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Resilient nations.

MICRO-ENTERPRISE DEVELOPMENT PROGRAMME (MEDEP)



ANNUAL PROGRESS REPORT 2017



Maya Devi Bhandari from Bardiya extracts honey from hive. Entrepreneurs engaged in the sector easily find market in Bardiya, Banke and other districts.

 Tarak Thapa/MEDEP


Micro Enterprise Development Programme (MEDEP) aims to cater to the needs of socially excluded groups living below the poverty line by promoting off-farm employment and micro-enterprises in partnership with the Government of Nepal.

OUR PARTNERS



Project Summary	
About the Project	Geographic coverage of the project
Project Title: Micro Enterprise Development Programme (MEDEP) Phase IV Award ID: 00075193 Web link: www.medep.org.np	National level coverage (Yes/No): Yes Number of Provinces: Seven Number of Districts Covered: 77 Number of Local Governments Covered: 537 (65 Demonstration LGs) 2Metropolitan City, 9Sub-Metropolitan City(4), 187 Municipalities (50) 339Rural Municipalities (11).
Strategic Results	
UNDP Strategic Plan Outcome: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.	
UNDP Strategic Plan Output:	
UNDAF Outcome: Vulnerable groups have improved access to economic opportunities and adequate social protection	
UNDAF/CPAP Output:	
<ol style="list-style-type: none"> 1. Government has improved capacity to design, execute and manage economic development programmes and strategies. 2. A sustainable delivery system for MED in Nepal entirely owned and run by government, but making use of public and private expertise by contracting service delivery to competent ME Service Providers. 	
MEDEP Phase IV Objectives:	
<ol style="list-style-type: none"> i. To support the government to take over the delivery of MED activities through MEDPA Programme. ii. To build the capacity of GoN and the private sector including NGOs (MED service providers) to sustainably deliver MED. iii. To strengthen the capacity of Micro-Entrepreneurs' Associations (MEA) to sustainably provide members with a number of business development services such as access to markets, access to finance, improved technologies and advocacy. 	

Project Duration (day/month/year)	Implementing Partner(s)	Implementation Modality
Start Date: August 2013 End Date: July 2018	Ministry of Industry (MoI)	NIM/DIM: NIM
Project Budget (US\$)		
UNDP Contribution: US\$ 2,500,000		
Government Contribution:		
Contributions from Australian Aid as per CSA: AU\$ 32,300,000		
Carry over DFAT Balance of MEDEP III: US\$ 2,367,168		
Other Contributions (CQU): US \$ 57,820		
Unfunded:		
Available Project Budget converted in US\$ (Approx.):	US\$ 30,557,986 (DFAT: US\$ 28,000,166 which includes due installment AU\$ 750,000 converted at 1 AU\$ = 0.7994 US\$); and UNDP US\$ 2,500,000, CQU US\$ 57,820	
Total Project Expenditure till 31 Dec 2017	US\$ 27,762,803.12 (DFAT 25,447,635.06 UNDP 2,257,351.49 & CQU 57,816.57)	
Project Budget Balance (Approx.) as of 31 Dec 2017	US\$ 2,795,182.88	
Total Budget 2017:	US\$ 5,901,672 (DFAT US\$ 5,401,672; UNDP US\$; 500,000	
Total Expenditure 2017(31 December):	US\$5,290,641.88 (DFAT US\$; 4,796,457.32 UNDP US\$ 494,184.56)	
Budget Utilization 2017	89.65 %	

Signature: 
Name: Dr. Ranjita P. Nayak
National Programme Manager
Date: 6th May 2018



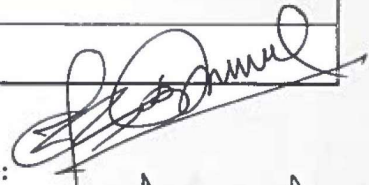
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Table of Contents

Content	Page Number
Project Summary	i
Table of Content	iii
Abbreviation	iv
List of Figures	vii
List of Table	vii
List of Annexes	viii
1. Executive Summary	1
2. Background and Rationale	5
3. Project Summary and Objectives	5
4. Programmatic Revision	6
5. Narratives on Key Results Achieved in 2017	9
5.1 Progress Towards the UNDAF/CPAP Outcomes	9
5.2 Progress on UNDP/CPAP Outputs	19
5.3 Progress on Project Outputs	21
6. Budget and Expenditure	66
7. Cross Cutting Issues	67
8. Successful Case Stories	74
9. Lessons Learned	77
10. Implementation Issues and Challenges	78
11. Priorities for 2018	79
12. Monitoring and Evaluation Field Visits, 2017	80
13. Facilitation towards Institutionalization of MEDEP into MEDPA	80
14. Appendices.	81
Appendix I: Target versus Achievement 2017	81
Appendix II: Monitoring Framework and Progress Tracking Report	90
Appendix III: Progress Against Annual Work plan 2017	102
Appendix IV: Field Monitoring Visit Conducted by Central Level in 2017	125
Appendix V: Risk Logs 2017	132
Appendix VI: Issue Logs 2017	137
Appendix VII: GESI wise distribution of Additional Employment Generated by MEDEP and MEDPA in different period	141
Appendix VIII: GESI wise distribution of Graduated MEs under different Programme and in different period	143
Appendix IX: GESI wise distribution of ME Created by MEDEP and MEDPA in different Period	145
Appendix X: Year wise MEs benefitted from Graduation Support in Phase IV	146

Abbreviation

A2F	Access to Finance
APR	Annual Progress Report
B2B	Business to Business
CFC	Common Facility Centre
CFUG	Community Forest Users Group
CIDA	Canadian International Development Agency
CO	Computer Operator
COC	Code of Conduct
CPAP	Country Programme Action Plan
CQU	Central Queensland University
CSIDB/O	Cottage and Small Industries Development Board/Office
CSIO	Cottage and Small Industries Office
CTA	Chief Technical Adviser
CTEVT	Council for Technical Education and Vocational Training
DADO	District Agriculture Development Office
DBA	Database Assistant
DCC	District Coordination Committee
DCED	Donors' Committee on Enterprise Development
DCSI	Department of Cottage and Small Industries
DDC	District Development Committee
DEDC	District Enterprise Development Committee
DFAT	Department of Foreign Affairs and Trade
DFID	Department for International Development
DMEGA	District Micro Entrepreneurs' Groups Association
EC	Election Commission
EDC	Enterprise Development Committee
EDF	Enterprise Development Facilitator
ED Fund	Enterprise Development Fund
EDO	Enterprise Development Officer
EDP	Enterprise Development Plan
EIC	Enterprise Information Centre
EOI	Expression of Interest
FMDB	First Microfinance Development Bank
FSP	Financial Service Provider
FWG	Functional Working Group

GDP	Gross Domestic Product
GESIMIS	Gender Equality and Social Inclusion – Management Information System
GIDC	Government Integrated Data Centre
GoN	Government of Nepal
GSIPPME	Gender and Social Inclusion Participatory Planning, Monitoring and Evaluation
IDS	Industry Development Section
IEDI	Industrial Enterprise Development Institute
IN	Indigenous Nationalities
IT	Information Technology
KSA	Knowledge, Skills and Attitude
LDO	Local Development Officer
LG	Local Government
LGCDP	Local Governance and Community Development Programme
MCG	Micro Capital Grant
MDG	Millennium Development Goals
ME	Micro Entrepreneur
MEA	Micro Entrepreneurs' Association
MED	Micro Enterprise Development
MEDEP	Micro Enterprise Development Programme
MEDPA	Micro Enterprise Development Programme for Poverty Alleviation
MEDSP	Micro Enterprise Development Service Provider
MEG	Micro Entrepreneurs' Group
MEGA	Micro Entrepreneurs' Group Association
MoFALD	Ministry of Federal Affairs and Local Development
MoI	Ministry of Industry
NASC	National Administrative Staff College
NEDC	National Entrepreneurship Development Centre
NITC	National Information Technology Centre
NMEFEN	National Micro Entrepreneurs Federation Nepal
NPC	National Planning Commission
NPM	National Programme Manager
NRB	Nepal Rastra Bank
NRs	Nepali Rupees
NSTB	National Skill Testing Board
NZAiD	New Zealand Aid
OG	Operational Guidelines

OJT	On the Job Training
PAF	Poverty Alleviation Fund
PB	Project Board
PCI	Per Capita Income
RBM & E	Results-based Monitoring and Evaluation
RELRP	Rapid Enterprise and Livelihoods Recovery Project
RFP	Request for Proposal
RMDC	Rural Micro-Finance Development Centre
RRF	Results and Resource Framework
RSRF	Rural Self Reliance Fund
SC	Steering Committee
SDG	Sustainable Development Goals
SIC	Senior Intervention Coordinators
SIYB	Start and Improve your Business
SKBB	Sana KisanBikas Bank
SLC	School Leaving Certificate
SWOC	Strength, Weakness, Opportunity and Constraint
TOPE	Training of Potential Entrepreneurs
TOSE	Training of Starting Entrepreneurs
ToT	Training of Trainers
TPE	Third Party Evaluation
TSLC	Technical School Leaving Certificate
TWG	Technical Working Group
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UPAP	Urban Poverty Alleviation Project
VDC	Village Development Committee

List of Figures

FIGURE NO.	TITLE	PAGE NO
Figure 1:	The Project's Logical Framework	9
Figure 2:	Year wise Trend of MEs sustaining enterprises with Profit till 3 rd Phase	12
Figure 3:	Proposed Chapter Model Structure of MEAs	21
Figure 4:	MEDPA Budget Trend	25
Figure 5:	MED model Orientation for Local Government Representatives	27
Figure 6:	Political Empowerment of MEs	28
Figure 7:	A Summary Status of Common Facility Centres	35
Figure 8:	Status of First Cycle Loan Receivers	52
Figure 9:	Loan Receiver from 2nd Cycle and above in 2017	53
Figure 10:	Average Loan Size	53

List of Tables

TABLE	TITLE	PAGE
Table 1:	GESIwise distribution of MEDEP and MEDPA MEs that have Moved Out of Poverty	11
Table 2a:	MEs Sustaining Enterprises with Profit till 3 rd Phase	11
Table 2b:	GESIwise distribution of MEs Sustaining Enterprises with Profit under MEDEP and MEDPA in 4 th Phase till 2016	13
Table 2c:	Year wise Distribution of MEs with Positive Income Change from 2008 to 2016	14
Table 3a:	GESI wise distribution of Additional Employment Generated by MEDEP and MEDPA from 1998 to 2017	14
Table 3b:	GESI wise distribution of Additional Employment Generated by MEDEP and MEDPA in 4 th Phase	15
Table 4a:	GESI wise distribution of Graduated MEs under different Programme and in different period	15
Table 4b:	GESI wise distribution of Graduated MEs by MEDEP and MEDPA in Fourth Phase till 2017	16
Table 5a:	GESI wise distribution of ME Created by MEDEP and MEDPA from 1998 to 2017	17
Table 5b:	GESI wise distribution of ME Created by MEDEP and MEDPA in 4 th Phase	18

Table 6:	Yearwise MEs benefitted from Graduation Support in Phase IV	19
Table 7:	MEDPA Budget and Expenditure in IV Phase (as of Dec 2017)	19
Table 8:	Partnership with MEAs	49
Table 9:	Loans received from Women Entrepreneurship Development Fund (WEDF)	51
Table 10:	Total Number of MEs who have received Loans from different sources	52
Table 11:	Wholesale Loan Disaggregated by GESI	54
Table 12:	Progressive Trends in MEDSPs bidding and providing Services to MEDPA	57
Table 13:	GESI disaggregated information of Certified EDFs	58
Table 14:	List of Training Institutes	59
Table 15:	EDF Development Trend	61
Table 16:	Output wise Annual Budget and Expenditure	66
Table 17:	Source of Fund Budgeted and Utilisation	66
Table 18:	Representation of Women and Excluded Groups in MEAs	69
Table 19:	Capacity Building Trainings	70

List of Annexes

ANNEX	TITLE	PAGE
Appendix I	Target vs Achievement 2017	81
Annendix II	Monitoring Framework and Progress Report for Institutionalization of MEDEP Model into MEDPA: MEDEP APR 2017	90
Annendix III	Progress against Annual Work Plan 2017	102
Annendix IV	Field Monitoring Visit Conducted by Cetral Level in 2017	125
Annendix V	Risk Log 2017	132
Annendix VI	Issue Log 207	137
Annendix VII	GESI wise distribution of Additional Employment Generated by MEDEP and MEDPA in different period	141
Annendix VIII	GESI wise distribution of Graduated MEs under different Programme and in different period	143
Annendix IX	GESI wise distribution of ME Created by MEDEP and MEDPA in different Period	145
Appendix X	Year wise MEs benefitted from Graduation Support in Phase IV	146

1. EXECUTIVE SUMMARY

Micro Enterprise Development Programme (MEDEP), a flagship poverty reduction programme, has been contributing to the larger outcomes of the government's poverty reduction and employment generation priorities by bringing transformative changes in the lives of rural households through livelihoods and self-employment opportunities. MEDEP started in 1998 jointly by the Government of Nepal (GoN) and United Nations Development Programme (UNDP), has targeted those living under the poverty line, especially those systematically marginalized, to help them come out of poverty. After mostly focusing on supporting the rural poor to become entrepreneurs and expand their businesses over three phases, to address poverty among the poor and socially excluded through micro-enterprise development (MED), MEDEP entered into the fourth phase in August 2013 with primary aim of entrenching a system within government structures for sustainable MED in Nepal. The Australian Government's Department of Foreign Affairs and Trade (DFAT) has been a major partner (92% funding support) for current MEDEP Phase IV (2013-2018). MEDEP undertakes a holistic approach by targeting all key nodal points in creating a sustainable entrepreneurial environment. This requires not just creating entrepreneurs; it also calls for policy changes and institutional capacity building anchored in government systems to make it sustainable.

The end of 2017 marks almost the end of the fourth phase of MEDEP. With the set exit date is July 2018; MEDEP activities in the final year and months have been primarily focused on institutionalization of MEDEP model into government system through the Micro Enterprise Development Programme for Poverty Alleviation (MEDPA). This is taking place against the backdrop of a complicated political and administrative transition of Nepal from a centralized administration to a federal system considerably devolving roles and responsibilities. The fluidity surrounding new sub national structures has created challenge in fully entrenching MED model and MEDPA at sub national level. While efforts are underway to ensure smooth handover and transfer of responsibilities in next six months, much will depend on progress on the government side in institutionalizing new structure mandated by the Constitution. The challenges are significant as a significant number of laws are yet to be legislated. Deputation of existing staff has become complicated, while recruitment of new ones is held up in the absence of some different civil service acts required to govern these new hiring under the federal structures.

Despite the administrative fluidity, at the Policy level, in 2017, MEDEP has supported the MoI to develop Five Year Strategic Plan II. Accordingly, the MEDPA II five years strategy plan has been drafted by MoI. But the Ministry of Finance has suggested to hold on until the decision of Government on budget for next fiscal year. The project helped MoI to revise MEDPA Operational Guidelines along Federal structure and approved Third Party Evaluation Guidelines. Policy documents for Enterprise Development Fund (ED Fund), Enterprise Development Strategic Plan Guidelines, Standard Operating Procedures – SOP (SoP is still not formalized but it is under process of finalization) of Industry Development Section (IDS), and concept paper for NPC on productive employment, SOP of Local Governments (LG) for MED model implementation and Organogram of IDS have been developed. This has helped Local Government plan and procure MEDPA activities by outsourcing Micro Enterprise Development Service Providers (MEDSPs), guide LGs to develop Enterprise Development Plan, form

Enterprise Development Committee, create Enterprise Development Fund and create conducive atmosphere to implement MED model.

At the Institutional level, MEDEP has facilitated establishment of Enterprise Information Centre (EIC) at MoI for strengthening M&E system and its institutionalization at LGs. Establishment of IDS, Enterprise Development Committee, Monitoring Committee and Enterprise Development Plan at LGs as well as Micro Entrepreneurs Association (MEA) restructuring as per federal structures are important steps in institutionalization. The efforts in institutionalization have led to GoN/MoI allocating significant amount of budget (NRs. 690 million, i.e. 115% increment compared to last year) as against 20 % of target set by government for the current Fiscal Year demonstrating its commitment and ownership of the MED model. According to the current trend, government is annually increasing MEDPA budget. As demonstrated evident of its commitment and ownership of MED model, the GoN increased the budget from NRs. billion to NRs. 1.63 billion for the total MEDPA allocation during the fourth phase.

Under the federal set up, the institutionalization is required at local, provincial and central levels. Considering these changed context as well as the limited remaining period of MEDEP and human and financial resources; the Project facilitated initiating demonstration of MED model implementation in 65 LGs in order to demonstrate best practices of the Project/MED model such that it had the potential to be replicated sustainably in all 753 LGs in the future¹. Further, project jointly with MEDPA conducted MED model orientation in 550 LGs. These have resulted in 186 LGs approving budget amounting to NRs. 398 million for economic/employment generation and enterprise development activities for the poor. So far, 13 LGs already have agreements with service providers/MEAs to work on MED model with a total of NRs. 14.3 million.

The MEDPA with dedicated budget and staffs playing stimulating role to guide the MED model further institutionalization and implementation at local and province levels. MEDEP in this regard is supporting government, providing with technical backstopping by outsourcing technical expert in EDP development, organizing exposure visit to observe successful cases, organize workshop to orient them on resource mobilization for MED model implementation. The project facilitated a dialogue process between the National Planning Commission (NPC) and MoI to develop a pragmatic “multi-year contracting” system in place to obtain services of the MED-Service Providers (MEDSP) efficiently and effectively. It is agreed in principle to implement the multi-year sub-contracting process based on findings and recommendations of the situation analysis. However, owing to new restructured situation and evolving policies and structure of the Government; the progresses on procurement policy and implementation procedures are on hold. Though MEDPA/MoI has continued advocacy for multi years subcontracting.

The preparation of GESI strategy and adoption by MEDPA II as well as MoI/GoN has demonstrated the ownership of this strategy and its underlying philosophy of including women, and socially excluded groups, i.e., *Dalits, Adivasi Janajati* (Indigenous Nationalities), and People

¹ The 65 LGs have been selected for demonstration to implement the best practices of the MED model was based on a number of composite indices, i.e. LGs within existing MEDEP implementing districts, LGs keen and having allocated adequate budget for piloting the Demonstration LG model.

Living with Disability (PLWD) in MEDPA programme design and implementation. For example, MEDEP's continuous focus on empowering women and marginalized groups has resulted in significant achievement for its target group. A total of three hundred eighty-nine (389) MEs, out of them, two hundred and ninety one (291) women MEs empowered by MEDEP were elected in various local government positions, including Deputy Mayor, Ward Chairs during the elections held in 2017.

These efforts and progress have capacitated, strengthened and sensitized the government to institutionalize MED model into MEDPA to a greater degree than before the fourth phase. The government is currently able to accomplish more in the area of institutionalization of MED enhancing inclusive and sustainable growth for the poor through supporting productive capacities to create increased employments and income. Furthermore, due to Project's efforts during the calendar year 2017 and the preceding years, the potential and a "viable choice" for a sustainable delivery system for MED model for poverty reduction has emerged in Nepal. The government has "cognitively" owned and is running the MEDPA programme in all 77 districts, including making use of public and private expertise by contracting service delivery to competent MEDSPs. The MoI has provisioned the use of MEDSPs for implementation in MEDPA II.

On a beneficiary level, MEDEP and MEDPA jointly helped 7,685, 10,663 and 14,402 Micro-Entrepreneurs in 2014, 2015 and 2016 respectively move out of poverty². The Project generated 116,304 jobs and helped to create 63,239 MEs during the IV phase. Among them a total of **16,908** jobs were generated in 2017. Jointly, MEDEP and MEDPA created 131,680 MEs against the target of 145,370 during the programme period, which is 91 percent.

In total, 36,001 MEs Graduated into fully functioning micro-enterprises over the project period. In the fourth phase a total of 22,064 MEs were graduated. A total of 952 MEs moved up the scale to become small-scale entrepreneurs (SEs).

The monsoon floods during August, 2017 affected substantial portion of population in the Tarai including a number of MEs in the MEDEP and MEDPA districts. The project was able to assist 2,139 MEs in 14 most flood affected districts. Out of total MEs supported, more than half (55%) were able to recover their agro-based enterprises quickly with seeds, machinery/equipment support from MEDEP. This has resulted in the replacement of damaged technologies (tools, equipment, raw materials, and agriculture inputs) and enables them to resume their micro-enterprises.

In terms of budget and expenditure, a total of US \$ 5,290,641.88 was spent on 2017 against a total budget of US \$ 5,901,672 which represents 89.65 percent absorptive capacity in fund utilization. A balance of US \$ 611,030.12 was unutilized in 2017 (See Table 13& 14)

Implementation Issues and Challenges:

² This is calculated based on National Living Standard Survey, i.e. annual income above NRs. 28,796/ Person.

In the context of transitions at political, administrative and structural levels under the state restructuring as per the new constitution of Nepal 2015, the challenges for MEDPA to institutionalize the MED model are many, these include smooth 'handover' and 'takeover' of systems, strategy and procedures developed by MEDEP. The policy, institutional, programmatic and systems level mechanism developed by the Project needs to be institutionalized in the remaining period of MEDEP to selected LGs so that it could be replicated by others. The human, financial and systemic mechanisms under the MED model need to be aligned and harmonized with the emerging local governments system under the evolving Federal system. Besides, the other two important pillars of MED model, i.e. the MEDSPs and MEAs and their umbrella federation needs to be further strengthened in the future. Therefore, a continued “political will” at the highest levels, i.e. MoI/GoN needs to be maintained.

Despite these laudable efforts and “mind-set change” to implement the MED model including allocating significant financial resources; there are a number of practical and technical impediments present in smoothly running the MED model by MEDPA in the future. One such, critical element, is the procurement of MEDSPs under federal system is yet to be finalized and adapted by MoI, which are also undergoing restructuring at Provincial and State/Central level. The sustainable implementation and delivery of the MED model by MEDPA in the future remains a challenge, given the fact that the practical steps towards federalization, autonomy of the provinces, the effective functioning of the LGs, the economic and fiscal policies in the changed political realities and the “political-economy” are still on flux. Substantive and meaningful collaboration between MEDSPs and MEAs with MEDPA remains an important challenge. Likewise; the integration, assimilation and advocacy for inclusion of women, Dalits, IN, and PLWDs in future MEDPA programmatic interventions are challenging without the Project’s activism on these critical socio-economic issues.

In terms of MEDEP's exit in July 2018, a number of important priorities need to be addressed in the remaining period of the project. The timely and step wise completion of the programme and operational exit procedures as per exit strategy, MED institutionalization activities in selected Demo LGs, continued support to CSIO/CSIDBOs and IDS/ LGs to institutionalize MED model and implementation of MEDPA and completion & handover of simplified GESIMIS to MEDPA are some of the important priorities.

2. BACKGROUND AND RATIONALE

Micro Enterprise Development Program (MEDEP), a joint effort of the Government of Nepal (GoN) through the Ministry of Industry (MoI) and UNDP, with a conglomerate of funding partners, mainly the Australian Government, began in 1998. Australia provided 73 % of all MEDEP funding and 92% of MEDEP IV funding. Other donors, who provided funding to the program at different levels before MEDEP IV includes New ZealandAid (NZAid), Canadian International Development Agency (CIDA), Department for International Development (DFID) and Central Queensland University of Australia. Its foremost goal is to reduce poverty through employment generation, among the poor specifically hardcore poor and marginalized groups in hard to reach areas.

The country's economic growth has averaged four percent over the last decade, and absolute poverty decreased to 21.6% in 2017³. Although, opinions and statistics vary and the outcome of the multidimensional poverty index study says 28.6% are living under poverty. However, there are large disparities in the rates of poverty by gender, social group and geographical area (NPC, 2015).

The promulgation of the new Constitution of Nepal in September 2015, and the local, provincial and state level general elections during 2017; have raised the expectations and confidence of the people that the country will progress towards stable democracy leading to economic and social well-being of the people. The election manifestoes of all political parties have emphasized economic prosperity. This requires that Nepal proceed with a clear long term development plan, supplemented by a focused and implementable plan of action to achieve these goals and aspirations. Income generation, employment creation and improved livelihoods through various means are important. These include micro-enterprise creation for the people in general and the poor in particular as important task for the government in the future.

The Project's goal of reducing poverty in collaboration with government programmes, i.e. MEDPA finds convergence in this respect. Furthermore, the inclusive growth for sustainable peace and development, as articulated by the Project through GESI principle and internalized in governments long term programme, i.e., MEDPA is of particular relevance. In doing so, the participation of private sector and NGO/civic society sector, as envisaged by the Project in the MED model, together with MEDPA is relevant and has the potential to support long term sustainable development in Nepal.

3. Project Summary and Objectives

The objectives of MEDEP phase IV are:

- To support the government to take over the delivery of MED activities through MEDPA Programme.
- To build the capacity of GoN and the private sector including NGOs (MED service providers) to sustainably deliver MED.

³ CBS/NPC, Nepal Rastra Bank source Economic Survey Dec, 2017.

- To strengthen the capacity of Micro-Entrepreneurs' Associations (MEA) to sustainably provide members with a number of business development services such as access to markets, access to finance, improved technologies and advocacy.

The Project is working with the GoN to contribute to poverty reduction and employment generation through micro enterprise development. This strategy is in line with plans and policies of the GoN. It also contributes to UNDAF outcome. The Project's objectives as outlined in above project summary page are to contribute to the UNDAF outcome of providing vulnerable groups improved access to economic opportunities and adequate social protection. It is aligned to CPAP outputs 2.2.1 and 2.2.2 of creating and scaling up micro entrepreneurs for poverty reduction, employment generation and sustainability through increasing the capacity of the government to design, implement and monitor a multi partner supported micro enterprise development programme respectively.

Since its launch in 1998, MEDEP has evolved as a model of entrepreneurship development (i.e. MED model, reaching out to the poorest of the poor and vulnerable people). It is contributing to the country's larger outcome of meeting the SDG goals of ending poverty in all its form to reach 5% by 2030. Besides goal 1 that addresses eradication of poverty in all its forms, MEDEP also supports the broader SDG goals of gender equality (goal 5) by focusing on women entrepreneurs, decent work and economic growth (goal 8), and reduction of inequality (goal 10), through the Programme's various interventions targeting social change.

The government has adopted the model and has made it the government's regular programme through GoN/MoI implemented MEDPA, which is now "rolled-out" across all 77 districts of the country. The Project is focused on creating systems, structures and institutions for the sustainable delivery of MED model in Nepal. This is accomplished through building the capacity of the government, private and NGO sector to institutionalize the Programme at national, provincial and local government levels.

4. PROGRAMMATIC REVISIONS

Keeping the above objectives in mind, the Project has steered its course by making relevant adjustments and programmatic revisions. The revisions made in 2017 are as follows:

Revised Results Resources Framework (RRF)

- Pursuant to the recommendations of MTR of MEDEP, the project has revised the Results Resources Framework (RRF) and on the basis of the RRF, M&E framework has been developed. The revised M&E framework has concentrated in the institutionalization of MED model into MEDPA.
- MEDEP's implementation role changed to a Facilitation approach handing over its remaining ME creation and graduation activities and its budget to MEDPA (by financially contributing to MEDPA) in order to institutionalize MED model in MEDPA. It has three expected outputs and 14 results, which focuses on institutionalisation and capacity development until the project is concluded in end July, 2018. Keeping this in mind, one of MTE's

recommendations to MEDEP/UNDP was to handover the activity of creating new entrepreneurs to the government, which MEDEP has been undertaking by shifting its targets from July 2016. However, MEDEP has implemented some targets like creating of MEs through sub-contracting with MEDPSs till March 2017 under UNDP's Micro Capital Grant (MCG) mechanism.

Adaptation with Federal System

- One of the major changes adopted by the Project was shifting its focus from District to Local Government and Provincial governance system in a federal structure and adapting to it accordingly. Before the promulgation of the Constitution in 2015, the Project worked predominantly with the 69 districts. After the new Constitution came into effect, MEDPA has adapted its geographical and administrative working boundaries and aligned it into 77 districts, 753 local governments divided into metropolitan cities, sub-metropolitan cities, municipalities and rural municipalities.⁴
- A MEDPA guideline has been revised and implemented in order to address the changed context of MEDPA implementation. Under the Federal system, the former District Development Committee (DDC) has been changed into District Coordination Committee (DCC), the DCC Coordinator instead of former DDC chairperson leads the DEDC. The size has decreased from 18 to seven members to align with District level restructuring and collaboration and also revised M/VEDC into EDC accordingly.
- A total number of 65 LGs have been identified, selected and MoU signed in order to demonstrate the MED model (referred as Demo LGs hereafter) as demonstration effect and examples of best practices of MED model institutionalization at LGs.
- These 65 demo LGs have been establishing Industry Development Section (IDS), Enterprise Development Committees (EDCs), Enterprise Development Plan (EDP), Enterprise Development Fund (EDF) and Gender Equality and Social Inclusion Management Information System (GESIMIS). Owing to time, financial, material and human resources; more LGs could not be included from the 753 LGs. However, these demo LGs work are meant to ensure replicability and sustainability of the MED model to the rest of them.
- Industry Development Section (IDS) is being emerging in the remaining LGs. Currently, DCSIOs and CSIDBOs in 77 districts are playing the catalytic role to establish IDS for institutionalizing MEDPA. Out of 102 IDS established so far, 37 have been established outside of demo LGs. Similarly, 58 EDC formed, 60 EDP developed and 24 EDF fund have been established. Regarding GESIMIS, trained to focal person of M&E of all 65 demo LGs. The Project has worked with these structures adapting to the current situation.
- The existing Micro-Enterprise Development Fund (MEDF) at the district has become defunct owing to Federal restructuring. An Enterprise Development Fund(s) is being established at Local Government (LG) level, in order to provide necessary support. MEDEP has worked

⁴ Currently, there are 77 districts in Nepal with Rukum and Nawalparasi divided into east and west. Likewise, the Local Governments (LGs) - currently numbering 753 are divided into 6 metropolitan cities, 11 sub-metropolitan cities, 276 municipalities and 460 rural municipalities.

with these structures adapting to the current situation.

- MED model orientation programme is being carried out in all 753 LGs in line with current Federal structures. Out of this, MED model orientation is completed in 550 LGs.

Institutionalisation of MEAs

- In line with Exit Strategy and institutionalisation to MEDPA; the DMEGAs are given more facilitation support and emphasis on providing advocacy and quality of services to Micro-Entrepreneurs especially related to aligning its advocacy and lobby roles according to the new Federal structure in the country.

Institutionalisation of MEDSPs

- In line with Exit Strategy and institutionalisation to MEDPA, MEDSPs now play increasingly important and greater implementing role to implement major activities of the MED model. Furthermore, capacity of MEDSPs has been increased in implementing MED model; EDF capacity and knowledge have been built up and outsourcing mechanism of MEDSPs has been systematized by simplifying screening process.

Human Resource Management

- The facilitation of MEDEP has led to major allocation of responsibilities to the Project staff at both NPSO and APSOs level based on the recommendations of the Mid-Term Evaluation (MTR) 2016 and the RRF. This has resulted in component managers in NPSO being assigned new facilitation roles across the Project activities as Senior Intervention Coordinators (SICs) and one being placed in MEDPA/MoI and 4 in NPSO to oversee the institutionalization of MEDEP into MEDPA fully owned and implemented by GoN/MoI.

