVIEW

### A. Quality of Partnerships

RELRP forged strong partnership and collaborative approaches to speed up the delivery of services and achieve targets. Key RELRP partners included DFAT, MEDEP, NGOs and district line agencies. Micro entrepreneurs were both the key partner and prime beneficiaries of the project.

Partnership with DFAT: The partnership with DFAT was maintained mainly through the Principal advisor, a senior DFAT's staff seconded to RELRP. The Principal Advisor took the lead for informing, updating and negotiating DFAT on RELRP related issues. She was also instrumental in navigating through UNDP systems to speed up contract procurement, grant approvals and disbursement of funds. The principal advisor also played key roles in challenging RELRP management in two important areas - program monitoring and program delivery. She chaired management meetings (every 2-4 weeks) primarily held to discuss and resolve operational issues. This forum was particularly important to adapt and revise implementation based on experiences from the field. Having the donor working at this level meant decisions could be taken in real time, with shared information. Differences and disputes could also be resolved without delay. She was member of the Project Steering Committee which had key roles to approve work-plans and budget as well as guide on policy issues. She was also a member of micro capital grant committee which endorsed the applications for 50 micro capital grants. She reviewed the project progress reports and other communication and visibility materials, including 11 videos, and provided constructive feedbacks to improve the quality of these products. Overall, this partnership approach of seconding a senior staff from DFAT proved very effective both to deliver services and ensure quality of project outputs and outcomes.

**Partnership with MEDEP**: RELRP maintained a very close working relationship with MEDEP. The National Program Manager and Chief Technical Advisor of MEDEP attended most of project management meetings, and they played important roles to provide technical backstop to resolve operational issues. MEDEP's Area Program Support Manager(s) and Component Managers were also invited to the management meeting as required. They were involved in assessment of micro capital grant proposals, other service proposals and planning/executing field visit programs for high level delegations. MEDEP played important roles in connecting RELRP to district level stakeholders and communicating the project progress to the government partners, particularly to the Ministry of Industry. The partnership with MEDEP was key to the successful implementation of RELRP's activities in districts. **Partnership with MEDSPs**: RELRP provided 50 micro capital grants to 29 project partners. These included 7 District Micro Enterprise Group Associations (DMEGAs), and 22 Micro Enterprise Development Service Providers (DMEGAs), of which 20 were NGOs and two were private companies. 14 MEDSPs had previous experience of working with MEDEP. The remaining had relevant experience of working in enterprise sectors but not in MEDEP's model. RELRP's partnership approach with MEDSPs were very effective in delivering services rapidly to MEs. They were very cooperative and receptive, there was a high level of commitment to assisting people impacted by the earthquake. EDFs were the frontline staff and showed tremendous dedication, taking risks to travel, working long hours in very difficult conditions.

RELRP made it mandatory to have partnership agreements between MEDSPs and DMEGAs. Under this agreement, DMEGAs supported MEDSPs by providing detailed information on MEs and also helped to locate them. MEDSPs supported DMEGAs with social mobilization part to repair/rebuild or construct CFCs. They met periodically to review progress, discuss issues and conduct joint monitoring. This partnership arrangement had some challenges as organizations were more comfortable working in silos, with full control over resources. However, with negotiation and support from DCs good working relationships were developed and the partnership was found to be mutually beneficial for DMEGAs and the MEDSPs.

RELRP District Coordinators (DCs) played important roles in building close and strong working relationship with MEDSPs and DMEGAs through regular meetings and joint field monitoring. RELRP's DCs and partner organizations were involved in two review and reflection meetings. They were also invited to the national conference. RELRP maintained open communication with partners and supported them with quick decisions or guidance as and when required. Despite delays in receiving responses from partners and some reservation on the quality of reports submitted, the quality of partnership with partners remained very strong and collegial.

**Partnership with MEs:** Micro entrepreneurs (MEs) were the key partner and the prime beneficiaries of RELRP. The need assessment report was an excellent tool, although not perfect, to jump start the implementation of RELRP. The report contained detailed information on MEs and this was used to contact them, assess their situation and design support to revive existing enterprises or create new ones. MEDSPs built strong working relationship with MEs through home visits and regular meetings. They understood ME needs and communicated clearly about what RELRP could/could not deliver and the responsibilities of MEs. These foundations were important to successful delivery of services and reviving/mobilizing local ME based institutions such as Micro Enterprise Groups (MEGs) and Micro Enterprise Group Associations (MEGAs). MEDSPs and DMEGAs approached MEs jointly when there were issues such as during the verification of MEs and resolved them by holding meetings with concerned MEs. MEDSPs and DMEGAs were successful in winning the trust of MEs through hard work.

#### Government Ownership

The narrative should assess to what degree the project is owned or co-owned by the government and/or national or community partners in terms of the planning and implementation of the project.

### B. National Level Ownership

RELRP was delivered through the UNDP direct execution modality, in order to facilitate rapid implementation. This was different to the MEDEP national execution delivery model, but was appropriate for meeting the urgent recovery needs of MEs. Under the DEX model a project steering committee was established, with support from GoN chaired MEDEP Board. This committee provided overall direction, funding decisions were made by UNDP and DFAT.

Strenuous efforts were made at national and district levels to ensure government officials were aware of, and engaged in the project and that the work was well aligned with GoN priorities and activities. The ownership of RELRP by the government, both in the center and in districts, was strong. The Ministry of Industry, the lead implementing partner of Micro Enterprise Development Program, provided a letter of approval for RELRP on 15 July 2015. RELRP was well aligned with MEDEP in terms of outcomes and this helped to maintain programmatic relation between two projects and also ensured the government's ownership in program planning and monitoring. The MEDEP Project Board, chaired by a joint secretary of the Ministry of Industry, updates on RELRP progress. RELRP had a Project Steering Committee with a representative, an Under Secretary, from Ministry of Industry. This committee was chaired by UNDP's Deputy Country Director. PSC met twice physically, and once virtually to approve RELRP's work-plan and overall budget for 2015, 2016 and changes in project activities. MEDEP's NPD, steering committee members and other representatives from MoI were also involved in field monitoring and closing workshops in districts. RELRP also organized a national conference on 21 June 2016 in Kathmandu in collaboration with MoI and the National Reconstruction Authority. The conference largely focused on sharing RELRP's models and results in early recovery. It also provided an important platform to share experiences in early recovery from other organization such as World Food Program, Food and Agriculture Organization and Oxfam. MEDEP's NPD and a board member of NRA lauded RELRP's results in the revival and

creation of micro enterprises and contribution to building of local economy and livelihoods. Both pointed out that the national reconstruction process should not only limit to houses and infrastructure but also should follow RELRP's models of promoting enterprises, job creation and economy recovery efforts simultaneously.

**District Level Ownership**: In districts, RELRP actively engaged with district level government partners via different forums to ensure the government's ownership of RELRP's efforts as well as to promote synergy with other organizations working in enterprise and livelihood sectors. RELRP co-chaired the Enterprise and Livelihood cluster in most districts along with the District Small and Cottage Industry Development Board Chief (DSCIDB) who is the chair of it.

RELRP's District Coordinators also participated in number of other district level committee meetings. For examples, RELRP attended DEDC meetings held usually once a month. This platform was used for sharing the progress of the project as well as to improve coordination and collaboration with other organizations. RELRP also attended District Disaster Recovery Committee meeting regularly chaired by the Chief District Officer (CDO) and held as and when required. This meeting was important to get the CDO's approval for non-district partners to implement programs in the district. DEDC meetings were also useful for building rapport with district level political parties and political leaders. Some districts were able to access Parliament Development Funds as well as DDC/VDC funds for CFCs via this forum. For example, District Agriculture Development Office provided NRs. 800,000 in addition to NRs. 894,830 provided by RELRP to build a rustic store CFC at Jethal. A Similar approach was also taken by other districts in coordination with relevant stakeholders.

In partnership with DMEGA and MEDSPs, RELRP organized several key events to sensitize district stakeholders about the project. It organized the project start up workshop in September/October 2015 in all districts to inform about the project, introduce partners, and get the district level endorsement on proposed program activities and budget. The workshop was pivotal for securing the approval of District Development Committee (DDC) for proposed program and budget of RELRP partners. RELRP organized review workshops in December/January and series of joint monitoring visits. It also maintained a strong working relation with VDCs. VDCs secretary played important roles in providing approval for using fallow lands to build CFCs. Designs of all CFCs built with RELRP's support were approved by District Department of Urban Development and Building Construction (DUDBC). This approval process was complex and difficult to maneuver, but considered essential by the project management committee. Designs follow 'build back better'

principals and the government's building codes. DUDBC's engineers were also involved in monitoring the progress of CFCs.

District officials were very much engaged in the project closing workshops held across 7 districts during May and June 2016. DDC took the lead roles in organizing workshops and these provided an excellent platform to inform district based stakeholders about the project's achievements/results as well as share lessons and roles of MEDEP/MEDPA in future sustain recovery efforts. Some workshops were participated by high level delegates. For example, the Minister of Industry, the State Minister of Local Development and Federal Affairs and MEDEP's National Project Director were present at workshops held in Dolakha, Kavre and Sindhuli, respectively. MEDEP's National Program Manager, Chief Technical Advisor and Regional Program Managers also participated at these workshops. Exhibitions with various MEs' products were also organized as side events. The Minister of Industry highly appreciated RELRP's efforts in livelihood recovery and said that the project has set an example in districts on how recovery works should be done. Similar remarks were also expressed by various other stakeholders, including district level politicians, at the workshops. All these efforts were instrumental in building ownership of the local government as well as amongst other stakeholders on RELRP's results.

## C. Sustainability

Sustainability of some of RELRP's results is one of the major concerns. RELRP was successful in reviving over 11700 existing MEs. This included about 30% of MEs who were listed in the DMEGAs' need assessment report but were not active or they were not running enterprises at the time of the earthquakes. With the support of RELRP, most of these inactive MEs started businesses. Earthquakes created new opportunities for these MEs to revive their skills and start businesses and RELRP played a catalytic role in this process. Global study on the success of micro enterprises shows a high drop-out rate, over 55%<sup>4</sup>. MEDEP's recent mid-term evaluation report has also indicated similar results<sup>5</sup>. Based on these experiences, it is natural to question whether such a high number of MEs who were revived within a year with comparatively a high level of support from RELRP will become sustainable?

RELRP's objectives, as mentioned earlier, are strongly aligned with MEDEP's and MEDPA's objectives. Its first objective was to revive existing MEs created or supported by MEDEP and MEDPA and second was to create new MEs to promote social harmony. To ensure that MEDEP/MEDPA are well informed about ME status of both revived and new ones, RELRP has developed detailed ME based information. This information has been fed into MEDEP's

<sup>&</sup>lt;sup>4</sup> Dr. Lakshman Pun, 2016 (per. Com.)

<sup>&</sup>lt;sup>5</sup> MEDEP mid-term evaluation report (2016)

Management Information System (MIS). Similarly, RELRP has provided detailed status of each ME in an excel sheet along with a handover note to MEDEP management that includes recommended follow up support from MEDEP to existing and new MEs in the future. These mechanisms were built as part of the project's exit strategy to ensure sustainability of RELRP's results beyond the project period.

After the earthquake the economic and livelihood condition of micro enterprises have changed significantly. Micro enterprises more than ever have become the major source of household incomes and employment generation at local level (alongside remittances?). This changed context has motivated MEs to continue as well as to scale up, in the case of existing MEs, their enterprises so that they can have stable incomes and jobs to repair/rebuild damaged houses, support families and send children to schools. RELRP's support, thus, proved effective for enhancing MEs' resilient capacity. As long as this spirt of resiliency remains strong, sustainability of micro enterprises also remains strong.

While building capacity of partner organizations such as DMEGAs and MEDSPs was not envisaged during the project design, this has been one of strong spin off results of RELRP. The project provided micro capital grants of up to 150,000 USD to partner organizations, empowered them to implement programs and provided continues monitoring and backstopping support to improve field service delivery, monitoring and reporting. RELRP also provided opportunity for partner organizations such as DMEGA to venture into new area of collaboration. DMEGAs received micro capital grants for CFCs. They had to work together with engineers, learnt about earthquake resilient design and materials, collaborated with unusual partners such as district offices of DUDBC to get approval for building design. These new opportunities have built capacity of DMEGAs and other partners to work in collaboration, manage large contracts, manage staff from completely different backgrounds and, thus, has increased sustainability of micro enterprise sector development by large.

### **IV. RESULTS**

### A. OUTPUT 1: Revive 12,059 Existing Micro Enterprises

RELRP Output 1.1 is aligned to UNDP's CPAP output 1.1. Output 1.1 states that the project will 'provide immediate revival support to earthquake affected 12,059 MEDEP/MEDPA created micro entrepreneurs (MEs) to revive their enterprises and stabilize their livelihoods'.

The Need Assessment Report prepared by MEDEP/DMEGAs estimated that 12,059 existing micro entrepreneurs would need support of one or more intervention to revive micro enterprises that were damaged by the earthquakes. The first task, therefore, was to verify existing MEs and approach them with different interventions as per their needs. The Need Assessment Report provided an excellent tool to contact MEs immediately after MEDSPs were mobilized in districts. Each MEDSP had ME target for revival built into their micro capital grant contracts. MEDSPs verified 12,754 existing MEs in total. This included 966 MEs listed in the need assessment report but who since had migrated out, and 62 who had died. This also included verifying 1,764 MEs who were active before the earthquakes but they were not included in the report, due to administrative oversight immediately after the earthquakes. The final total existing MEs for revival support, thus, were 11,826. The final existing ME number was 2% less than what was estimated in the need assessment report. 11,826, however, represented the actual number of MEs for revival support and the project was successful in reviving 100% of them.

District-wise ME verification and revival progress shows that Kavre, Ramechhap, Sindhuli and Rasuwa had more existing MEs for revival as compared to ME targets assigned in the needs assessment. Sindhupalchok, Dolakha and Nuwakot, however, had slightly less than assigned as existing ME target. These three districts comparatively also had a higher ME migration rate and this may have contributed to a drop in the number of existing MEs by 2% in Sindhupalchok, 13% in Dolakha and 14% in Nuwakot.

| District      | Target | Progress |      | Dalit |     | Janjati |     | BCT  |     | Female   |     |
|---------------|--------|----------|------|-------|-----|---------|-----|------|-----|--|-----|
| District      | Target | Ν        | %    | Ν     | %   | Ν       | %   | N    | %   | Fema<br>N<br>1358<br>892<br>852<br>1370<br>801<br>1304<br>1670<br>8247 | %   |
| Sindhupalchok | 1896   | 1858     | 98%  | 388   | 21% | 958     | 52% | 525  | 28% | 1358   | 73% |
| Dolakha       | 1809   | 1572     | 87%  | 197   | 13% | 720     | 46% | 655  | 42% | 892  | 57% |
| Kavre         | 1092   | 1151     | 105% | 223   | 19% | 545     | 47% | 383  | 33% | 852  | 74% |
| Ramechhap     | 2032   | 2095     | 103% | 231   | 11% | 1169    | 56% | 695  | 33% | 1370   | 65% |
| Sindhuli      | 1105   | 1122     | 102% | 197   | 18% | 514     | 46% | 411  | 37% | 801  | 71% |
| Nuwakot       | 2260   | 1934     | 86%  | 217   | 11% | 1034    | 53% | 683  | 35% | 1304   | 67% |
| Rasuwa        | 1865   | 2094     | 112% | 160   | 8%  | 1515    | 72% | 419  | 20% | 1670   | 80% |
| Total         | 12059  | 11826    | 98%  | 1613  | 14% | 6455    | 55% | 3771 | 32% | 8247   | 70% |

#### Table 1: Summary of Existing ME Verification Results

#### Overall Progress Against Output 1

Monthly ME based reporting from RELRP shows that by June 2016 out of 11,826 existing MEs, 10,050 or 85% started production, remaining 1,776 or 15% have started or are ready to start enterprises but they have not started production yet. 15% MEs who have not started production largely include many CFC based MEs and also enterprises that are seasonal based.

|                | Total | Revival status of MEs                                  |                            |                            |  |  |  |  |  |  |
|----------------|-------|--|----------------------------|----------------------------|--|--|--|--|--|--|
| Districts      | MEs   | MEs revived support but not started production yet (a) | MEs started production (b) | Total revived MEs<br>(a+b) |  |  |  |  |  |  |
| Kavre          | 1151  | 110  | 1041                       | 1151                       |  |  |  |  |  |  |
| Sindhupalchowk | 1858  | 76   | 1782                       | 1858                       |  |  |  |  |  |  |
| Ramechhap      | 2095  | 198  | 1897                       | 2095                       |  |  |  |  |  |  |
| Dolakha        | 1572  | 112  | 1460                       | 1572                       |  |  |  |  |  |  |
| Sindhuli       | 1122  | 144  | 978                        | 1122                       |  |  |  |  |  |  |
| Nuwakot        | 1934  | 140  | 1794                       | 1934                       |  |  |  |  |  |  |
| Rasuwa         | 2094  | 996  | 1098                       | 2094                       |  |  |  |  |  |  |
| Total          | 11826 | 1776   | 10050                      | 11826                      |  |  |  |  |  |  |
| % of MEs       | 100   | 15%  | 85%                        | 100%                       |  |  |  |  |  |  |

Table 2: Progress Summary of Micro Enterprise Status of Existing MEs

Repair and construction of the majority of CFCs were completed only in May/June 2016, and this has delayed the production process. 16% of existing MEs switched to essential oil production or tailoring or poultry. MEs involved in essential oil enterprise have to wait until Autumn to start oil production. They, however, have the training, technology and CFCs to start this enterprise. Similarly, some existing MEs just finished tailoring training. They are now poised to start businesses. There are few existing MEs who have switched to poultry enterprise. They have built sheds or some have CFCs and got chicks but it will take about three months to get chickens ready for meat.

In terms of incomes, 8,750 or 74% of revived MEs have already started generating incomes. The total earning of revived MEs in May 2016 was NPR. 89,373,745 or US\$ 827,534 at the exchange rate of NPR 108 to US\$ 1. The monthly average earning of per revived ME is NPR. 10,214 (US\$ 94.57). The average income is calculated based on monthly income information provided by MEs divided by number of MEs. As an average monthly income provides the actual incomes of MEs, seasonal variation was not accounted.

The district-wise monthly income progress shows a variable income pattern across districts. While Kavre district is ahead of other districts with an average per ME monthly income of NPR. 23,262, Sindhupalchock, Dolakha and Rasuwa have less than NPR 10,000. In terms of total earning volume, Nuwakot and Ramechhap are well ahead of other districts. These districts also have highest number of MEs generating incomes compared to

other districts. Both districts have highest number of agro-based enterprises. They had a good season for vegetables, hence, generated good incomes.

| Districts      | Total MEs | No. of MEs<br>generating<br>incomes | Total monthly income(NRs.) | Average monthly income (NRs.) |
|----------------|-----------|-------------------------------------|----------------------------|-------------------------------|
| Kavre          | 1151      | 824                                 | 9,208,074                  | 23262                         |
| Sindhupalchowk | 1858      | 1063                                | 9,575,062                  | 9007                          |
| Ramechhap      | 2095      | 1848                                | 18,990,300                 | 10276                         |
| Dolakha        | 1572      | 1219                                | 8,408,006                  | 6897                          |
| Sindhuli       | 1122      | 1050                                | 8,229,103                  | 7837                          |
| Nuwakot        | 1934      | 1829                                | 24,299,300                 | 12551                         |
| Rasuwa         | 2094      | 917                                 | 10,663,900                 | 5571                          |
| Total          | 11826     | 8750                                | 89,373,745                 | 10214                         |
| Percentage     |           | 74%                                 |                            |                               |

Table 3: Summary of Monthly Incomes of Revived MEs

In terms of job creation, 11,103 revived MEs are fully employed and have generated jobs for 3,118 people, hence, bringing the total number job creation to 14,291. The job creation ratio per ME is 1.2 which is consistent to MEDEP's result.

| Districts      | Total MEs | No. of MEs involved in<br>fulltime jobs (self-<br>employed) | No. of people<br>employed by revived<br>MEs | Total Job<br>created |
|----------------|-----------|---|---|----------------------|
| Kavre          | 1151      | 1039  | 558   | 1597                 |
| Sindhupalchowk | 1858      | 1715  | 1715 402                                    |                      |
| Ramechhap      | 2095      | 2095  | 515   | 2610                 |
| Dolakha        | 1572      | 1550  | 200   | 1750                 |
| Sindhuli       | 1122      | 980   | 273   | 1253                 |
| Nuwakot        | 1934      | 1934  | 755   | 2689                 |
| Rasuwa         | 2094      | 1790  | 485   | 2275                 |
| total          | 11826     | 11103   | 3188  | 14291                |
|                | 1.2       |   |   |                      |

Table 4: Summary of Jobs Generation by Revived MEs

An analysis of enterprise categories shows that 63% of existing MEs were engaged in agriculture based enterprises. These included growing and trading off seasonal vegetables, potato seeds and cash crops such as cardamom etc. 13% of existing MEs were engaged in forest based enterprises such as bee keeping, bio briquetting, allo cloth weaving, Nepali paper making furniture, essential oil production etc. 12% of existing MEs were engaged in service based micro enterprises such as repair shops, teashops, general shops etc.

Remaining 11% of existing MEs were engaged in artisan-based enterprises such as Dhaka weaving, muda (stools) making, fiber bag production, syanga -panga (traditional aprons), traditional hat making, paper based products such as files, note books, pen holders etc. Only 1% of existing MEs were engaged in tourism, mainly running teashops and lodges in tourist routes. Similarly, an analysis of ME age groups shows that 60% of existing MEs were above 35 years. This was followed 30-35 age group (22%). 18% of existing MEs were young, 16-29 years.

#### Progress Against Output 1 Indicators

Output 1 had six indicators, one for each intervention. Each indicator had variable targets. The first output indicator was psychosocial counselling (PSC) and the target for this was 11,000 MEs. The progress shows that RELRP exceeded the target for this indicator by 6%. RELRP contracted a well experienced private firm to develop 3-day training of training (ToT) package on PSC. The firm provided 7 events of ToT, one for each district. Total of 271 EDFs and project staff participated at these events. EDFs than provided a two-day group based event of psychosocial support to existing MEs from October 2015 to January 2016. 71% of women and 14% of Dalit MEs benefited from this intervention. PSC played important roles in building confidence of existing MEs who were too afraid to return to their fields to take care crops and grow vegetables or start enterprises as they had lost or damaged houses and lost vital infrastructures such as common facility centers and productive technology.

|                | Overall Target - 11,000 |          |      |       |     |         |     |      |     |        |     |  |  |
|----------------|-------------------------|----------|------|-------|-----|---------|-----|------|-----|--------|-----|--|--|
| Districts      | Target                  | Progress |      | Dalit |     | Jajjati |     | BCT  |     | Female |     |  |  |
|                | No.                     | No.      | %    | No.   | %   | No.     | %   | No.  | %   | Ν      | %   |  |  |
| Sindhupalchowk | 1736                    | 1750     | 101% | 395   | 23% | 904     | 52% | 484  | 28% | 1300   | 74% |  |  |
| Dolakha        | 1756                    | 1389     | 79%  | 182   | 13% | 649     | 47% | 558  | 40% | 901    | 65% |  |  |
| Kavre          | 1094                    | 1098     | 100% | 212   | 19% | 524     | 48% | 362  | 33% | 815    | 74% |  |  |
| Ramechhap      | 1700                    | 2089     | 123% | 231   | 11% | 1169    | 56% | 689  | 33% | 1368   | 65% |  |  |
| Sindhuli       | 1105                    | 1108     | 100% | 191   | 17% | 520     | 47% | 397  | 36% | 782    | 71% |  |  |
| Nuwakot        | 1823                    | 1928     | 106% | 208   | 11% | 1054    | 55% | 666  | 35% | 1286   | 67% |  |  |
| Rasuwa         | 1786                    | 1804     | 101% | 108   | 6%  | 1361    | 75% | 335  | 19% | 1475   | 82% |  |  |
| RELRP Project  | 11,000                  | 11166    | 102% | 1527  | 14% | 6181    | 55% | 3491 | 31% | 7927   | 71% |  |  |

#### Table 5: Progress Summary of Output 1 Indicator 1 - Psychosocial Counselling (PSC)

During the field visits and also at review and reflection meetings, MEs and partner organizations strongly valued the psychosocial support and pointed out three main benefits – built their confidence, revived most of micro enterprise groups and group associations (MEGs and MEGAs) which had become inactive after the earthquakes, provided a good platform to share experiences with each other and this in turn developed a strong sense of collectivism to support and encourage each other to start lost or damaged micro enterprises. This value was noted even though the PSC was provided more than six months after the

earthquakes, which suggests the psychosocial impacts of the earthquakes were long lasting. With quality psychological support people can and do recover.