Exit Strategy, 2017

As the Project draws to a close on 31 July, 2018; MEDEP together with its major stakeholders, i.e., MoI, DFAT and UNDP have jointly developed a comprehensive Exit Strategy. The Exit Strategy covers the period from 1 June, 2017 till 31 July, 2018; with specific action plan recommended to the Project. It has identified major hand-over components to MEDPA/MoI on regular basis such that the Government can regularly implement the MED model in a sustainable manner. The Exit Strategy outlines the programmatic components as well as operational components to be handed over to the Government in order to ensure that MEDEP as a Project is systemically institutionalized into MEDPA as a regular Government programme. The developed exit strategy is being accommodated in the changed context of federalism following the flexible approach, for example, 65 LGs have been selected for demonstration effect on MED model institutionalization.

5. NARRATIVES ON KEY RESULTS ACHIEVED IN 2017

5.1 Progress toward the UNDAF /CPAP Outcomes

The narratives in the paragraphs 5.1 and 5.2 follow the Project's Logical Framework as illustrated below⁵.

Figure 1: The Project's Logical Framework⁶

Impact:

- An inclusive and accountable systems of Governance/Growth and Development are strengthened in Nepal,
- Absolute Poverty is reduced, PCI increased and Employment created for the Poor, and
- MEs created making them resilient through the MED model

Output 1: Government has increased capacity to design, implement and monitor a multi-partner supported micro-enterprise development programme (CPAP output 2.2.2; from pro doc).

Output 1 Indicator: *(Results to be attained)*

- 1.1 Extent to which MEDEP is fully aligned with MEDPA.
- 1.2 Extent to which MEDEP becomes a facilitator to support MEDPA.
- 1.3 Staff allocated for MEDPA: One National Programme Coordinator with 2 full-time support positions, all required positions at department and district level.
- 1.4 Districts implementing the MEDPA programme without technical support from MEDEP.
- 1.5 MEDPA II Strategy document submitted for approval.
- 1.6 VEDPs/MEDPs submitted, based on an improved methodology of data collection.
- 1.7 Increase of annual approved central government budget for MEDPA
- 1.8 An action plan in place and implementation ongoing to make MEDPA funding mechanism more efficient, transparent and effective in mobilizing funds from diverse sources
- 1.9 Advanced data collection and monitoring system implemented nationwide.
- 1.10 Part of new staff taking up MEDPA positions are trained in MED through a standardized approach.

Output 2: A sustainable delivery system for Micro-entrepreneurship development in place from pro-doc contributing to CPAP 2.2.1).

Output 2 Indicators: *(Results to be attained)*

- 2.1 MED service providers registered in the database (by category)
- 2.2 MEs offering their products or services through the database
- 2.3 FSPs serving MEs created by MEDEP/MEDPA.
- 2.4 MEs created by MEDEP and MEDPA accessing services from FSPs.
- 2.5 MED service providers eligible for MEDPA model implementation
- 2.6 Associations (DMEGAs, NMEFEN, NEDC) with feasible

Output 3: Capacity for policy advocacy and continuous improvement of quality of services improved, and awareness about MED increased.

Output 3 Indicators: *(Results to be attained)*

- MEAs Performance Based Criteria
- 3.1 Proposals brought forward to the GoN by NMEFEN based on inputs by an entity dedicated to policy and research in micro enterprise development.
 - 3.2 MEGAs and DMEGAs regrouped according to the new federal structure: percentage of DMEGAs/MEGAs aligned with new structure.

⁵Also known generically as the Logical Framework Analysis (LFA), with its accompanying Project Management Matrix (PMM).

⁶This implies a strong emphasis by the Project on the principle and practice of Gender Equality and Social Inclusion (GESI).

Based on the above Project design and intervention logic; the paragraphs below provide a succinct description of the Outcome and Outputs of the Project. The paragraphs narrates services and products provided or accomplished; its utilization and immediate benefits which are presented in Chapter 5.1 and 5.2.

UNDP Strategic Plan Outcome: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.

MEDEP has emphasized and designed an inclusive and sustainable development approach by ensuring that a proportionate number of women, *Dalits*, Indigenous Nationalities (IN), People Living with Disability (PLWD). The Project adopted a Gender Equality and Social Inclusion (GESI) strategy approach in its implementation and helped to potentially institutionalize this approach in MEDPA at all levels of Operations (*see Table 2 & 3 below*) including the forthcoming MEDPA II five year strategy.

UNDAF Outcome: Vulnerable groups have improved access to economic opportunities and adequate social protection.

Moved Out of Poverty:

One of the key indicators set for the outcomes of the programme is micro-entrepreneur - 'moved out of national poverty line'. In Fourth Phase, the programme has set a target of 65% MEs moved out of poverty by end of the programme. The information on MEs who have moved out from national poverty line is presented in Table 1.

In 2017, for measuring the moved out of poverty of the MEs created from 2014 to 2016, MEDEP has carried out a survey of 41534 MEs and collected transaction data of 32289. The data collection covered a total 48 percent MEs from MEDEP supported MEs and 52 percent from MEDPA. A mobile apps – the Kobo toolbox, was used for the MEs data collection. The result shows that a total of 7685 MEs have moved out of poverty in 2014. Similarly, 10663 MEs in 2015 and 14402 MEs in 2016 have moved out of poverty. In case of MEDEP supported MEs, a total of 6429 MEs in 2014, 7667 MEs in 2015 and 8530 MEs in 2016 have moved out of poverty. Likewise, 1256 MEs in 2014, 2996 MEs in 2015 and 6349 MEs in 2016 have moved out of poverty under MEDPA. The data of remaining MEs (9047) consisting of those created during August – December 2013 and new creation by RELRP project is yet to be updated which will be carried out in 2018.

Table 1: GESIwise distribution of MEDEP and MEDPA MEs that have Moved Out of Poverty

EDEP MEs Moved Out of Poverty	Achievement							
	Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
2008	7	4(57%)	3(43%)	0(0%)	3(43%)	4(57%)	4(57%)	6(86%)
2009	105	49(47%)	56(53%)	13(12%)	85(81%)	7(7%)	9(9%)	65(62%)
2010	3481	1880(54%)	1601(46%)	729(21%)	1276(37%)	1476(42%)	692(20%)	2820(81%)
2011	407	195(48%)	212(52%)	77(19%)	212(52%)	118(29%)	75(18%)	307(75%)
2012	1606	945(59%)	661(41%)	312(19%)	633(39%)	661(41%)	403(25%)	1174(73%)
2013	5787	3595(62%)	2192(38%)	1409(24%)	2163(37%)	2215(38%)	1779(31%)	4336(75%)
2014	6429	4180(65%)	2249(35%)	1565(24%)	2493(39%)	2371(37%)	1899(30%)	4862(76%)
2015	7667	4998(65%)	2669(35%)	1820(24%)	2497(33%)	3350(44%)	2895(38%)	5771(75%)
2016	8053	5893(73%)	2160(27%)	1931(24%)	2930(36%)	3192(40%)	2152(27%)	5895(73%)
MEs Moved Out of Poverty under MEDPA	Achievement							
	Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
2010	15	9(60%)	6(40%)	6(40%)	6(40%)	3(20%)	0(0%)	10(67%)
2011								
2012	15	11(73%)	4(27%)	1(7%)	13(87%)	1(7%)	0(0%)	0(0%)
2013	10	6(60%)	4(40%)	0(0%)	5(50%)	5(50%)	0(0%)	0(0%)
2014	1256	901(72%)	355(28%)	281(22%)	575(46%)	400(32%)	228(18%)	1076(86%)
2015	2996	2198(73%)	798(27%)	792(26%)	1241(41%)	963(32%)	510(17%)	2586(86%)
2016	6349	4739(75%)	1610(25%)	1979(31%)	2304(36%)	2066(33%)	1072(17%)	5294(83%)

Source: GESIMIS database, 2017

MEs Sustaining Enterprises with Profit:

Among 68441 MEs created till the end of 3rd phase (July 2013), MEs sustaining enterprises with profit are recorded a total of 36293 (53%) MEs representing 69% Women, 23% Dalit, 39% IN and 20 % Madhesi (Table 2a). The sustained MEs defined as a continuously operating the enterprises since its creation.

Table 2a: MEs Sustaining Enterprises with Profit till 3rd Phase

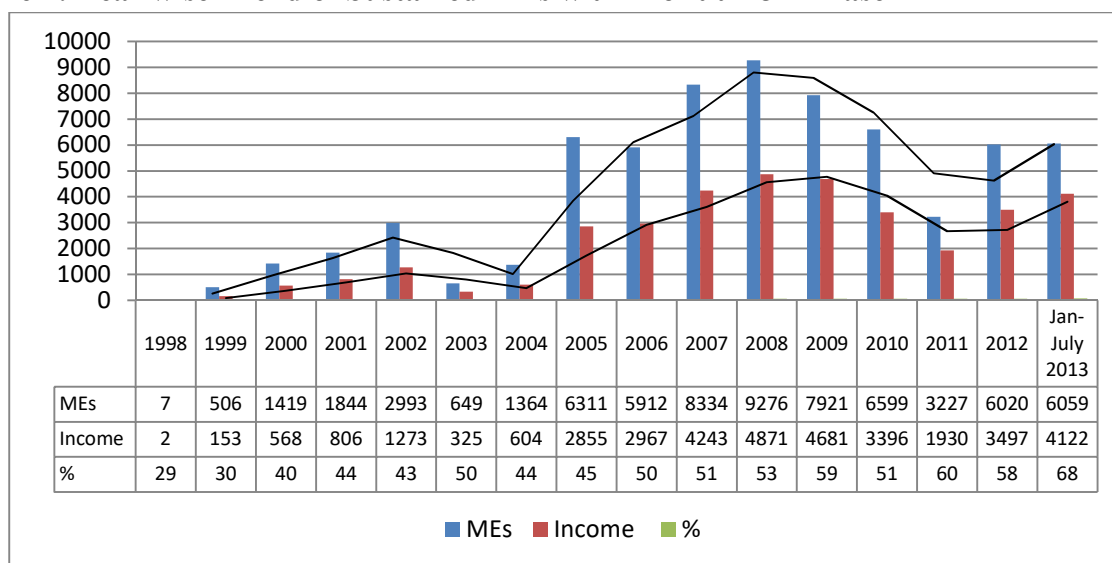
MEDEP MEs Sustaining with Profit	MEs	Income	%	Achievement											
				Women	%	Men	%	Dalit	%	IN	%	BCST	%	Madhesi	%
1998	7	2	29	0	0	2	100.0	0	0	2	100	0	0	1	50
1999	506	153	30	75	49	86	56.2	47	31	60	39	54	35	23	15
2000	1419	568	40	301	53	267	47.0	94	17	171	30	303	53	136	24
2001	1844	806	44	419	52	387	48.0	93	12	218	27	495	61	170	21
2002	2993	1273	43	624	49	649	51.0	177	14	469	37	627	49	176	14
2003	649	325	50	136	42	189	58.2	75	23	108	33	142	44	105	32
2004	1364	604	44	276	46	328	54.3	164	27	143	24	297	49	84	14

MEDEP MEs Sustaining with Profit	MEs	Income	%	Achievement											
				Women	%	Men	%	Dalit	%	IN	%	BCST	%	Madhesi	%
2005	6311	2855	45	1851	65	1004	35.2	753	26	1013	35	1089	38	438	15
2006	5912	2967	50	2173	73	794	26.8	494	17	1422	48	1051	35	444	15
2007	8334	4243	51	3153	74	1090	25.7	735	17	1905	45	1599	38	1038	24
2008	9276	4871	53	3467	71	1404	28.8	1239	25	1815	37	1817	37	1394	29
2009	7921	4681	59	3042	65	1639	35.0	1273	27	1708	36	1700	36	1136	24
2010	6599	3396	51	2365	70	1031	30.4	860	25	1189	35	1347	40	595	18
2011	3227	1930	60	1354	70	576	29.8	307	16	983	51	640	33	19	1
2012	6020	3497	58	2716	78	781	22.3	1001	29	1370	39	1126	32	777	22
Jan-July 2013	6059	4122	68	2974	72	1148	27.9	1082	26	1486	36	1554	38	760	18
Up to 3rd Phase	68441	36293	53	24926	69	11375	31	8394	23	14062	39	13841	38	7296	20

Source: GESIMIS database, 2017

The chart below describes the year wise trend of the sustained MEs with profit from 1998 to 2013 July. The highest percentage of sustained MEs is observed 68% in Jan to July 2013 followed by 60 percent in 2011 (Figure 2).

Figure 2: Year wise Trend of Sustained MEs with Profit till 3rd Phase



Source: GESIMIS database, 2017

MEs Sustaining Enterprises with profit in Fourth Phase:

In the fourth phase till the end of 2016, the MEs sustaining enterprises with profit are recorded a total of 17245 MEs (84.4%) against 20427 MEs created by MEDEP. The percentage increased from 79% in Aug-Dec 2013 to 92% in 2016 except slightly low trend is observed in 2015 (Table 2b). The percentage has increased from 53% in third phase to 84.4 % in fourth phase. The GESI distribution among the total MEs includes 77% Women; 24% Dalit and 41% IN; and 31% Madhesi.

In case of MEs created by MEDPA, the MEs sustaining enterprises with profit is recorded a total of 19473 MEs (74.9%) against 26016 MEs created in 4th Phase (till 2016). The GESI distribution is 79% Women, 28% Dalit and 39% IN, and 21% Madhesi (Table 2b).

Table 2b: GESIwise distribution of MEs Sustaining Enterprises with Profit under MEDEP and MEDPA in 4th Phase till 2016

MEDEP MEs sustaining with profit	MEs	# of Sustained MEs	%	Achievement											
				Women	%	Men	%	Dalit	%	IN	%	BCST	%	Madhesi	%
Aug-Dec 2013	4727	3757	79	2713	72	1044	28	867	23	1545	41	1345	36	1135	30
2014	4882	4093	84	3096	76	997	24	848	21	1746	43	1499	37	1060	26
2015	5455	4484	82	3451	77	1033	23	1171	26	1722	38	1591	35	1215	27
2016	5363	4911	92	4050	82	861	18	1271	26	2102	43	1538	31	1994	41
4th Phase total of MEDEP	20427	17245	84.4	13310	77	3935	23	4157	24	7115	41	5973	35	5404	31
MEs under MEDPA sustaining with profit	ME	# of Sustained MEs	%	Achievement											
				Women	%	Men	%	Dalit	%	IN	%	BCST	%	Madhesi	%
Aug-Dec 2013	182	157	86	125	80	32	20	35	22	77	49	45	29	3	2
2014	5968	5227	88	4251	81	976	19	1476	28	2219	42	1532	29	1200	23
2015	6415	5469	85	3931	72	1538	28	1526	28	1974	36	1969	36	1454	27
2016	13451	8620	64	7019	81	1601	19	2493	29	3318	38	2809	33	1434	17
4 th Phase total of MEDPA	26016	19473	74.9	15326	79	4147	21	5530	28	7588	39	6355	33	4091	21

Source: GESIMIS database, 2017

Positive Income Change:

The Table 2c shows that the year wise distribution of MEs with positive income change. The trend of the positive income change has been shown here only from the 2008 due to inconsistency data before that period. From 2008 to 2013 in 3rd phase, the highest percentage shown 60.97% in 2010 and the lowest is in 2008 which is only 6.5%.

The positive income change in the year 2014, 2015 and 2016 has been recorded 53%, 62% and 45% respectively (Table 2c). This data has also included the updated transaction data collected in 2017 as well.

Table 2c: Year wise Distribution of MEs with Positive Income Change from 2008 to 2016

Year	# of MEs with Transaction	# of MEs with Positive Income Change	Percentage	Remarks
2008	46	3	6.5%	3 rd Phase
2009	312	105	33.65%	
2010	30051	18325	60.97%	
2011	7689	2730	35.50%	
2012	18974	9345	49.2%	
2013	32578	15484	47.53%	
2014	8130	4321	53.1%	4 th Phase
2015	17357	10917	62.8%	
2016	32289	14768	45.7%	

Source: GESIMIS Database, 2017

Additional Employment Generation:

Another key outcome of the programme is additional employment generation. The programme has targeted the ratio of 1:1 employment generation i.e each new created ME generates one additional employment. The additional employment is defined as “the MEs who employed either from family members or other than family members”.

From 1998 to the reporting year, a total 107,201 and 62,948 additional employment is generated from the MEDEP and the MEDPA support respectively (Table 3a). The ratio of the additional employment generation of both MEDEP and MEDPA is 1:1.2 and 1:1.1 respectively. Compared with MEDPA, MEDEP is slightly efficient in term of employment generation. A total additional employment generated from 1998 to 2017 from both programme has reached 170,149 (Women: 76.4% and 23.6% men; Dalit: 21.8%, IN: 30.9% and BCST: 47.4%; and Madhesi: 22.0%). The ratio of employment generated is 1:1.2 which is greater than the set target by 0.2. (See detail in Annex VII – Table 3)

Table 3a: GESI wise distribution of Additional Employment Generated by MEDEP and MEDPA from 1998 to 2017 (For details see Appendix VII)

Additional Employment Generated from 1998 to 2017	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
MEDEP	86000	107201	76577(71%)	30624(29%)	25718(24%)	38335(36%)	43148(40%)	29341(27%)	56260(53%)
MEDPA (Total)	59370	62948	53402(85%)	9546(15%)	11312(18%)	14206(23%)	37430(60%)	8104(13%)	15787(25%)
Grand Total for 1998 to 2017	145370	170149	129979(76%)	40170(24%)	37030(22%)	52541(31%)	80578(47%)	37445(22%)	72047(42%)

Source: GESIMIS database, 2017

Employment Generation in the fourth phase:

In the fourth phase, the programme has generated 116,304 additional employment (Women: 80.0% and 20.0% men; Dalit:19.6%, IN: 30.6% and BCST:49.8%; Madhesi:14.9% and Youth: 67.3%) of which 55,226 from MEDEP and 61,078 from MEDPA support (Table 3b). The ratio of the additional employment is 1:1.6. The ratio is in increasing trend compared to ratio of overall period.

Table 3b: GESI wise distribution of Additional Employment Generated by MEDEP and MEDPA in 4th Phase (For details see Appendix VII)

Additional Employment Generated during MEDEP Phase IV	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
MEDEP	30000	55226	41073(74%)	14153(25%)	12087(21%)	22036(40%)	21103(38%)	15220(28%)	32835(60%)
MEDPA (Total)	43000	61078	51986(85%)	9092(14%)	10704(18%)	13592(22%)	36782(60%)	7937(13%)	45471(74%)
Grand Total during Phase IV	73000	116304	93059(80%)	23245(20%)	22791(20%)	35628(31%)	57885(50%)	23157(20%)	78306(67%)

Source: GESIMIS database, 2017

Graduated MEs towards Resilience

ME graduated stage is one of the major outcome indicators of the programme which is a third stage of micro-enterprise development model defined by MEDEP. For reaching to graduation stage, the ME has to full fill at least the indicators defined in the box below.

Criteria for the Graduated MEs

1. MEs are still running after two years of period
2. The enterprise recovered initial investment which means the investment is less than profit
3. At least one additional employment generates by the enterprise
4. PCI of the entrepreneurs has increased by double from the baseline.

The target set for the graduated MEs for the programme period is 60,000 MEs which is about 40% of the total MEs.

As per the above four key criteria, the programme (MEDEP and MEDPA) has been able to produce a total of 36,001 MEs in the graduated stage which is 60% percent of total target (60000 MEs). Variation between MEDEP and MEDPA in case of the graduated MEs is very high. The table 4a shows that the support from the MEDEP produced 30,637 graduated MEs compared to 5364 produced by MEDPA. The age of MEs and graduation support are the key factors for this variation. Another reason is the quality of the service of MEDSPs and monitoring mechanism from the central and field level. For GESI distribution of the graduated MEs, the representation of women is 67% in MEDEP and 76% in MEDPA but similar incase of IN (Table 4a).

Table 4a: GESI wise distribution of Graduated MEs under different Programme and in different period (For details see Appendix VIII)

Graduated MEs from 1998 to 2017	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
MEDEP	35495	30637	20467(67%)	10170(33%)	7338(24%)	10963(36%)	12336(40%)	8231(27%)	17305(56%)
MEDPA (Total)	24505	5364	4072(76%)	1292(24%)	1712(32%)	1904(35%)	1748(33%)	1094(20%)	2051(38%)
Grand Total for 1998 to 2017	60000	36001(60%)	24539(68%)	11462(32%)	9050(25%)	12867(36%)	14084(39%)	9325(26%)	19356(54%)

Source: GESIMIS database, 2017

Fourth Phase Progress on Graduated MEs

In the Fourth Phase, a total of 22,064 (74.2%) MEs graduated representing 72% women (15950), 26% Dalit (5741), 37% IN (8134), 24% Madhesi (5398) and 79% Youth (17530), of which 16702 MEs are from MEDEP and 5362 from MEDPA support (Table 4b).

Table 4b: GESI wise distribution of Graduated MEs by MEDEP and MEDPA in Fourth Phase till 2017 (For details see Appendix VIII)

MEs Graduated during Phase IV	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
MEDEP		16702	11879(71%)	4823(29%)	4031(24%)	6230(37%)	6441(39%)	4304(26%)	13086(76%)
MEDPA (Total)		5362	4071(76%)	1291(24%)	1710(32%)	1904(36%)	1748(33%)	1094(20%)	4444(83%)
Grand Total during Phase IV	30130	22064	15950(72%)	6114(28%)	5741(26%)	8134(37%)	8189(37%)	5398(24%)	17530(79%)
Yearwise MEDEP IV MEs Graduated	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
Aug to Dec 2013									
2014		3920	2667(68%)	1253(32%)	982(25%)	1527(39%)	1411(36%)	945(24%)	2844(73%)
2015		4556	3313(73%)	1243(27%)	1070(23%)	1697(37%)	1789(39%)	1216(27%)	3334(73%)
2016		4700	3389(72%)	1311(28%)	1187(25%)	1569(33%)	1944(41%)	1162(25%)	4483(95%)
2017		3526	2510(71%)	1016(29%)	792(22%)	1437(41%)	1297(37%)	981(28%)	2344(66%)
Grand Total by Phase IV	22500	16702	11879(71%)	4823(29%)	4031(24%)	6230(37%)	6441(39%)	4304(26%)	13005(78%)
Yearwise MEDPA I MEs Graduated	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
Aug to Dec 2013									
2014		887	667(75%)	220(25%)	245(28%)	380(43%)	262(30%)	177(20%)	750(85%)
2015		1660	1256(76%)	404(24%)	463(28%)	678(41%)	519(31%)	323(19%)	1439(87%)
2016		2712	2074(76%)	638(24%)	980(36%)	806(30%)	926(34%)	574(21%)	2258(83%)
2017		103	74(72%)	29(28%)	22(21%)	40(39%)	41(40%)	20(19%)	78(76%)
Grand Total by MEDPA I	32250	5362	4071(76%)	1291(24%)	1710(32%)	1904(36%)	1748(33%)	1094(20%)	4525(84%)

Source: GESIMIS database, 2017

ME Creation:

Resulting from the Project's inclusive and equitable development intervention strategy including GESI approach, a proportionate number of the people from these vulnerable groups were supported to become micro-entrepreneurs by MEDEP and MEDPA (Table 5a). Currently, they number 131,680 MEs representing women (97, 188 – 74%); Dalits (33, 520 – 26%); IN (50, 436 – 38%); (BCTS 47,734 – 36%) Madhesis (28,145 – 21%) and youths (78,306 – 57%). MEDEP/ MEDPA have consistently worked with the vulnerable groups defined under GESI strategy over the Project period. This has resulted around 64% of these groups having access to improved economic opportunities and social protection.

Compared to the overall target of the ME creation (145,370), a total of 131680 (91 %) has been achieved till end of December 2017 in which 87,991 (102%) by MEDEP and 43,689 (74%) by MEDPA (Table 5a). The MEDPA figure includes MEs created by MoI, VDC, DDC, Parliament, LSER and RELRP (detail presented in Annex VII).

Table 5a: GESI wise distribution of ME Created by MEDEP and MEDPA from 1998 to 2017

ME creation from 1998 to 2017	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
MEDEP	86000	87991(102%)	62568(71%)	25423(29%)	21362(24%)	33054(38%)	33575(38%)	19671(22%)	46596(53%)
MEDPA (Total)	59370	43689(74%)	34620(79%)	9069(21%)	12158(28%)	17382(40%)	14149(32%)	8474(19%)	28946(66%)
Grand Total for 1998 to 2017	145370	131680(91%)	97188(74%)	34492(26%)	33520(26%)	50436(38%)	47724(36%)	28145(21%)	75542(57%)

Source: GESIMIS database, 2017

ME Creation in Fourth Phase:

During the Fourth Phase, the programme facilitated to create a total of 63,239 (87%) MEs out of 73000 target representing 79% women, 27% Dalits, 40% IN, 33% BCTS, 22% Madhesi, and 86% Youth.

Out of the total MEs creation target of MEDEP in the fourth phase (30,000), a total of 22,378 MEs (75%) representing 78% Women, 25% Dalit, 41% IN, 26% Madhesi, and 82% Youth were created whereas 40,861 (95%) MEs representing 80% Women, 28% Dalit, 40% IN, 20% Madhesi and 89% Youth were created by MEDPA out of the total target of 43,000 (Table 5b). The fourth phase seems efficient in terms of fulfillment of the GESI wise MEs creation target.

However, the target of Local level (11,000 MEs) was not fully achieved due to restructuring of Local Governments and elections at Local, Provincial and Federal government levels held as per the federalism. Only 7% has been achieved under the LGs target. The target of ME creation set for MEDEP for remaining period has been shifted to MEDPA because of the changed role of MEDEP from implementation to facilitate.

MEDEP Mid Term Review report 2016 recommended MEDEP's responsibility to shift from implementing to facilitation roles for institutionalization of the MED model into MEDPA. However, MEDEP has planned to achieve the targets of MEs creation till March 2017 which was carried forward from 2016 UNDP's Micro Capital Grant (MCG) mechanism.

In 2017, a total 16,796 MEs was created, of which 1951 from MEDEP and, 14,641 from MEDPA. The GESI wise distribution of the MEs shows significantly higher representation (84%) of women (14,060) whereas the representation of Dalit, Indigenous Nationalities, BCTS, Madhesi and Youths are 4,828 (29%), 6,383 (38%), 5,585 (33%), 3,422 (20%) and 15,017 (89%) respectively (Table 5b).

Table 5b: GESI wise distribution of ME Created by MEDEP and MEDPA in 4th Phase
(For details see Appendix IX)

ME creation in MEDEP IV	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
MEDEP	30000	22378(75%)	17343(78%)	5035(23%)	5545(25%)	9068(41%)	7765(35%)	5875(26%)	18298(82%)
MEDPA(Total)	43000	40861(95%)	32595(80%)	8266(20%)	11429(28%)	16233(40%)	13199(32%)	8239(20%)	36199(89%)
Grand Total during Phase IV	73000	63239(87%)	49938(79%)	13301(21%)	16974(27%)	25301(40%)	20964(33%)	14114(22%)	54497(86%)
Yearwise ME directly created by MEDEP IV	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
Aug to Dec 2013	4250	4727	3404(72%)	1323(28%)	1185(25%)	1946(41%)	1596(34%)	1244(26%)	3856(82%)
2014	4100	4882	3729(76%)	1153(24%)	1046(21%)	2100(43%)	1736(36%)	1263(26%)	4003(82%)
2015	5320	5455	4235(78%)	1220(22%)	1460(27%)	2071(38%)	1924(35%)	1527(28%)	4725(87%)
2016	3122	5363	4374(82%)	989(18%)	1371(26%)	2278(43%)	1714(32%)	1598(30%)	4580(85%)
2017	3828	1951	1601(82%)	350(18%)	483(25%)	673(35%)	795(41%)	243(13%)	1607(82%)
Grand Total by Phase IV	20620	22378	17343(78%)	5035(23%)	5545(25%)	9068(41%)	7765(35%)	5875(26%)	17670(79%)
Yearwise ME created under MEDPA I	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
Aug to Dec 2013	4250	182	146(80%)	36(20%)	45(25%)	87(48%)	50(28%)	3(2%)	163(90%)
2014	11700	5968	4854(81%)	1114(19%)	1712(29%)	2512(42%)	1744(29%)	1404(24%)	5225(88%)
2015	11480	6415	4601(72%)	1814(28%)	1787(28%)	2349(37%)	2279(36%)	1645(26%)	4600(72%)
2016	14278	13451	10535(78%)	2916(22%)	3540(26%)	5575(41%)	4336(32%)	2008(15%)	11328(84%)
2017	10672	14845	12459(84%)	2386(16%)	4345(29%)	5710(39%)	4790(32%)	3179(21%)	13410(90%)
Grand Total by MEDPA I	52380	40861	32595(80%)	8266(20%)	11429(28%)	16233(40%)	13199(32%)	8239(20%)	36827(90%)

Source: GESIMIS database, 2017

Graduation Support

The graduation support is provided to the existing MEs who have been smoothly running their enterprises and wanted to expand their enterprises. The graduation support includes ToGE/ToEE training, advanced skills training, advanced technology transfer, and support for marketing linkage. The table 6 below shows year wise trend of benefitted MEs from the graduation support by MEDEP and MEDPA in phase IV.

A total benefitted MEs from graduation support under MEDEP was 17,556 which is 75.4% against a total target of 23,270. Under MEDPA, a total of 13883 MEs benefitted which is 91.86% of the total phase four target (15,113). The table 6 below shows the GESI wise distribution of the benefitted MEs supported from MEDEP and MEDPA. Out of the total MEDEP supported MEs the representation of women 71% (12,422), Dalit 3,921 (22%), IN 7,581 (43%) and Madhesi 2454 (14%). Similarly, under MEDPA, 10411 ((75%) are Women, 3048 (22%) are Dalit, 5873(42%) are IN, and 1017 (7%) are Madhesi. However the progress shown in the table below is taken from the MEDEP Annual Progress and Quarterly Progress reports.

Table 6: Yearwise MEs benefitted from Graduation Support in Phase IV

Yearwise MEDEP IV MEs received Graduation Support	Target	Achievement								Remarks
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth	
Aug to Dec 2013	1000	2340	1568(67%)	772(33%)	492(21%)	1006(43%)	842(36%)			Apr-13
2014	8220	7305	5113(70%)	2192(30%)	1680(23%)	3141(43%)	2484(34%)	1241(17%)	4236(58%)	Apr-14
2015	3610	3986	2943(74%)	1043(26%)	1101(28%)	1487(37%)	1398(35%)	934(23%)	2707(67%)	Apr-15
2016	4340	3925	2798(71%)	1127(29%)	648(17%)	1947(50%)	780(20%)	279(7%)	2017(51%)	QPR 2016
2017	6100									Shifted to 2018
Grand Total by MEDEP	23270	17556	12422(71%)	5134(29%)	3921(22%)	7581(43%)	5504(31%)	2454(14%)	8960(51%)	
Yearwise MEDPA I MEs received Graduation Support	Target	Achievement								Remarks
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth	
Aug to Dec 2013										
2014	2450	1588	1270(80%)	318(20%)	349(22%)	508(32%)	731(46%)			Apr-14
2015	3840	4304	3452(80%)	852(20%)	1093(25%)	1772(41%)	1439(33%)	613(14%)	2959(69%)	Apr-15
2016	5328	4798	3031(63%)	1367(29%)	751(16%)	2248(47%)	1789(37%)	404(8%)	2380(49%)	QPR 2016
2017	3495	3193	2658(83%)	535(17%)	855(27%)	1345(42%)	993(31%)			MEDEP for MEDPA only
Grand Total by MEDPA I	15113	13883	10411(75%)	3072(22%)	3048(22%)	5873(42%)	4952(36%)	1017(7%)	5339(39%)	

Source: APSO Annual Progress Reports, 2017

Budget for MEDPA

The table 7 below shows the budget and expenditure trend of MEDPA for FY 2070/71 to FY 2073/74 during MEDEP IV phase.