Skill training was output indicator 2. This indicator included refresher training particular to those MEs who wish to continue with their previous enterprise, and new skill training to those who switched to new enterprises due to market or resource changes after the earthquakes. Some popular skill trainings included tailoring, bio-briguetting, poultry farming, bee keeping, Nepali paper making, allo-threat making/weaving, boutique making, mobile repairing, motorbike repairing, beauty parlor, off season vegetable farming, mushroom farming, interlock block making, carpet weaving, cement-block making, masonries, furniture making, bamboo craft making, Dhaka weaving, lapsi candy processing, juice making etc. MEDSPs used specialists and local resource persons for providing these training programs which ranged from few days (2-3 days) for refresher training to 3 months, depending on skill types and levels. The target for this indicator was 5,000 MEs. The final progress shows that 5,753 MEs received skill trainings, exceeding this output indicator by 15%. 74% of women and 12% of Dalit and 54% of Janajati benefited from skill training programs. Observed changes after imparting skill trainings indicate that 67% of MEs started or restarted enterprises immediately, and 32% were ready to start them.

|                | Overall Target - 5000 of MEs |      |       |     |      |      |      |      |     |      |      |  |  |
|----------------|------------------------------|------|-------|-----|------|------|------|------|-----|------|------|--|--|
| Districts      | Target                       | Prog | gress | Da  | alit | Jaj  | jati | BC   | T   | Ferr | nale |  |  |
|                | N                            | Ν    | %     | Ν   | %    | Ν    | %    | Ν    | %   | Ν    | %    |  |  |
| Sindhupalchowk | 820                          | 893  | 109%  | 199 | 22%  | 453  | 51%  | 239  | 27% | 667  | 75%  |  |  |
| Dolakha        | 791                          | 753  | 95%   | 98  | 13%  | 353  | 47%  | 304  | 40% | 540  | 72%  |  |  |
| Kavre          | 499                          | 522  | 105%  | 61  | 12%  | 264  | 51%  | 197  | 38% | 430  | 82%  |  |  |
| Ramechhap      | 677                          | 1033 | 153%  | 123 | 12%  | 573  | 55%  | 337  | 33% | 649  | 63%  |  |  |
| Sindhuli       | 432                          | 529  | 122%  | 68  | 13%  | 261  | 49%  | 200  | 38% | 355  | 67%  |  |  |
| Nuwakot        | 950                          | 1069 | 113%  | 76  | 7%   | 562  | 53%  | 431  | 40% | 801  | 75%  |  |  |
| Rasuwa         | 831                          | 954  | 115%  | 52  | 5%   | 664  | 70%  | 238  | 25% | 842  | 88%  |  |  |
| RELRP Project  | 5000                         | 5753 | 115%  | 677 | 12%  | 3130 | 54%  | 1946 | 34% | 4284 | 74%  |  |  |

Table 6: Progress Summary of Output 1 Indicator 2 – Skill Training

District-wise progress of skill training shows that except Dolakha, all other districts exceeded the target. Some districts such as Ramechhap exceeded the target by 55% whereas Sindhu and Rasuwa exceeded by 22% and 15%. While number of women benefiting for skill training was very high in Rasuwa but Ramechhap had the lowest, only 63%. The number of Dalit benefiting from skill training was high in Sindhupalchok but Rasuwa had only 5%. RELRP district has an average 9% of Dalit population but Rasuwa has less than 5%. In an average, the number of women benefiting from this program was high (74%) so was the number of Dalits (12%).

Technology Support was Output Indicator 3. The project had a target of providing technology support to 6,500 existing MEs. The demand of existing MEs for this support was much higher than anticipated. The level of destruction was so significant that MEs had many needs. The Project Management team made the judgement to increase technology support, as this was critical to recovery. Technology support included many different tools, machines and equipment required for different enterprises. Some popular technology included plastic sheets, water pipes, water tanks, cutting and wilding machines, powered hand tillers, shelves, racks, safety gears, vats, frames, agriculture tools, sewing machines, block making machines etc. There were few expensive technologies too, such as a leather softening machine and water purifying machines. These were either provided to a group with a high number of MEs, for example, a leather softening machine which costs around NPR. 1.2 million was provided to a leather enterprise group which had 97 MEs, or provided using five Ps model (Pro Poor Public Private Partnership). A total of 9,531 existing MEs benefited from this intervention which was 47% higher than the original target.

| Districts      |        |          |      | Overall | Target | : 6,500 | MEs |      |     |        |     |
|----------------|--------|----------|------|---------|--------|---------|-----|------|-----|--------|-----|
| Districts      | Target | Progress |      | Dalit   |        | Jajjati |     | BCT  |     | Female |     |
|                |        | No.      | %    | No.     | %      | No.     | %   | No.  | %   | No.    | %   |
| Sindhupalchowk | 1327   | 1671     | 126% | 361     | 22%    | 833     | 50% | 362  | 22% | 1165   | 70% |
| Dolakha        | 967    | 1004     | 104% | 137     | 14%    | 407     | 41% | 460  | 46% | 653    | 65% |
| Kavre          | 924    | 1024     | 111% | 196     | 19%    | 485     | 47% | 343  | 33% | 761    | 74% |
| Ramechhap      | 1600   | 1953     | 122% | 229     | 12%    | 1136    | 58% | 588  | 30% | 1315   | 67% |
| Sindhuli       | 600    | 653      | 109% | 105     | 16%    | 360     | 55% | 188  | 29% | 416    | 64% |
| Nuwakot        | 1082   | 1714     | 158% | 196     | 11%    | 860     | 50% | 658  | 38% | 1140   | 67% |
| Rasuwa         | 1184   | 1512     | 128% | 79      | 5%     | 1062    | 70% | 371  | 25% | 1251   | 83% |
| RELRP Project  | 6500   | 9531     | 147% | 1303    | 14%    | 5143    | 54% | 2970 | 31% | 6701   | 70% |

District-wise progress shows that all districts exceeded their target for technology support from 4% in Dolakha to 48% in Nuwakot. The result shows clearly the high demand for technology and its importance in recovering enterprises. The number of women benefiting from technology support was high in Rasuwa (83%) and Dolakha had lowest (65%). The number of Dalit benefiting from this support was high in Sindhupalchok and lowest in Rasuwa. This result was similar to the one discussed earlier. Overall, the number of women (70%) and Dalit (14%) was high. The ME based monitoring result shows that 99% of existing MEs used technology provided to revive or start micro enterprises. The result confirms the importance of technology in micro enterprise and creation process. Access to financial Services was output indicator 4. This included facilitating interactions between MEs and micro financial institutions and also encouraging cooperatives to access wholesale lending for poor MEs. The overall progress of this intervention shows that it was underachieved by 7%. Reports from MEDSPs and interviews with existing MEs indicated four major reasons for underachieving this intervention. Firstly, MEs with outstanding loans had problems accessing new loans. Secondly, because of a high interest rate of micro finance institutions, most MEs either borrowed money from their relatives or used their savings, for running revived enterprises. Thirdly, the project provided start-up support to very poor MEs. These MEs didn't require loans to begin enterprises. Fourthly, the number of existing MEs involved in agriculture based enterprises is very high. RELRP provided plastic sheets for green houses, water storage tanks, sprinkles, pipes, water pumps, seeds and refresher training. They, hence, did not require loans to restart their enterprises.

| Overall Target - 4000 MEs |        |      |          |     |       |      |          |      |     |      |        |  |
|---------------------------|--------|------|----------|-----|-------|------|----------|------|-----|------|--------|--|
| Districts                 | Target | Pro  | Progress |     | Dalit |      | Janajati |      | BCT |      | Female |  |
|                           |        | No.  | %        | No. | %     | No.  | %        | No.  | %   | No.  | %      |  |
| Sindhupalchowk            | 625    | 587  | 94%      | 121 | 21%   | 304  | 52%      | 162  | 28% | 440  | 75%    |  |
| Dolakha                   | 680    | 665  | 98%      | 81  | 12%   | 283  | 43%      | 301  | 45% | 381  | 57%    |  |
| Kavre                     | 443    | 537  | 121%     | 98  | 18%   | 235  | 44%      | 204  | 38% | 396  | 74%    |  |
| Ramechhap                 | 780    | 799  | 102%     | 98  | 12%   | 416  | 52%      | 285  | 36% | 544  | 68%    |  |
| Sindhuli                  | 390    | 313  | 80%      | 69  | 22%   | 171  | 55%      | 73   | 23% | 204  | 65%    |  |
| Nuwakot                   | 452    | 223  | 49%      | 37  | 17%   | 110  | 49%      | 76   | 34% | 133  | 60%    |  |
| Rasuwa                    | 630    | 593  | 94%      | 16  | 3%    | 523  | 88%      | 54   | 9%  | 450  | 76%    |  |
| RELRP Project             | 4000   | 3717 | 93%      | 520 | 14%   | 2042 | 55%      | 1155 | 31% | 2548 | 69%    |  |

Table 8: Progress Summary of Output 1 Indicator 4 – Access to Financial Services

District-wise progress shows that while some districts such as Kavre and Ramechhap were able to surpass indicator 4 target, Nuwakot and Sindhuli districts underachieved their targets by 49% and 80%. Both districts have a high percentage of agriculture based MEs and this may have contributed to a lower interest to seek loans. Other remaining districts have achieved above 90% progress against the target.