Table 7: MEDPA Budget and Expenditure in IV Phase (as of Dec 2017)

Level	FY 2013/14 (070/71)			FY 2014/15 (071/72)			FY 2015/16 (072/73)			FY 2016/17(073/74)
	Budget	Expenditure	%	Budget	Expenditure	%	Budget	Expenditure	%	Budget
GoN (Central Level)	201,971	140,841	70	191,111	134,308	70	229,980	196,566	85	320000
DDC	NA	NA		9,273,000	5,799,000	63	0,527,656	11,656,541	111	NA
VDC	NA	NA		10,660,412	5,099,000	48	13,884,427	7,309,039	53	NA
LG										398,000,000 (by 186 LGs)

Source: MEDPA progress Report

5.2 Progress on UNDAF/CPAP Outputs:

Output 1: Government has improved capacity to design, execute and manage economic development programmes and strategies.

The Project has undertaken a number of important steps and efforts to achieve this Output. These efforts were aimed at building capacity of MEDPA through its institutional components at central and local level. The efforts were broadly aimed at strengthening systems, intervention

strategies, M&E mechanisms of the government including the GESI-MIS and establishment of the Enterprise Information Centre (EIC). The implementation of the “best practice” of the MED model in 65 demoLGs is another effort. In the changed Federal context, effort is on way to institute MEDPA II of MoI to carry out similar efforts in the rest of 688LGs.

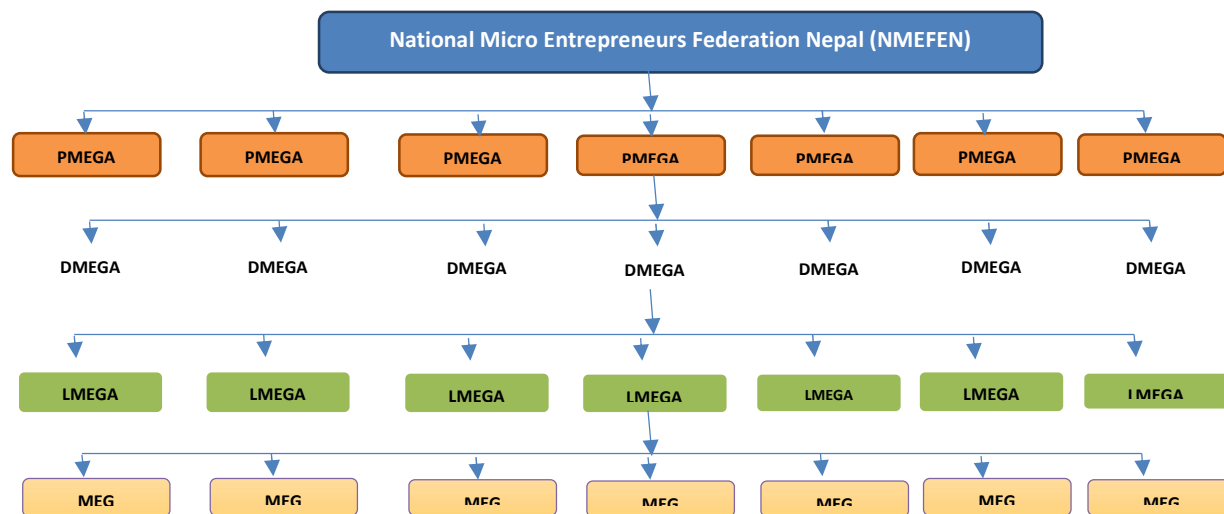
Output 2: A sustainable delivery system for MED in Nepal entirely owned and run by government, but making use of public and private expertise by contracting service delivery to competent ME Service Providers is functional.

This output has been attained to a greater extent through the GoN integrating MEDPA in 14th National Periodic Plan as a national priority programme of the Government. This has resulted in the allocation of adequate budget for the implementation of the programme. Furthermore, it has led to initiating a process to ensure adequate financial resources at LGs level. Likewise, the Project has encouraged a fully functioning Micro-Entrepreneurs Association (MEAs) and MED Service Providers (MEDSPs) to accomplish its roles at different levels. Challenges remain in future for sustained operations of the three pillars of MED model to function collaboratively. However, the Project’s efforts towards facilitating substantive collaboration between MEDPA, MEAs and MEDSPs have led to a stronger foundation for GoN/MoI to implement the MED model sustainably.

Output 3: Capacity for Policy Advocacy and continuous improvements of quality of services improved and awareness about MED increased.

The Project advocated quality assurance of the MED model through its “three pillar” implementation modality at all levels. Empowerment and building capacity of MEs and its associations (MEAs) was an important “core-piece” in this objective. In order for the MEAs to function effectively in the new Federal structure and play their effective advocacy, lobby and “right holders” role, the MEAs needed to be functional and able. Facilitation efforts were, therefore, focused towards this end. The NMEFEN and DMEGAs recognized the merit of re-organizing their structure at all levels. Currently, the General Assembly of MEAs has proposed an “ad-hoc” local to national level MEAs federation for effective policy advocacy, lobbying and effective participation of the MEs in order to ensure quality of services as well as having an improved understanding of the MED model. In the context of evolving federal structure, they have decided to go for the chapter model (Figure 3) such a structure of MEAs is expected to ensure continuous improvement in the quality of services from Government and MEDSPs level. The support provided for these MEAs to refine their business plan focusing on the core job of advocacy and business counselling service to the member MEs, have been emphasized through an indicator/merit based support. This has led to a stronger policy advocacy and business planning role for NMEFEN and DMEGAs. Provided the continued support from MEDPA/MoI; MEAs federations at various levels has the potential to create awareness, advocate and lobby and ensure quality of the MED model, *vis-a-vis*, MEDPA and MEDSPs. For FY 2073/74, government has allocated budget amounting to NRs. one hundred thousand for each DMEGA’s structural and capacity development support.

Figure 3: Proposed Chapter Model Structure of MEAs⁷



5.3 Progress on Project Outputs

Output1: Government has increased capacity to design, implement, and monitor a multi-partner supported micro-enterprise development programme.

In order to strengthen government’s capacity to design, implement and monitor a multi-partner supported micro-enterprise development programme, the Project’s efforts were directed to seven major results gleaned from the Output Monitoring indicators given below. These Results attempted to align MEDEP’s effort with MEDPA in the changed context of administrative, fiscal and structural adjustments to harmonise with the Federal system such that the MED model could be institutionalized and sustain by the MoI.

These seven Results attainment ranged from ensuring proper “staff-stock-take” and allocation by MEDPA (these results are achieved as staff stock take of DCSI and CSIDB completed and with MEDEP support the MEDPA budget allocation by Govt. has been increased by 115% compared to last FY, the total allocation last year was NRs. 320 mil and the current FY it has been increased to NRs. 690 million)⁸; facilitating and counselling MEDPA in taking lead role in implementing the MED model as government programme (the achievement of this result is mixed as GoN adopted federal system during current FY, therefore, facilitating and counselling MEDPA was shifted to mostly local government level); supporting the MoI/GoN to consolidate

⁷PMEGA - Provincial Micro Entrepreneurs Group Association, DMEGA - District Micro Entrepreneurs Group Association: transitional provision, LMEGA - Local Micro Entrepreneurs Group Association, at Rural/Municipality Level

⁸ A detail staff requirement of MEDPA and its current HRD/HRM staff status and gap is available with MoI/MEDPA.

and institutionalize MEDPA by preparing MEDPA II Five Year Strategy and have it approved in time. MEDPA II five years strategy plan has been drafted but while requesting comment from Ministry of Finance – MoF, MoF has hold it until the decision of Government to implement MEDPA at local level and gearing up MEDPA/MoI to prepare MEDPA II operational guidelines when the time comes (preparation of MEDPA II Operational Guidelines has to be waited until the fate of MEDPA II is decided by Govt.). However, MoI has already in the process of preparing programme and budget of MEDPA as a regular programme. If MEDPA II is not there, government will continue MEDPA under the regular programme of Government.

MEDPA II Operational Guidelines has to be prepared accordingly matching with government federal system). Strengthening the GESI friendly MIS (GESI-MIS) and M&E system of MEDPA is essential to make it functional (this result has not been fully achieved). So far, 540 MEDPA staff trained/oriented on GESIMIS, GESIMIS system has been simplified but MIS software are showing some errors and efforts are continued to correct it. Enterprise Information Centre has been established with computer hardware and furniture but it will be fully functional only after MEDEP MIS software is corrected and the consolidated data is uploaded. Providing guidance to MEDPA through exposure visits and high level field visit missions including government, UNDP and DFAT have mostly been completed. All these efforts were made in the context of institutionalizing the MED model into government system through MEDPA and ensure its capacity to design, implement monitor, review and improve the MED model.

Besides the above efforts, GESI principle was emphasized to be institutionalized into MEDPA. Government of Nepal has adopted gender equality and social inclusion agenda in all sectors with some special privilege to Women, Dalit, Indigenous Nationality (IN), Madhesi, Muslim and Backward Communities. Therefore, MEDEP and MEDPA are complying with this agenda and have its main target groups as Women, Dalit, IN, Madhesi, Muslim and Backward Communities. At the same time, efforts were made to ensure the “mindfulness” of MEDPA and the Project staff towards important changes and transitional adaptation on-going at political, structural, administrative and fiscal sectors. Constant adjustments were taking place due to the Federalization of Nepal resulting in a “high-degree” of uncertainty, ambiguity and “learning-by-doing”, trial, error and remedial approach.

Result 1: Extent to which MEDEP is fully aligned with MEDPA and acting as a capable Facilitator.

1.1 Issues Encountered

After the Mid-Term Review (MTR) of 2016; major emphasis were laid for the Project to strengthen capacity of its primary stakeholders and institutionalize its efforts into government systems, structure and strategy for MED model sustainability⁹. The second important issue encountered by MEDEP, was to achieve this institutionalisation process, when the country was going through political upheavals, transition and uncertainty including series of local and general

⁹ The primary stakeholders of the Project are MEDPA/MoI; MEDSPs and its umbrella federation and MEAs and its umbrella federation.

elections and constant changes of government staff¹⁰.

1.2 *Response and Efforts from MEDEP*

1.2.1 Change and Challenge during transition to Federal System : In order to operationalise the recommendations of the MTR, important steps were taken in order to refine and further develop the Results and Resource Framework (RRF, 2016); which lead to necessary “structural adjustment” in the Project towards a facilitation approach for Institutionalising MED model into MEDPA. To provide further impetuses, an Institutionalisation Monitoring Framework (M&E) and an Exit Strategy were developed in 2017. These instruments helped to adopt flexible programing influencing the refinements and amendments of the AWP, 2017 in the changing political environment in Nepal. Following, these developments, the Project assumed much stronger facilitation role for the final 18 months of the remaining Project cycle.

This has been challenging, since the government structures at local, provincial and state level were extremely fluid and in transitional phase during 2017. At best, the Project and its “technical assistance” staff had to often “wait, watch, guess and anticipate” as to how the administrative, human resources, fiscal, structural and operational management mechanisms and systems would emerge. This approach was relevant to the all three levels of government - local, provincial and national level. Such an unpredictable and fluid political external environment often led to less than optimum alignment of the Project’s approaches in terms of institutionalization of the MED model as desired into MEDPA implementation.

In order to clear these uncertainties, the Project together with MEDPA, facilitated a one-and-a-half-day high level national review workshop. The main objective of the workshop was to provide strategic guidelines for MEDPA in the coming phase in harmony with new federal systems. It was participated by the State Minister, Secretary and Joint Secretary of MoI; together with other high level representatives of MEDPA, MoFALD, NPC, DFAT, UNDP and other relevant stakeholders.

This review meeting provided vital information on structural and programmatic direction that GoN was attempting under the new and emerging Federal system in Nepal. It also provided strategic direction towards where MEDPA should be heading in the coming year. Besides, it provided certain clarity as well as continuing uncertainty and ambiguity during the “transitional period” towards federally structured administrative, political, fiscal and programmatic changes in the country - leading to and ensuring - that the Project efforts are aligned and institutionalized with MEDPA. Some of the project efforts include the decision of the meeting such as a suggestive staffing to the LGs for MED, MED orientation to the elected LG representatives, possible MED steering modality at the sub-national level and the revision of MEDPA Operational Guidelines for interim and formulation of MEDPA II strategy. However, a high

¹⁰ Elections to LGs were held on May 14, 2017; June 28, 2017; and September 18, 2017 and General Elections to the Provincial and National Legislatures during Nov 26, 2017; and Dec 7, 2017 in a staggered manner from May to December, 2017.

degree of uncertainty and unpredictability on how Nepal's administrative, socio-economic, fiscal and political landscape would remain, continued to pique the Project's implementation strategy including institutionalizing MED model into MEDPA despite these free and frank consultations.

One example of the "fluidity" and uncertainty is the finalization of MEDPA II five year strategic plans which is still awaiting government's approval. The transitional political period also meant that MEDPA and MoI could not fully internalize all aspect of the Project into its own autonomous and fully functioning systems, such as GESI approach, GESI-MIS, joint and periodic reviews, M&E and annual planning and budgeting, or resources mobilization from intra-ministerial agencies, which required high degree of "due diligence". Very often it was MEDEP staff who carried out these critical roles and functions for MEDPA and MoI staff at state/federal and local level.

The adequate number and levels of MEDPA staff were also often in a "flux" and constantly changing at national, "district" and local level. There were gaps and vacuum for adequate and competent staff at local and provincial level in order to ensure that MEDPA functioned fully. Senior staffs of MEDPA, at MoI, DCSIO and CSIDB were also constantly burdened with ad-hoc assignments and responsibilities to oversee a number of staggered general elections throughout the year ranging from local, provincial to national elections. Therefore, the morale, motivation and focus of the Human Resources in MEDPA was less than adequate and ideal to ensure achieving this Output and Result fully. The same could be said of the other two important pillars of the Project, i.e. MEDSPs and MEAs capacity enhancement and institutional strengthening. In the changed political context with high uncertainty; their evolution and evolution of their umbrella federations were less than desired. The capacity building efforts to facilitate these three important pillars of the Project, and therefore, the capabilities of the MED model towards institutionalization could not be carried out to the desired level as expected due to political process in the country.

1.2.2 Intervention Activities

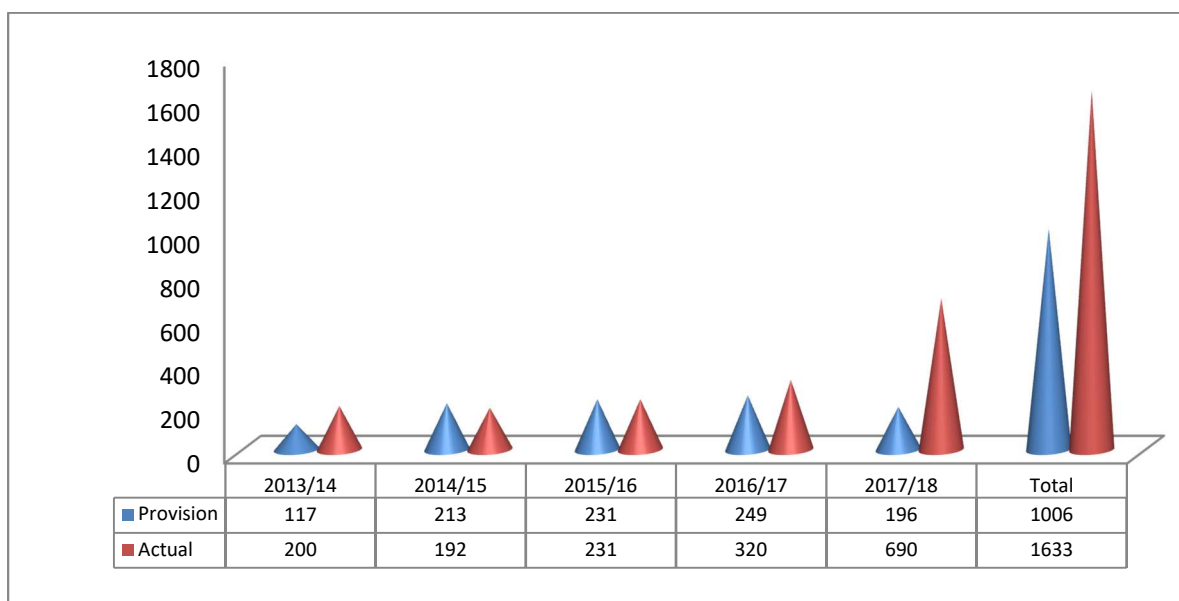
In terms of specific "intervention strategies" to support Result 1, the Project implemented 33 major activities (*ref. Final AWP, 2017*). The emphases in these major activities have been for MEDPA to take over the implementation role of the Project. It is of note to mention here, a few important activities, i.e. revision of the MEDPA Operational Guidelines and ensuring finalization of the bylaws of Industrial Enterprise Act 2073. Both these efforts led MoI/GoN and, therefore, MEDPA to be able to carry out its role of promoting MED model as a national programme more efficiently and effectively. (*See Appendix 1: Target versus Achievement; and Appendix III: Progress against Annual Work Plan, 2017*).

1.2.3 Substantial Increase in MEDPA Budget

One bright feature has been that the MoI/GoN was able to increase the budget of MEDPA more than two-fold to NRs. 690 million for the FY 2074/75 (2017/18) against the last fiscal year budget. This meant that MEDPA was able to allocate substantially more than envisaged in the Plan. For the total MEDPA allocation (2013/14- 2017/18) as envisaged in MEDPA I Strategy

Plan, it increased the budget from NRs. one billion to NRs. 1.633 billion or an increase of 62.3 percent. Having observed and appreciated this fact, however, on the flip-side there is the risk that if MEDPA’s absorptive capacity and proper utilization towards the benefits of MEs remain low in future then it is tantamount to less-than-optimum-use of allocated resources (Figure 4).

Figure 4: MEDPA Budget Trend (in mil - NRs)



Source: MEDPA, MoI/GoN

1.2.4 Review and Planning Workshop,

Review and planning workshop of MEDPA were organized by CSIDB and DCSI with project engagement. Both planning and review meetings helped to visualize and guide the process and direction of the Project and institutionalization MEDPA in a highly uncertain and ever-changing political and administrative situation in Nepal leading to and ensuring that the Project efforts are aligned and institutionalized with MEDPA and that the government is in the driver’s seat taking ownership and responsibility. This workshop also contributed to procurement process and MEDPA Guidelines in line with federal structure.

1.2.5 Integration of MED model in NASC

With Project’s Technical Assistance, the MoI proactively collaborated with Nepal Administrative Staff College (NASC) for the integration of MED model into NASC curriculum in order to orient and train the newly recruited civil servants such that they are able to align and harmonise their efforts in Local Governments (LGs) with that of MEDPA. NASC as communicated to project is incorporating three sessions in the regular curriculum to train newly appointed government staffs on MED model. Similarly, MEDEP facilitated MoI to integrate MED course in the curriculum of *KarmachariPrasichhanPratisthan* (Staff Training Academy) for GoN Non gazetted officer. *The KarmachariPratisthanPratisthan* is incorporating three

sessions in the regular curriculum to train newly appointed government staffs on MED model. The results of its effectiveness will be visible only in the future when government mechanisms and civil servants begin to perform in their respective constituencies and posts.

1.2. 6 Orientation of the MED model in six new MEDPA districts

As MEDPA rolled out to new 6 districts in this year making its coverage in all 77 districts of Nepal in 2017, MEDEP helped in MEDPA orientation in all those six districts.. This was accomplished through MEDPA (CSIDB) providing orientation of the MED model in line with MEDPA strategy and guidelines. This effort led to ensuring the Project efforts being aligned and institutionalized with MEDPA.

1.2. 7 Efforts towards strengthening MED model implementation by MEDPA and LGs

Facilitation and capacity building of MEDPA continued through exposure visits to LGs in other successful MEDEP or MEDPA districts and locations; backstopping MEDPA to carry out annual planning and review sessions; formation of Technical Working Groups (3 TWGs) to discuss related technical issues towards institutionalization; organize monitoring visits; conduct orientation and interaction meetings at LG levels by MEDPA in order to implement local level re-structuring based on federal systems leading to and ensuring that the Project efforts are aligned and institutionalized with MEDPA¹¹.

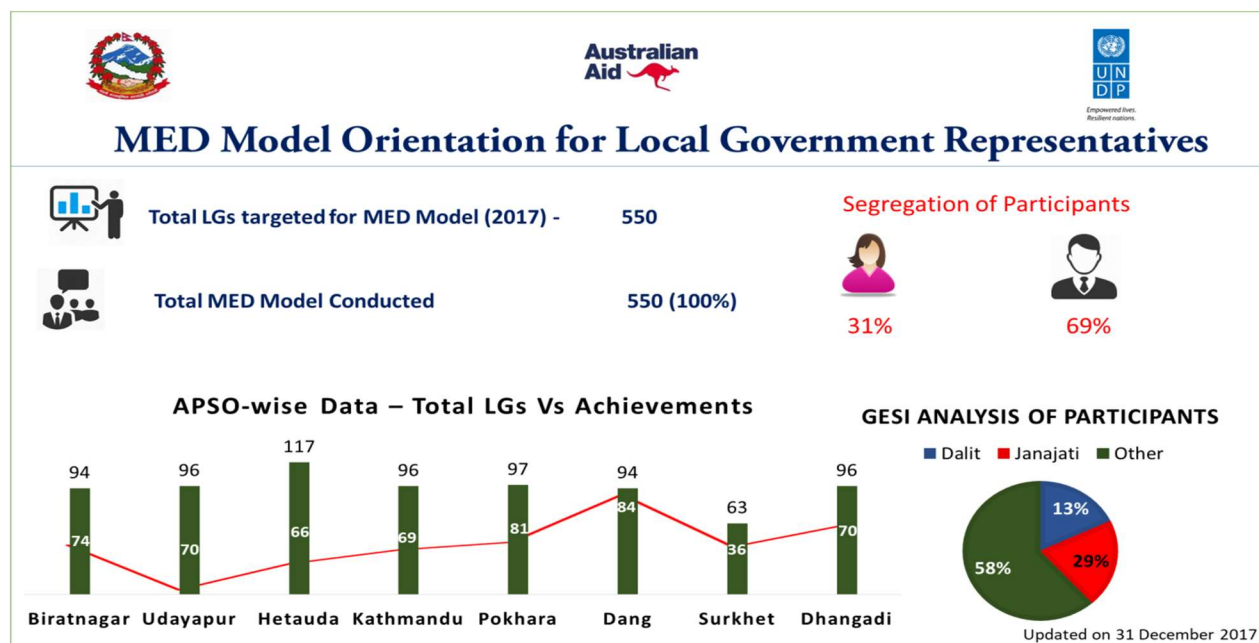
As government is yet to finalize the functional structure at province level, the Project was not able to undertake policy level activities at the Provincial level currently. However, with the ownership of the LGs, a number of important activities (i.e. MED model orientation, support on preparing EDP, forming EDC, establishing ED Fund, providing GESIMIS training to LG focal persons) have been accomplished and policy for adequate institutionalization of MED model in LGs and Provincial level will continue to be facilitated in the remaining six months.

1.2. 8 Orientation of the MED Model to Local Governments

In MEDEP's technical assistance, MoI developed a "Reference Material" encompassing MED model orientation in order to orient elected representatives of LGs and oriented in 550 Local Governments (see figure 5 below). This has helped sending a strong message to Local Government representatives that MED sector is one of the key areas for economic and enterprise development resulting in increased income, employment and poverty reduction. This has resulted in 186 LGs approving budget amounting to NRs. 398 million (Out of total 186 LGs, 29 are exclusively MEDPA LGs which have allocated NRs. 70.4 million) for economic/employment generation and enterprise development activities for the poor based on GESI principles. These pledges of budget support and ownership by LGs are substantive as they represent 58 per cent of the current MEDPA budget.

¹¹ Three Technical Working Groups (TWGs) were formed to ensure proper institutionalization of the MED Model into MEDPA. These were on 1. Institutional Development of MEDPA; 2. Staff's Capacity Development, stock-take and placement into MEDPA as well as relevant stakeholders; and 3. GESI-MIS and M&E strengthening of MEDPA.

Figure 5: MED model Orientation for Local Government Representative



(Source: APSO Annual Progress Reports 2017)

1.2. 9. Strengthening MED model structures at LGs level and effective utilization of pledged budget

Ministry of Industry (MoI) took a lead role and developed the suggestive manuals to form EDC, establish Industrial Development Sections and Enterprise Development Fund at local level that has been subsequently implemented at the local level.

The result of the orientation on MED model by MEDPA/Government Officials to local government representatives is discernible. As a result, LGs have approved substantive amount for economic/enterprise development sector. There is demand of technical assistance to implement the allocated budget by LGs. The effect of the well utilization of the allocated fund will create opportunity to further increase budget on MED by LGs in the consecutive years. Further counselling, coaching and mentoring to LG representatives are important to ensure the proper utilization of the allocated budget on MED sector.

There are potential risks of budget deviation, misuse and sub-optimum use, if the gaps on the technical know-how regarding the MED Model and its quality implementation is not addressed adequately in time at the local level. MEDEP will ensure such developments through the 65 Demo LGs in the remaining Project period and advocate that MEDPA follow up and replicate this in the rest of the 688 to reach 753LGs gradually. Furthermore, in order to provide technical assistance to demo LGs 65 MoUs were signed. Accordingly, established 65 IDS, formed 58 EDCs, developed 60 Enterprise Development Plan (EDP) and established 24 Enterprise Development Fund (EDFund) under technical assistance of the project.

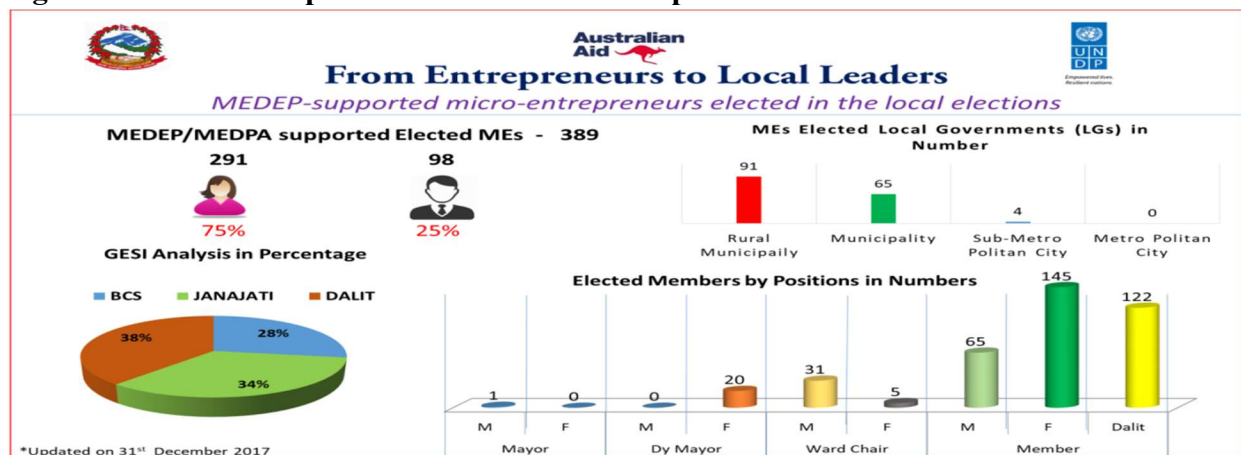
The 65 established IDSs have a bigger role to play for MED promotion. Hence, MoI with technical support from Project has developed operational manuals as reference to LGs (ToR of IDS, Standard Operating Procedures, and EDP Guidelines) toward implementation for quality assurance and uniformity. Concerted efforts to ensure the performance standards of IDS are required and, thus, there is a need to play a strong facilitating role from Project side in the remaining period. Moreover, high level Government Officials participated in the orientation events and encouraged the elected representatives to work on MED sector at LG level¹². This augurs well for the sustainability of MED model into MEDPA and the LGs in future.

1.2. 10. Orientation of the MED Model to Elected MEs

Three hundred and eighty nine MEs (389) promoted by MEDEP and MEDPA have been elected in the local elections. This is the result of civic, social and economic empowerment initiatives of the Project such as technical and financial support of project for formation of MEAs, different trainings on leadership development, GESI, policy advocacy, working in conflict, Financial Literacy and so on. As these elected MEs are well versed in MED model, this has led to an opportunity involving the elected MEs to play a constructive role in institutionalization and adaptation at LGs. MEDEP has utilized this entry point/platform to capacitate the elected MEs to play myriad roles at local level including building capacity of LG officials in order to sustain MEDPA and MED model. These efforts of orientation on MED model have helped to allocate substantial local funds for MED model at LG level as reported above.

Feedbacks received from the elected MEs while sharing the package is encouraging. The elected MEs are motivated to persuade LG representatives to allocate fund for enterprise development at local government level for MED model and its sustainable implementation. Furthermore, 389 MEs elected to LGs were given orientation on their role to promote MED model in their respective constituencies leading to and ensuring that the Project efforts are aligned and institutionalized with MEDPA (Figure 6).

Figure 6: Political Empowerment of Micro Entrepreneurs



Source: APSO Annual Progress Reports 2017

¹² These events were addressed by high level GoN officials, i.e. Minister, Secretary and Joint Secretaries etc. *al.*

The results of the local level general elections in 753 LGs demonstrate a trend that a process of greater inclusion is becoming gradually stronger in Nepal and project's efforts in GESI and economic empowerment leading to political empowerment has been visible. Besides, the proportion of Brahmin/Chhetri, *IN* and *Dalits* standing as candidates for office is becoming more equitable than before.

1.2. 11. M&E and GESI-MIS in MEDPA/MoI

The Project supported MEDPA to have access to GESI-MIS and train MIS computer officers and M&E focal person such that it becomes capable to access this facility which is available and hosted in Government Integrated Data Centre (GIDC)¹³. MEDPA is potentially equipped to manage projects and programmes based on results based monitoring and evaluation systems (RBM&E). Likewise, an Enterprise Information Centre (EIC) set up for MEDPA with necessary hardware, software, infrastructure and equipment in order to function as an MIS and knowledge-hub within the MoI assisted in institutionalizing GESI-MIS from local to central level along with helping a number of other stakeholders such as inter-governmental agencies, international agencies, academia, researchers, students and federation of MEAs and various levels of entrepreneurs/enterprises to make optimum use of the information and knowledge available with the EIC.

The updating of last three years' transaction data of MEs (the collection of data and updating regularly and quality assurance have been a challenging issue) transaction data of is assigned to the contracted MEDSPs for their respective district.

The key initiatives on institutionalisation of MEDPA monitoring and MIS system undertaken in 2017 is simplification and update of GESI MIS software as well as establishment of Enterprise Information Centre (EIC) at MoI. MoI has spared a separate room for setting up operationalization of GESI-MIS. MEDPA supported to procure Furniture and hardware and trained human resources. At MoI, CSIDB and DCSI, an MIS focal person has been assigned for GESI-MIS system operation. At LGs level, currently total 366 computer operators and 69 M&E staffs is available.

For capacity building, a total of 22 trained as a trainer to the government and programme staff who are also mobilised for data quality assurance. The trained staffs are now able to access on the software which has helped functionalise the GESI-MIS software and RBM&E at Central level. Officials in MoI, DCSI and CSIDB have been provided access of GESI-MIS for regular monitoring and use of data information for management decision.

Besides, 144 M&E focal persons and IT staff at demo LGs have been trained and 328 at other demo LGs have been oriented on the software and RBM&E. A total 46 DBAs of IDS who were

¹³ Government Integrated Data Centre (GIDC) is located in the National Information Technology Centre, in Singha Durbar.

also trained on GESIMIS are mobilized for monitoring of the data collection work of the MEDSPs for quality assurance. For data quality assurance process, Province level M&E and MIS unit will also be mobilized for data quality assurance process. But the organizational structure is still not cleared by the Government.