Output 1 Indicator 5 included 4 different services. For example, 1631 existing MEs benefited from B2B linkages and 434 MEs were able to certify their products and get product licenses. 1013 MEs benefited from labelling support. The project was also able to develop 556 MEs as trading entrepreneurs who served as a bridge between MEs and markets, and take responsible for collecting and selling local products and goods. In total 3,176 existing MEs out of target of 4000 received benefited from business counselling and market development support, under achieving this output indicator 5 by 21%. There are two possible explanations for this shortfall. Firstly, many existing MEs either have established markets, for example Dhaka weavers who have no problems for sales but have problem

meeting increased demands for their products. Secondly, over 65% of existing MEs were agriculture based. They had no problem selling their produce locally. They also were not producing large quantities of vegetables and crops that required them to look for market outside their districts or market centers.

| Districts      | Overall Target – 4,000 MEs |          |      |       |     |         |     |     |     |        |     |  |
|----------------|----------------------------|----------|------|-------|-----|---------|-----|-----|-----|--------|-----|--|
| Districts      | Target                     | Progress |      | Dalit |     | Jajjati |     | BCT |     | Female |     |  |
|                |                            | No.      | %    | No.   | %   | No.     | %   | No. | %   | No.    | %   |  |
| Sindhupalchowk | 7 <sup>8</sup> 5           | 563      | 72%  | 167   | 30% | 268     | 48% | 151 | 27% | 374    | 66% |  |
| Dolakha        | 630                        | 801      | 127% | 113   | 14% | 246     | 31% | 189 | 24% | 574    | 72% |  |
| Kavre          | 323                        | 241      | 75%  | 78    | 32% | 126     | 52% | 37  | 15% | 179    | 74% |  |
| Ramechhap      | 650                        | 460      | 71%  | 85    | 18% | 276     | 60% | 99  | 22% | 315    | 68% |  |
| Sindhuli       | 330                        | 317      | 96%  | 46    | 15% | 151     | 48% | 120 | 38% | 221    | 70% |  |
| Nuwakot        | 495                        | 362      | 73%  | 21    | 6%  | 250     | 69% | 91  | 25% | 238    | 66% |  |
| Rasuwa         | 7 <sup>8</sup> 7           | 432      | 55%  | 30    | 7%  | 226     | 52% | 176 | 41% | 395    | 91% |  |
| RELRP Project  | 4000                       | 3176     | 79%  | 540   | 17% | 1543    | 49% | 863 | 27% | 2296   | 72% |  |

Table 9: Progress Summary of Output 1 Indicator 5 – Business Counselling and Market Linkages

Output indicator sixth was support to Common Facility Centers (CFCs). The need assessment report recommended that 73 Common Facility Centers that were damaged by the earthquakes required repairing support and 53 CFCs that were either collapsed or badly damaged should be rebuilt. After receiving micro capital grants for CFCs, DMEGAs sent their engineers for detailed assessment and field survey. Based on these, CFC target was revised downwards. The revised target included 50 CFCs for repair and 63 for rebuilding. By June all CFCs were repaired and rebuilt, achieving 100% of this output indicator.

RELRP repaired 50 CFCs benefiting 1122 existing MEs. 57% of beneficiaries of these CFCs were women and 12% were Dalit. District-wise report shows that while Nuwakot and Sindhupalchok had highest number of CFCs to repair and Rasuwa had only 2. One CFC in Remechhap was retrofitted. This CFC is now being used by 41 existing MEs, including 28 women.

63 CFCs supported earlier by MEDEP/MEDPA were completed destroyed by the earthquakes. RELRP provided support to rebuild them. These CFCs are now being used by 1128 existing MEs to engage in various micro enterprises such as Dhaka weaving, making bio-briquettes, garments, vegetable collection etc. 63% of beneficiaries of rebuilt CFCs were women. The number of Dalit benefiting from rebuilt CFCs was also high, 26%.

Table 10: Progress Summary of Repaired CFCs

| SN | District       | Nos.<br>of | Hill Dalit |      | Hill Janajati |      | Hill Brahmin,<br>Chhetri |      | Total  |      |       |  |
|----|----------------|------------|------------|------|---------------|------|--------------------------|------|--------|------|-------|--|
|    |                | CFC        | Female     | Male | Female        | Male | Female                   | Male | Female | Male | Total |  |
| 1  | Sindhuli       | 6          | 20         | 4    | 20            | 5    | 50                       | 9    | 90     | 18   | 108   |  |
| 2  | Sindhupalchowk | 10         | 11         | 4    | 75            | 54   | 20                       | 6    | 106    | 64   | 170   |  |
| 3  | Ramechhap      | 8          | 6          | 5    | 32            | 23   | 14                       | 34   | 52     | 62   | 114   |  |
| 4  | Dolakha        | 6          | 2          | 6    | 9             | 7    | 10                       | 20   | 21     | 33   | 54    |  |
| 5  | Nuwakot        | 11         | 7          | 12   | 259           | 211  | 40                       | 39   | 306    | 262  | 568   |  |
| 6  | Rasuwa         | 2          | 0          | 9    | 25            | 0    | 0                        | 0    | 25     | 9    | 34    |  |
| 7  | Kavre          | 7          | 10         | 34   | 5             | 1    | 23                       | 1    | 38     | 36   | 74    |  |
|    | Total          | 50         | 56         | 74   | 425           | 301  | 157                      | 109  | 638    | 484  | 1122  |  |

RELRP used build back better principals for CFCs. These included earthquake resilient design, separate rooms for child care, separate toilets for men and women, ramps and hand railing for differently abled people. Only 16 CFCs that were repaired have childcare rooms, 22 have separate toilets and 27 have ramps and hand railings. The retrofitted CFC in Ramechhap has no child care room and separate toilets but it is differently abled people friendly. This CFC is used for junar juice processing and is used only during the season, November-March. Most of CFCs that were rebuilt have separate child care rooms (42/63); separate toilets (45/63) and almost all are differently abled people friendly (59/63). CFCs that have no separate toilets either had land problem or had either male or female as MEs.

| SN | District       | Nos.<br>of | Hill Dalit |      | Hill Janajati |      | Hill Bra<br>Chh | •    | Total  |      |       |
|----|----------------|------------|------------|------|---------------|------|-----------------|------|--------|------|-------|
|    |                | CFC        | Female     | Male | Female        | Male | Female          | Male | Female | Male | Total |
| 1  | Sindhuli       | 3          | 9          | 2    | 19            | 14   | 15              | 14   | 43     | 30   | 73    |
| 2  | Sindhupalchowk | 9          | 58         | 47   | 75            | 35   | 24              | 8    | 157    | 90   | 247   |
| 3  | Ramechhap      | 14         | 43         | 22   | 99            | 60   | 67              | 47   | 209    | 129  | 338   |
| 4  | Dolakha        | 18         | 28         | 35   | 78            | 34   | 8               | 7    | 114    | 76   | 190   |
| 5  | Nuwakot        | 4          | 0          | 0    | 64            | 37   | 9               | 1    | 73     | 38   | 111   |
| 6  | Rasuwa         | 7          | 0          | 24   | 42            | 10   | 21              | 4    | 63     | 38   | 101   |
| 7  | Kavre          | 8          | 12         | 12   | 17            | 1    | 19              | 7    | 48     | 20   | 68    |
|    | Total          | 63         | 150        | 142  | 394           | 191  | 163             | 88   | 707    | 421  | 1128  |

#### Table 11: Progress Summary of Rebuilt CFCs

Rebuilt CFCs in Sindhupalchowk



A repaired CFC in Rasuwa



#### B. OUTPUT 2: Create 2,264 New Micro Entrepreneurs

RELRP project document had a target of 1500 for creating new micro entrepreneurs to promote social harmony. New MEs were targeted in villages or settlement where existing MEs were or in neighboring villages. MEDSPs used participatory rapid appraisal and rapid resource and market analysis tools to identify potential new MEs and potential enterprise types to achieve this target. At the end of January 2016, RELRP Project Steering Committee directed RELRP to increase number of new MEs to make best use of underspend fund. RELRP sought proposal for additional new MEs from MEDSPs and increased the target from 1500 to 2264. Can you explain why there were unspent funds and the approximate amount – need to show that the unspent funds were not a result of reducing quality/cutting corners.

#### Progress Summary of Output 2

The overall progress of output 2 shows that RELRP was successful in creating 2,938 new MEs. This means, the project has almost doubled the number of new MEs against the original ME target, or exceeded by 30% against the revised target. Compared to existing MEs, the number of women in new MEs was slightly lower, 66% only, but Dalit and Janajati benefiting from new ME creation were higher, 18% and 51%, respectively.

ME based monitoring data shows that 68% of new MEs have started production. 32% of new MEs have started enterprise but they have yet to start production. Almost 2,000 new MEs started enterprises in late April and May 2016, upon completing skill trainings and receiving technology support. Due to these 32% of new MEs were not been able to start production during the project period.

46% of new MEs (69% of new MEs who have stated production) have started making incomes. The cumulative average monthly income of new MEs was NPR 9,193,452 or US\$ 85,125 and the average monthly income per new ME is NPR 6,750 or US\$ 62.50. The average income level of new MEs is lower as compared to existing MEs and this explains that new micro enterprises have just started and these will take some time to run in full capacity to generate more incomes.

In terms of job creation, the ME-based monitoring data shows that 2,346 new MEs have been fully employed and they have generated 369 jobs for others. The ratio of job creation per new ME is 0.9 which is lower as compared to the job creation ratio of existing MEs. An analysis of enterprise category of new MEs shows that less number of new MEs were involved in agro-based enterprises; 48% as compared to 63% in existing MEs. The number of new MEs involved in service based enterprises such as teashops, restaurants, butchery, tailoring, boutique, mobile repairing, motorbike repairing etc., have doubled, 24% as compared to 12% in existing MEs. These result indicated a sharp increase in service sector after the earthquakes. As RELRP was one-year early recovery project the emphasis was on the enterprises that can be started immediately after providing them training and equipment such as boutiques, repair shops, tailoring and butchery. Some enterprises started by providing equipment such as cart to run mobile food vendors. They did not require skill training. Service based enterprises were more profitable compared to other enterprises. For example, a food vendor in Rasuwa who used to run a lodge before the earthquake switched to food vendor with RELRP support. RELRP provided a cart to the ME. She is now making NPRs. 1500 to 2000 per day, 60% of which was net profit.

#### Progress Against Output 2 Indicators 2

For new ME creation, RELRP had two more indicators as compared to revival support to existing MEs. The first indicator was to identify potential new MEs. MEDSPs in consultation with DMEGAs and RELRP's DC conducted series of participatory rural appraisal and rapid resource and market analysis exercises to identify potential new MEs. Like MEDEP the project targeted.....(explain selection criteria for new MEs). Through these process, a total of 3,107 potential new MEs were identified as against the target of 2,388.

|                |        | Overall Target - 2,388 (revised) |       |     |      |      |     |      |     |      |     |
|----------------|--------|----------------------------------|-------|-----|------|------|-----|------|-----|------|-----|
| Districts      | Target | Prog                             | gress | D   | alit | Jajj | ati | BC   | T   | Fem  | ale |
|                |        | Ν                                | %     | Ν   | %    | Ν    | %   | Ν    | %   | Ν    | %   |
| Sindhupalchowk | 289    | 279                              | 97%   | 46  | 16%  | 135  | 48% | 98   | 35% | 164  | 59% |
| Dolakha        | 431    | 650                              | 151%  | 145 | 22%  | 347  | 53% | 158  | 24% | 451  | 69% |
| Kavre          | 295    | 315                              | 107%  | 91  | 29%  | 122  | 39% | 70   | 22% | 190  | 60% |
| Ramechhap      | 481    | 506                              | 105%  | 50  | 10%  | 264  | 52% | 192  | 38% | 328  | 65% |
| Sindhuli       | 349    | 387                              | 111%  | 54  | 14%  | 172  | 44% | 161  | 42% | 283  | 73% |
| Nuwakot        | 307    | 453                              | 148%  | 71  | 16%  | 188  | 42% | 211  | 47% | 324  | 72% |
| Rasuwa         | 236    | 517                              | 219%  | 62  | 12%  | 317  | 61% | 138  | 27% | 401  | 78% |
| RELRP Project  | 2388   | 3107                             | 130%  | 519 | 17%  | 1545 | 50% | 1028 | 33% | 2141 | 69% |

Table 12: Progress Summary of Output 2 Indicator 1 - Potential New ME Identification

District-wise progress shows that in exception to Sindhupalchok, all other districts surpassed this output indicator by 5% to 119%. Rasuwa identified 517 new MEs against its

target of 236. Dolakha had a highest number of new MEs target and it also identified a highest number of potential new MEs, 650 in total.