Another initiative is a mobile application which has been introduced for PCI reporting as well as baseline data collection resulting in an improved GESIMIS database system in MEDPA. The MEs data created from 2014 to 2016 has been updated the transaction data which helped updating of PCI of the years. The other achievement has been the simplified version in online data entry (form A and B), added summary report sheet.

Though the new mobile application has been used for PCI updating and form A and B, the data collection has found several technical problems which are delaying the data collection such as bulk upload from mobile apps to the system. Delayed in staff recruitment in IDS and frequent transfer of government staff at central and LG level is another issue to mobilise the staff.

However, operationalization of the system is not performed as expected because of unavailability of time of staff at central level. At present MIS is not functioning properly and cannot be used GESIMIS for planning process however in the future, MoI has already vision to set up GESIMIS in all LGs and Provinces. Once GESIMIS becomes functional LGs and Provinces GESIMIS information would be used for planning process. But at the centre GESIMIS data will be used mostly for monitoring propose.

There are still rooms for improvement in data analysis and preparation of progress report. Data consistency is still observed and some districts are still not able to use the GESIMIS database because of inadequate number of staff (DBA) and to timely data update in the system.

Other MIS software developed and set up in MoI website are SAMARTHA and SAMRIDDHI. Due to limitation of time MEDEP cannot develop integrated web based MIS including MEDEP/MEDPA. However MEDEP/MEDPA GESIMIS can be linked to the existing MIS/database. The purpose of setting up of enterprise information centre in MoI is to develop integrated MIS database system by MoI in the future.

1.2.12. Multi-Year Sub-Contracting

The Project is providing technical support to MoI to incorporate multi-year subcontracting procurement system in MEDPA II Strategy Document. In order to ensure efficient and effective implementation of the MED model the two stages of procurement process should be implemented at the province and local level. This will ensure the improvement of the current procurement system.

1.2.13 MEs Registration

The Industrial Enterprise Act (IEA) has the provision of free registration of MEs. The initiative of MoI to orient concerned stakeholders on Industrial Enterprise Act through series of workshops was a necessary step in increasing the number of MEs registration.

Based on the Industrial Enterprise Act and its orientation, 11,714 MEs were registered in facilitation of DMEGAs and IDS. The target of 50,000 MEs registration by MEDEP is not achieved as expected due to the complication in complying with the existing Private Firm Registration Act and Partnership Act. Further, the recommendation fees, land registration certificates and certificate of skill training, PAN registration fee are some of the constraints of the land registration. The MoI is currently engaged in discussion with Ministry of Finance (MoF) in order to iron out these anomalies. The Secretary, MoI during a visit to MEDEP/MEDPA district, in response to women MEs query on these difficulties to get registered, has said that MoI will take initiation to resolve the problem by the start of next fiscal year. She has said that Ministry of Finance has to resolve such difficulties but MoI continuously coordinate with the MoF to resolve this issue.

In terms of ME registration target by DCSI and CSIDB, there is no any target as such but a small amount of money (Rs. 50,000 per district) has been allocated in this year's MEDPA budget for orientation on Industrial Enterprise Act and Facilitation for Registration. Earlier, the previous Minister (Mr. Nabindra Raj Joshi) has set a target of 100,000 ME registration (MEDEP to support for 50000), which did not get implemented from DCSI and CSIDB citing different policy level and taxing hurdles.

These challenges and constraints point to the fact that the Project together with MEDPA needs to continue to make efforts towards policy advocacy, lobby and information dissemination to create confidence in MEs and address their concerns in order to ensure increased registration in the future.

1.2.14. Knowledge Management

The Project has been proactive on this issue since 2006 when the then Programme Steering Committee directed MEDEP to work in partnership with Academic institutions (Colleges and Universities in Nepal and abroad) for knowledge management. It entailed engaging students in academic research as part of their requirements such as Internship, Thesis and Dissertation work in MEDEP. Then MEDEP developed a mechanism of agreement between the project and College/University where the students are enrolled and involved in research work with MEDEP. This means signing simple (MoU) with the students to affiliate with the Project in order to fulfil their partial requirements of academic tasks in the form of Thesis, Dissertation and Internship.

MEDEP also provided technical support to develop and implement Masters of Arts (MA Geography) in entrepreneurship development in Central Department of Geography, Tribhuvan University; Master of Science in Agri-business Management in Himalayan College of Agricultural Science and Technology (HICAST), Purwanchal University. MEDEP has also engaged consultants for the documentation of Lessons Learnt during the four phases of MEDEP. At the end of 2017, around 100 students benefitted from this exchange facility. During phase II and III MEDEP provisioned a small amount of financial supports to conduct such researches to students studying in Colleges and Universities in Nepal. The financial support ranged from NRs. 15,000 per student enrolled in Internship, NRs. 25,000 for conducting Bachelors level thesis work, NRs. 30,000 for conducting thesis Masters level thesis work and NRs. 50,000 for

conducting Doctoral dissertation. The student research works were compiled and their synopses were published in occasional journal “Micro-Enterprise Development for Poverty Alleviation” Volume I, 2010, Volume II, 2013 and Volume III, 2014. These were valuable gathering of knowledge and efforts at creating and managing new knowledge through the Project.

From phase IV the financial support for such academic work was stopped. In Phase IV too, project engaged University students in Internship, Thesis and Dissertation writing related to MED. The students who were involved in knowledge management through academic research represented both national and international Universities and institutions¹⁴. The synopsis articles of Theses and Dissertations published in the journals are uploaded in MEDEP’s website which are frequently reviewed by concern readers. Efforts, therefore, should be directed by the Project and MEDPA to publish their synopses of thesis and dissertation from 2015 to 2017 as Volume IV of the occasional Journal in the coming year.

The Projects effort towards this endeavour was in myriad forms. One was related to evaluation studies, reviews and new knowledge creation through specific studies. The other was documentation of lessons and institutional memory from past documents. The third was from strengthening the training curriculum and pedagogy of training institutes, CTVET and Pokhara University.

Besides a number of results achieved in knowledge management, MEDEP is still conducting studies and documentation on Lessons Learned from MEDEP and MEDPA efforts; micro-enterprises Economic Analysis in Nepal; comprehensive MED Model Tool Package and ; developing a MED Model Desk Top Manual,. These will be completed in 1st quarter 2018.

1.3. Results and Outcome of the Efforts

These efforts mentioned above have had positive outcome in 2017 for MEDPA. As mentioned in the above paragraphs, MEDEP is fully aligned with MEDPA and has taken a facilitation approach. This has led to a number of positive outcomes, i.e., MEDPA is able to implement the MED model along Federal structure and evolving systems. The knowledge on the MED model has been disseminated through orientation to MEDPA officials, elected MEs, elected LG members and relevant stakeholders. It has, thus, created a potential opportunity for the implementation of the MED model in post General Elections environment in Nepal.

¹⁴National and International Universities and Institutions were Tribhuvan University, Kathmandu University, Pokhara University, Asian Institute of Technology, Thailand, Nagoya University, Japan, Seoul National University, South Korea, Cornell University, USA, Oxford University, UK, etc. Only in 2017 about 12 students benefitted from this scheme and among them four MBA students were from Kathmandu University, one MBA student from Apex Collage, Pokhara University, one BBA student from Christ University, Bangalore, India, one BBA student from Lorence University, Wisconsin, USA, two BBA students from National College, KU, Kathmandu, one PhD student from Jawaharlal Lal University, India, one Master Degree student from Nagoya University and one PhD student from Thailand.

Furthermore, operational mechanisms of the MED model, i.e. development of the curriculum and training materials and integration of course in CTEVT, NASC, and training institutions have provided MEDPA/MoI to continue to utilise these intellectual resources in the future. Increase in MEDPA's budget by GoN/MoI; improved planning, budgeting and review with MEDPA/MoI; pledging of substantial budget by LGs to implement the MED model; attempts to operationalise multi-year subcontracting system; efforts and registration of nearly 20 percent of MEs have been the other positive outcome. In the monitoring, evaluation and programme improvement areas, commission of knowledge management studies and documentation as well as training, building capacity and handing over of the GESI-MIS system to MEDPA and the newly instituted Enterprise Information Centre have been noteworthy achievements.

1.4. Constraints and Challenges to be remedied in the Future

Despite the notable achievements of the Project towards aligning with MEDPA and institutionalising the MED model, constraints and challenges are present. These are institutionalising the MED model in LGs fully and adequately as carried out by the Project in the past 20 years. Due to time and resources constraint only limited efforts were dedicated to fully realising the institutionalising of the MED model in the LGs under federal context. Hence, MEDPA needs to ensure that the “best practices” demonstrated in 65 LGs are replicated country wide then the programme comes to an end. Furthermore, operational mechanisms, systems, and resources, i.e., multi-year sub-contracting system, adequate and quality staff as well as planning, implementation, monitoring and evaluation (PIME) system of the MED model will apply diligently by MEDPA/MoI in future. Only then can MEDPA/MoI sustain what the Project has demonstrated in the past in the MED sector for wider replication.

Results 2: Extent to which MEDEP becomes facilitator to support MEDPA.

2.1 Issues Encountered

The MTR of 2016 mandated MEDEP to play a facilitation role to transfer and institutionalize its experience, learning, institutional memory, capacity and MED model into MoI's - MEDPA national priority programme. In line with this mandate, MEDEP withdrew substantially from the role of creating MEs and implementing project into playing the role of a facilitator - for building capacity of MEDPA - and to institutionalize its know-how, i.e. the MED model. The objective was thus for MEDPA to become fully functioning programme autonomously within MoI/GoN system. The Project played that facilitating role through role modelling, coaching, counselling, feed-back and mentoring throughout 2017 from LGs to national MEDPA level.

2.2. Response and Efforts from MEDEP

2.2.1. Building Capacity for Facilitation

In order to achieve this important Result as an Output Indicator, the Project implemented 14 major activities in 2017 (*see Appendix I, II&III plus the AWP, October 2017*). The year 2017 began by capacitating 70 mid and senior level staffs of MEDEP undergo a skills training workshop for

three days modular course of Facilitation approaches. The outcome of these two workshops were that MEDEP staff acquired valuable skills, tools, knowledge, attitude and temperament on facilitating MEDPA to become fully functional on MED model. A SWOC (strength, weakness, opportunity and constraints) of MEDEP and its principle partner stakeholders, i.e., MEDPA, MEAs and MEDSPs were carried out. The reorientation and series of discussions through different forums on the roles and responsibilities of the mid and senior level staff had also contributed to some extent for the activities performed by the staffs and its reflection on the overall activities from central level to field level specially in the new federal structure.

2.2.2. Regular Monitoring Visits

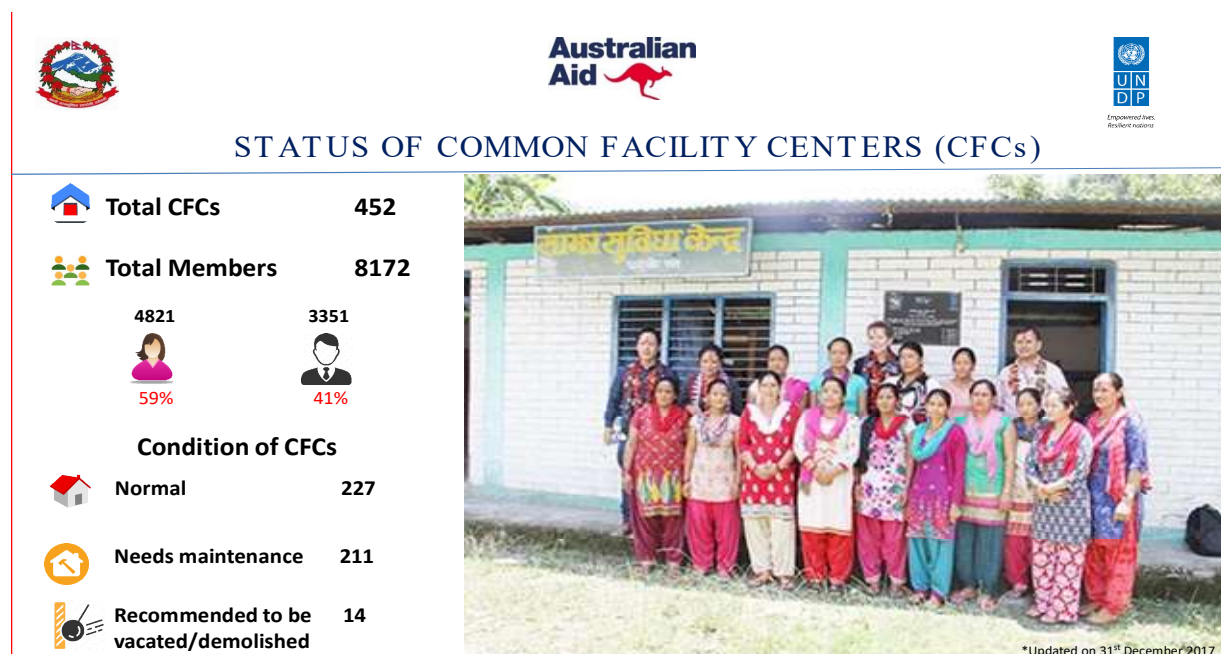
Regular monitoring visits to the field were encouraged resulting in improved programme implementation and learning from the field based staff on a facilitation approach. The Project staffs were encouraged to put MEDPA staff both in the centre and the field as direct implementers. The information and communications activities of MEDEP reflected the facilitation for institutionalization through preparing relevant audio-visual, print media and interaction with the press. It also included preparing case studies of successful women and men entrepreneurs from the field which led the Project to facilitate internalization of MED model into MEDPA, further reinforcing MEDPA to function autonomously within GoN/MoI system.

2.2.3. Visual Assessment of CFCs for recommendation to MEDPA

Based on the recommendation of the Exit Strategy, MEDEP carried out visual assessment of 452 Community Facility Centres (CFCs) built with support of MEDEP, MEDPA, the then District Development Committees, and Municipalities. The objective of the assessment was to ascertain their current status and further to provide CFC database to MEDPA and leading to institutionalize an important facet of the MED model. The Report has categorized all CFCs into three groups, i.e., (a) normal (227), (b) needs repair and maintenance (211 CFCs), and (c) recommended to be vacated/demolished (14). In total NRs. 10.03 million is estimated for repair and maintenance and retrofit those CFCs (See Figure 6). Out of the 452 total CFCs, 228 are registered. Among them, 210 are registered in DCSI/CSIDB, 15 in cooperative and 3 in Company Registration's Office. (Figure 7)

The content of the Assessment Report on CFC, 2017; will be handed over to MoI/MEDPA; LGs; DCCs, Provincial Governments, requesting them to provision the required support services to CFCs in their forthcoming budget during FY 2075/76 in order to ensure sustained functioning and providing of services to MEs through CFCs. Likewise, for information dissemination and advocacy work, the Project will provide this report to NMEFEN and MEDSPs as well (*Ref: Final CFC Assessment Report, 2017*)

Figure 7: A Summary Status of the Common Facility Centres (CFCs)



Source: Information and Communication Section/MEDEP & Field Survey Report, 2017

2.2.4 New role of Component Manager's and orientation on MEDSPs procurement process

As per MTR recommendation MEDEP changed its role to facilitation in order to institutionalize the MED model. Subsequently staffs TORs were revised to strengthen the facilitation role. The TORs particularly of Component Managers (CM), Government Support Specialist (GSS) and Market Development Specialist (MDS) were revised. The positions of CM were changed as Senior Intervention Coordinator (SIC). The two separate TORs of GSS and MDS was redesigned as Government Support and Market Development Specialist (GSMDs). A small team consisting of CTA, SIC Governance, Senior Institutional Development and Strategy Specialist (SIDSS) and a Programme Assistant was deputed at the MOI. The project provided support to simplify the MEDSPs procurement process and oriented the CSIO/CSIDBO officials of all 75 districts together with MEDPA focal persons from DCSI and CSIDB to strengthen their capacity on procurement. Likewise, the procurement committee members both at central and district level were also oriented on MEDSPs procurement process.

2.2.5. Rehabilitation of the Micro-Enterprises affected by the floods of June/July 2017

Micro entrepreneurs of 14 Tarai districts¹⁵ were severely affected by the floods of June/July, 2017. A rapid assessment was carried out and 2139 micro-entrepreneurs were supported to revive their enterprises in coordination with local stakeholders (LGs, DAO, DADO, DCC, CSIOs) for further support. It consisted of 1757 women; 717 Dalits, 726 IN. Within this

¹⁵Jhapa, Morang, Sunsari, Saptari, Udayapur, Bara, Parsa, Sarlahi, Rautahat, Mahottari, Chitwan, Banke, Bardiya, Kailali

disadvantage group as such 1,491 were *Madhesis* and 11 PLWDs. This initiative has resulted in the rehabilitation and reactivation of 2,139 micro-enterprises resulting in improved economic earning, family cohesion and community solidarity. Since disaster risk reduction strategy (DRR) is not addressed in MEDPA strategy MOI should take initiation on it in coming days through MEDPA.

2.2.6. Policy advocacy and Lobby for MEDPA Institutionalization

In terms of policy advocacy, lobby and institutionalization of the MED model, the following efforts were accomplished by the Project. Major policy and regulatory instruments prepared by MEDPA with the facilitation of the Project are:

- Draft MEDPA II Five Year Strategy Document, (It is expected to get approval after budget speech F.Y 2075/76)
Revised MEDPA Operational Guidelines and implementing
- Approved of Third Party Evaluation (TPE), Guidelines and implementing.
- Developed Enterprise Development Fund Guidelines at Local level, (on approval process in MoI)
- Signed MoU between with National Youth Council (NYC),, MoU with PAF MoU with PAF
- Sample SoP for IDS and MED Model implementation for LGs, (on MoI approval process)
- Draft report for required HR including an organogram at LGs in IDS level, (on approval process in MoI)
- Draft Industrial Enterprise Bylaws,
- Advocacy Handbook for DMEGA to use as reference material.

These operational guidelines and policy documents aimed at various levels of MEDPA/MoI have helped strengthen and capacitate MEDPA at central, provincial and LGs level. This has made it potentially possible to become functional as a MED implementing institution adequately on its own. Following these efforts and utilizing these instruments will ensure an improved functioning of the MED Model within MEDPA and MoI/GoN. These efforts also have the potential to strengthen the public and private sectors of MEDPA.

2.2.7. Advocacy, lobby and public education

In 2017, MEDEP and MEDPA engaged actively with media to produce various knowledge products and publications, creating visibility for MEs and MEDEP/MEDPA activities. This includes: (i) MEDPA's Gender Equality and Social Inclusion (GESI) Strategy and Action Plan and its translation into Nepali, (ii) press release on MED Model Orientation for Elected representatives of 21 local governments of Kathmandu, Lalitpur and Bhaktapur districts, (iii) flex print and dissemination for 753 local governments on MED model (iv) media trip to Ramechhap and Sunsari to cover Beekeeping enterprises (v) Translation and editing the stories of 108 successful micro entrepreneurs for Anthology publication.

In order to promote entrepreneurship, MEDEP collaborated with CSIDB to provide technical and financial assistance to produce "HamroUddhyam" programme on Nepal Television, which broadcast six episodes till December 2017 and is provisioned in MEDPA budget for continuation. This programme has been successful in highlighting micro enterprise development where 70 per cent of "air/broad-cast" time was allotted for MEDEP entrepreneurs. This has benefitted MEDEP and MEDPA to disseminate its work on enterprise development to wider audience.

More than 130 News on micro enterprise has been covered in various national and local newspapers. This has helped MEDEP to further strengthen and develop the Programme's visibility and best practices. MEDEP relied on social media (Face book, Twitter, YouTube) to engage with youth and also for wider content dissemination. These achievements were shared with MEDPA thus strengthening the capacity of government to fully institutionalize MEDPA after end July, 2018. The Project needs to further strengthen the programme support of MEDPA by ensuring that a simple but effective media strategy is embedded into its programme in the future by engaging MoI during the remaining six months period. MEDEP and MEDPA related documents will also be linked with MEDPA website in MoI.

2.3. Results and Outcome of the Efforts

MEDPA benefited from the Projects efforts in a number of ways. The KSAs (knowledge, Skills and Attitude) from the Facilitation workshop assisted key staff members of MEDEP to play a facilitation role in order to institutionalize and sustain MEDPA programme on MoI/GoN. The major institutionalisation and internalization activities drawn from the workshops were reflected in the AWP, 2017. It included a series of revisions undertaken to guide the Project throughout 2017 and the remaining Project period. It provided much needed impetus to the Project in order to encourage MEDPA to function autonomously within GoN/MoI system.

Similarly, support towards regular monitoring visits; status update of CFCs; preparation of a number of policy, advocacy efforts and handbook; including collaborative MoUs - together with media campaigns and public education- have ensured Project's constant support to MEDPA to institutionalize the MED model.

2.4. Constraints and Challenges to be remedied in the Future

The gap in this initiative was adequate building capacity of MEDPA staff together with that of MEDSPs, MEAs and their umbrella federation as planned. The formal institutionalization workshops planned for them during April and May, 2017 could not hold. These two important workshops could not be accomplished due to the fact that three staggered local elections assigned MEDPA/MoI staff to elections duties. Furthermore, the code-of-conduct (CoC) of the Election Commission (EC), hampered staff movement leading to amendment in the AWP, 2017; curtailing these important training and capacity building events. The outcome was, therefore, less than ideal for the three implementing partners of the Project, i.e., MEDPA; MEDSPs MEAs

and their umbrella federations to obtain optimum knowledge, skills, attitude and temperament (KSA) for facilitation skills and internalization of institutional impetuses provided by MEDEP. In future, MEDPA can plan similar events in order to ensure similar facilitation skills training courses for its constituent staff, offices, LGs and MEDSPs as well as MEAs.

Results 3: Staff allocated for MEDPA by GoN.

3.1 Issues Encountered

The Project faced the issue of adequate and quality staff in MEDPA at Ministerial and district level to implement the MED model smoothly. Furthermore, frequent transfer and change of staff personnel (for example six Industry Minister, seven Secretary, four NPD, four DG at DCSI, Six ED at CSIDB at central level only in MEDEP's phase IV) was also a constant challenge in this collaborative effort, especially with DCSI, whose staff could be transferred frequently into other ministries. Moreover, the MEDPA/MoI staff placement required the prior approval of the Ministry of General Administration (MOGA), often creating delays in efficient placement of vital staff at the Ministry and Department level.

3.2 Response and Efforts from MEDEP

Two major activities were carried out by the Project to achieve the above result. These were to support MoI to analyze its HR stock-take for MEDPA; and to prepare the ToR for the relevant staff (EDF and Computer Operator) at local level. Efforts were also focussed to ensure that the general survey carried out by MOGA included the genuine requirements at MoI, DCSI, CSIDB and district level.

3.3 Results and Outcome of the Efforts

3.3.1 MoI has assigned one Under Secretary as a National Programme Coordinator (NPC), and one section officer for MEDPA. Furthermore, it has assigned one computer officer for Enterprise Information Centre. Similarly, DCSI and CSIDB have assigned one Under Secretary and deputy director respectively for MEDPA as focal persons. In order to make effective implementation of MEDPA at district level, MEDPA has increased the budget of this FY 2074/75 for additional HR at district level such as 22 Enterprise Development Officers (EDOs), 75 Computer Operators (COs) and 128 Enterprise Development Facilitators (EDFs). The MoI has completed the HR stock-take activity of all districts under DCSI and CSIDB which was not actioned due to emergence of federal restructuring.

3.3.2. Local MEDPA HR structure and HR requirements

Prompted by the state restructuring of the country, MoI has worked on a new HR requirement of Industry Development Section (IDS) in all 753 LGs resulting into a suggested Organisational structure (Organogram) to such sections. The new organogram includes Enterprise Development Officer, Senior Enterprise Development Facilitator and Enterprise Development Facilitator depending upon the type of the LGs. If implemented, this organogram is expected to provide strong HR support of MEDPA implementation and its institutionalization at local level in the

future. Similarly, The Draft MEDPA II five year strategies, has also envisaged similar, structure, levels and adequate number of Human Resource. It has also proposed additional HR at Provincial and Federal level of the government level.

3.4 Constraints and Challenges to be remedied in the Future

Frequent changes of key responsible staff in MEDPA, at the helm, such as the National Project Director (NPD) and National Programme Coordinator (NPC) in the Ministry and key personnel in the Department, have been major challenges to smoothly hand over the MED model implementation process to MEDPA/MoI. The Project needs to help MEDPA/MoI place adequate staff personnel at the various levels from national, provincial and LGs level. At the same time joint efforts are required from MEDPA/MoI to have adequate personnel placed at all levels in order to implement the MED model effectively. This requires concurrence and approval of MoGA based on the HR staff-take.

Results 4: District implementing the MEDPA programme without technical support from MEDEP.

4.1 Issues Encountered

The Project faced the challenge of MEDPA and its collaborative partners, i.e., MEDSPs and MEAs not have adequate financial, human and material resources to effectively implement MED model in the districts.

4.2 Response and Efforts from MEDEP

4.2.1 Collaborations for pooling resources

Three major activities were planned and implemented under this Result. These activities were facilitating MEDPA to ensure bottom up MED model planning by pooling resources together with other line Ministries and agencies of GoN together with MoI. This effort was a cross-cutting issue ranging from bottom-up planning, review and resource mobilization by MoI with support from UNDP in a continuing policy advocacy, lobby and public diplomacy at one end of the continuum. On the other, MoI/MEDPA, with the facilitation of the Project, attempted various collaboration and cooperation with Poverty Alleviation Fund (PAF), National Youth Commission and Women Entrepreneurship Development Fund (WEDF) etc. The policy efforts was also to encourage MEDPA/MoI to access more financial resources available with GoN, Ministry of Finance (MoF) and support of the National Planning Commission (NPC) in this endeavour.

4.2.2. Desk Top MED model manual and networks for training of EDFs

A desk top MED model package has been developed as ready reference manual for MEDPA which supports to MEDPA stakeholders to address the technical complication during MED implementation effectively.

EDF development and MEDSP services “procurement” processes are two important activities to successfully implement MED model in MEDPA. Both these activities have been institutionalized by the end of 2017. In terms of EDF, there are 26 training institutes including one under MoI

which is Industrial Enterprise Development Institute (IEDI) and the other one under CTEVT is Narayani Polytechnic Institute. Each institute is given 40 students' quota per batch all these training institutes are running EDF courses independently.

4.2.3. Evaluation of MEDSPs EOI taken over by MEDPA

MEDEP used to provide consultants for Expression of Interest (EOI) evaluation of MEDSPs for MEDPA every year. This has also been fully internalized by DCSI and CSIDB effective from 2017. Both these Organizations completed EOI evaluation for 75 districts utilizing their own human resources. MEDEP withdrew from it being a member in evaluation committee for procurement of MEDSPs at district and central level. The Project trained and facilitated 332 members of the Evaluation Committees in 75 districts. This has enabled MEDPA to successfully procure MEDSPs service independently.

4.2.4. Preparation of Intermediate and higher level HRD for MEDPA and Micro-Small Enterprise Sector

Considering demand and need for replicating MED model in all 753 Local Governments in the future; a higher conceptual and skills level human resource in entrepreneurship development sector has been visualized. Therefore, Council for Technical Education and Vocational Training (CTEVT) has started 3 years Diploma Course in entrepreneurship development from this year. A total of forty students are enrolled in the first year.

Besides the 3 year diploma in entrepreneurship under CTEVT, effort is made to develop the entrepreneurship development course at University level as well. In this respect, Pokhara University (PU) has already started providing the Masters level course on Entrepreneurship Technology with the support of the Korean International Cooperation Agency (KOICA). At the intermediate level, the SLC and +2 level entrepreneurship development courses are provided by CTEVT. Hence, the gap was at Bachelors level. Therefore, MEDEP lobbied, advocated and facilitated MoI to develop the curriculum for Entrepreneurship Development Course at Bachelors level with PU. The MoU has been signed allowing PU to move ahead with development of curriculum in earnest and major works completed by July 2018.

Once this is successfully accomplished and a 4 years Bachelor's course on Entrepreneurship Development and Poverty Alleviation running in Pokhara University, it will offer a complete cycle from SLC to Masters level course to students on entrepreneurship development sector. It will lead to strengthening the MED model in Nepal much more robustly.

4.3. Results and Outcome of the Efforts

As illustrated above, significant progress has been accomplished in securing MEDPA with adequate fund with the joint effort of the Project and MEDPA/MoI. Besides, MoUs have been prepared and discussions held with inter-ministerial programmes for further collaborative effort and fund mobilization to implement or follow the MED model approach by MEDPA and other GoN agencies. Notable achievements are the collaborative understanding reached between PAF, NYC and the WEDF.

Other notable achievements are in the preparation of pedagogy, training manuals and courses with private training institutes, CTEVT and Pokhara University to produce quality EDFs and HR from mid-level to higher level requirements in Nepal.

4.4. Constraints and Challenges to be remedied in the Future

Challenges remain to ensure quality assurance in utilizing effectively the effort that the Project has put into developing various materials and mechanism to implement the MED model. Some of them are the timely publication and use of Desk Top MED model manual, timely hiring of MEDSPs and use of M&E Handbook to strengthen M&E system by all levels of MEDEP stakeholders including the LGs.

Results 5: MEDPA II Strategy Document Prepared and Submitted for GoN's Approval and Implementation.

5.1 Issues Encountered

The current MEDPA's five year strategy comes to an end in the middle of July 2018. It needs to be replaced by MEDPA II five year strategic plans. Besides, concomitant to MEDPA II strategic plan, operational Guidelines has to be prepared on time, in order for MEDPA II to ease its successful implementation.

5.2 Response and Efforts from MEDEP

MEDEP facilitated MoI to develop draft MEDPA II five year strategy by hiring a consultant and the Project provided technical support to MOI and consultant. This document has been drafted and reviewed by relevant stakeholders. Concerned parties have provided their inputs to the document and relevant suggestions have been integrated to strengthen and improve MEDPA II strategy document.

5.3 Results and Outcome of the Efforts

It is currently at final stage and is expected to get approval from the Council of Ministers by the end of March, 2018. However, the current decision of MoF, it will be finalized only after the budget speech of next fiscal year. This Draft MEDPA II Strategy will ensure that the MED model, through MEDPA, will be implemented in an institutionalized and sustained manner taking into account the current Federal structure and systems of Nepal. It will also ensure that necessary systems, structure, strategy, human resources and financial resources are forthcoming in regular manner from government budget. As a national priority programme for poverty alleviation, MEDPA II when sanctioned, will provision a financial outlay of NRs 11 billion (85%, 5% and 10% from central, provincial and local government respectively) to this programme and ensure its sustained implementation by the MoI/GoN (Ref: *MEDPA II Five Year Strategy Document, 2074/75 – 2079/80*).

5.4. Constraints and Challenges to be remedied in the Future

Finalization of the document and its approval process is constrained by the protracted transition in forming the new government in the post-election environment.

Result 6: VEDPs/MEDPs submitted, based on an improved methodology of data collection

Before the federal structure of Nepal, MEDEP was supporting for institutionalization of MEDPA by providing technical backstopping in establishing and strengthening of DEDSPs/VEDPs/MEDPs. As a result, 38 District Enterprise Development Strategic Plans and 72 Village Enterprise Development Plans were developed. The concept and learnings are incorporated to develop EDP in Local Governments after the restructuring which has been addressed in Result 1.

Result 7: Increase of annual approved central budget for MEDPA

Government is annually increasing MEDPA budget. The efforts in institutionalization have led to GoN/MoI allocating significant amount of budget (NRs. 690 million, i.e. 115% increment compared to last year) for the current Fiscal Year demonstrating its commitment and ownership of the MED model. For the total MEDPA allocation (2013/14- 2017/18), it increased the budget from NRs. one billion to NRs. 1.63 billion or an increase of 63 percent. Local governments are also internalizing MED model by allocating resources. In 2017, a total of 186 out of 753 Local Governments allocated a sum of NRs. 398 million for employment creation and enterprise development.

Result 8: An action plan in place and implementation ongoing to make efficient, transparent and effective in mobilizing funds from diverse sources

NA

Results 9: Advanced data-collection and monitoring system implemented nationwide.

9.1. Issues Encountered

Current up-to-date information is vital for timely decision in Project Management and improvement in programme implementation. This includes regular monitoring, evaluation, follow-up, oversight and decision making. This is also required in order to hand over a functioning GESI-MIS and M&E system for MEDPA to continue implementing the MED model. Furthermore M&E data is less used in MEDPA management and also MEDPA M&E framework is yet to be implemented.

9.2 Response and Efforts from MEDEP

Numbers of initiatives and activities under advance data-collection and monitoring system have been accomplished including an improved GESI-MIS system in MEDEP which is currently institutionalized in MEDPA. Training of staff from Ministry, Department and districts have been provided. The functional progress in GESI-MIS and M&E include, *inter alia*, regular quarterly progress report, M&E reports and annual progress reports (APR) preparation. MEDEP is facilitating MOI to develop M&E framework immediately after approval of MEDPA II strategic plan. The MoI, DCSI and CSIDB officials have been provided access to GESIMIS for regular monitoring and use of data information for management decision.

9.3 Results and Outcome of the Efforts

9.3.1. Development and adoption of GESIMIS system in MEDPA

Relevant supports to MEDPA and MoI/GoN consisted of a number of major activities are as follows:

- Collected data:
- Prepared data-sets:
- Analysed data:
- Updated missing data of MEDPA in the MIS system;
- Trained on capacity development of LGs in GESIMIS;
- Established GESIMIS under Enterprise Information Centre (EIC) at MoI, DCSI and CSIDB
- Conducted ToT on web based MIS database operation to the MoI, DCSI and CSIDB staff;
- Familiarized MEDPA staff and stakeholders in GESIMIS system;
- Simplified web based GESIMIS;
- Trained ToT on RBM&E to MEDPA staffs/MEDSPs

As a result of the above mentioned major activities in M&E and GESI-MIS for MEDPA at central and local level, regular monitoring and evaluation systems are initiated... In the area of third party annual performance evaluation, MEDPA is able to continue this important activity with MEDSPs and assure quality in the field. The reward and sanction system in field level M&E for MEDSPs performance have also been strengthened and a sustained process developed at MEDPA.

Furthermore, at the operational level missing data of 5,211 MEs have been updated in GESI-MIS system. This has resulted in the improvement of data quality to some extent however still the data need to be cleaned. The other achievement has been the simplified version in online data entry (form A and B), added summary report sheet, ME registration of the GESIMIS system in MEDPA where field and central level staff are able to track, compute and prepare reliable M&E reports.

Moreover, a total of 22 trained and capable ToT trainers have been prepared at central and regional level or APSO level (MISAs). Besides, M&E focal persons and IT staff (144) at demo LGs level have been trained and placed which has enhanced the efficiency in data-entry, analysis and reporting from LGs to MEDPA/MoI.

A central level EIC has been initiated at MEDPA/MoI. This has resulted in the efficient and effective information dissemination and assisted in monitoring, validating and reporting the trends and developments of Micro- Entrepreneurs at national level.

A new technology in the form of mobile application has been introduced for PCI reporting as well as reliable and efficient baseline data collection resulting in an improved GESIMIS database system in MEDPA.

9.3.2. Data collection and monitoring system

The business transaction executed by MEs in the last three years has been updated through tablet device using Kobo Tools application in 2017 which has an option of off line data collection system. Out of the total MEs surveyed (41,534), a total financial transaction of the production, sales and profit made by 32,289 MEs' have been collected through short term contracted EDFs as an enumerator and analysed the collected data mainly for the PCI change, current employment and loan status. This same technology also applied to the data collection and analysis for newly revised forms A, (socio-economic base line survey) Form B (Latent Entrepreneurial competencyscore survey) and form C (information of existing MEs) that are used for baseline data collection and identification of potential entrepreneurs. With this system, monitoring of the data collection activity can be monitored online from the desk office, without travelling to the field. The system helped reducing time for data collection, accessing with real time reliable data. The simplified GESIMIS system has also developed an option of a bulk upload mechanism that has a chance to verify the collected data before upload into the GESIMIS system. This system has also improved the data quality and made easy to implementation and institutionalization of monitoring system of MEDEP and MEDPA.

9.3.3. Monitoring MEDPA's institutionalization through high level visits from UNDP, DFAT, PB members and GoN

9.3.3.1. Visit of UN Resident Coordinator (June, 2017)

Ms. Valerire Julliard, Resident Representative of UNDP and UN Resident Coordinator visited MEDEP programme in Parbat district on 5 June 2017. She remarked that the power of entrepreneurship is not just improving the socio-economic conditions of individuals and groups, but also in granting them the confidence to take up leadership roles in their communities and highlighted that 389 micro-entrepreneurs supported by MEDEP are elected in the local-level elections. Among them 75% are women and 38% from the *Dalic* community. One such group of MEs from Myagdi and Parbat participated in an interaction session.

Expressing her great pleasure on the results borne by their efforts, Ms. Julliard urged the 38 newly-elected MEs in attendance - majority of who were women - to make the best of the opportunity they had gained in being chosen to represent the interests of their communities, reminding them at the same time that the task would not be without its challenges. Ms. Julliard also visited Patichaur Common facility centre (CFC) in Parbat and Allo production and sales outlets on Pokhara.

9.3.3.2. His Excellency the Australian Ambassador; UNDP Country Director; Head of Development, DFAT (October, 2017)

Field visit to Dolakha, Ramechaap and Sindupalchowk was undertaken by the HE Australian Ambassador, Mr. Peter Budd, together with the Country Director, UNDP Mr. Renaud Meyer and Head of Development Cooperation-DFAT Ms. Ainsley Hemming.. This visit help strengthen the information and communications among and between relevant stakeholders of MEDPA.

9.3.3.3. *Vice Chair, National Planning Commission (May, 2017)*

A field visit by a team from GoN/MEDPA consisting of the Vice Chair of the NPC, Dr. Swarnim Wagle together with Senior Programme Officer, UNDP Ms. Nabina Shrestha and the component manager of MEDEP Mr. Rajan K.C was organized.. They went to Sunsari and Terathrum in order to see various micro enterprises promoted by MEDEP and MEDPA. He was highly impressed by the Project initiatives and recommended that the “lessons learnt” and “know-how” developed in this sector can be utilized to upscale and replicate the experiences in the small and medium enterprises in Nepal as well.

9.3.3.4. *Visit of Her Excellency the Zimbabwe's Minister for Small and Medium Enterprises and Cooperation Development (March, 2017)*

Zimbabwe's Minister for Small and Medium Enterprises and Cooperation Development Her Excellency Ms. Sithembiso G G Nyoni and her team members visited MEDEP/MEDPA promoted microenterprises in Kavre and Kaski (see also South South Cooperation section) Nepal in mid-March, 2017.

H.E. Ms. Nyoni, at the end of the visit observed that her country can import fabrics from Nepal and export gold, shoes and leather products from Zimbabwe. She further said- “We also want to capitalize on the remittances by bringing in income from overseas workers and charge duty on imports, reorganize revenue system for more revenue mobilization like Nepal,” “The other areas that we found noteworthy are that Nepal has built “development networks” and UN agencies are partnering in most of Nepal’s government programs”, she remarked. Finally, she said that Zimbabwe also wants to forge similar partnership with the development partners. This visit cemented a strong bond of friendship between the two countries providing encouragement and visibility the MEDPA and the MED model.

9.3.3.5 *Joint Monitoring Visit of Project Board Members*

Joint Monitoring Visit of Project Board Members was carried out from December 22nd to 25th 2017 in Nawalparasi, Rupandehi, Kaski and Tanahu districts. Total 13 members (NPD, NPC, Programme Manager, and DFAT, Representatives from MoFALD, MoLD, MoAD, MoFSC and CTA) visited MEDEP and MEDPA promoted enterprises in above districts and interactions with Local Governments, DMEGAs and Entrepreneurs Groups were conducted.

It was an excellent opportunity for PB members specially representatives from Ministry of Agriculture Development (MoAD), Ministry of Forest and Soil Conservation (MoFC), Ministry of Livestock Development (MoLD) and MoI to learn how MEDEP/A are working in the grassroots level to change the lives of poor people through entrepreneurship development for poverty alleviation and self-employment creation activities for the last 19 years in Nepal. This visit was also found to be instrumental to motivate and mobilize micro-entrepreneurs and show PB Members how MEDEP has prepared clear road-maps to uplift their communities through micro entrepreneurship development activities.

These five high-level visits provided improved understanding of the efforts and achievement of MEDEP and prospects and challenges of institutionalising the MED model into MEDPA. Furthermore, these visits boosted the morale and motivation of both the Project and MEDPAs staff through monitoring, exchange of information, goodwill, encouragement, morale support. The visibility to the efforts made by the Project and MEDPA to institutionalize the MED model for long term sustainability also received timely support at the highest level.

9.3.6 MOI Secretary and NPD visit

Industry Secretary, National Programme Coordinator and NPM visited Swarna Rural Municipality of Bara district on 16 Dec 2017 and observed the entrepreneurs promoted by MEDPA/MEDEP and affected by floods. The Secretary distributed the appropriate technology support to MEs affected by floods to revive their businesses. She participated in MED model orientation workshop at Birgaunjas special guest on 17 Dec 2017 and highlighted the need in industrial village in each Local Government. Similarly the team including National Programme Director, participated on MED model orientation on 23 December at Pokhara for the awareness of local level elected representatives on micro enterprise development.

9.4 *Constraints and Challenges to be remedied in the Future*

In the newly unfolding Federal structure and system at the national, provincial and local level; making optimum use of the GESI-MIS system by MEDPA and MoI/GoN and LGs remains a challenge. The establishment of Enterprise Information Centre at MoI has been initiated to functionalize GESIMIS system for MEDPA. The revised MEDPA Operational Guidelines also has incorporated RBM&E and GESIMIS system for quality assurance. MEDEP has trained on simplified and updated GESIMIS system to Computer Operators (144) of Demo LGs with the support of computer accessories including the Computer Operators (328) of other LGs and also trained to DBAs (75) of MEDSPs. MEDEP also trained on data collection through mobile apps which has helped to build the capacity of data collection efficiently. However, the ownership and quality assurance of utilizing the GESI-MIS system for planning, M&E and programme improvement of the MED model needs to be vigilantly guarded by MEDPA through “due diligence” at levels.

Results 10: Part of new staff-taking up of MEDPA positions are trained in MED through a standardized approach.

10.1 *Issues Encountered*

Staff persons change constantly in the MEDPA including DCSI/CSIOs and to some lesser extent in CSIDB/CSIDBOs. This is a challenge to sustainably implement the MED model at all levels including Ministry, relevant Departments and the District and LGs level. In the changed Federal environment, the need to orient and train staff responsible for MED model at Provincial and LGs level is also critically important in order to maintain quality and standardized approach.

10.2 Response and Efforts from MEDEP

New staffs who take-up responsibilities in MEDPA, as alluded to in earlier paragraphs; consist of persons assigned to MEDPA in MoI and DCSI and CSID at the centre. In the field, these are District level CSIO/DCSIO offices. These offices were being converted into local level IDS which were emerging gradually throughout Nepal. According to the recent decision of MoI, these IDSs are reassigned to district level offices for this fiscal year.

In order to compensate and ensure sustained orientation of MEDPA staff, a number of potential avenues are utilized to orient these staff persons. One for new public servants is the emerging one week long orientation programme in NASC to the officer cadre of government inducted through the Public Service Commission (PSC) system some of whom are eventually placed in MEDPA. The other measures are periodic orientation of the MEDPA staff persons at centre, province and LGs level during meetings, PB and SC meetings, field visits and DEDC meetings. Ideally, a structured training and orientation of new MEDPA staff undertaken by the Project in a focused manner, at various levels, would have been effective. This has not been the case, yet, and it is an important issue that MEDPA can pursue from 2018 onwards.

10.3 Results and Outcome of the Efforts

In the interim, the Project has assisted MEDPA to develop a MED model Desktop Manual in Nepal and trained relevant participants to help implement MED model nationwide. This has the potential for MEDPA and LG staff members to be aware of MED model more comprehensively and play their role more effectively in their respective positions and constituencies in the future.

Likewise, MEDEP supported MEDPA/MoI to develop briefing materials on MED model to orient Local Governments (LGs) representatives and staff to maintain uniformity related to MED model delivery and to be aware of MED model more comprehensively and play their role more effectively in their respective positions and constituencies. The same briefing material is utilized by MEDPA to familiarize its staff on the MED model.

10.4 Constraints and Challenges to be remedied in the Future

These orientation efforts by the Project aimed MEDPA, Local Governments (LGs) and elected officials, have provided opportunity, scope and capacity to all relevant stakeholders. These measures, albeit, are less than ideal and limited. However, it has ensured to some degree, that the MED model is understood and implemented by MEDPA/MoI and LGs. This has ensured delivery of the MED model in a standardized manner assuring minimum quality and sustainability in the coming years. The orientation to LGs has also created an opportunity to train new MEDPA staff on the MED model together with elected representatives. This initiative intends to set a minimum performance standard on the MED model by MEDPA and LGs in future. In order to be effective, however, it is onerous upon MEDPA/MoI to continue to consolidate and build capacity and continually improve the skills and capacity of its staff in the future.

Output 2: A sustainable delivery system for micro-entrepreneurship is in place.

Result 11: MED Service Providers registered in the database (by category)

Initially it was put in the result 11 but later MoI suggested to keep the MEDPs records outside of GESIMIS database. So, the MEDSPs entire record is kept separately by govt. at EIC in Ministry of Industry.

Result 12: MEs offering their products or services through the database

NA

Result 13: FSPs serving MEs created by MEDEP/MEDPA

Result 13 is the supplementary of Result 14, so it has been addressed below in Result 14.

Result 14: MEs created by MEDEP and MEDPA are able to access services from Financial Service Providers (FSPs).

14.1 Issues Encountered

Obtaining credit and micro-finance in terms and conditions favourable to the MEs have been a challenge in the country. This is even more daunting in difficult, inaccessible and remote rural areas. This is a major challenge faced by MEDEP/MEDPA and other agencies in general. Development of linkages and effective coordination and collaboration with Banks, financial institutions and cooperatives with MEs/ MEAs has the potential to sustain micro-enterprises in Nepal.

Initially, the demand of loan size of micro-entrepreneurs is in a small amount as per the principle of micro finance. However, as the enterprise grows up, the demand of volume of loan substantially increases which cannot be fulfilled by the MFIs. Usually, as per general practice of micro finance, the volume of loan in the second cycle is smaller than the required amount of entrepreneurs. This gap of demand and supply has not been able to address the actual demand of loan size of entrepreneurs which has restricted the growth of enterprise. The common terminology for entrepreneurs who cannot avail higher volume of loan are named as missing middle. This is one of the challenges for the growth of MEs.

14.2 Response and Efforts from MEDEP

Lack of easy access to financial services for MEDEP and MEDPA created 131,680 MEs was one of the important tasks for the Project. Realizing the importance for an effective collaborative relationship between the MEs/MEAs and financial service providers, the Project has attempted a number of steps described below (8.3) to bridge this gap. The Project's role is to support the government at different levels in implementation of MEDPA. It includes engaging private sectors and financial institutions in the MED sector.

14.3 Efforts to link FSPs with MEs and MEAs

In order to provide financial services to MEs, various avenues for access to financial services (A2F) through different sources have been mapped and identified. This effort is meant

to link MEs to obtain loan from banking institutions, Cooperatives and the micro-entrepreneurs group. MEDEP has provided technical support to NMEFEN/DMEGAs to develop partnership linkages with different financial institutions¹⁶As a result, there have already been ten partnerships at central level (eight between NMEFEN and FSPs and two between MoI and NRB/Rastriya Banijya Bank). Similarly 23 DMEGAs have district level partnerships in 23 districts with 25 FSPs (Table 8). The growing numbers of MEs having access to financial services (reflected in Table 10) shows the MEs gradually started benefitting through such institutional arrangements between MEAs and Financial Institutions.

Table 8: Partnership with MEAs

S.N.	Organisation	Partners								Total Partners
1	MEDPA/Mol	Nepal Rastra Bank/Rural Self Reliance Fund				Rastriya Banijya Bank				2
2	NMEFEN	Nirdhan Bank	Sanima Bank	Deprosc Bank	Mega Bank	Civil Bank	National Cooperative Bank	Clean Energy Dev Bank	Sangri ala Bank	8
3	DMEGA Sunsari	Forward MFI								1
4	DMEGA Tehrathum	Solve Nepal								1
5	DMEGA Udaypur	Sana Kisan Bikas Bank								1
6	DMEGA Siraha	Srijana MF								1
7	DMEGA Sindhuli	Swabalmban Bank								1
8	DMEGA Mahottari	Swabalamban Bank								1
9	DMEGA Rautahat	Deprosc Bank								1
10	DMEGA Baglung	Green Dev Bank								1
11	DMEGA Myagdi	Clean Energy Village Bank								1
12	DMEGA Parbat	Clean Energy Village Bank								1
13	DMEGA Dang	Nepal Mahila Samudayik Bikas Kendra								1
13	DMEGA Pyuthan	Nepal Mahila Samudayik Bikas Kendra								1
14	DMEGA Salyan	Nepal Mahila Samudayik Bikas Kendra								1
15	DMEGA Rolpa	Swabalamban Bank		Digo Kosh Savings and Credit Coop						2
16	DMEGA Dailekh	Yuba Sworojgar Kosh		Mega Bank		Atma Nirvar Mahila Krishi Sahakari				3
17	DMEGA Jumla	Gramin Bank								1
18	DMEGA Banke	Bageshwori Bank								1
19	DMEGA Surkhet	Bagesghwori Bank								1
20	DMEGA Darchula	Gramin Bank								1
21	DMEGA Baitadi	Gramin Bank								1
22	DMEGA Kailali	Nirdhan Bank								1
23	DMEGA Dadeldhura	Nirdhan Bank								1
	Total									35

MEDEP has provided technical backstopping to CSIDB/DCSI as well as mentored and coached MEDPA, DMEGAs and MEDSPs on financial mapping and linkages with FSPs. Further, MEDEP has facilitated MEAs and MoI to provide policy level inputs to create conducive environment for accessing apex funds such as Rural Self Reliance Fund (RSRF), fund from

¹⁶Nepal Rastra Bank, NirdhanUtthan Bank, DEPROSC Bikash Bank, Civil Bank, MEGA Bank, Sanima Bank, National Cooperative Bank, Rastriya Banijya Bank and Sangrila Bank.

Rural Microfinance Development Centre (RMDC) and National Cooperative Bank at different levels by MEs.

The presence of financial institutions in different local government located in the Tarai, hill and mountain is not same. Compare to the market area of Tarai, the existence of FSPs in the interior and remote parts is low. MEDEP, therefore, explored the alternatives in the past and encouraged potential MEGs to establish Cooperatives and meet their financial need from locally established cooperatives. MEDEP has been continuously facilitating micro-entrepreneurs and their associations (i.e. MEG, MEGA, DMEGA, NMEFEN, Cooperatives) to establish institutional linkages with financial service providers for continued access to financial services so that the service could be continued.

In view of the importance the credit discipline, credit utilization, loan appraisal, follow up of repayment, the Project has been advocating that the loan should be disbursed through regular financial institutions. This is because regular financial institutions have proper systems, procedures and human resources to deliver financial services based on the rules and regulations of *Nepal Rastra Bank* (Central Bank). So, MEDEP has continuously emphasized the importance of forging sustainable relationships of MEs and their associations with established financial service providers. This has led MEs to promote cooperatives to serve more micro-entrepreneurs and expand the service outreach.

14.4 Results and Outcome of the Effort

The concerted efforts and facilitation of the Project has led to strengthened “access to finance” for micro-entrepreneurs in the field. Efforts made by MEDEP to institutionalize the access to financial services for micro-entrepreneurs are given below.

- a. MEs are federated in groups with savings mobilization as required by the financial service providers (FSPs) in order to access deprived sector lending from the financial service providers.
- b. Micro-entrepreneurs groups (MEGs) also deposit and mobilize savings to meet their initial investment requirements and build up financial strengths.
- c. All the micro-entrepreneurs federated in MEGs operate enterprise that gradually become bankable and capable to absorb loan and payback the instalment in time. Thus the micro-entrepreneurs are potential borrowers of FSP and the micro-enterprise is gradually becoming a potential market for the FSPs. It is a mutually beneficial symbiotic relationship in the MED and FSP sector.
- d. Altogether 330 Cooperatives are established by MEs and among them 54% are located in hills, 10% in the mountains and the rest (36%) in the Tarai. They have collected NRs. 230 million savings and mobilized to meet their financial needs including investment into micro-enterprises.
- e. MEs are also accessing funds from wholesale lending organizations through Cooperative (See Table 8). The Products from MEs are marketed collectively from their Cooperatives as local community based product centre. The micro-entrepreneurs are also operating Cooperative from

Common Facility Centre (CFC) which is locally owned and also recognized by the local level government and financial institutions to provide loan on group liability basis.

- f. Owing to MEAs' partnership with FSPs, collaboration with the Central Bank and national level financial service providers; financial institutions and local banks recognize MEGs, MEGAs a reliable credit worthy groups.
- g. Monetary policies issued annually by the Central Bank have given priority to MEs promoted Cooperatives to receive wholesale loan from the Nepal Rastra Bank.
- h. Financial institutions including Central Bank has also recognized micro-enterprise loan for entrepreneurs.
- i. Rural Self Reliance Fund, *Yuba Swarojgar Kosh*(Youth Self Employment Fund) and other wholesale funds i.e. Rural Microfinance Development Centre, First Microfinance Development Bank, Sana KisanBikasBank, National Cooperative Bank are the organizations from where MEs cooperatives are getting along with capacity development training to capacitate them in receiving fund from them. Altogether 13 cooperatives received wholesale loan amount NRs. 55.6 mil and 1,308 MEs have been benefitted from this.
- j. Insurance is one of the key financial products for MEs to protect their enterprises from unseen financial and economic shocks and hazards. Awareness campaigns on insurance policy have been launched through all the 8 Area Programme Support Offices (APSO) from which 419 MEs (67% women, 19% Dalit, 41% IN, 40% BCTS and 15% Madhesi) benefitted from the insurance services. The increment in the number of MEs receiving loan from financial institutions is the result of motivation and counselling of MEAs, project and MEDPA to borrow from formal banking sector and get the loan ensured (Table 7).
- k. Institutional arrangement among Bank, MEDPA and DMEGA, Ministry of Industry has established Women Entrepreneurship Development Fund (WEDF) to provide loan for micro and small enterprises through RastriyaBanijya Bank. Recommendation is needed from DMEGA for MEs to access loan from WEDF. This is a requirement under the tripartite institutional arrangement made among banks, CSIO/CSIDBO and MEAs/entrepreneurs' association. Hence, DMEGAs are recommending CSIO/CSIDB on behalf of MEs in accessing loan from Women Entrepreneurship Development Fund. In 2017, altogether 131 micro-entrepreneurs have received loans. This amounts to NRs. 26.9 million to scale up their micro-enterprises in twelve districts. (Table 9)

Table 9: Loans received from Women Entrepreneurship Development Fund (WEDF)

S.N.	District	MEs	Loan	Women	Dalit	IN	BCTS
1	Udaypur	19	4,700,000	19	1	6	12
2	Saptari	18	862,000	18	5	13	0
3	Dhanusha	3	500,000	3	1	1	1
4	Sindhuli	8	1,300,000	8		5	3
5	Kavre	1	150,000	1	1		
6	Sindhupalchok	10	1,750,000	10	1	5	4
7	Nuwakot	27	6,550,000	27	2	7	18
8	Nawalparasi	8	1,600,000	8	1	5	2
9	Pyuthan	13	3,052,000	13	1	8	4
10	Rolpa	17	3,955,000	17	0	12	5

S.N.	District	MEs	Loan	Women	Dalit	IN	BCTS
11	Banke	1	300,000	1			1
12	Dang	6	2,150,000	6	0	5	1
	Total	131	26,869,000	131	13	67	51
	GESI (%)			100	10	51	39

(Source: APSO Reports on A2F, MEDEP 2017)

With several efforts made by MoI, DCSI/CSIDB, MEAs establishing institutional linkages with financial service providers at different levels (Central Bank, Commercial Banks, Microfinance Institutions and Cooperatives), micro-entrepreneurs are gradually increasing to access loan from FSPs. As a result, 10, 239 micro-entrepreneurs in 2017 have received loan amounting NRs. 195 million from financial service providers. The number of MEs who received loan from different sources is shown below in Table 10:

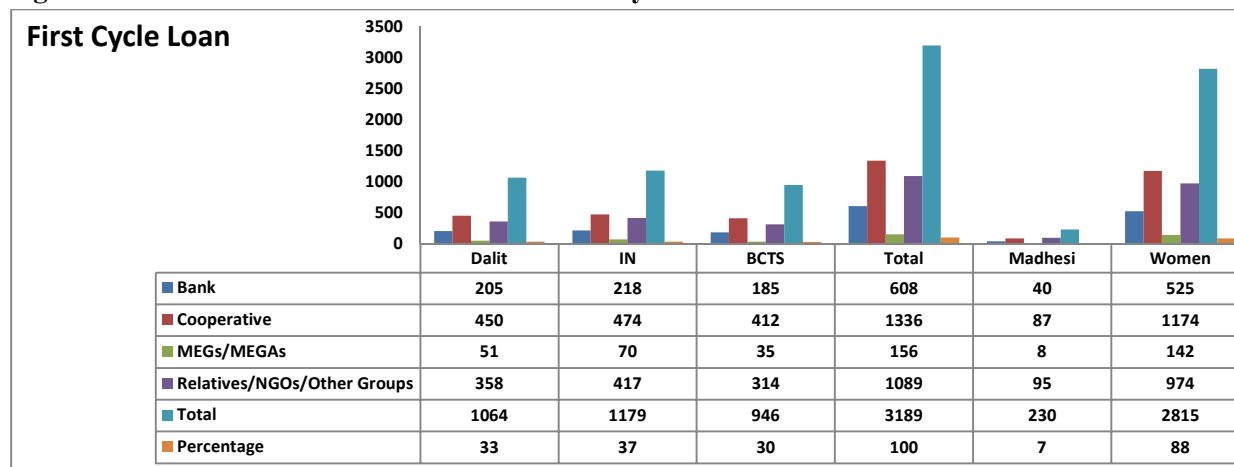
Table 10: Total number of MEs received loan from different sources

Sources	Dalit	IN	BCTS	Total	Madhesi	Women
Bank	448	916	434	1,798	310	1,347
Cooperative	1,328	2,425	1,801	5,554	403	3,976
MEGs/MEGAs	97	193	130	420	44	272
Relatives/NGOs/Other Groups	675	983	809	2467	198	1,677
Total	2,548	4,517	3,174	10,239	955	7,272
Percentage	25	44	31	100	9	71
	Loan			19,53,02,437		
	Average Loan			19,074		

(Source: APSO Reports on A2F, MEDEP 2017)

Out of total loan receivers (10,239), 31% (3189) MEs have received first cycle loan amount NRs. 44.5 million in 2017. While the percentage of the women loan receivers of the first cycle loan is 88%. The detail of the first cycle loan receivers in 2017 is presented below (Figure 8).

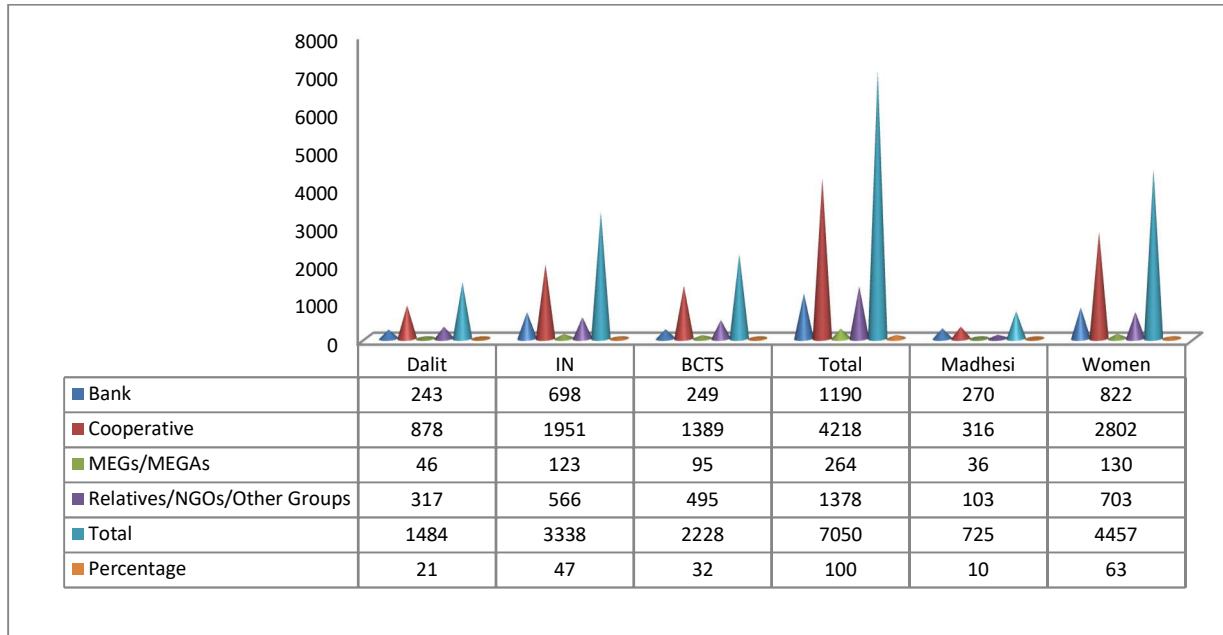
Figure 8: MEDEP/MEDPA MEs Received First Cycle Loan in 2017



Source: GESIMIS MEDEP

Number of Micro-Entrepreneurs receiving 2nd and upward cycle loan (i.e. NRs. 151 million) is 6,750 which are found to be 64% of total MEs who received loan in 2017. Above 66% of total MEs receiving 2nd cycle and upward loan are women. The figure 9 below shows the details of MEs who received loan from different sources in 2017.

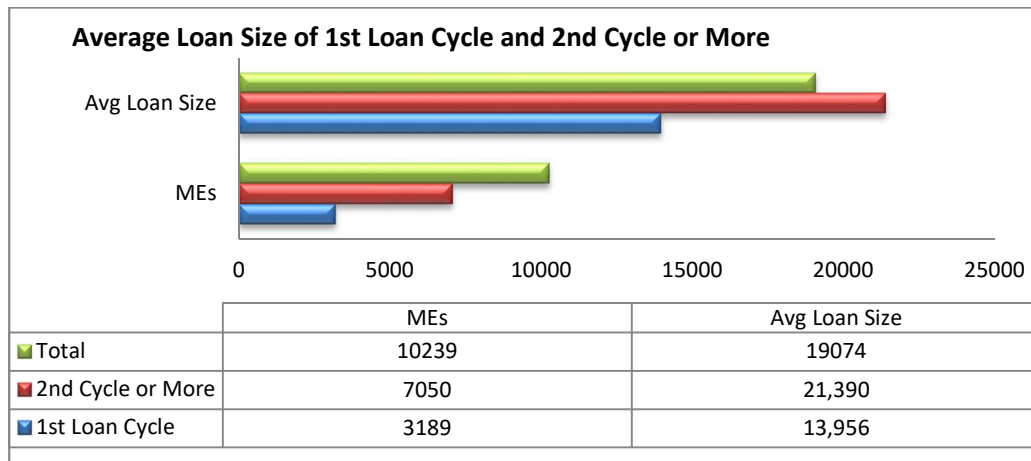
Figure 9: Loan Receiver from 2nd Cycle and above in 2017



(Source: APSO Reports on A2F, MEDEP 2017)

Average loan size of the first cycle loan receivers is NRs. **13,956** while the average loan size of the second cycle and upward loan receivers is NRs. **21,390**. Compared to the first loan cycle, the loan size of the existing MEs receiving 2nd and upward cycle loan is found to be higher because of the scale of the enterprises.