The second output indicator was psychosocial counselling. Output indicator for this intervention shows that all districts exceeded target in providing psychosocial counselling. Overall 66% of women, 16% of Dalit and 50% of Janajati benefited from this service. District-wise progress shows that Dolakha provided PSC to 744 people, overshooting the target by 161%.

|                | Overall Target - 2,228 (revised) |      |          |     |       |      |         |      |     |      |        |  |
|----------------|----------------------------------|------|----------|-----|-------|------|---------|------|-----|------|--------|--|
| Distircts      | Target                           | Pro  | Progress |     | Dalit |      | Jajjati |      | ВСТ |      | Female |  |
|                |                                  | Ν    | %        | Ν   | %     | No.  | %       | No.  | %   | No.  | %      |  |
| Sindhupalchowk | 286                              | 291  | 102%     | 52  | 18%   | 134  | 46%     | 105  | 36% | 172  | 59%    |  |
| Dolakha        | 285                              | 744  | 261%     | 104 | 14%   | 389  | 52%     | 251  | 34% | 440  | 59%    |  |
| Kavre          | 295                              | 315  | 107%     | 104 | 33%   | 136  | 43%     | 75   | 24% | 202  | 64%    |  |
| Ramechhap      | 423                              | 589  | 139%     | 61  | 10%   | 362  | 61%     | 166  | 28% | 363  | 62%    |  |
| Sindhuli       | 349                              | 393  | 113%     | 56  | 14%   | 176  | 45%     | 161  | 41% | 290  | 74%    |  |
| Nuwakot        | 354                              | 468  | 132%     | 71  | 15%   | 188  | 40%     | 211  | 45% | 339  | 72%    |  |
| Rasuwa         | 236                              | 236  | 100%     | 29  | 12%   | 143  | 61%     | 64   | 27% | 185  | 78%    |  |
| RELRP Project  | 2228                             | 3036 | 136%     | 477 | 16%   | 1528 | 50%     | 1033 | 34% | 1991 | 66%    |  |

|                             |                           | 2 – Psychosocial Counselling (PSC)    |
|-----------------------------|---------------------------|---------------------------------------|
| I anie 15. Prodress Slimmar | V OT CHITDHIT 2 INDICATOR | 2 - PSVChosocial (olinselling (PS())) |
|                             |                           |                                       |
| 5 5                         | /                         |                                       |

Entrepreneurship development training was output 3 indicator. This was an important training to identify potential entrepreneurs. Entrepreneurship development training use Start and Improve Your Business (SIYB) package which is one-week long program. RELRP initially planned to provide a shorter version of SIYB package. After consulting MEDEP staffs, this was not found practical to cover all topics. MEDEP normally runs SIYB package for 8 days, including one day dedicated to GESI. RELRP reduced the package by 1 day and GESI was included in the seventh day without compromising other parts of curriculum, this meant running training for longer hours. The last day of the training was to share the importance of GESI in micro enterprise development. Overall 3036 potential MEs benefited from this training program. The number of women, Janajati and Dalit beneficiaries were more or less same as in other interventions discussed earlier.

Table 14: Progress Summary of Output 2 Indicator 3 – Entrepreneurship Development

|                | Overall Target - 1, 650 (revised) |      |       |     |      |         |     |      |     |        |     |
|----------------|-----------------------------------|------|-------|-----|------|---------|-----|------|-----|--------|-----|
| Districts      | Target                            | Prog | gress | D   | alit | Jajjati |     | BCT  |     | Female |     |
|                |                                   | N    | %     | Ν   | %    | Ν       | %   | Ν    | %   | Ν      | %   |
| Sindhupalchowk | 289                               | 279  | 97%   | 46  | 16%  | 135     | 48% | 98   | 35% | 164    | 59% |
| Dolakha        | 431                               | 650  | 151%  | 145 | 22%  | 347     | 53% | 158  | 24% | 451    | 69% |
| Kavre          | 295                               | 315  | 107%  | 91  | 29%  | 122     | 39% | 70   | 22% | 190    | 60% |
| Ramechhap      | 481                               | 506  | 105%  | 50  | 10%  | 264     | 52% | 192  | 38% | 328    | 65% |
| Sindhuli       | 349                               | 387  | 111%  | 54  | 14%  | 172     | 44% | 161  | 42% | 283    | 73% |
| Nuwakot        | 307                               | 453  | 148%  | 71  | 16%  | 188     | 42% | 211  | 47% | 324    | 72% |
| Rasuwa         | 236                               | 517  | 219%  | 62  | 12%  | 317     | 61% | 138  | 27% | 401    | 78% |
| RELRP Project  | 2388                              | 3107 | 130%  | 519 | 17%  | 1545    | 50% | 1028 | 33% | 2141   | 69% |

The fourth intervention was skill training. 2,317 potential new MEs benefited from this service and this indicator was surpassed by 26%. District-wise progress shows that except Sindhupalchok, all other districts have exceeded the target of providing this service to new potential MEs. Overall, 72% of women and 15% of Dalit have benefited from this intervention.

|                | Overall Target - 1200 MEs |      |          |     |      |      |     |     |     |        |     |
|----------------|---------------------------|------|----------|-----|------|------|-----|-----|-----|--------|-----|
| Distircts      | Target                    | Prog | Progress |     | alit | Jajj | ati | В   | СТ  | Female |     |
|                |                           | No.  | %        | No. | %    | No.  | %   | No. | %   | No.    | %   |
| Sindhupalchowk | 229                       | 213  | 93%      | 25  | 12%  | 114  | 54% | 74  | 35% | 132    | 62% |
| Dolakha        | 336                       | 494  | 147%     | 131 | 27%  | 220  | 45% | 143 | 29% | 378    | 77% |
| Kavre          | 193                       | 198  | 103%     | 44  | 22%  | 106  | 54% | 48  | 24% | 164    | 83% |
| Ramechhap      | 347                       | 532  | 153%     | 53  | 10%  | 304  | 57% | 175 | 33% | 339    | 64% |
| Sindhuli       | 315                       | 342  | 109%     | 42  | 12%  | 158  | 46% | 142 | 42% | 247    | 72% |
| Nuwakot        | 258                       | 377  | 146%     | 32  | 8%   | 157  | 42% | 190 | 50% | 276    | 73% |
| Rasuwa         | 159                       | 161  | 101%     | 9   | 6%   | 110  | 68% | 42  | 26% | 133    | 83% |
| RELRP Project  | 1837                      | 2317 | 126%     | 336 | 15%  | 1169 | 50% | 814 | 35% | 1669   | 72% |

Table 15: Progress Summary of Output 2 Indicator 4 Skill Trainings

Technology support was fifth output indicator. 2,458 new MEs were received technology to start enterprises. All districts have exceeded the output indicator for this intervention. District-wise report shows that Dolakha had a highest number of new MEs benefiting from this intervention. Overall, RELRP exceeded this output indicator by 48%, indicating as with existing MEs that the importance of technology support for revival and creation of new enterprises. Overall 63% women benefited from this service which is slightly lower as compared with the number of women benefiting from other interventions.

|                | Overall Target - 875 MEs |      |       |     |      |      |     |     |     |        |     |
|----------------|--------------------------|------|-------|-----|------|------|-----|-----|-----|--------|-----|
| Districts      | Target                   | Prog | gress | D   | alit | Jajj | ati | В   | СТ  | Female |     |
|                |                          | No.  | %     | No. | %    | No.  | %   | No. | %   | No.    | %   |
| Sindhupalchowk | 229                      | 256  | 112%  | 55  | 21%  | 122  | 48% | 89  | 35% | 140    | 55% |
| Dolakha        | 384                      | 627  | 163%  | 137 | 22%  | 244  | 39% | 88  | 14% | 315    | 50% |
| Kavre          | 198                      | 228  | 115%  | 58  | 25%  | 118  | 52% | 52  | 23% | 170    | 75% |
| Ramechhap      | 327                      | 540  | 165%  | 62  | 11%  | 307  | 57% | 171 | 32% | 349    | 65% |
| Sindhuli       | 122                      | 322  | 264%  | 33  | 10%  | 151  | 47% | 138 | 43% | 232    | 72% |
| Nuwakot        | 275                      | 309  | 112%  | 47  | 15%  | 138  | 45% | 117 | 38% | 220    | 71% |
| Rasuwa         | 125                      | 176  | 141%  | 15  | 9%   | 111  | 63% | 50  | 28% | 128    | 73% |
| RELRP Project  | 1660                     | 2458 | 148%  | 407 | 17%  | 1191 | 48% | 705 | 29% | 1554   | 63% |

Table 16: Progress Summary of Output 2 Indicator 5 – Technology Support

Access to financial services is the sixth output indicator. The target for this has been exceeded by 40%. A total of 1,534 benefited from this service. Except for Kavre, all other districts have exceeded the new ME target benefiting from this intervention. 73% of people accessing loans were women. These loans were primarily from micro financial institutions to start new enterprises. This was a highest number of women benefiting from a particular intervention. The number of Dalit taking loans is also highest, 17%. Most Dalits are engaged in shoe-making, iron tool making and grill making enterprises. They received different technology such as welding machines, grill making machines, shoe-pasting and sewing machines etc. to start enterprises. Most of loans were by Dalit were taken to buy raw materials such as iron bars or leathers or cloths.

|                | <b>Overall Ta</b> | arget – 1,0 | boo MEs |     |      |     |       |     |     |        |     |
|----------------|-------------------|-------------|---------|-----|------|-----|-------|-----|-----|--------|-----|
| Districts      | Target            | Pro         | gress   | D   | alit | Jan | ajati | В   | СТ  | Female |     |
|                |                   | No.         | %       | No. | %    | No. | %     | No. | %   | No.    | %   |
| Sindhupalchowk | 203               | 223         | 110%    | 46  | 21%  | 105 | 47%   | 72  | 32% | 134    | 60% |
| Dolakha        | 283               | 335         | 118%    | 83  | 25%  | 147 | 44%   | 105 | 31% | 268    | 80% |
| Kavre          | 102               | 94          | 92%     | 43  | 46%  | 29  | 31%   | 22  | 23% | 51     | 54% |
| Ramechhap      | 151               | 334         | 221%    | 36  | 11%  | 211 | 63%   | 87  | 26% | 251    | 75% |
| Sindhuli       | 128               | 259         | 202%    | 32  | 12%  | 100 | 39%   | 127 | 49% | 192    | 74% |
| Nuwakot        | 89                | 175         | 197%    | 6   | 3%   | 91  | 52%   | 78  | 45% | 133    | 76% |
| Rasuwa         | 143               | 114         | 80%     | 8   | 7%   | 61  | 54%   | 45  | 39% | 90     | 79% |
| RELRP Project  | 1099              | 1534        | 140%    | 254 | 17%  | 744 | 49%   | 536 | 35% | 1119   | 73% |

Table 17: Progress Summary of Output 2 Indicator 6 – Access to Financial Services

Access to market is seventh output indicator. This service included B2B linkages, product certification and licensing, trading entrepreneurs an labelling and packaging. Except for

Sindhupalchok, all other districts have exceeded the target for this indicator. 183 new MEs of Dolakha as against the target of 49 MEs benefited from market access. Similarly, 164 new MEs as against to the target of 71 benefited from this service. 464 new MEs benefited from B2B linkages such as trade fairs, interactions between MEs and buyers/traders and marketing and promotional activities. 76 MEs benefited from product certification and licensing. 108 new MEs benefited by becoming trading entrepreneurs who are responsible for buying products from MEs and taking them to markets and developing a long term relationship between MEs and traders. 98 new MEs received support for labelling and packaging their products. Overall, RELRP exceeded the target for this indicator by 48%. The number of women benefiting from this intervention, however, is less, only 62% as compared to other output indicators.

|                | Overall Target - 400 MEs |     |        |     |      |         |     |     |     |        |     |
|----------------|--------------------------|-----|--------|-----|------|---------|-----|-----|-----|--------|-----|
| Districts      | Target                   | Pro | ogress | D   | alit | Jajjati |     | BCT |     | Female |     |
|                |                          | No. | %      | No. | %    | No.     | %   | No. | %   | No.    | %   |
| Sindhupalchowk | 119                      | 104 | 87%    | 11  | 11%  | 45      | 43% | 48  | 46% | 64     | 62% |
| Dolakha        | 49                       | 183 | 373%   | 6   | 3%   | 40      | 22% | 6   | 3%  | 42     | 23% |
| Kavre          | 82                       | 97  | 118%   | 38  | 39%  | 53      | 55% | 26  | 27% | 78     | 80% |
| Ramechhap      | 90                       | 92  | 102%   | 9   | 10%  | 55      | 60% | 28  | 30% | 61     | 66% |
| Sindhuli       | 102                      | 120 | 118%   | 8   | 7%   | 53      | 44% | 59  | 49% | 83     | 69% |
| Nuwakot        | 90                       | 131 | 146%   | 9   | 7%   | 86      | 66% | 36  | 27% | 98     | 75% |
| Rasuwa         | 71                       | 164 | 231%   | 22  | 13%  | 77      | 47% | 65  | 40% | 126    | 77% |
| RELRP Project  | 603                      | 891 | 148%   | 103 | 12%  | 409     | 46% | 268 | 30% | 552    | 62% |

Table 18: Progress Summary of Output 2 Indicator 7 – Access to Financial Services

Common Facility Centers was 8<sup>th</sup> output indicator. RELRP had a plan to build 22 new CFCs, one for each cluster. Due to a high demand for CFCs as many new MEs did not have working places, 3 additional CFCs in Nuwakot, Rasuwa and Kavre were built, totaling the number of new CFCs to 25. New MEs were beneficiaries of new CFCs.