Figure 10: Average Loan Size



14.5 Wholesale Loan

As a result of the five year broad agreement between the Nepal Rastra Bank and the (MoI) to support MEDEP/MEDPA promoted cooperatives in accessing wholesale funds, 12 cooperatives received wholesale loan worth NRs. 28.7 million from Rural Self-Reliance Fund, National Cooperative Bank, RSDC *Laghu Bitta Sanstha* and Women Entrepreneurs' Development Fund. (Table 11)

Table 11: Wholesale Loan Disaggregated by GESI

S.N.	Number of Cooperatives	Number of MEs	Total Amount (NRs)	Inclusion and GESI Dimension (W = women; D = Dalits, IN = Adivasi Janajatis)	Source
1	5	776	7862000	65% - W, 20% - D, 47% - IN, 33% - BCTS	Rural Self Reliance Fund
2	2	115	5100000	87% - w, 5% - D, 52% - IN, 43% - BCTS	National Cooperative Bank
3	3	125	8765000	60% - W, 20%-D, 40%-IN, 40% - BCTS	Youth Self Employment Fund
4	1	29	2500000	66% - W, 12%-D, 54%-IN, 34% - BCTS	RSDC <i>Lagubitta</i> Sanstha
5	1	132	4500000	70% - W, 15% - D, 52% - IN, 33% - BCTS)	Rural Microfinance Development Centre
	12	1,177	28,727,000	67%-W, 18%-D, 47%-IN, 35%-BCTS	

(Source: APSO Reports on A2F, MEDEP 2017)

Similarly, four Cooperatives have applied for wholesale loan amount of NRs. 5.5 million to different organizations, such as: the National Cooperative Bank, *Yubasworajgar* Kosh (Youth Self-Employment Fund) under Rural Self-Reliance Fund (RSRF).

14.5.1 Loan Provision in MEDPA II

According to the feedback received from Nepal Rastra bank in the Draft MEDPA II five year Strategy Document; micro-entrepreneurs created by MEDPA will access loan from Rural Self-Reliance Fund which has been planned to increase up to NRs. 4 billion from NRs. 1 billion. Similarly, the other partnership mechanism between commercial bank (Rastriya Banijya Bank and Microfinance Banks) has been instrumental and will help create conducive environment for MEs to access loan from different financial institutions in MEDPA districts.

14.5.2 Accessing Insurance Services

MEDEP has been supporting government to build up institutional linkages between MEs and insurance service providers for the last three years, Government of Nepal has special provision for entrepreneurs to provide subsidy on insurances related to agriculture and livestock enterprises. But due to lack of awareness on insurance among community members, the facility provided the government has not yielded satisfactory result yet. Significant numbers of MEs are

agriculture and livestock entrepreneurs promoted by MEDEP/MEDPA. To raise the awareness on insurance services, FSPs have been facilitating to work with micro-entrepreneurs and provide insurance services to MEs. CSIOs/CSIDBOs and MEAs have invited insurance service providers to share the services/ benefits to MEs through 8 events in 2017. A total of 419 micro-entrepreneurs (67% women, 19% Dalit, 41% IN, BCTS 40 % and 14% Madhesi) have been benefitted from the insurance services in 2017. Similarly, 1,798 micro-entrepreneurs (Dalit 25%, IN, 34%, Madhesi 17%, BCTS41 %, women 75%) obtained NRs. 57.95 million loans insured from the banking institutions.

14.5.3 Financial Literacy

Financial Literacy Package developed by NMEFEN with technical support from MEDEP has been helping CSIO/CSIDBOs, MEAs and MEDSPs to orient on financial provision/process/issues/opportunities to MEs at field level. Altogether 161 EDFs got ToT on Financial Literacy (49% women, 44% IN, 15% Dalit 41 % BCTS) were trained through a facilitated approach. The financial literacy is included in the EDF Package at all levels. And this is rolled-out by all training institutions. This is embedded in Financial Inclusion course at both TSLC and Diploma levels. The Financial Literacy Package is designed based on this course to disseminate in simpler way to MEs. This has become an important reference material for service providers to make MEs and stakeholders aware on financial literacy. The impact has also been reflected on the increasing trend of loan amount received by MEs in 2017. As a result the number of micro-entrepreneurs received loan in 2017 has been increased from 4247 in 2016 to 10,239 (see table 10 above).

14.6 Constraints and Challenges to be remedied in the Future

Analyzing the overall scenario of financial market in micro-enterprise development sector, followings are some of the critical challenges in order for MEs to access finance equitably:

- (a) Presence of FSPs in remote area is low especially in the hills and mountain,
- (b) When the working areas of FSP and MEDEP/MEDPA are not same, FSPs are reluctant to serve MEs due to high “transaction cost” of extension and follow-up,
- (c) Annual rate of interest charged by FSP for deprived sector lending in micro-finance services is high and ranges from 13- 20 per cent,
- (d) Programs such as Poverty Alleviation Fund (PAF), UPAP, and LGCDP which have substantial revolving fund provisions for community group lending are working still outside MEDPA area of influence and linkages needs to be established for the benefit of MEs, and
- (e) Government fund provisioned for disbursement to employment creation and business development at central level are under-utilized and MEs can have access to such financial resources.

14.7 Opportunities ahead to increase access to financial resources for MED

Opportunities exist for (A2F) for MEs and these can be mobilized from the following sources:

- MEDPA II has made provisions and recommendations for (A2F) from different central level funds, i.e., Rural Self Reliance Fund, *Yuba Sworajgar Kosh*, Enterprise Development Fund, National Cooperative, and Rural Microfinance Development Centre for investment into MED sector. These opportunities have to be capitalized upon.
- The provision made in the Constitution of Nepal to prioritize Cooperative activities in local government administration if implemented would create opportunities for MEs promoted Cooperative to work as community banks and invest resources into MED sector, and
- Role of MEAs to bridge between MEs and financial institutions from central, province and local level has the potential for partnership between MEs and banks for mutual benefit.

Results 15: MED service providers are eligible for MED model implementation under MEDPA.

15.1 Issues Encountered

The MED model consists of reliable supply of services based on the demand of potential MEs and their MEAs assuring quality and timely response. The MED service providers were in short supply to meet the demand of MED model service throughout Nepal owing to inadequate number of EDFs in the market. Further, lack of multi-year sub-contracting, delay in procurement process and two tiers of selection process are some of the other issues surrounding crowding in of MEDSPs. The MEDSPs, MEDPA, LGs and other NGOs running MED model or Livelihoods projects also required a steady supply of Enterprise Development Facilitators (EDFs). It entailed producing EDFs at a steady and reliable numbers including quality in order to ensure that the MED model functions effectively and providing quality in the future for MEDPA.

15.2 Response and Efforts from MEDEP/ Results and Outcome of the Efforts

The MED model provides an opportunity for MEDPA to make optimum use of MEDSPs in providing MED services, monitoring, follow up and effective implementation modality. As a government programme, MEDPA has followed public procurement policy in alignment with the MEDPA operational guidelines. In order to ensure that optimum numbers of MEDSPs are eligible for MEDPA implementation; the Project devised “crowding-in” workshops through all eight APSOs in 2017 particularly orienting on MED Model and bidding process. Likewise, MEDEP has facilitated MEDPA to collaborate with CTEVT and private training institutions to produce qualified and skilled human resources; i.e. EDF and EDO to fulfil the requirement of MEDPA implementation in all districts. As a result, the 26 EDF training institutes have been involved in EDFs production. With the initiation of MoI, multi-year sub-contracting for MEDPA was

approved by NPC/ Government of Nepal but due to government adopting federal system the guidelines has been hold by the government until federal system is full implementation. With MEDEP’s technical support, bidding process is simplified and incorporated into procurement process of MEDPA.

15.2.1 Efforts at building capacity and effective participation of MEDSPs

Altogether six major activities were implemented in order to ensure the above result and ensure that the MEDSPs services are being actively utilized by MEDPA to sustain MED model. These activities were also aimed at strengthening collaborations between MEDPA, MEAs/DMEGAs and the MEDSPs as well as private and academic institutions. The activities ranged from capacity development, coordination and collaboration with relevant stakeholders such as CTVET/NTSB for certification of EDFs/EDOs, skills testing and introduction of academic course. Likewise, the Project supported the development of text book for diploma course on entrepreneurship development. It also provided support to revise EDF text modules based on revised TSLC EDF curricula. The purpose of the developing manuals was to provide copyright and handing over to CTEVT and the manual is ready to handover. In summary, MEDSPs numbering 437 applied as eligible bidders to DCSI and CSIDB for the MED model implementation under MEDPA in calendar year 2017 (Table 12). Out of those applied, only 285 were eligible for competitive bidding.

Table 12: Progressive Trends in MEDSPS Bidding and Providing Services to MEDPA

FY	DCSI		CSIDB		Total DCSI & CSIDB		Number of Districts
	Number of MED bidders	Number of SP eligible MEDSPs	Number of MED bidders	Number of SP eligible MEDSPs	Number of MED bidders	Number of SP eligible MEDSPs	
2015/16	144	67	133	95	277	162	63
2016/17	199	99	204	149	403	248	69
2017/18	200	108	237	177	437	285	75

Source: CISDBO and DCSO records:

15.2.2 Technical training courses and materials developed in order to prepare skilled HR for MEDSPs to provide sustainable services for MEDPA

MEDEP in its first phase began to the first phase developed its human resource required to deliver services to Micro-Entrepreneurs at grassroots level and named them as Enterprise Development Facilitators (EDFs). Initially either School Leaving Certificate (SLC) or Proficiency Certificate (now 10+2 system) pass candidates were recruited and trained in different subjects such as Participatory Rural Appraisal (PRA), Household Survey (HHS), Social Mobilisation, Entrepreneurship Development (SIYB/MECD), Micro-Finance, Leadership Development, Market Network Development, Safe and Effective Development in Conflict, Do-No-Harm, Proposal Writing and Report Writing. They delivered MED Model activities

successfully and later in 2008 MEDEP collaborated with CTEVT and institutionalised human resource development system required for MEDEP, MEDPA and elsewhere first by developing 18 month (the then 15 month) Technical School Leaving Certificate (TSLC) course that produces EDF level 2. The already existing trained and experienced staffs were put under Skill Testing programme under National Skill Testing Board (NSTB) of CTEVT. Later in 2012 a 10 month course was developed to fulfil the requirements of 1,500 hours class work and field practical for skill test level 2. There are 26 training institutions are registered to teach EDF courses. It was felt that there is need of higher level course in entrepreneurship development and MEDEP again collaborated with CTEVT and developed Three Year Diploma in Entrepreneurship Development that is now being taught in Narayani Polytechnic Institute under CTEVT. By end of 2017 altogether 1,234 EDFs (Level 2 and 3) have been developed whereas 34 EDF of level 2 and 8 EDFs of 3 have been developed only in 2017. Disaggregated data of TSLC and skill test for level 2 and 3 are given below in Table 13.

Table 13: GESI disaggregated information of certified EDF

Level	Dalit		IN		BCTS		Total			Madhesi	
	Women	Men	Women	Men	Women	Men	Women	Men	Total	Women	Men
II	17	71	141	98	198	166	356	335	691	21	53
III	33	20	48	42	51	72	132	134	266	4	16
TSLC	40	3	116	31	56	31	212	65	277	5	17
Total	90	94	305	171	305	269	700	534	1234	30	86

(Source: NSTB and CTEVT)

Currently altogether about 26 private training institutes including two government institutes are teaching this course. Out of them, 3 training institutions are not in operation and the remaining 23 institutions are running at different level of capacities. A study is undergoing to assess the overall status of these training institutes. However, the status of the registered training institutions by types, levels, and the numbers of quota they have are shown in the table 14 below.

Table 14: List of EDF training Institutes

SN	Types of Course	Level	Name of Institutes	Location	No of Quota	Remarks
1	Accademic TSLC	level II	Mitra Udhimsilata Vikash Kendra (MUVK)	Janakpurdham, Dhanusha	40 students in a yr	Closed
	Short term course, skill test	level II	Mitra Udhimsilata Vikash Kendra (MUVK)	Janakpurdham, Dhanusha	20 students per secession	
2	Accademic TSLC	level II	Kanchanjungha Ploitechnic Institute Nepal (KPIN)	Padsari 5 Rupendhai	40 students in a yr	
	Short term course, skill test	level II	Kanchanjungha Ploitechnic Institute Nepal (KPIN)	Padsari 5 Rupendhai	20 students per secession	
3	Accademic TSLC	level II	Madhaya Nepal Prabidhik Sikshyalaya Pvt. Ltd	Birendra Nagar 10, Surkhet	40 students in a yr	Not in operation
	Short term course, skill test	level II	Madhaya Nepal Prabidhik Sikshyalaya Pvt. Ltd	Birendra Nagar 10, Surkhet	20 students per secession	
4	Short term course, skill test	level II	Madhaya Nepal Prabidhik Sikshyalaya Pvt. Ltd	Kalikot	20 students per secession	

Table 14: List of EDF training Institutes

SN	Types of Course	Level	Name of Institutes	Location	No of Quota	Remarks
5	Accademic TSLC	level II	Sudur Paschimanchal Politechnic Institute, Dhangadi	Hasanpur, Dhangadi	40 students in a yr	
	Short term course, skill test	level II	Sudur Paschimanchal Politechnic Institute, Dhangadi	Hasanpur, Dhangadi	20 students per secession	
6	Short term course, skill test	level II	Bheri Karnali Politechnic Institutes	Belaspur, Nepalgunj	20 students per secession	
7	Short term course, skill test	level II	Prabidhik Tatha Byabasiyi Training Center Nuwakot	Nuwakot	20 students per secession	
8	Accademic TSLC	level II	Industrial Enterprise Development Institutes (IEDI)	Tripureswor, Kathmandu	40 students in a yr	
	Short term course, skill test	level II	Industrial Enterprise Development Institutes (IEDI)	Tripureswor, Kathmandu	20 students per secession	Not in operation
9	Short term course, skill test	level II	Women Skill Development Center (WSDC)	Itahari, Sunsari	20 students per secession	
10	Short term course, skill test	level II	Ganga Ram Collage	Bharatpur	20 students per secession	
11	Diploma in Entrepreneurship	level III	Narayani Polytechnic Institute	Bharatpur	40 students in a year	
12	Short term course, skill test	level II	Bherirapti prabidhik Sikshyalaya*	Surkhet	20 students per secession	
13	Short term course, skill test	level II	Nawajeevan Multi Academi *	Surkhet	20 students per secession	
14	Short term course, skill test	level II	Skill Nepal Development Pvt.*	Surkhet	20 students per secession	
15	Short term course, skill test	level II	Seti Training Consultancy *	Surkhet	20 students per secession	
16	Short term course, skill test	level II	Bherirapti prabidhik Sikshyalaya *	Ramghat Branch, Surkhet	20 students per secession	
17	Short term course, skill test	level II	Moonlight Pvt. Ltd. *	Surkhet	20 students per secession	
18	Short term course, skill test	level II	Samana Multi technical institute	Tulshipur	20 students per secession	
19	Short term course, skill test	level II	Hillside technical collage	Tulshipur	20 students per secession	
20	Short term course, skill test	level II	Samana Multi technical institute	Salyan (Branch)	20 students per secession	
21	Short term course, skill test	level II	Samana Multi technical institute	Jajarkot (Branch)	20 students per secession	
22	Short term course, skill test	level II	Enterprise promotion and researche center	Ghorahi	20 students per secession	
23	Short term course, skill test	level II	Samana Multi technical institute	Jajarkot (Branch)	20 students per secession	
24	Short term course, skill test	level II	IT Park Educational Academic	Pyuhan Municipality -4	20 students per secession	
25	Short term course, skill test	level II	IT Park Educational Institute	Rolpa Municipality - 2	20 students per secession	
26	Short term course, skill test	level II	Bherimalika Bahuprabidhik Pratishthan Pvt.	Kohalpur -11	20 students per secession	

Source: MEDEP Records

15.2.3 Developing skilled HR for MEDPA/MoI to face challenges in the Federal Set-up

For developing the skilled human resources and address the possible challenges to implement MEDPA effectively, the Project has facilitated MEDPA/MoI to accomplish the following major activities:

- Facilitated MoI to coordinate and collaborate with CTEVT/NTSB for certification of 42 EDFs in 2017 reaching to 1234 through skill testing and academic courses ,
- Supported training institutes/NEDC to conduct orientation on EDF skill tests on NSTB on cost sharing basis,
- Provided support to revise EDF text modules based on revised TSLC EDF curricula. Supported to develop text book for three year diploma course on entrepreneurship (process for developing 12 text modules developed),
- Twenty-six Training institutions are, currently, running EDF course in order to produce required human resources for MEDPA17. (As per CTEVT rule, each academic training institute can enrol 40 students per batch in TSLC and 3 years diploma. But for short term there are 25 per batch).

Under academic system (TSLC and Diploma), the capacity of training institute is generally underutilized (probably these institutes are running in around 80% capacity). The reason is initially not many students understand the value of EDF course but gradually students' enrolment is increasing because public awareness on the importance of these courses is gradually increasing.

Despite some of the critical challenges identified above, the services provided by EDFs through MEDSPs are yet to meet the level of expectation. The “teaching-learning” materials and skills related to pedagogy and experiential skills training/learning have laid the foundation for the delivery of the MED model sustainably by MEDPA/MoI leading to a sustainable delivery system for micro-entrepreneurs in MEDPA.

15.2.4 Trends in EDF coming on-stream in the market

The EDF coming on-stream in the market illustrated that in the last four years in an average 226 EDFs enter the job market annually as shown below in Table 15 the figure shows that the pass percentage of EDF has dropped in 2017. Some of the general reasons of the sharp decline of the EDFs passing the courses in 2017 are: inadequate monitoring system established in CTEVT particularly for short-term courses, less experienced teachers available in the increasing number of training institutes in remote areas, the students passing Secondary Education Examination (SEE/ the previous SLC) in E Grade (lowest grade) are also eligible for getting enrolled in TSLC and short-term courses of EDF which provided opportunities to less competent students to study the course, the job of EDFs in MEDSPs is of short term nature and students passing with higher grade in SEE exam are not motivated to enrol TSLC and short-term courses. All these reasons resulted in lower percentage of the pass in the exam leading to inadequate availability of EDFs in the market. The demand of EDFs is further increasing as number of organizations/institutes has started recruiting EDFs, for example, SAMRIDDHI Project under MoI has decided to recruit about 500 senior EDFs.

¹⁷ The training institutes providing EDF courses have increased from 11 to 26 throughout Nepal currently.

Table 15: EDF development trend

Time Period	2011	2012	2013	2014	2015	2016	2017	Grand Total
EDFs	87	76	165	310	273	281	42	1,234

Source: CTEVT and NSTB

15.3 Constraints and Challenges to be remedied in the Future

Challenges in ensuring MEDSPs' effective participation in bidding process persists. Although, the number of eligible MEDSPs increased overall compared to last year, yet second time noticed was published in 21 districts out of 75 districts. This was because less than requisite 3 MEDSPs applied for providing their services. Crowding-in workshop in these 21 districts are still required to ensure their effective participation in bidding process. There is probability that if all LGs intend to procure MEDSPs independently, this may lead to the question of quality in selecting MEDSPs. To mitigate this, MoI has proposed two stages procurement process of MEDSPs (pre-selection at province level and final selection at LG level) which ensures the quality and quantity of MEDSPs selection.

Result 16: Association of MEs (DMEGA, NMEFEN and NEDC) with feasible business plans meeting the sustainability criteria.

16.1 Issues Encountered

Associations of MEs (MEAs) face a number of institutional development and financial sustainability challenges. It ranges from carrying out their advocacy, lobby and quality assurance to obtain support from MEDPA and MEDSPs for their own survival. The MEs/MEAs also face challenges of selling their products, obtaining appropriate technology and required loan. They also lack capacity in carrying out effective lobby and advocacy works for themselves and their member including their umbrella federations at local district, provincial and national level.

16.2 Response and Efforts from MEDEP

MEDEP facilitated and mentored MEAs/NMEFEN and NEDC to develop and/or revise their existing business plan with the help of external expert. Altogether, two business plan for the umbrella organizations NMEFEN and NEDC and 38 Business Plans for DMEGAs were evaluated. MEDEP supported all these associations to perform on their weak areas based on the outcome of the evaluations of those business plans to ensure their financial and organizational sustainability.

Accordingly, the DMEGAs were categorised into 3 groups, i.e. Strong (8), medium (15) and Weak (15). MEDEP applied strategy to support them in sliding down rules. The support services were basically focused in two areas; i.e. economic sustainability and organizational development. In addition, a number of formal and informal, budgetary (for fund raising, membership increment, good governance, service package development) and non-budgetary (technical advice

and backstopping) support have been extended to MEAs, either directly in the field or indirectly through NMEFEN. Performance contract was designed for 9 months (6 months for 2017 and 3 months for 2018). All the DMEGA, according to the performance contract, have completed the six month package but the implementation of the package is still to be observed in first 3 months of the year. So there is no change so far in the number of strong/medium and weak DMEGAs. However, they have made some progress as per the indicators mentioned in the performance contract.

16.3 Results and Outcome of the Efforts

16.3.1 Organizational Development

Good Governance: 38 DMEGAs have reviewed and revised their statutes in consultation of NMEFEN and have made additional provision there in for:

- a) Membership to self-created MEs along with MEs promoted by others; such as I/N/GOs. Altogether 17,165 new memberships have been issued.
 - b) Provision of fee based services and elaboration on role & responsibilities of executive members.
 - c) Addressed their organizational structure as per the federal governance structures.
 - d) Apart from that 23 DMEGAs (Weak and Medium) have developed/revised Administrative & Financial Guidelines to implement good governance in their institutions. Such revisions are still waiting for endorsement by their respective AGMs.
- Improved communication with MEGAs (Ad hoc committee): DMEGAs have communicated with their 264 MEGAs at LG level in regular basis in order to make them aware on changed context of restructure of MEGA and lobby/advocacy with LG for fund allocation for MED.
 - Developing stronger advocacy capacity: DMEGAs have conducted 77 formal advocacy events with 77 LGs at local level. The dialogue was focused precisely on request for supporting MEAs for institutional development and fund allocation for MED.
 - Engaged with members to re/organize as per new structure: All DMEGAs in 38 districts have supported 108 LMEGAs for re/organizing institutionally. DMEGAs have supported in forming Interim Executive Committee (Ad hoc) for LMEGAs and in developing statutes (draft) in coordination with NMEFEN. Further, NMEFEN has developed a standard statute and guidelines for reorganized MEA on 'chapter model' to align them with the new federal structure.
 - Altogether 83 new board members in 15 weak DMEGAs are elected to run the organization smoothly.
 - NMEFEN developed member networking with other organizations such as: Independent Living Centre, Siddhi Memorial Foundation and Nyayik Sansar.

16.3.2 Economic Sustainability

- NMEFEN developed proposals and submitted to different development organizations

(OXFAM, Swiss Contact, NyayikSansar, WWF and DFAT) and working with some partners such as: NyayikSansar – NRs. 300 thousand.

- DMEGAs' fund raising activities: All DMEGAs in 38 districts have developed programme proposals and have submitted to LGs. Altogether, 117 proposals have been submitted worth NRs.32.4 million in 2017. Out of the 38 DMEGAs, 3 DMEGAs (DMEGA Sindhuli, Parbat and Dailekh) have received a total of NRs. 4.9 million to work on MED model.
- Development of fee based service package: All DMEGAs have developed a guidelines for fee based services for the identified skills training in potential sectors such as *Allo processing*, Dhaka weaving, bee keeping, trainer mobilization and member service.
- They were able to increase additional 17,165 members by offering membership to new entrepreneurs on existing member 37,616 reaching 54,781 (Dec. 2016). The memberships have supported them to raise additional fund of about Rs.8.5 million¹⁸.

16.4 Constraints and Challenges to be remedied in the Future

The MEs need to obtain continued support in becoming resilient and obtaining services and support from the MEAs in access to market, finance, technology and counselling. These services will help them to becoming competitive and sustainable in the market place. The challenges, therefore, is for MEs themselves and the MEAs at various levels from hamlet, LGs, district, provincial and national level to re-organize themselves along Federal structures and become effective voice in continue work under MEDPA ensuring effective collaboration through the MED model in the future.

Output 3: Capacity for Policy Advocacy and continuous improvements of quality of services improved and awareness about MED increased.

Results 17: Proposals brought forward to the GoN by NFEMEN based on inputs by an entity dedicated to policy and research in micro-enterprises development (MED).

17.1 Issues Encountered

The need for MEs/MEAs to receive quality services in terms of an entire gamut of “value-chain” from production, financing, technology to marketing is a sine-quo-none if MEs are to play meaningful role in employment and income creation plus poverty reduction in the country. This can only happen sustainably, when a net-work of “duty bearers” from government, market to civic society sector provides continuous quality support to the MEs through their MEAs as “right holders”.

17.2 Response and Efforts from MEDEP

In conformity with the above output and results, the Project has facilitated local, district and national umbrella organizations of MEAs/NMEFEN to fulfil improvements in services provided by MEDPA and increase MED model awareness to LGs, private and NGO sectors. Major activities towards these ends were:

¹⁸ In an average a membership NRs. 500 is paid by each new member resulting in accumulation of NRs. 8.5 million for DMEGAs nationwide.

- MEAs discussions and interactions with different stakeholders, i.e., MoI, DCSI, CSIDB, FNCCCI, FHAN to make MEs friendly policies in relevant issues,
- Dissemination of existing policies among stakeholders,
- Advocacy and lobbying with LGs for adequate budget allocation on MED,
- Facilitate NMEFEN to become more aware of the opportunities and take advantage of them to strengthen resource mobilization, and
- Advocacy Handbook has been prepared by NMEFEN to use as reference materials for advocacy and lobby on MED.

17.3 Results and Outcome of the Efforts

MEDPA allocated budget of NRs.7.5 million to build capacity of MEAs for the current FY (2017/18). It is yet to be mobilized but with the start of MEDPA implementation, the DMEGAs are lobbying with the CSIOs/CSIDBOs for proper utilization- capacity building of DMEGA.

- NMEFEN and DMEGAs developed and shared draft of statute to restructure MEGAs in the context of federal structure.
- MEDEP engaged DMEGA for orientation of LGs on MED model and as a result 186 LGs allocated Rs. 398 million to implement MEDPA like programmes in the concerned LGs.
- NMEFEN developed "Advocacy Handbook-2017".

17.4 Constraints and Challenges to be remedied in the Future

The constraints of MEAs in the present context of Nepal adopting federal system are organization restructuring, getting recognition by the local and provincial governments and increasing their memberships. They are facing challenges of their sustainability in the areas of good governance, financial resources, administrative set up and their own organizational marketing. MEDEP is supporting MEAs to restructure them in line with federal system by forming MEGAs at local government level and umbrella organization at provincial level. MEDEP has provided financial and technical supports in the forms of resource mobilization, membership driving, developing service package for sale and preparing advocacy manuals for their sustainability.

Results 18: MEGAs and DMEGAs regrouped according to the new Federal structure: percentage of DMEGAs/MEGAs aligned with new structure.

18.1 Issues Encountered

Major issues of MEAs at district level is the possible less effectiveness of DMEGAs in the context that the District Coordination Committee (DCC) has no authority to plan and implement development activities and do policy formulations. Local and Provincial Governments would do this job and thus a requirement to restructure the MEAs according to new set ups.

18.2 Response and Efforts from MEDEP

The Project's efforts have been to support the MEAs to align, harmonize, strengthen, re-organize, re-orient, and re-structure themselves from local, district, provincial to national level to become efficient, effective and fully functional along federal system. In order to accomplish this important task the Project facilitated a number of important tasks.

These are as follows:

- Support DMEGA and NMEFEN to re-align DMEGA and MEGAs as per the new federal structure at local level,
- Provide technical supports for resource mobilization, membership increment, developing service package, preparing advocacy manual,
- Mentor to lobby and advocacy with local, provincial and federal level government

18.3 Results and Outcome of the Efforts

- Facilitated to organize national workshop by supporting NMEFEN to make a clear guideline to restructure the MEAs from local to national levels. Then all the MEAs structure and delivery mechanism will be prominent in close coordination of NMEFEN leads ownership and sustainability too. NMEFEN has developed sample statute to restructure MEGAs at local government level and to establish MEAs' at provincial level. The sample statute has been circulated to DMEGAs to restructure the MEGAs as well as initiating to establish provincial level MEAs as an Ad hoc committee on a chapter basis. Till the end of December 2017, the Ad hoc committees of MEGAs have been formed in 46 municipalities and 62 rural municipalities.

18.4 Constraints and Challenges to be remedied in the Future

The MEs and MEAs at different levels will have to come up with appropriate structures, systems and strategies in order to function effectively ensuring their long term sustainability. Effective leadership and management development at each level is required in order for the MEAs to play their roles effectively in the future. Currently, MEAs and the MEs in decision making positions of are not found to be performing their roles efficiently. MEDEP has provided technical and financial support to build up their leadership and management Capacity.

6. Budget and Expenditure

The total budget utilization against the planned budget for 2017 is nearly 90%, which is in consistent for all three outputs (Table 16).

Table 16: Output wise annual budget and corresponding expenditure (Amount in US \$)

Output	Annual Budget	%	Annual Expenditure through project	Annual Expenditure through UNDP	Total Expenditure	Budget Utilization%
Output 1	5,359,913.00	91%	4,188,767.37	602,924.08	4,791,691.45	89.40%
Output 2	365,021.00	6%	174,530.22	158,943.67	333,473.89	91.36%
Output 3	176,738.00	3%	17,517.87	147,958.67	165,476.54	93.63%
Total	5,901,672.00	100%	4,380,815.46	909,826.42	5,290,641.88	89.65%

(Source: Financial Record of MEDEP)

The budget utilization source of funding is presented in table 14. Out of the total expenditure till 2017, the budget utilization of DFAT and UNDP source is 91 and 90% respectively (Table 17)

Table 17: Sources of funds Budgeted and Utilization (Amount in US \$)

Agencies	Equivalent Total Budget US\$	Expenditure up to 2016	Expenditure in 2017 (Upto 31 December)	Total expenditure till 2017	Total Budget utilization %	Budget Balance US\$
UNDP	2,500,000.00	1,763,166.93	494,184.56	2,257,351.49	90%	242,648.51
DFAT	28,000,166.00	20,651,177.74	4,796,457.32	25,447,635.06	91%	2,552,530.94
CQU	57,820.00	57,816.57	0	57,816.57	100%	3.43
Total	30,557,986.00	22,472,161.24	5,290,641.88	27,762,803.12	91%	2,795,182.88

(Source: Financial Record of MEDEP)

7 CROSS CUTTING ISSUES

7.1 Targeting and Voice/Participation of target groups

- MEDEP was established to work with the poorest of the poor, marginalised and socially excluded groups of Nepal by providing them skills to start micro enterprises so that they are able to be financially independent. As reported in earlier sections, the Project has taken into consideration the GESI principle and included their substantive participation and voice in creating MEs as well as providing them support through the MED model. Likewise, the monsoon floods during August, 2017 affected substantial population in the Tarai including MEs in the MEDEP and MEDPA districts. The project was able to assist 2,139 (women 82%, Dalit 33%, IN 34%, Madhesi 70%, BCTS 33%, Youth 85%, PLWD 0.51%). MEs in 14 most flood affected districts. This has resulted in the rehabilitation of their micro-enterprises. Similarly, the Project has documented the achievements of 108 successful women entrepreneurs as noteworthy case studies. Twenty two of them are recipient of ‘best entrepreneurs’ national award from MoI/MEDPA out of 75 recipients nationwide¹⁹.

Women, Dalits and IN, Madhesi and Youths) voices, participation and representations have been ensured as alluded to above by having a GESI strategy in MEDEP and MEDPA programme intervention areas²⁰. The GESI principles have been embedded in the MEDPA Operational Guidelines and Draft of the Strategic Plan MEDPA II. In this manner MEDEP has ensured participation and equity with the primary stakeholders, i.e. the MEs who are partnered at the community and the household level. Due to increased coaching, training and advocacy from MEDEP, this has been addressed and integrated by MEDPA. Since the MEDPA will be implemented by LGs, they need to be made aware and sensitized (MoI and further need to provide technical assistance to LGs and provincial governments). As a mitigation measure, integration of GESI in MEDPA strategy and regular orientation on GESI principles to micro-entrepreneurs is already included in the MEDPA system. But, Government needs to orient regularly to newly recruited Govt. Staff particularly at LG and Provincial levels. The GESI principles are also integrated in EDF courses (level 2, and Diploma).

7.2 Gender equality, Women’s empowerment and Social Inclusion (GESI)

GESI remains a strong policy advocacy, lobbying work and implementation agenda in the Project. It is also one of the key agendas to be institutionalized in MEDPA. Towards this end, the Project has accomplished a number of key activities as listed below.

- MEDEP together with MEDPA have been focusing to alleviate poverty of Women, *Dalits*, *Adivasi Janajati* and other hard-core poor through entrepreneurship development. MEDEP/MEDPA created 131, 680 MEs till date. As illustrated in the GESI disaggregated

¹⁹ The Ministry of Industry (MoI) provides 75 awards to encourage Micro-Entrepreneurs in Nepal. Twenty two of them were from MEDEP/MEDPA implemented districts.

²⁰ Indigenous Nationalities are referred to as *Adivasi* or *Adivasi Janajati* anthropologically, in Nepali vernacular and current identity based ethnic political movement in Nepal.

(Table 2) these are 74 % women, 25% *Dalits*, 38% IN, 21% Madhesi, and 84% Youth, and 1.34% PLWD.²¹ All newly created Micro-Entrepreneurs were oriented on GESI concept along with Entrepreneurship Development Package, Start and Improve Your Business (SIYB). Most of the MEs realised that the success of enterprise depends on joint sharing of the work load, mutual understanding and respect. This proved to be helpful while making decisions in regards to their enterprise.

- Transferred knowledge and skills for operating web base Gender Equality and Social Inclusive MIS database to the government staff and MEDEP staff in order to maintain GSMIS Database in all districts,
- Altogether, 1,234 EDFs have been developed and certified by CTEVT and are facilitating for enterprise development at the rural areas. They represent 57% women and 43% men and 46% BCTS, 39% IN, 15% *Dalit* and 9% Madhesi,
- GESI has been integrated in MEDPA Five Year Strategy and MEDPA Operational Guidelines,
- Total 389 MEs have been elected in the LGs of which 291 are female members (women 75 %, Dalit 38 %, IN 34 %, BCTS 28%), detail in Figure 4.
- GESI strategy and action plan for MEDPA was developed in consultation with relevant MEDPA and MEDEP stakeholders including MoI, DCSI, CSIDB, UNDP, DFAT and MEDEP staffs. The final draft of GESI Strategy with comments from all stakeholders is incorporated and is submitted to MEDPA/MoI in early 2017. The GESI Strategy and Action Plan, 2016 has facilitated MoI to develop GESI responsive MEDPA Strategy II and integrate GESI in MEDPA programmes at all levels, processes and across all components.
- Women, Dalits and Indigenous Nationalities and BCTS occupied 61.5%, 16.6% and 40.3%, 43.1% of decision-making positions (President, Secretary and Treasurer) respectively in 52 districts' DMEGAs in and NMEFEN. They build the capacity of DMEGA executive members on organizational development, MED friendly leadership development, and building network. This has developed leadership skills in many women and excluded group with strong identities of their own. But, numbers of decision making positions of Dalit in DMEGAs are still low. Therefore, more emphasis is still needed to build capacity on GESI friendly leaders of MEAs in MED model implementation for existing as well new MEAs. Representation of women and excluded groups in MEs' Association is presented in Table 18 below.

²¹ Operational definition of youth is 16 – 40 years of age. The definition of PLWD is subjective and based on MEs own admission of disability of one form or the other.

Table 18: Representation of Women and Excluded Groups in ME's Association

Composition (Total executive members) (622)	DMEGA in MEDPA (14 Districts)		DMEGA in MEDEP (38 Districts)		Total (52 Districts)		NMEFEN	
	Executive Committee	Decision making	Executive Committee	Decision making	Executive Committee	Decision making	Executive Committee	Decision making
Women (%)	68	69	58	59	60.4	61.5	42.8	33.33
Men (%)	32	31	42	41	39.6	38.5	57.2	66.67
Total (%)	100	100	100	100	100	100	100	100
Dalit (%)	22.6	16.6	19.20	16.6	20	16.6	19.0	0
Indigenous Nationalities (%)	54	42.8	41.9	39.4	44.8	40.3	42.8	66.67
BCTS (%)	23.4	40.6	38.9	44	35.2	43.10	38.2	33.33
Total (%)	100	100	100	100	100	100	100	100

Total members 622 + 21 members in NMEFEN, (Source: NMEFEN, 2017)

7.3 National Capacity Development

MEDEP is strengthening capacity of three stakeholders: GoN agencies, MEAs and MEDSPs for the sustainable delivery of MED.

The capacity building supports includes; training, logistic support, exposure visit, regular mentoring and coaching, joint planning/monitoring/review, feedback in policy review/development at both central and local levels. MEDEP supported DCSI/CSIDB and their district offices in procurement process of MEDSP selection and third party evaluation. Further, MEDEP is supporting supported MoI to set up enterprise information centre to establish GESIMIS and to provide information on entrepreneurship development.

Similarly, MEDEP has been supporting to MEDSP, MEAs and other private sectors for MED development. Orientation programme on MED model in remaining 6 districts (291 persons) and MEDPA bidding process was conducted jointly by MEDPA and MEDEP (Table 19).

Table 19:Capacity Building Trainings (GoN, Implementing partner and MEDEP)

SN	Training	Total	GESI wise distribution					
			Women	Men	Dalit	IN	BCTS	Madhesi
1	Facilitation for Institutionalisation workshop for MEDEP	70	17	53	6	32	32	5
2	MED Model Orientation to Elected Representatives	12,945	3,981	8,964	1,683	3,754	7,508	1,694
3	MED Model Orientation to New MEDPA districts (6)	291	42	249	16	74	201	9
4	Orientation on MED model and advocacy to Elected MEs	311	211	100	113	81	117	18
5	ToT training of GESIMIS/RBM system to GoN staff and MISAs	22	6	16	0	8	14	2
6	GISMIS/RBM training to LG staff (computer operators & M&E Focal persons)	144	22	122	9	54	81	16
7	Orientation on MEDSPs Procurement Systems	332	44	288	13	51	268	28
8	National Workshop on MED Model and Programme Planning (Balthali)	29	3	26	0	8	21	0
9	Orientation to non-Demo LGs on GESIMIS	328	58	270	12	91	225	62
10	Capacity Development of MEDSP on MED Model	405	194	211	31	126	248	14
11	Training on GESIMIS to DBA of MEDSPs, CSIDB and CSIO	46	21	25	2	18	26	5
	Total	14,923	4,599	10,324	1,885	4,297	8,741	1,853

(Source: NPSO/GESI-MIS)

7.4 Sustainability

Government has institutionalized MED model in the form of MEDPA and have now covered all 77 districts of Nepal. At the Policy level, the government has incorporated MEDPA into national plan, developed MED policies, strategic plans and Operational Guidelines that led to creating conducive atmosphere to institutionalize MED model. At the institutional level, appropriate structures such as EIC, steering and implementation committees, EDUs, and the IDS, EDC at local level are in place. In addition to government's efforts the crowding in of MEDSPs and the capacity strengthening of MEAs as other pillars are important milestones of MED sustainability. Government is annually increasing MEDPA budget. The efforts in institutionalization have led to GoN/MoI allocating significant amount of budget (NRs. 690 million, i.e. 115% increment compared to last year) for the current Fiscal Year demonstrating its commitment and ownership of the MED model. For the total MEDPA allocation (2013/14- 2017/18), it increased the budget from NRs. one billion to NRs. 1.63 billion or an increase of 63 percent. Local governments are also internalizing MED model by allocating NRs. 398 million from 186 out of 753 LGs in 2017/18.

In order to ensure sustainability and replication of the MED model 65 LGs have been selected and signed MoU for demonstration. The MEDPA II Draft Strategy Document (2018/19 – 2022/23), is awaiting approval by GoN. Once approved, it will ensure that the MED model runs sustainably as GoN's regular programme for micro-enterprise promotion and development under MoI as MEDPA.

As Nepal adopts and constantly adapts to the evolving Federal system of governance, i.e., socio-economic, political and administrative systems and structures; MEDEP continues its technical assistance to MEDPA under MoI until its exit in July 2018. The remaining period of the Project will ensure, to the extent feasible, that all 753 LGs are orientated in the MED model.

Based on the Exit Strategy, May 2017; the three pillars of the MED model, i.e. the MEDPA/MoI; NEDC/EDFs and NMEFEN/MEAs will have accomplished - to certain degree - developing their systems, structure, staff, resources, operational guidelines and financial system under their respective Business Plan/Strategy. These developments will enable them to continue playing the role of: (a) duty holder, (b) service providers and lobby and advocacy efforts to safeguard the ME/MEAs rights. The effective and efficient function of these organizations will ensure the sustainability of MED beyond MEDEP IV. However, the challenge of adopting these systems and structure as per the federal forms of government remains. The MoI is supporting local governments to put in place these systems and procedures for MEDPA implementation.

7.5 South-South and Triangular Cooperation

Zimbabwe's team led by Hon Minister for Small and Medium Enterprises and Cooperation Development Ms. Sithembiso G. G.Nyoni visited Nepal in mid-March, 2017. This visit was organized and coordinated by MEDEP/UNDP Nepal and UNDP Zimbabwe. The nine days visit by an eight member team visited MEDEP/MEDPA promoted micro-enterprises in Kavre and Kaski district. This visit cemented a bond of friendship between the two countries providing encouragement and visibility of the MEDPA and the MED model.

7.6 Partnerships

A couple of business to business (B2B) partnerships were accomplished in 2017. MEDEP and MEDPA promoted Honey micro-Entrepreneurs worked together to forge business partnership with Gandaki Bee Concern Pvt. Ltd. (GBC) in 2017. Eight districts were selected for this collaboration. The aim was to conduct training of Potential Entrepreneurs (TOPE) and Training of Starting Entrepreneurs (TOSE) for the selected entrepreneurs by MEDEP/MEDPA. The GBC provided technical training on beekeeping and provided improved beehives based on demand on cost sharing basis. The condition was that the entrepreneur should keep at least five beehives each. The districts selected were Nawalparasi, Kapilvastu, Dang, Bardiya, Pyuthan, Kailali, Dadeldhura and Ramechhap. Altogether, 500 honey entrepreneurs were trained in Beekeeping Skills by GBC and signed the buy back guarantee agreements to buy honey from the entrepreneurs. The MoUs were signed with individual entrepreneurs resulting in 500 honey entrepreneurs promoted by MEDEP, MEDPA and RELRP (Ramechhap), linked with GBC. As

per GBC, it has procured approximately 50,000 kg of honey from the entrepreneurs. The total amount of transaction is approximately NRs. 17.5 million (US \$ 173,270 approx.).²²

The beekeepers are organized into production and marketing/procurement groups in order to supply honey to the market through GBC. A group of five lead honey entrepreneurs collect honey and supply it to the GBC in bulk quantity. This has created a self-sustained sub-contracting mechanism in honey business. The GBC has worked in partnership with honey entrepreneurs promoted by MEDEP since 2002/03 in a small scale. Currently, such (B2B) partnership has expanded. Despite this, according to GBC MEDEP linked collaboration represents around 10 percent of GBC annual turnover and there is room for expansion and improvement.

A workshop on “Strengthening and Scaling a Business Partnership between Micro Entrepreneurs and SMEs in the Era of Sustainable Development” was accomplished on 20th Dec. 2017 with key objective to establish business linkage between Micro Entrepreneurs (MEs) and SMEs at national level to promote sale of MEs’ product. This was accomplished under the joint auspicious of NMEFEN and the Global Compact.²³ The workshop was chaired by MoI Joint Secretary/NPD of MEDEP in participation of private sectors; such as, FNCCI, FNCSI, CG, and several industries and other Business Member Organizations (BMOs). Three Memorandum of Understandings (MoUs) were done between NMEFEN and SMEs (Laxmi Wood Craft Udyog, Bounty Himalaya Pvt. Ltd., and Gandaki Bee Concern). Further, several SMEs showed their interest to promote products produced by MEs.

The partnership arrangement between CG Foundation and NMEFEN has continued in 2017. They have increased their support to MEs by accessing products to new outlets as well. For instance, MEs products are now being promoted through *Swaswot Dham* outlets in Nawalparasi district and CG digital outlet in *Bhatbhateni*, Baluwatar. As a result, MEs are able to sell goods worth NRs. 200,000 from these two sales avenues (source-CG Unnati presentation at Hotel Himalaya on 20th Dec 2017). Likewise, the partnership agreement between Mahaguthi and NMEFEN has been continued in 2017. On-an-average MEs are able to sell goods worth NRs. 100,000 each month through *Mahaguthi* Shop in Lalitpur.

7.7 Promotion of civic engagement

MEDEP facilitated NMEFEN to engage in developing Good Apiculture Practices (GAP) in beekeeping and lobbying with the local government, civil society organization, Association of District Development Committee of Nepal (ADDCN), Federation of Nepal Beekeepers (FNBK), Nepal Beekeeping Central Cooperative Union (NBCCU) for promotion of MED.

²²Each entrepreneur has earned NRs. 35,000 or (US \$ 350) in one season at the rate of NRs. 250 – 350 per kg.

²³ Global Compact (GC) is a non-profit organization and it is a local network of United Nations Global Compact. It promotes business initiatives orientated to policy, advocacy and regulatory framework to promote business in the private sector.

7.8 Expanding opportunities for youth

During 2017, altogether 15,017 youths out of 16,796 were engaged as entrepreneurs created by MEDEP/MEDPA (January-December 2017) which comes to around 89 percent. This is an achievement of 2017 on youth ME creation which had set the target at 60%. One of the key objectives of MEDEP is to have policies designed and initiatives developed to expand employment opportunities for the poor, youth, women, and proportionately to the socially excluded groups namely *Dalits*, Indigenous Nationalities, and Madhesis in selected districts. The Project has facilitated MoI to sign a MoU with the National Youth Council (NYC) for mutual benefit of youth for MEs creation during 2017 combining the comparative advantage of MED know-how of the Project with financial resources available with Council. MEDEP also provided capacity development training on entrepreneurship development to NYC members and staffs and supported to develop guidelines to implement '10 Youth One Enterprise' programme.

7.9 Innovation

Innovation in Allo fibre (Girardinia diversifolia-Himalayan Nettle) extraction and yarn spinning technology

Simple prototype machine for allo fibre extraction and yarn spinning were developed during 2017. The Project made efforts to mechanize allo harvesting and processing because of hardships faced by Women Entrepreneurs in turning the raw material to yarn manually. UNDP received US \$ 16,000 and worked with MoI to develop this technology. It then selected two groups of young graduate engineers from the Institute of Engineering, Tribhuvan University (TU) and Kathmandu University (KU). In a period of four months they developed a four step allo processing machine which can (1) beat, (2) roll, (3) hackle and (4) spin allo fibre into strands of yarn. This has helped to simplify in processing allo and has resulted in making uniformity in thread production. This has also helped to save time in allo processing.

Allo yarns are gaining popularity in export orientated carpet industries in Nepal. It has minimized the import of raw wool from New Zealand and Tibet. Such a machine has the potential to be used in the production of allo yarn leading to increase in export earnings and foreign currency. With MEDEP facilitation, the government, realizing its potential, allocated NRs. 26 million in 10 districts. The CFCs are utilizing two of these machines in each district and the engineer developers reported that it is performing well. Teething problem remains with this prototype machine and efforts will have to be directed in order to further refine and improve the technology before they can find mass market and appropriate use. The potential for future replication and utilization by MEs and CFCs remain high.

GESI-MIS data-collection through mobile application

Innovation to note in 2017 is in the MIS system and this is related to data-gathering by MEDSPs/EDFs through mobile phone application system. Mobile application software is able to gather relevant information related to a number of key indicators such as updating PCI (per capita income), form A & B of the MIS system on base line data set and relevant training and

other programme activities. EDFs have been trained and familiarized in the use of the mobile application software system and are able to carry out this function. In many ways, it is also a “precursor” to a web-based information gathering and uploading system by MED model service providers in Nepal in the future. The Enterprise Information Centre (EIC) in MoI/MEDPA will find relevance to utilize such an innovative data-gathering system in the future.

Proposals Submitted to UNSIF

UN Social Impact Fund (SIF) aims to create partnerships between participating UN agencies and impact investors to support the achievement of the Sustainable Development Goals (SDGs). SIF provides a solution to increase the scale and effectiveness of impact investing. Its finance approach is market-based and strategic, and it'll serve as a win-win model for partnering UN agencies, investors, and social enterprise in the long run. With the Support of UNDP Nepal, MEDEP developed and submitted 5 different proposals to enhance the MEDEP supported enterprises in Nepal. The results of the proposals are yet to come.

8. Successful Case Stories:

A SPECIFIC STORY

River-bed farming lifting people out of poverty in Nepal

Nepal's vast riverbeds, especially in the Tarai area, remain submerged in muddy waters during the rainy season, and dry and desolate for the rest of the year. These unused riverbeds have huge potential to be utilized for poverty alleviation of thousands of landless families.

Currently, 1,955 landless micro entrepreneurs are turning these riverbeds into lush green vegetable fields in 9 districts of Nepal. They cultivate fresh vegetables such as cucumber, watermelon, gourd and beans that grow better in sandy soil.

This was possible with the support of Australian Department of Foreign Affairs and Trade (DFAT) funded Micro Enterprise Development Programme (MEDEP) when it entered Bhokraha and Chiknaha villages of Siraha district with the idea of helping landless people grow agro-products on the abandoned eastern side of Kamala riverbank in 2008. Initially, 84 families started riverbank farming after receiving training and start-up support from MEDEP and local bodies.

Newly elected ward member Mr. SuratiyaKamar, a financially and socially empowered riverbed farmer from Kalyanpur Municipality, who makes around Rupees 350,000 (3500 US \$) profit per season from riverbed farming also serves as a Chairperson of District Micro-Enterprises Group Association (DMEGA) of Siraha. 'Riverbed farming changed my life', Suratiya Kumar added, - 'that all happened with the support of MEDEP'.

Following successful piloting, many other landless farmers were trained in riverbed technology. By the end of 2016, 1584 farmers - over 56% of them women - were trained and they have been making fortunes in the sandy riverbanks of the Kamala River. The average per capita income of

the farmers has now increased to over NRs. 30,865 (US\$ 300) from a meagre NRs. 4,000 (US\$ 40) before.

'MEDEP enabled me to access unused land of Kamala River for seasonal production, provided farming skills on marginal, sandy soil that helps me to gain income' - Ms. Kusma Devi Mukhiya of Siraha Municipality said - 'I am making around 400,000 (4000 US \$) per season and four members from my family are fully involved in riverbed farming'.

The successful riverbed farming on the banks of Kamala River has now been expanded in other areas, including on the western bank of the Kamala River in Dhanusha district and also in Jhapa, Sunsari, Bardiya, Kailali, Sarlahi, Rautahat, Ramechhap and Nuwakot. With the support of MEDEP, these 1,955 landless micro-entrepreneurs are involved in riverbed farming in 9 districts of Nepal.

MEDEP, a joint initiative of UNDP and the Government of Nepal funded by DFAT, is continuously helping the farmers to innovate new, user-friendly, environment friendly and cost-effective technologies. In the beginning, diesel-operated water pumping sets were used for irrigation in the riverbed farms. The pumps cost approximately Rs. 50,000 (US \$ 501) and the operating cost was so high that the family had to spend 50 per cent of the investment on irrigation alone (pump rental and diesel).

Now, manually operated, and women friendly bamboo treadle Pump, Rope and Washer Pump, Mobile Jumbo Treadle Pump and Pressure Hand Pump have replaced diesel-operated pumps. They are environment friendly, as they consume neither diesel nor electricity. Seventy per cent of the riverbed farmers have now adopted these solutions.

Kick-starting a new life - Kari Ram's Story

Once a cobbler on the streets of Rajbiraj, Kari Ram now runs a successful shoe-making enterprise—a flip of the switch he says he couldn't have managed without help from UNDP's Micro-Enterprise Development Programme. For 26 years, he had worked as a cobbler on the streets, and as much as he exerted himself, he wasn't able to earn more than Rs. 4,000 per year, hardly enough to fulfil his daily needs. It was 2008, and after meeting and talking to a MEDEP staff, Kari Ram had decided to participate in the week-long training in entrepreneurship development. Swiftly after that, a group was formed with five members, Kari Ram among them. With business going so well, it's not surprising that Kari Ram's personal circumstances have improved considerably. Just last year, for instance, his earnings amounted to Rs. 720,000, a far cry from what he had once been making, and one of his top priorities has been to invest in his children's education, and the future of the family, for which he has bought a 1.25-acre plot of land and built a house of his own in the village. "My story is proof that a little bit of help—and a dose of confidence—can absolutely change lives," Kari Ram says. "I could never have gotten where I am today if not for MEDEP's support."

Wider horizons - a Story of SuntiPurja

Ms. SuntiPurja is one of the 131680 beneficiaries of Micro Enterprise Development Programme (MEDEP)—a joint initiative of Government of Nepal's Ministry of Industry and UNDP. Sunti

comes from a poor indigenous family of Baglung, a hilly remote district of western Nepal. She received entrepreneurship development training and access to credit by MEDEP in 2003 which helped her to establish a handcraft production company. Now her enterprise provides full time employment to 19 including her husband, and among them 80% are poor women. Sunti's handicraft company runs a sales outlet, Saugat souvenir house in Pokhara and recently in Kathmandu which plays a vital role in marketing the products of micro entrepreneurs, providing marketing linkages and selling their products from over 10 districts. Ms. SuntiPurja's story is just one among many, in which Nepali women—many with little to no formal education—have built their own businesses, with backing from MEDEP in acquiring entrepreneurial skills, accessing funds and other forms of support.

MEDEP nominated the name of Ms. SuntiPurja for **Business for Peace Award 2018**. Ms. Purja is Pokhara based one of the successful MEDEP supported entrepreneurs. Ms. Kesha Pariyar, a MEDEP assisted successful entrepreneurs and Former Chairperson of National Micro Entrepreneurs Federation (NMEFEN) was the winner of globally coveted Business for Peace Award in 2014.

A life sweetened with honey - a Story of TikaramTimilsena

The support of UNDP's Micro-Enterprise Development Programme offered TikaramTimilsena in Parbat options for livelihood and a way out of poverty he had never imagined possible. Tika Ram Timilsena from Modi Rural Municipality in Parbat district owns over 55 beehives, along with one orange orchard, from which he was able to earn close to Rs. 900,000 just last year. Tika Ram has also become something of a go-to man in the district insofar as beekeeping is concerned, and is a resource person for technical training in the practice. The previous year, he had received the President's Award for excellence in farming in Parbat, along with an additional Rs. 10,000 in cash from the District Agriculture Development Office, and Rs. 25,000 from the Regional Directorate of Agriculture in Pokhara. Two decades ago, Tika Ram had been struggling to provide for his family of seven—which had included his wife, two sons and three daughters. The fog lifted somewhat when, through some Village Development Committee representatives, Tika Ram learned of the work UNDP's Micro Enterprise Development Programme (MEDEP) was doing in the district. This was in the year 2000—Tika Ram was soon being provided trainings in both specific technical skills related to beekeeping, along with enterprise development overall, which served to arm him with the technical and practical skills he would need to start his own business. To this end, he first acquired a small loan of Rs. 8,000 from the Agriculture Development Bank—which he used to buy two beehives—and that, coupled with MEDEP's technical support, was how his journey in entrepreneurship began. Tika Ram says he can scarcely believe the difference MEDEP's assistance has made in the quality of his life and that of his family's.

9 LESSONS LEARNED

Important lessons were identified during the implementation of the MED model in the preceding year. These were as follows:

- PCI quality Improvements/Efficiency/ Effectiveness:
Originally household survey form is filled up by EDF and submitted to DBA who is used to enter data and information of household survey and the baseline PCI is automatically calculated by MIS software which has been replaced by digitized mobile application. It improves efficiency, effectiveness and timely availability.
There was also some push to go back to the old system of paper based questionnaire administered data collection method. This was due to the fact that EDFs were more familiarized with this mobile application method. There is a need to motivate, direct and guide the EDFs/MEDSPs on the use of mobile application based on situation analysis.
- Continuous mentoring, coaching is instrumental to institutionalizing MED into MEDPA: Supports in the financial, hardware, software and capacity building of MEDPA including mentoring, coaching, counselling and feed-back approach taken by MEDEP was essential in ensuring proper institutionalisation of the MED model in MEDPA as well as MEAs/NMEFEN and MEDSPs/NEDC.
- Orientation on MEDPA to LGs representatives motivated them to allocate budget in micro-enterprise development:

As continuous programme sustainability after the Project is desired; adequate orientation of LGs representatives led to inspiring and motivating the LGs to allocate budgetary resources in micro-enterprises promotion in their respective constituencies.

Two stage procurement process (national and district level) helped to ensure economies of scale and quality assurance: This process helped to assure quality, efficiency, effectiveness and delivery of the services provided by the MEDSPs to MEDPA/MoI as well as local level MEAs.

- Individual approach, willingness play vital role in micro enterprise registration despite some challenges of tax complication, registration fees, training/ land requirement:

Self-driven initiatives from each individual in the Project districts together with the capability of the DMEGAs proved to be important in ensuring national goals such as mass MEs registration of their micro-enterprises.

- Placement of required human resource is very important for MEDPA implementation: Human resources placement, their training and orientation, roles, responsibilities, job descriptions including clear mandates and HR management proved to be critical for MEDPA implementation including a system of incentives and sanctions for their career path and development.

- The mandate given as a result of being local representatives in LGs proved that it is much easier for elected representatives to make decision on resource allocation/mobilization at the local level on top of central level fund allocation.
- Strong DMEGAs are playing effective role to lobby and work effectively for MED implementation: DMEGAs with strong team spirit, cohesion, means and motivation are able to work effectively as MEAs representatives; in advocacy, lobby and implementation works at LGs level.
- Timely selection of MEDSPs is vital to ensure the quality of MEs Creation: This milestone ensures that MEs are support adequately during the 12 calendar months with at least 50% time support needed to ensure a quality job by MEDSPs.
- Multi-year Contracting helps to cover all the cycles of the MED model to be completed through sub-contracting with MEDSPs: Since the MED model runs through three year cycle, it is imperative and effective when this multi-year contracting system is adopted by MEDPA/MoI for MEDSPs.
- Allocation of budget for enterprise/ economic development is not enough further technical guidance to local government on MED model implementation is crucial: Since, financial support is one critical part of the entire support systems to ensure the success of the MED model and sustainability including robustness of the support system in MEDPA implemented programme; the other equally important components, i.e. programme support; institutional support; technological support and market linkages are equally important. In order to ensure this “holistic” support and back-up system, continuous “building capacity” through technical and management support is crucial for the sustainability of the MEDP model and support to MEs/MEAs.
- Economic empowerment leads to social and political empowerment: A considerably large number of micro entrepreneurs promoted by MEDEP/MEDPA opted candidacy in the Local Level Elections (LLEs). As a result, three hundred eighty nine MEs (75% women) were able to be elected in different positions ranging from Mayor, Deputy Mayor to members.

10 IMPLEMENTATION ISSUES AND CHALLENGES

At the Operational level there are two important implementation challenges related to the GoN/MoI. First are the MEDPA structures with adequate HRD becoming fully functional? The second is related to the knowledge, skills, tools, temperament and capacity to implement the MED model in MEDPA after MEDEP exits in July 2018.

At the Strategic level, there are two important issues and challenges. These are the “mental” and “physical” aspects of the Exit Strategy of MEDEP project. In order to accomplish an orderly and efficient exit, two aspects are articulated in the Exit Strategy, 2017. These are Programme part and the Operations part. MEDPA needs to ensure and guarantee the “taking over” of the Project in both these aspects based on milestones identified in the Exit Strategy. MEDEP needs to ensure and guarantee the “handing over” part of the Project based on similar principle, milestones, urgency and mental will at all levels. The transformation from MEDEP project into MEDPA programme at all levels from Projects, LGs to MEDPA/MoI is critical in the 6 months remaining period.

As a result of MED model orientation and achievements, substantial amount of budget is pledged by a number of LGs amounting to NRs. 398million. This demonstrates that the financial resources are forthcoming from LGs. However, the MED model technical assistance needs to be sustainably provided by MEDPA in the future to make good use of these financial resources. It requires experienced MEDSPs to provide support and is a challenge. If the human resources is spread too thin then the chances for poor quality results remains a possibility.

11 PRIORITIES FOR 2018

The six months activities approved by the Project Board in November end 2017 for the remaining period of the Project will be the priority. These are the continued intervention strategies, major activities and efforts towards institutionalization of the MED model in GoN which in effect means internalization of MEDEP processes and systems into MEDPA. These activities resulting in an effective, functioning and sustained MED model in the delivery system of GoN/MoI through MEDPA remains a top priority. These intervention strategies, major activities and indicators are well developed in the AWP 2018; the Exit Strategy 2017/18 and the Institutionalisation Monitoring and Evaluation Framework 2017

A number of important priorities need to be addressed in the remaining 6 months of the Project. These are:

- i. The timely and step wise completion of the programme and operational exit procedures articulated in the Exit Strategy, June 2017,
- ii. Completion and hand over of the simplified GESI-MIS to MEDPA,
- iii. Completion of the 65 Demonstration Local Governments implementation of the MED model and lessons learnt from this focused demonstration of the “best practices” of MEDEP,
- iv. Continued advocacy and lobby by MEDEP to internalize the MED model by LGs through MEDPA.
- v. Completion of the Economic Analysis Study and Lessons Learnt Compilation leading to a National Sharing Workshop in order to disseminate the achievements and best practices of MEDEP to wider stakeholders in Nepal,
- vi. Responsible management of the Human Resources in MEDEP and acknowledgement and appreciation of their valuable contributions to the Project and its objectives.
- vii. Activities identified in the AWP 2018, Institutionalisation M & E Framework and the Exit Strategy.