Total of 464 new MEs benefited from new CFCs. The number of women beneficiaries in new CFCs was very high, 72%. The number of Dalit benefiting from new CFCs was 14%.

All new CFCs have childcare and 21 of them have separate toilets. The remaining four have either women or men as MEs so have only one toilet. All new CFCs have ramps and hand railings. This indicates that the project tried its best to adhere to build back better principals where possible, given there were enough lands, funds, and mixed group MEs. These principals were relatively easier to apply in new CFCs as compared to CFCs that were repaired or rebuilt.

| SN | Nos.<br>N District of |     | Hill D | alit | Hill Jan | ajati | Hill Bra<br>Chh | •    |        | Total |       |
|----|-----------------------|-----|--------|------|----------|-------|-----------------|------|--------|-------|-------|
|    |                       | CFC | Female | Male | Female   | Male  | Female          | Male | Female | Male  | Total |
| 1  | Sindhuli              | 2   | 5      | 0    | 18       | 0     | 12              | 0    | 35     | 0     | 35    |
| 2  | Sindhupalchowk        | 4   | 13     | 11   | 15       | 3     | 12              | 4    | 40     | 18    | 58    |
| 3  | Ramechhap             | 3   | 4      | 1    | 17       | 15    | 18              | 8    | 39     | 24    | 63    |
| 4  | Dolakha               | 3   | 0      | 0    | 30       | 4     | 6               | 0    | 36     | 4     | 40    |
| 5  | Nuwakot               | 5   | 2      | 19   | 39       | 4     | 31              | 27   | 72     | 50    | 122   |
| 6  | Rasuwa                | 5   | 0      | 0    | 68       | 29    | 20              | 1    | 88     | 30    | 118   |
| 7  | Kavre                 | 3   | 9      | 2    | 16       | 1     | 0               | 0    | 25     | 3     | 28    |
|    | Total                 | 25  | 33     | 33   | 203      | 56    | 99              | 40   | 335    | 129   | 464   |

### Table 19: Progress Summary of New CFCs

*Common Facility Centers such as this are now built with earthquake resillient design approved by the government of Nepal.* 



# V. CHALLENGES

RELRP faced many challenges during the implementation to effectively deliver services and achieve ME revival and new creation targets. Some major challenges are discussed below:

**The project start-off challenges**: There were two major challenges to start-off the project. Firstly, to have a team of qualified staff on board, and secondly to select and mobilize 22 Micro Enterprise Development Service Providers (MEDSPs), one for each cluster. UNDP adopted fast track approach to recruit staff. Despite this effort, it took almost two and half months to have full staff on board. It took another month to establish a fully equipped and functional project office in Lalitpur. RELRP District Coordinators (DCs) were posted in respective districts only in the third week of August.

The selection of Micro Enterprise Development Service Providers (MEDSPs) took almost three months. In July, 26 MEDSPs were prequalified through Expression of Interest process. Prequalified MEDSPs were given only one week of notice to submit detailed financial proposals. The procurement strategy then had to change from contracts to grants, and this added more time as few staff were familiar with the UNDP grant mechanism. The finalization of proposals, grant negotiation and contract signing, however, took almost four weeks. MEDSPs started moving to field only from the third week of September 2015 and some were mobilized only in October 2015. MEDSPs had a very short period to establish office, recruit staff and mobilize them in fields. Many of MEDSPs had lost staff proposed during the EoI process so they had to be replaced. MEDEP's database of Enterprise Development Facilitators was very helpful in finding replacements.

To speed up repair and construction of Common Facility Centers, RELRP provided micro capital grants to District Enterprise Development Groups Association (DMEGA). Initially CFC construction was included in the MEDSP EoI. The decision to move this work to DMEGAs was made for three reasons; firstly, DMEGAs are district level institutions of micro entrepreneurs and they had a sound track record of working in MEDEP programs. Secondly, DMEGAs were involved in construction of CFCs in the past and had full knowledge of CFCs and MEs working in these CFCs. Thirdly, DMEGAs had no other contracts from RELRP except the preparation of need assessment reports. The project had a challenge of creating a conducive environment for MEDSPs and DMEGAs to work together to achieve RELRP's targets. MCGs to repair/construct CFCs provided such an opportunity for DMEGAs to work closely with MEDSPs in RELRP. Under the MCG agreements, MEDSPs were responsible for providing social mobilization support to DMEGAs for CFC works, and DMEGAs were responsible for providing ME contacts, coordination and monitoring support to MEDSPs for ME revival and new creation activities. DMEGAs contracts for MCGs were approved only in November 2015. They had only 7 months to repair/construct 139 CFCs across 7 districts.

**Ambitious Targets but Short Time to Deliver**: RELRP was one-year early recovery project. The project official started on 4<sup>th</sup> of June 2015 and ended on 30<sup>th</sup> of June 2016. Field implementation began from 3<sup>rd</sup> week of September 2015 and ended on 7<sup>th</sup> June 2016. The project, thus, had only 9 months to deliver services to existing and new MEs. The project had ambitious targets, to revive 12,059 existing MEs, create 1500 new MEs and repair/build 139 common facility centers in line with 'building back better' principals. The project staff and MEDSPs had to work hard, often long hours, to deliver required services and achieve targets. This was not easy.

**ME Verification**: ME verification was another major challenge. The need assessment report prepared by DMEGA immediately after the earthquakes had a list of MEs, the status of each enterprise and support required for revival of enterprises. DMEGAs provided the report to MEDSPs who used it as basis to contact existing MEs, reassess enterprise status, and discuss a range of support to revive damaged enterprises. The verification process, however, was not easy, particularly in districts where large number of MEs were not included in the need assessment reports, for example out of over 2000 existing MEs in Sindhuli, the need assessment report had included only 1100 existing MEs as these people were affected by earthquakes, and therefore, recommended for RELRP support. Once MEDSPs started providing support, existing MEs who were not listed as recipients in the need assessment report also demanded RELRP support. Sindhuli DMEGA, MEDSPs and RELRP's District Coordinators had to spend extra efforts to explain why some were included in the need assessment reports and others were not. Clear communication of selection criteria was an important part of field operations throughout the project.

There were also some other problems. 204 MEs included in the need assessment had wrong address, 62 had died and 966 had migrated out. Nuwakot, Sindhupalchok and Dolakha, for example, had a high rate of ME migration. Similarly, 1,546 active MEs were not included in the need assessment ME list but 30% of MEs who were listed found to be inactive (according to District Coordinators). It took almost four months of efforts with numerous meetings between MEDSPs, DMEGAs and DCs to finalize the existing ME lists for RELRP support. The final ME list included all active MEs who had been missed in the need assessment report. The delay in finalizing the existing ME list, however, did not hamper RELRP service delivery in the fields. RELRP encouraged MEDSPs from the beginning of the project not to wait for the final list of existing MEs but to start providing

services to existing MEs who had no issues. They were encouraged to take more proactive roles in delivering timely services to agriculture based MEs and not miss the agriculture seasons.

Identifying potential new MEs were rather simpler as compared to verify existing MEs. MEDSPs, DMEGAs and DCs worked together to identify settlements, based on rapid market and resource analysis, to identify potential new MEs.

**Border blockades and fuel crisis**: After the earthquakes, Nepal was struck by yet another unforeseen problem which not only constrained development space but also had devastating impacts on the national and local economy and recovery/reconstruction efforts. From September 2015 to February 2016 India imposed an undeclared blockade along Nepal's southern boarders which disrupted supplies of fuel, food, construction materials and basic commodities playing from India to Nepal. MEDSPs had major challenge during this time to procure, transport and deliver technology to MEs. The price of technology also hiked sharply. In addition, movements of staffs and resource persons for conducting trainings and monitoring were constrained. For example, RELRP and MEDEP planned district orientation programs in September/October last year. But the program had to be cancelled at the last minutes due to unavailability of fuels to travel to districts. To overcome problems created by this situation, RELRP, MEDSPs and DMEGAs were forced to plan smartly, travel in groups, prioritize field visits, run multiple programs simultaneously in field to make full use of staff time and presence, and procure/transport technology and goods enough for truckloads.

**Safety and security of Staff**: Safety and security of staffs was another major challenge. There were two major factors linked to staff safety and security. Firstly, remote location of villages; secondly, limited public transport services which became even more problematic when the boarder blockade remained enforced. Over 50% of EDFs were female. Staff safety and security, thus, was major concern. Most MEDSPs deployed their EDFs in pair and encouraged them to travel together while in remote posts. During the implementation of the project, four staff met in traffic accidents, two in public buses and two on motorbikes. While nobody died, staff insurance became a major issue after these incidents. Some MEDSPs were able to buy insurance for their staff but many did not. (This should be a lesson- UNDP should require grantees to have this insurance, and allow them to cost it in their proposals)

**Capacity of Partners**: The majority of MEDSPs did not have experience of handing large grants as well as working in the post disaster situation. RELRP ran orientation programs focusing on grant management, service delivery and monitoring reports in October/November 2015. This was followed by a review and reflection workshop in

Nagarkot in December. Two other workshops were held, one in May 2016 and another one in June 2016. The May workshop was attended by all Data Base Assistants (DBAs) and June workshop was attended by DBAs and Coordinators. Both workshops were focused on discussing data collection, interpretation and final report writing. While MEDSPs and DMEGAs improved reporting targets vs achievements correctly as compared to earlier reports, the quality of technical reports from partners continued to be of sub-standard.

Getting correct financial reports from partner organizations was also a major challenge. As per MEDEP's norm, partner organizations had an Admin and Finance Assistant to handle financial related matters. After receiving the first milestone financial reports from partners which took almost one months to verify and get the correct one, it became clear to RELRP about partners' capacity to maintain accounts and prepare correct financial reports. To resolve this, RELRP's Admin and Finance Officer conducted internal audit with selected MEDSPs. After this, recognizing that the AFO could not alone review all MEDSPs, an audit firm was hired to review financial systems of all partner organizations. This was also necessary to issue new MCG contracts in March to partners whose previous MCG contracts were to expire in February end. The support from these internal auditors was very effective for ensuring fiscal discipline and improving account system and financial reports. When the final external audit was conducted in May/June 2016, only 3 partners had some minor issues, all of which were satisfactorily rectified.

**MEDEP's model**: RELRP design was very much based on MEDEP's model. Apart from psychosocial counselling, RELRP implemented all interventions that MEDP has promoted for ME creation. Targets for each intervention was also based on MEDEP's experience. During the implementation, RELRP, however, realized that target for some interventions, for example, technology support, was under estimated and targets for other interventions, for example number of MEs accessing financial and marketing services, were overestimated. During the implementation, RELRP realized that the demand for technology was much higher than what was envisaged during the design of RELRP. Delivery of technology also found to be one of main reasons for sparking conflicts between MEs receiving technology and ones who were not receiving, in the post-earthquake context where many ME assets were destroyed.

Technology delivery was crucial to start up most of enterprises. MEDSPs, therefore, had to respond technology demands both to meet ME revival and new creation targets; and to reduce conflicts in communities. As for targets for financial service and market linkages are concerned, the demand for these were lower. There are two possible explanations for this. Firstly, the majority of existing MEs had outstanding loans. They were also cautious about taking high interest loans. Secondly, most existing MEs had no problems selling their

products or had established market linkages or they just had started production. These MEs did not have enough volume of products to explore for new markets. RELRP expects that demand for these services will increase within a year or two.

**UNDP Compliances**: Meeting UNDP's financial and administrative compliances and achieving program and financial targets were very challenging and at times frustrating as well. While MCG contract was a very good tool to transfer funds from UNDP to partner organizations, there were some limitations such as threshold of US\$ 150,000 for the first contract, and ensuring that recipients had exhausted at least 80% of the previous milestone payment before qualifying for the next.

RELRP had to break 13 MCG contracts of partner organizations who had exceeded the MCG threshold amount in the first contracts. It normally takes about a month to prepare MCG grant documents and process through system. RELRP had to be proactive in preparing grant documents and inform MCG committee well in advance to meet the deadlines. Despite these efforts, there were delays in getting correct documents, financial and technical reports, from partners and these delayed MCG process. Transfer of funds from UNDP to the grantees' account was also a challenge. Most partners had local bank accounts. To transfer fund from UNDP to the local bank accounts, it normally took 4 to 5 weeks but some took as long as 7 weeks. To address this, the project had to maintain constant follow up with UNDP as well as with partner organizations to find out the status of the fund transfer, and encourage partners to manage cash/credits to achieve delivery targets. RELRP also had to be flexible in terms of accepting spending target to become eligible for next trance payment. For example, there were few MEDSPs who had not met 80% spending target when they submitted the first trance report. RELRP's DCs confirmed that this was due to delay in receiving funds from UNDP. RELRP, hence, had to recommend for the second trance payment to reduce delivery risks.

**M and E system:** This was a major challenge. RELRP was supposed to use the MEDEP system but the databased was closed for upgrade. The project needed 2 levels of information, to inform decision making – output reports and ME based reports. On output reports the project quickly designed and issued a template for MEDSPs to complete monthly, and this information was very important for management decisions. The project struggled to get comprehensive ME based information and had to rely instead on more subjective assessments and info from DCs, MEDSPs, triangulated by UNDP and RELRP staff field visits and review of EDF records. The MEDEP ME based data template had to be truncated and then explained repeatedly and it was only at the end that we got reasonable ME based info. The Microsoft app had merit, but we could not make it work with connectivity or with the audit requirement of paper signatures. Key lessons from this

experience – only collect enough and not too much information! Make sure the information is up to date so can be used for management decisions. Resources required for ME based reporting are substantial, but this is very important to determine results. We were struck that for many existing MEDEP MEs the last round of data collection was in 2010 – the system is too complex and so data is not entered regularly.



Regular monitoring is key to track the progress and be responsive to changing contexts

# VI. LESSONS LEARNED

**Inclusive Approach**: RELRP was designed in response to the 2015 earthquakes. The project resource was used to revive existing MEs and create new ones, focusing on those living in same villages or vicinity of existing MEs. This inclusive approach of supporting existing MEs and creating new ones was very effective. Partner organizations and MEs during the field visits and also at review and reflection workshops confirmed that conflicts between project beneficiaries and non-beneficiaries would have increased and this would have made implementation of RELRP very challenging, if the project had not taken such an inclusive approach. The project assumption that new ME creation would promote social harmony, therefore, was correct. Inclusion of beneficiaries other than existing ones is one of the most important learnings that has to be built in the future recovery projects. Insert text about sharing technology as well

**Cluster Approach:** RELRP's cluster approach was very effective in mobilizing service providers, resources, reaching beneficiaries and providing services to them within a very short period. RELRP was divided into 22 clusters, a service provider was selected for each cluster using an open, transparent and competitive bidding process. Each cluster had in an average about 450 MEs and an EDF of service provider was responsible in an average to 70 MEs. This approach worked very well to build rapport with MEs, provide services quickly and monitor progress of the project effectively. Reflecting retrospectively, RELRP could have been even more effective if there could have been just one grant per cluster. This could be done through increasing the UNDP MCG threshold to 250,000 USD, or if this cannot be done then the clusters could have been smaller (with more clusters of about 350 MEs) to stay within the threshold of micro capital grants. This would have saved time and efforts of the project to issue multiple MCG grants to partners during the project period, and the saved time could have been prudently used for quality assurance and monitoring.

**Time-frame**: RELRP was designed as one-year early recovery project but it only had nine months for field implementation. As a short recovery project, it was very much focused on achieving targets and had no time to think about the process. It had to move fast to fields and start providing different services to MEs. While RELRP results clearly show that it was able to exceed most of output targets, extension of project period by few months would have helped to ensure the quality of service delivery and the preparation of final reports from partners as well as from the project. Based the experience, the project would have been much more effective if it had at least one year for field implementation, and about two months to exit well. Or if the start-up delays had been avoided so that field implementation commenced by July.

**Psychosocial Counselling**: RELRP's interventions was based on MEDEP's model except the addition of psychosocial counselling. At the beginning of the project, there were some

doubts how effective this intervention would be six months after a major disaster. Feedbacks from MEs and partner organizations, however, provided a very different message. Most of MEs found psychosocial counselling very effective for motivating them to restart lost enterprises. This also helped them to come together as groups. Most of Micro Enterprise Groups and Micro Enterprise Group Association had become inactive after the earthquakes. After the counselling most of MEs revived their groups and supported each other to restart old enterprises or start new ones. For the majority of MEs, the short group based support was adequate to engage them in livelihood activities. There were very few MEs who had required referral counselling services. Well designed and implemented psychosocial counselling and support, therefore, can be very effective not only to overcome psychological stress and trauma but for recovery and rebuilding of lives and livelihoods.

**Four Key Elements to Success**: After the major natural disasters such as the earthquake the entire population would be affected and all would expect external support in one way or another. If the expectation of the local people is not managed properly, this would lead to conflicts. RELRP was very specific on its target groups and conducted a range of communications to inform and explain this criterion to affected communities. There were some conflicts during the field verification for verifying existing MEs and also for selecting new MEs. But these conflicts were largely resolved through clear communication of the project's objective and target groups. The coordination between the project and partner organizations; radio programs with clear messages about the project; involvement of different governmental and non-governmental organizations in monitoring, active participation of DCs at DEDC and DRRC meetings; and regular follow ups by the project office and DCs helped to ease community conflicts and tension. This shows that well targeted beneficiaries, clear communication, effective coordination, and constant follow ups are four key elements of early recovery initiatives, both to reduce community conflicts as well as to improve service delivery.

**Be Willing to Respond to Local Demands**: During the design of RELRP it was assumed that not all MEs need all types of support. Targets for each support or intervention to existing and new MEs were based on experience of regular longstanding programs such as MEDEP and MEDPA. During the field implementation, the project encouraged service providers to become responsive and flexible as much as possible to speed up enterprise revival and creation process. This means not sticking strictly to targets assigned for each intervention but be more responsive to enterprise revival and creation needs. As a result, targets for skill training and technology for existing MEs have exceeded by 15% and 47%, respectively. For new MEs, targets for each intervention have surpassed by 52% to 99%. The project's willingness to respond to local demands and provide support accordingly is one of the key learnings that contributed to its success.

**Ensure Timely Interventions**: Micro enterprises of over 65% of existing and 60% of new MEs are agriculture based. Agriculture is time sensitive sector. After the earthquakes the

majority of MEs were not confident amidst aftershocks to return to fields and tend crops and grow vegetables. MEs were also facing other problems. Most of tools and seeds required for farming were damaged by the earthquakes so were irrigation systems. Providing timely intervention to agriculture based MEs became crucial. For example, the project contracted DMEGA of Nuwakot to provide 1500 strawberry runners to each of 160 MEs to revive strawberry based enterprises in September before MEDSPs were on board. The project reminded MEDSPs time and again to become mindful of agriculture seasonality and quick deliver services to MEs. MEDSPs responded to the project's request and provided training, seeds, pipes, tools, water tanks, plastic sheets etc. quickly and timely. The timely intervention is not only limited to agriculture based MEs. Other MEs such as bio-briquette MEs and essential oil MEs are also time sensitive. They, too, benefited from timely interventions.

**Be Flexible and Adaptive:** RELRP had to become flexible to respond and become adaptive to changing circumstances. During the fuel crisis period, RELRP had to limit field monitoring and depend on mobile phones and social media such as Facebook and Viber to monitor and update on field activities and progress. RELRP tried to introduce app based monitoring system in collaboration with Microsoft Innovation Centre. After piloting for almost two months in two districts, the app idea was dropped due to technical shortcomings such as internet connectivity problem and also high demand of EDF's time. Instead the project used excel sheet to generate ME based report that explains service provided and changes observed and a complete census data of MEs.

The project was quick to review planned programs and approach the management team and for approvals for suggested programmatic changes. For example, contracting DMEGA for CFCs was not envisaged during the project design. After contracting DMEGAs, the management team approved budget change for training DMEGAs' engineers on earthquake resilient building design and training. The Management team met frequently and included all the key decision makers required to make changes to the project design -DFAT, UNDP, MEDEP and RELRP Managers. Verbal and written reports from the field, plus output and eventually ME based data was presented and reviewed at the meetings. Increased resources and attention was allocated to problem areas; such as districts that were lagging in output delivery. Minutes of all meetings were taken and served as a record and reference point for project staff. Agreed actions were reviewed at the following meeting. This management mechanism avoided delays in decision making, and allowed for a range of voices and expertise to be engaged to ensure effective delivery. The joint decision making also meant that the project had support from UNDP and MEDEP to implement decisions taken by the management team. This was an excellent example of adaptive management, with good feedback mechanisms that allowed the project to respond to the reality on the ground.

The Project Steering Committee, which met 3 times during the project, reviewed more fundamental changes to the design. For example, at the six month meeting the Committee agreed to the project's request to take out the guarantee fund as there was no clarity about use of this it and not enough time to operationalize it. The annual work-plan was reviewed and some of proposed number of activities such as workshops, exhibitions, dialogues were either reduced or removed. The project gained US\$ 101,348.72 from exchange rate. The underspent amount was used to increase target for new MEs, from 1500 to 2264. Use of flexible approach to adopt to new demands and changing contexts, therefore, was another important lesson for the success of the early recovery project.

**Build Strong and Coherent Team**: Building a coherent team was important for the success of RELRP. The project took several strategies in its efforts to build a strong, effective and coherent team. For example, an orientation training was provided to the team before DCs were deployed to districts. MEDEP's managers and components managers provided briefing on MEDEP model and the major tasks and challenges that were laid ahead for RELRP. Orientations on UNDP's HR, operation, travel, security and finance procedures and process were also provided to the project staffs. The project management involved staffs in the selection process of MEDSPs. This was helpful in understanding different aspects of grant management for future reference and monitoring.

The project empowered DCs to deal directly with MEDSPs and DMEGAs. The project management provided backstopping support to them as required. The project also built strong partnership with MEDSPs and DMEGAs, mainly through DCs. They were provided orientation on financial management and monitoring, invited to review and reflection workshops, and consulted/informed on project related issues on regular basis. The project had strong communication and outreach programs using different forms of multimedia platforms such as radio programs, short documentary films, success stories and photo stories. Staffs were encouraged to identify success stories, document them and share them widely. The project was effective in collaborating with different units within UNDP to speed up decision making process and getting back to fields with decisions as quickly as possible. These management strategies mechanisms were very important not only to build a strong and coherent team comprising of UNDP, MEDSPs, DMEGAs and the project staff, but also to delivery services quickly.

Offer Competitive Benefits and Incentives: RELRP used financial administrative and norms developed by MEDEP for soliciting financial proposals from MEDSPs and DMEGAs. MEDEP's norms use flat rates for salary, DSA, training and other expenses and do not consider factors such as geographical location and local expenses for living and travelling. For example, MEDSPs working in Kavre and Rasuwa had to use same rates to prepare financial proposals. Rasuwa as compared to Kavre is not only remote but as one of major tourist destinations, hence, costs of living and travelling in that district is much higher. These created problems for MEDSPs operating in remote areas. Linked to above was issue of high staff turnover during the 1<sup>st</sup> quarter and the last quarter. Many staff, particularly EDFs, left mainly citing inadequate salary and other benefits during the first quarter. The turnover of staff during the last quarter was also high as EDFs sought new jobs with different organizations. Similarly, after relief, building sustainable livelihoods was one of main program components of aid agencies working in the earthquake affected districts, hence, the demand for EDFs was high. Other organizations were also offering better benefits and incentives to EDFs. Competitive benefits and attractive incentives that reflect the local condition, therefore, are important to attract and retain qualified staffs in the recovery programs.

There was also another very pertinent issues. All partner organizations did not have life and accidental insurance coverage for their staff. About 4 staff had incidents during the project period. After this, some organizations got the insurance coverage for the staffs, but many operated without it. Insurance of staff should be made mandatory for organizations working in difficult conditions such as in RELRP.

**Donor Representatives Can Be Helpful**: DFAT seconded a full time Principal Advisor to UNDP for RELRP. She played key roles to maintain smooth relationship between RELRP/UNDP and DFAT. She was a major point of contact for RELRP related matters for DFAT. She was also a member of RELRP Management meetings which met once a month to review the project progress and make decision on operational issues, the Project Steering Committee which made decisions on policy issues and Micro Capital Grant Committee which made decision for micro capital grants. Having a donor representative in in the recovery projects such as RELRP has multiple advantages, it makes donor to understand the context within which the project is operating, hence, easy to garner its support and it can also help to speed up things across the system to fast track approvals and decision-making process.

**CFC Construction:** Common Facility Centres (CFCs) are important part of MEDEP's approach particularly to support poor and marginalized MEs to engage in group based enterprises. MEDEP, however, did not have full-time engineers to provide technical support to CFCs. Most of CFCs were simple buildings built without proper survey or technical design. Almost all CFCs built by MEDEP were either badly damaged or collapsed during the earthquakes, lucky no lives were lost. It is, therefore, worth investing in engineers to design and supervise the construction CFCs, critical for sustainability even in small community buildings. Based on RELRP experience, the cost for construction of CFCs ranges from NPR 10,00,000 to 12,00,000. The costs, however, varies on the size, type, the number of MEs involved, and the location of CFCs.

According to MEDEP policy 15% to 40%, contribution from MEs are expected to build CFCs. While ME contribution was not sought by RELRP, MEs voluntarily contributed in an average 10% of CFC costs for two reasons. Firstly, construction cost of CFCs was higher than estimated. Secondly, the cost of skilled labour and transportation hiked up during CFC construction. MEs contribution, therefore, met the funding gap. RELRP also provided additional budget for CFCs which had a high funding gap such as in Dolakha, Sindhupalchok and Nuwakot districts due to remote location and a sharp increase in the transportation cost.

RELRP also used cash for CFC construction. Each CFC had a construction committee represented by MEs which was fully responsible for the construction for CFCs. DMEGA had a contract with MEs for CFC, and the fund was transferred directly to the committee's account. Most construction committee mobilized members for building CFCs. They were paid wages for their work. Some MEs saved wages to pay the share of their contribution to CFCs. During the construction of CFCs, equal wages for equal work was followed. Women MEs were involved mostly in unskilled labours such as demolishing the structure, excavation, ferrying local and materials. Children below 16 were banned working as labours. Similarly, RELRP used build back better principles in the construction of CFCs. This included earthquake resilient design, use of local materials, child care rooms, separate toilets for men and women and adding ramps and hand railings to give access to differently abled MEs. RELRP provided additional fund in June to improve child care rooms with beds, toys and stationary. MEs need to further training on child care, safety issues and general maintenance and management of CFCs to make them sustainable. These good practices should be continued in CFC construction in the future.

CFCs also produced some unexpected results. For many local people, not only MEs, CFCs provided a live example of building earthquake resilient building using local materials. Some local people, for example in Dolakha, were trained in masonries while building CFCs. Sindhupalchok worked together with DCIBD to organize training for masonries. RELRP trained masonries are now working in the reconstruction business. CFCs are now considered safe places for community in case of future disaster.

**Lessons on targeting**: Earthquakes affected everyone but disadvantaged groups such as women, Dalit, differently abled people and children were affected the most and had the least assets to rebuild their lives. MEDEP has an effected targeting approach and target. It uses Management Information System to identify potential MEs from within its target groups. MEDEP aims to target 70% women, 30% Dalit and 40% Janajati. The detailed need assessment report included names of existing MEs to provide different enterprise revival support. RELRP used the detailed report to verify existing MEs and assess different support the project could provide to revive their damaged enterprises. The project, therefore, did not have much flexibility in terms of targeting existing MEs. 70% revived MEs women, 14% were Dalit and 55% were Janajati. RELRP districts in an average have 9% Dalit population. Janajati are dominant group. Social group representation in existing MEs, therefore, more or less are reflect district level population dynamics. RELRP support to differently abled people was very limited, six in total (3 in Sindhupalchok, 1 in Dolakha and 2 in Sindhuli). This is an area MEDEP needs to work more in the future.

RELRP used rapid assessment to identify potential MEs. Due to limited time, RELRP could not give much time to follow the process and provide business counselling services to potential MEs and achieve MEDEP's GESI targets. RELRP also adopted four points as guidelines to identify new MEs, particularly to achieve target for additional new MEs. Identify poverty pockets, focus on larger group of potential new MEs, focus on enterprises that require short training and can be started immediately and identify areas were they is a high population of Dalit. These guidelines were helpful in increasing the number of Dalit in new MEs from 14% to 18%, but the number of women in new MEs was 66%. There is only very few new MEs with disability. This suggests that MEDEP/MEDPA in general and MEDSPs in particular need to improve skills and build capacity for getting better in targeting.

Women's Leadership: Women only enterprises are clearly great avenues for women to develop their leadership. In mixed enterprises the picture is less clear. Women are listed in decision making structures, for example women represented 55% in CFC construction committee. Similarly, 70% of MEs revived are women. Despite these seemingly impressive records, women MEs often take a secondary role. For example, a new ME group in Phulping danda, has 10 men and 14 women. It has women as a chairperson. But it is men MEs which appear to dominate the group. Men MEs make most of the decision about running CFC and garment factory. This is, however, not true in a group which has only women. In women only ME group, for example, Utkrita Dhaka of Nuwakot, women take the leadership roles and are responsible for day to day running of the group based enterprises. Out of 7 DMEGAs, 3 have women as chairs (Rasuwa, Sindhupalchok and Sindhuli), and 4 have women as District Coordinators (Rasuwa, Nuwakot, Sindhupalchok and Sindhuli). This is very encouraging progress and the women leadership in key ME based institutions at local, district or even at national levels should be encouraged and continued. MEDSPs and MEDEP staff needed to be more aware of how the gender status guo reasserts and work on actively building women's confidence and leadership.

**Increase Visibility and Outreach**: RELRP produced eleven short videos (5-minute-long) and one long video (10-minute-long) highlighting RELRP's early recovery efforts in reviving earthquake affected enterprises and creating new ones. It also produced wide range of publicity materials such as caps, t-shirts, mugs, diaries, bags, pens, folders and pen drives with videos. RELRP videos were very useful in the district workshops and very powerful at the national conference, for bringing the reality of ME lives to politicians, bureaucrats and donors in urban centres. The short documentaries were a particularly important tool for explaining the scenario and changes made by RELRP – internationally and nationally.

RELRP contracted 7 FM local radios to develop and broadcast 56 episodes that captured ME stories and inform district about the project activities. RELRP stories were also widely captured by the local press as well as national press. More than 19 short case studies along with photos were shared to disseminate project related information and promoted via

existing UNDP's Facebook Page and Twitter. These efforts were effective not only for increasing the project's visibility and outreach but also informing stakeholders about the project activities and accomplishments within a short span of time. RELRP media coverage was effective in promoting transparency and making the project, its partner organizations and stakeholders more accountable. It also helped to promote goods and services of MEs. For instance, a story on Lapsi-based enterprise in Sindhupalchok resulted in boosting sales of Lapsi-candies. RELRP experience shows that a well targeted communication programs and promotional materials are effective in promoting visibility of the project efforts and also on information beneficiaries about what the project is all about. This help to check on the expectation of beneficiaries as well as make the project more accountable to its target groups.



Smartly designed communication materials help increase the project's visibility and outreach

### VII. ANNEXES

#### **ANNEX 1: FINANCIAL TABLE**

|               | REV   | ENUE         | EXPENSES                               | BALANCE  |   |
|---------------|---|--------------|--|--|---|
| Donor         | Donor Total<br>Commitment<br>(a)<br>Amount in USD |              | Total Expenses f= d+e<br>Amount in USD | Total Received minus<br>Total Expenses<br>g=(b-f)<br>Amount in USD | Remarks   |
| 11854 ( DFAT) | 5,826,592.23                                      | 5,826,592.23 | 5,677,798.88                           | 148,793.35   | Assumption: GMS and DPC will be fully charged as budgeted. The report is based in CDR of31st July |
| Total         | 5,826,592.23 5,826,592.23                         |              | 5,677,798.88                           | 148,793.35   |   |

### ANNEX 2: EXPENSES BY OUTPUT

| Project Output                      | Total<br>Expenses | Delivery<br>Rate | Remarks                                    |
|-------------------------------------|-------------------|------------------|--|
|                                     |                   |                  |  |
|                                     |                   |                  |  |
|                                     | 3,952,786.42      | 97%              |  |
|                                     |                   | 5776             | Assuming GMS and DPC will be               |
| Sub-total Output 1: Revival of MEs  |                   |                  | fully charged                              |
| Sub- Output 2 : New Creation of MEs | 1,299,651.65      | 99%              | Assuming GMS and DPC will be fully charged |
| Sub- Output 3: Program support cost | 305,360.81        | 101%             | Assuming GMS and DPC will be fully charged |
| Direct Project Cost (DPC)           | 120,000.00        | 86%              |  |

# ANNEX 3: EXPENSES BY DONOR

| Donor | Project Output                 | Total<br>Expenses | Delivery<br>Rate |
|-------|--------------------------------|-------------------|------------------|
| 44054 | Output 1: Revival of MEs       | 3,952,786.42      | 97%              |
| 11854 | Output 2 : New Creation of MEs | 1,299,651.65      | 99%              |
|       | Output 3: Program support cost | 305,360.81        | 101%             |
|       | Direct Project Cost (DPC)      | 120,000.00        | 86%              |
|       | Total                          | 5,677,798.88      | 97%              |
|       |                                |                   |                  |