12 MONITORING AND EVALUATION FIELD VISITS, 2017 (See Appendix IV)

13 Facilitation towards Institutionalization of MEDEP into MEDPA

- **The Exit Strategy , 2017**

A notable output and outcome in 2017 has been the preparation of a detailed Exit Strategy with inbuilt operational steps for MEDEP to Exit and MEDPA to internalize the MED Model. This Exit Strategy with Programme and Operational elements in two parts is currently being followed by MEDEP and MEDPA to have a responsible exit and takeover/handover of the Project. The Exit Strategy is monitored closely at the Functional Groups Meetings (FGWs) and reported to the Project Board regularly. The major activities of the Exit Strategy are embedded in the Annual Work Plan. The progress towards the implementation of the programme and operational milestones in the Exit Strategy has been “reasonably satisfactory” until the end of 2017(*Ref. Exit Strategy, May 2017 available with MEDEP*).

- **Institutionalization Monitoring & Evaluation Framework**

The salient features of the Institutionalization of MEDEP into MEDPA as articulated in the Results and Resource Framework (RRF) have been gleaned and written into an Institutionalization Monitoring Framework to ensure institutionalization of the Project into MEDPA including the continued sustainability of the MED model. The salient features of the Monitoring and Evaluation Framework is its focus to monitor the indicators related to strengthen government systems, internalize MED model and its technical components and to ensure access to finance in an institutionalized manner for MEs. The M&E framework is being monitored by MEDPA and facilitated by MEDEP in order to reach its Key Performance Indicators (*Ref. Monitoring & Evaluation Framework with MEDPA/MEDEP*).

TARGET VS ACHIEVEMENT 2017

OUTPUT INDICATOR	INDICATOR	CUMULATIVE PROGRESS UP TO 2016	2017 MILESTONE	2017 PROGRESS	Cumulative Progress up to 2017
NEW ME CREATED					
NUMBER OF MICRO-ENTREPRENEURS CREATED BY MEDEP	NUMBER OF MES	86,040	3828	1951	87,991
NUMBER OF MICRO-ENTREPRENEURS CREATED BY MEDPA AND MEDEP FOR MEDPA	NUMBER OF MES	24,508	14460	14641	39149
NUMBER OF MICRO-ENTREPRENEURS CREATED BY DDC/VDC/SAMSAD KOSH	NUMBER OF MES	117	3000	204	321
CIDA, LSER AND RELRP	NUMBER OF MES	4,219	0	0	4,219
TOTAL ME CREATION	NUMBER OF MES	1,14,884	21288	16796	131680
MED MODEL INSTITUTIONALIZATION IN 65 DEMO LGS					
ESTABLISHMENT OF INDUSTRY DEVELOPMENT SECTION (IDS).	NUMBER OF IDS		65	65	65
ESTABLISHMENT OF ENTERPRISE DEVELOPMENT COMMITTEE (EDC).	NUMBER OF EDC		65	58	58
ESTABLISHMENT OF ENTERPRISE DEVELOPMENT FUND(ED FUND).	NUMBER OF EDFUND		65	24	24
DEVELOPMENT OF ENTERPRISE DEVELOPMENT PLAN (EDP). (INCLUDING M/VEDP)	NUMBER OF EDP	188	65	60	248

TARGET VS ACHIEVEMENT 2017

OUTPUT INDICATOR	INDICATOR	CUMULATIVE PROGRESS UP TO 2016	2017 MILESTONE	2017 PROGRESS	Cumulative Progress up to 2017
MONITORING VISIT OF EDC MEMBERS TO MEDPA /MEDEP MES	NUMBER OF VISIT		65	64	64
ANNUAL <u>CENTRAL</u> GOVERNMENT RESOURCES FOR MICRO ENTERPRISE DEVELOPMENT (IN MILLION RUPEES)	AMOUNT IN NRS IN MILLION	943.9 MILLION (75.01% EXPENDITURE)	312 MILLION	690 MILLION	1634 million
TOTAL ANNUAL RESOURCES OTHER THAN MEDPA'S LEVERAGED IN MICRO ENTERPRISE DEVELOPMENT FUNDS (MEDF) AT THE DISTRICT DEVELOPMENT COMMITTEES (DDCS) LEVEL (NRS IN MILLIONS)	AMOUNT IN NRS IN MILLION	NRS. 78.53 MILLION	70 MILLION	0	78.53 Million
NUMBER OF LOCAL GOVERNMENTS HAVING SEPARATE BUDGET FOR MICRO ENTERPRISE DEVELOPMENT	NUMBER OF LGS	244	350	186	405
TOTAL BUDGET OF LGS FOR MICRO ENTERPRISE DEVELOPMENT	AMOUNT IN NRS IN MILLION	43.4 MILLION (EXPENDITURE = 66.2%)	50 MILLION	398 MILLION	441.4 million
PERFORMANCE BASED CONTRACT WITH DMEGA (STRONG, MEDIUM AND WEAK). AWP ACTIVITY: 1.2.12 (STRONG), 1.2.13 (MEDIUM) AND 1.2.14 (WEAK)					
FUND RAISED FROM MEMBERSHIP PACKAGE ACTIVITIES	AMOUNT IN NRS			8.5 MILLION	8.5 million
PROPOSALS SUBMITTED TO DEVELOPMENT PARTNERS AND DISTRICT LEVEL	NUMBER OF PROPOSAL			117	117

TARGET VS ACHIEVEMENT 2017

OUTPUT INDICATOR	INDICATOR	CUMULATIVE PROGRESS UP TO 2016	2017 MILESTONE	2017 PROGRESS	Cumulative Progress up to 2017
STAKEHOLDERS (NUMBER)					
MEMBERSHIP INCREASED BY 30% OF EXISTING NUMBER	NUMBER OF MEMBER	37616	13200	17,165	54,781
Revision of MEAs' statute	Number of Revised Statute		38	38	38
Administrative and financial guideline developed and Implemented.	Number of Guideline		38	23	23
Development of fee based service package	Number of Service Package		38	38	38
Identification of areas of services	Number of Service Area			73	73
Service Package development	Number of Package		38	38	38
Developed stronger advocacy capacity	Number of district		38	38	38
Number of dialogues and representation at LGs	Number of dialogue			77	77
No. of MEAs prepared/ revised strategy/business plan	Number of business plan	31	39	Assessed 38 DMEGAs, 1 NMEFEN and 1 NEDC strategic plan and revised.	70
DMEGA to organize awareness campaign and enterprise registration target 50000 MEs	Number of ME registered		50000	11714	11714

TARGET VS ACHIEVEMENT 2017

OUTPUT INDICATOR	INDICATOR	CUMULATIVE PROGRESS UP TO 2016	2017 MILESTONE	2017 PROGRESS	Cumulative Progress up to 2017
GoN's higher level coordinating mechanism in place; Developed linkage among line ministries and development partners for MED.					
Project Board Meeting (2017)	Number of Meeting		4	4	
MEDPA Implementation Committee Meeting	Number of Meeting	4	2	2	6
Technical Working Group Meeting (Number)	Number of Meeting	0	6	6	6
The existing MEU at the Mol is upgraded to an adequately	Number of staff fulfilled			Computer Officer at EIC An Under Secretary level staff as National Programme Coordinator and a Section Officer assigned (3 staff)	
		MED Unit	Staff fulfilled		
GON staff, stakeholders and MEDEP increased their knowledge and skill through training and orientation					

TARGET VS ACHIEVEMENT 2017

OUTPUT INDICATOR	INDICATOR	CUMULATIVE PROGRESS UP TO 2016	2017 MILESTONE	2017 PROGRESS	Cumulative Progress up to 2017
Orientation workshop on procurement process to CSIDB/DCSI at central and district level.	Number events		8	332 participants in 8 events	8 events
Orientation on MED model to elected representatives in LGs	Number of Events		550	550 events	550
Number of Elected MEs including representatives of MEAs oriented on MED model	Number of Elected MEs		855	835	835
Number of orientations on MED model to New expanded districts	Number of district	69	6	6	75
Capacity Building Training on MED model to MEDSP	Number of Events		75	69	69
Training on GESIMIS/RBM&E to Govt Staff and stakeholders	Number of participant	512	685	544	1056
Workshop on Institutional capacity building of MEDEP and Govt Staff	Number of staff trained		105	70	70
National Workshop on MED Model and Programme Planning (Balthali)	Number of participant		29	29	29
% MEs (of phase target 40,000) graduated MEs towards resilient	Number of MEs	32372 (80.9%)	9595 (6100 shifted to 2018)	3629	36001 (90%)

TARGET VS ACHIEVEMENT 2017

OUTPUT INDICATOR	INDICATOR	CUMULATIVE PROGRESS UP TO 2016	2017 MILESTONE	2017 PROGRESS	Cumulative Progress up to 2017
Policies, Acts and Regulations guidelines developed/ revised to replicate MEDEP model under MEDPA	Number of document	18	6	6	24
Institutionalisation MED Service Provider and sustainability of MED model					
Integration of entrepreneurship course in (NASC)/University	MoU developed	Steering committee recommended to NASC to integrate MED model in pre service training of civil servant		NASC agreed to incorporate the MED Model in FY 2075/76 pre-course training session. And PU agreed to IV years course on Entrepreneurship development	NASC agreed to incorporate the MED Model in FY 2075/76 pre course training session. And PU agreed to IV years course on Entrepreneurship development
Develop strategic plan of NEDC	Strategic Plan Revised	NEDC strategic plan available	Revision of Strategic Plan	NEDC strategic plan revised	Revised strategic Plan
Develop higher level of EDF curricula		EDF level II, III and IV approved. Curriculum of 15 months TSLC and	Manuals development of three years Diploma Course, TSLC Manual	Manuals of TSLC course revised and three years Diploma course developed	EDF level II, III and IV approved. 15 months TLSC revised and Diploma (3 years) in Entrepreneurship

TARGET VS ACHIEVEMENT 2017

OUTPUT INDICATOR	INDICATOR	CUMULATIVE PROGRESS UP TO 2016	2017 MILESTONE	2017 PROGRESS	Cumulative Progress up to 2017
		Diploma (3 years) in Entrepreneurship Development approved.	revision		Development approved; Manuals of TSLC course revised and three years Diploma course developed
Total number of MED service providers short-listed in MED service bids nation-wide	Number of MED SP shortlisted	EOI number=403(248 eligible of 214 bidders)	225	285 shortlisted	285 Shortlisted
Number of individuals trained to work as Enterprise Development Facilitators	Number of EDF	1190	200	42	1234
Institutionalization of FSP and access to finance					
Number of poor entrepreneurs who increase their access to financial services	Number of MEs access to finance	51036	10000	10239 received 195 million	61275
Number of cooperatives received soft loan	Number of Cooperatives received soft loan	46	10	13 cooperatives received soft loan and 1308 MEs benefitted to 55.6 million	59
Orientation/training to ME on insurance products/services.	Number of ME oriented on Insurance		300	419 MEs benefitted and 1798 ME obtained NRs 57.95	8 events

TARGET VS ACHIEVEMENT 2017

OUTPUT INDICATOR	INDICATOR	CUMULATIVE PROGRESS UP TO 2016	2017 MILESTONE	2017 PROGRESS	Cumulative Progress up to 2017
				million loans insured	
Certification to graduate MEs.	Number of MEs provided graduated certification		4000	4575	4575
Support to existing MEs affected by flood in 12 districts.	Number flood affected MEs benefitted		2000	2139	2139
Communication and publications					
Reports on MEDPA containing activities, output, feed-back (by MEDPA internal and external actors), lessons-learned and plan-adjustments (including MEDEP's work) produced and shared with the MEDPA Steering Committee	Number of MEDEP related Publications		Print Brochure, Product Catalogues, MEDPA Operational Guidelines, GESI Strategy, MED Stages Guidelines, MED related Policies	Flex on MED cycle to disseminate to 753 LGs, MEDEP Fact Sheet, MEDEP Product, MEDEP product Catalogue	Flex on MED cycle to disseminate to 753 LGs, MEDEP Fact Sheet, MEDEP Product, MEDEP product Catalogue
Institutionalization of RBM&E/ GESIMIS					

TARGET VS ACHIEVEMENT 2017

OUTPUT INDICATOR	INDICATOR	CUMULATIVE PROGRESS UP TO 2016	2017 MILESTONE	2017 PROGRESS	Cumulative Progress up to 2017
Conduct Annual Performance Evaluation of MEDSPs (Third Party Evaluation - TPE).	Number of district completed TPE		38	35	35
Updating MEs database for PCI and employment generation of MEDEP/MEDPA.	Number of MEs' PCI updated		40363	41534	41534 (31.54%)
Conduct Joint Annual Review (JAR)	Conduction of JAR	1 st JAR completed	Annual Review Meeting	Shifted to 2018	One JAR completed
Staff trained on New GESIMIS software and capacitated	Number of staff trained	617	597 staff trained on simplified and updated GESIMIS software	466 staff trained on simplified and updated GESIMIS software	1083 staff trained on simplified and updated GESIMIS software

Monitoring Framework and Progress Tracking Report for Institutionalization of MEDEP Model into MEDPA: MEDEP APR 2017

Key performance Indicator(s)	Sub Indicator(s)	Results	Means of Verification	Issues and Challenges	Risk
<i>Broad Focus Area: Government systems and processes</i>					
(A) An informed strategic direction and momentum to the <i>national system</i> for micro-enterprise development; (pre) positioned to adjust to decentralisation and federalisation by MEDPA management.					
KPI (A1) Shift in the monitoring practice [data gathering and analysis] within MEDPA (that includes practical and functional elements of the MEDEP MIS (including GESI) and informs the MEDPA planning processes at all level	1) GESI oriented MIS system for MEDPA in place within MoI, DCSI, CSIDB & local levels	A simplified and updated version of MEDEP GESIMIS software in placed at MoI, DCSI and CSIDB for MEDPA data collection and analysis. The software and RBM&E are now able to operationalize by a total of 22 ToT trained Government/Project staff who were developed as a trainer at central and regional level. At local Government level, a total of 144 Demo LG staff built their capacity to operationlize the software through two days training on GESIMIS and RBM&E as well as a total of 328 non demo LG staff familiarised with the system through LG level orientation. These supports built confident on implementation of MEDPA monitoring and GESIMIS system at Central as well as Demo LG level.	Enterprise Information Centre at MoI, attendance list of Trainings and Online APSO reports	GESIMIS set up in MoI, DCSI, CSIDB and LGs. <ul style="list-style-type: none"> MoI has spared a separate room for setting up operationalization of GESIMIS. MEDEP supported to procured Furniture and hardware and trained human recourses. However,operationalization of the system is not performed as expected because of unavailability of time of staff. At present MIS is not functioning properly and cannot be used GESIMIS for planning process however in the future, MoI has already vision to set up GESIMIS in all LGs and Provinces. Once GESIMIS 	There is always threat to transfer of trained government staff any time.

Key performance Indicator(s)	Sub Indicator(s)	Results	Means of Verification	Issues and Challenges	Risk
				becomes functional LGs and Provinces GESIMIS information would be used for planning process. But at the centre GESIMIS data will be used mostly for monitoring propose.	
KPI (A2) Continued increase in the budget commitments for MEDPA made for by MOI and funding mechanism is further strengthened	Sufficient budget allocated for MEDPA implementation	The Government of Nepal has allocated a total budget of NRs 690 million for FY 2074/75 for MEDPA implementation which is 252% increment than targeted amount. Now, the MEDPA being the regular government programme, the allocated budget for the MEDPA will be increased by 10% annually. MoI proposed budget for centre, province and local level with 5%, 7% and 88% respectively. However there is possibility of approval of MEDPA II once new Minister is on board depending upon strong persuasion of MoI.	Approved budget sheets of GoN	The programme was unable develop a strategy to mobilize resources from other national partners for MEDPA implementation due to the uncertainty and fragile situation of government structures at all level. MoF suggested MoI to hold the endorsement of the MEDPA II strategic plan until MoF budget speech of next FY because Government has not decided yet whether MEDPA will be implemented by Federal Government or by LGs.	Frequent change of government may change the strategy in future.
KPI (A3) Shift in the active use and sharing of monitoring information at a strategic level – coordinated by MOI - with other Government and donor funded	2) MEDEP & MEDPA dedicated staff (Jointly) planning and (Jointly) reviewing MEDPA and making publically available MEDPA annual plan and annual reports.	The planning of MEDEP budget for 2017 and MEDPA budget for FY 2074/75 was conducted jointly with the participation of government staff and MEDEP staff. The total budget approved by GoN was as per the submission of planned budget. District level MEDPA progress reports for FY 2073/74 prepared with the support of GESIMIS database at district level in most of the district office. The progress report of each district presented at each of joint	Attendance and Meeting minutes	There are still rooms for improvement in data analysis and preparation of progress report. Data consistency is still observed and some districts are still not able to use the GESIMIS database because of inadequate of staff (DBA) and to timely data update in the system. Publication of the	Timely maintaining of the database by MEDSP is essential to receive updated and real time data

Key performance Indicator(s)	Sub Indicator(s)	Results	Means of Verification	Issues and Challenges	Risk
<p>projects and programs with similar focus on micro-enterprise development</p>		<p>review meeting of DCSI and CSIDB held at central level.</p>		<p>compiled reports of districts did not do because of incomplete and inconsistency reports by some of the districts. Some of the districts did not use the GESIMIS data because of lack of staff and the data they have collected and recorded from the field is not as per the designed formats for publication.</p> <p>Other MIS softwares developed and set up in Mol website are SAMARTHA and SAMRIDDHI due to limitation of time MEDEP cannot develop integrated web based MIS including MEDEP/MEDPA. However MEDEP/MEDPA GESIMIS can be linked to the existing MIS/database. The purpose of setting up of enterprise information centre in Mol is to develop integrated MIS database system by Mol in the future.</p>	

Key performance Indicator(s)	Sub Indicator(s)	Results	Means of Verification	Issues and Challenges	Risk
	3) Preliminary process and strategy developed (including the critical aspect of market development) for re-setting MEDPA in line with decentralisation and federalisation	With the support of GESIMIS software, MEs/MEGs/MEGAs adjusted in new local level units and are now available as per the new local level units. In order to respond to the changing context of local level structure, the MEDPA Operational Guideline has been revised for continued and smooth implementation of MEDPA. The revised MEDPA operational guideline is now operational at all levels. The set outcomes results and its indicators envisioned in MEDPA strategic plan has been monitored and reported accordingly.	Updated GESIMIS software, copy of MEDPA operational Guideline, MEDPA I and II strategic plan	Provisional level structure is still not clear and fulfilled and which led to uncertainty of MEDPA implementation at field. MEDPA Guidelines will be further developed once the MEDPA Strategy II is endorsed. However MoI will approve a transitional MEDPA Operational Guidelines in the context of federal structure until MEDPA II approved. In the absence of MEDPA II, MEDPA will be a regular programme of Government.	
KPI (A4) Shift in the MED model to position to adjust to decentralisation and federalisation	4) Implementation of MEDPA Strategy II as a national programme (reflects an adapted MEDEP model) through domestic funds mobilised from diverse sources	Final Draft MEDPA Strategy II document prepared with initiation of MoI and participation of relevant stakeholders. The document is now in a finalization stage to get approval from cabinet.. Government has not decided yet whether MEDPA will be a national programme or implemented by LGs. After Government decision of MEDPA implementation, the budget of next FY of MEDPA will be decided. If Government decides to approve MEDPA II then only it will be implemented if not then MEDPA will be a Government regular programme	MEDPA Strategy II document	Endorsement of the plan will be delayed due to the suggestion provided by Ministry of Finance (MoF). MoF suggested to MoI that the plan will be approved only after budget speech of next FY.	
(B) Organisational capacity built within MoI to shape and lead the medium and long term capacity development effort required at all levels for realisation of the MEDPA strategy					

Key performance Indicator(s)	Sub Indicator(s)	Results	Means of Verification	Issues and Challenges	Risk
KPI (B1) Shift in the structures and human resources allocated and capacitated within the MOI structure to shape and steer the capacity development response to the ongoing refinement and implementation of the MEDPA strategy	5) Mol HR strategy with associated capacity development action plan for MEDPA developed, endorsed and initially resourced considering staff requirement within Mol for MEDPA implementation, taking into consideration the context of decentralisation and federalism.	Assessment of the Human Resources requirement at local level carried out by Mol for the new context of federalism. Based on the assessment , Human Resources Structure for Local Level prepared and is under process of approval stage. Originally, it was supposed to be approved by Mol and forwarded to MoFALD further circulation to LGs by MoFALD. But Government wanted the report to be submitted to MoGA which is still in the process. Organogram of each IDS under each LG was prepared. The total number of HR required was calculated, their ToRs were prepared. This documents has been forwarded to MoGA for approval. The Council of Ministers will approve. but how long it will take is not known. After approval of this document, Central Government will forward to Provincial Governments and LGs for implementation.	Mol reports and records		LGs may not agree on the structure that developed by Mol.
		In order to fulfil the current requirement of the staff for MEDPA implementation, each IDS has been allocated budget for the position an EDO, EDF and CO for temporary basis in FY 2074/75, Till now the CSIDB has recruited 4 EDO for four districts, 59 EDF for 35 districts and 34 DBA for 34 districts (details see in the attachment in APR 2017).	DCSI and CSIDB Annual Work Plan for FY 2074/75		

Key performance Indicator(s)	Sub Indicator(s)	Results	Means of Verification	Issues and Challenges	Risk
	6) Multi-year procurement / contracting of Business Development Service Providers (BDSPOs) for MEDPA in place.	Through several meeting and lobbying coordinated by Mol with the support of MEDEP, it is agreed in principle to implement the multi-year subcontracting process based on findings and recommendation of the situation analysis and Molhas incorporated multi-year subcontracting procurement system in MEDPA II Strategy Document.	MEDPA document II	There are several challenges of multiyear subcontracting such as capability of selected MEDSP and MEDEP/MEDPA concept of MEDSPs crowding in will be limited (monopoly),	
(C) Wider institutional mechanism in place to ensure continuous capacity in the MED sector					
(C1) Shift in the status of people working on MED sector at various level	7) Conversion of the position of trainers (within DCSI, CSIDB) into EDF	Mol has prepared the stoke take of the staff at field level and drafted an organizational structure as per the changing context of the federalism. However the regular staff of trainer position did not convert into EDF during the period, DCSI and CSIDB have allocated budget for 2 EDF and 1 DBA in each district for F.Y 2074/75. CSIDBO districts have recruited these position and deployed. Till now the 4 EDO, 59 EDF and 34 DBA recruited and deployed in their respective districts..	Mol HR stokes take report.		
	8) MED as a specialisation subject under the universities' course (such as in Business Development Studies (BDS) +2 course) developed and agreed	The signing of MoU between Pokhara University, National Youth Council and Mol to develop curricula for four years Bachelors in entrepreneurship development and MED model institutionalization respectively.	MoU document		
	9) Three levels of qualification and official certification of EDF training institutions	Desk top manual final draft prepared and Manual for three year diploma course submitted by NEDC and is under review for finalization.	Draft Manual		

Key performance Indicator(s)	Sub Indicator(s)	Results	Means of Verification	Issues and Challenges	Risk
	through collaboration with GoN agencies like CTEVT, NSTB	MEDEP supported the revision of 15 modules out of 18 text modules based on curriculum of EDF 2015 for Technical SLC level and will hand over these modules to CTEVT. Out of the three level of EDFs (level 2 which is equivalent to TSLC, EDF level 3, and EDF level 4) 16 EDF of level 3 have applied for skill test level IV. 691 in level 2, 266 in level 3 and 277 from TSLC have been passed. Furthermore 40 students in 3 years in Diploma under CTEVT are studying. Beside this Four years Bachelor in Entrepreneurship Development under Pokhara University is in progress.	15 modules document		
		Facilitated MoI to coordinate and collaborate with CTEVT/NSTB for certification of EDFs/EDOs through skill testing and academic courses through Universities. CTEVT/NSTB board approved Occupational Profile (OP) for Enterprise Development Officer (EDO) level IV.	Occupational Profile		
	10) Integration of MED model in the package of pre-service training through NASC	NASC permitted to create space for public lectures on MED for 500 newly appointed officer and to conduct parallel course in this year. NASC has agreed to integrate MED course in the regular curriculum from next fiscal year 2075/76. A concept paper with course content of MED model developed and submitted to <i>KarmachariPrasichhanPratisthan</i> by MoI for integration of MED into its curriculum for <i>Nasu</i> and <i>Kharidar</i> level staff. They agreed to integrate the course in the regular curriculum for three sessions from this FY 2074/75	Agreed course content and meeting minutes		
Broad Focus Area: Locally led drive to MED; government and non-government bodies					
(D) ME creation (with a GESI focus) driven by local bodies – securing local government resources and continuing commitment across varying sub-national contexts (reflecting different levels of intensity of resources/ engagement in MEDPA)					

Key performance Indicator(s)	Sub Indicator(s)	Results	Means of Verification	Issues and Challenges	Risk
KPI (D1) Confirmation of the role, status and associated capacity requirement of Right holders (Micro Entrepreneurs) and their Associations	11) Functioning sub-national management and coordination structures on MED related activity	<p>Developed partnership with NMEFN, NEDC and DMEGAs (38) conducting performance based contract for institutionalisation of associations itself and for services to MEs. With the support of MEDEP, the business plan of NMEFEN, NEDC and DMEGAs were evaluated and DMEGAs capacity was categorized into three levels (Strong, Medium and Weak). On the basis of the categorization, the performance based criteria were developed for institutionalization of the organizations.</p> <p>DMEGA Statute</p> <p>1). 23 DMEGAs (Weak and Medium) have developed/revised Administrative & financial guidelines to implement good governance in their intuition. Revisions are still waiting for endorsement by their respective AGMs.</p> <p>2). DMEGAs have conducted formal advocacy events in 77 LGs which has helped establish business relation with LGs for MED model implementation.</p> <p>3) Engaged with members to re/organize as per new structure: All DMEGAs in 38 districts have supported 108 MEGAs for re/organizing institutionally.</p> <p>4) Changed Leadership: 83 board members have been elected in 15 weak DMEGAs to run the organization smoothly.</p> <p>5) All DMEGAs in 38 districts have developed 117 programme proposals (Rs.</p>	Contract of performance based criteria	The progress in some of the LGs has been delayed due to the elections.	

Key performance Indicator(s)	Sub Indicator(s)	Results	Means of Verification	Issues and Challenges	Risk
		<p>32.4 mil) and have submitted to LGs in 2017.</p> <p>6) Each DMEGA have made an outline in the form of guidelines for fee based services where they have identified skills training in potential expert areas such as Allo, Dhaka, bee keeping, trainer mobilization, member service etc.</p> <p>7) DMEGAs have additional membership of 17,165 and reached to 54,781</p> <p>The allocated budget for DMEGA CB under MEDPA:</p> <p>Shared with MoI to develop the following strategy for MEAs capacity development:</p> <ul style="list-style-type: none"> • 52 DMEGAs to submit proposal to CSIO/CSIDBO (MEGA restructuring, Capacity Dev for advocacy) <p>In the remaining 25 districts: CSIO/CSIDB will engage in MEGA formation and restructuring, DMEGA formation, Advocacy</p>			

Key performance Indicator(s)	Sub Indicator(s)	Results	Means of Verification	Issues and Challenges	Risk
		NMEFEN and DMEGAs involved in ME registration campaign and MED model orientation to elected representatives of LGs and MEs. A total 11,714 MEs registered by end of December 2017.	MEAs progress reports	<ol style="list-style-type: none"> 1. IEA has provision free registration but MEs are asked to pay different recommendation fee 2. Most of the MEs are doing enterprise from their home. But they do not have land certificate (LAL PURJA). Land certificate or rent contract is mandatory for MEs registration. 	
		NMEFEN, NEDC and most of the DMEGAs (38) amended their statute. For the fund rising, a total 117 proposals develop and submitted to various partner organizations including Local Government. DMEGAs are also performing the increment of their membership (17165) and fee based services to MEs and other organizations on enterprise development sectors. Three DMEGAs(Sindhuli, Parbat and Dailekh) received fund of total amount of 4.9 million for MED model implementation.	MEAs progress reports		
		<p>CSIDBO and CSIO at district level facilitate to establish Industry Development Section at LGs. MEDPA II (draft) envisages revised structure and implementation modality at three level (Central, Provinces and LGs).</p> <p>65 IDS in MEDEP/MEDPA LGs. 37 IDS in only MEDPA LGs</p>	MEDPA document II		

Key performance Indicator(s)	Sub Indicator(s)	Results	Means of Verification	Issues and Challenges	Risk
KPI (D2) Shift in the formal strength of local body networks with key planning & budgeting, service delivery and advocacy roles being more deliberately fulfilled.	12) Local bodies commit, allocate and spend fund on MED.	Through the 550 orientations on MED model provided to elected representatives (13636) of LGs, a total of 186 LGs allocated NRs 398 million (US\$ 3.9 million). Draft Enterprise Development Plan Guidelines prepared and is under approval stage.	APSO progress reports		There is a risk of spending the allocated budget efficiently and effectively without technical support on MED model implementation and close monitoring system.
	13) Trends and quality of ME creation in purposefully sampled local level contexts [reflecting different levels of history/intensity of MEDEP support and non-project districts]	Survival rate as per PCI updating report seems 60%. As per the FGD and KII, the ME creation part of first 3 stage is following properly as per the guidelines and MED model. But second part of the cycle which includes technology support, access to finance and marketing support activities are not progressed as per the expectation. Also there are delayed in procurement of MEDSPs and also delayed in timely updating of data entry. The discrepancy between two studies is due to the two independent studies.	PCI updating report	Most of the unmarried women MEs left their place after married and their status is not known whether they continue the enterprise or not. A tracer study is planned in 2018 to know the status. .	
Broad Focus Area: Sustainable access to financial services					
(E) Increased outreach of FSPs and good flow of information about their available services					
KPI (E1) Shift in the access to financial services (credits, other facilities such as saving and	14) Increasing level of uptake of financial products from financial providers across different types of	A total of 10239 ME in 2017 have received loan amounting NRs 195 million from various financial service providers. The trend of beneficiaries is increased by 41% compared to last year.	APSO progress reports		

Key performance Indicator(s)	Sub Indicator(s)	Results	Means of Verification	Issues and Challenges	Risk
insurance packages), for MED	operating contexts [e.g. implementation of MoUs drawn by Mol and NMEFEN with FSPs]	Oriented and benefitted a total of 419 MEs on the insurance products and services from the insurance services. MEDPA in coordination with Agriculture, Livestock's, Banks and Local Governments will continue the orientation on insurance services in future.	APSO progress reports		
	15) Alternative financing mechanisms explored and being used by MEs(such as PAF)	MoU between Mol and PAF is in final stage. This partnership will help MEAs to access the revolving fund from PAF to promote the micro enterprises jointly.	Meeting records.	The partnership building is time taking process to make the common understanding for developing win-win situation between both projects.	
	16) Engagement with <i>Nepal Rastra Bank</i> [NRB] on a policy position to increase outreach of Financial Service providers in remote areas	Access to finance in remote and interior parts has been gradually increasing. One of the enabling factors to increase the outreach of financial services is policy position. As a result, the number of MEs who received loan in 2017 increased by 41% compared to last year. As agreement between the <i>Nepal Rastra Bank</i> and the Mol to support MEDEP MEDPA promoted cooperative in accessing wholesale funds, 13 cooperatives received wholesale loans from five different financial service providers from with 1308 MEs benefitted with receiving loan amount of NRs 55,596,000.	APSO progress reports		

Progress against Annual Work Plan 2017

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
CPAP OUTPUT 2.2.2:	CPAP OUTPUT 2.2.2: Government has increased capacity to design, implement and monitor a multi-partner supported micro-enterprise development programme					
Output 1: Government has increased capacity to design, implement and monitor a multi-partner supported micro-enterprise development programme(00088357)	1.1 Extent to which MEDEP is fully aligned with MEDPA -Atlas-4					
	Activity 1.1.1: Provide technical support Mol to revise MEDPA Operational Guidelines and devise Industrial Enterprise Regulations 2073.	3,416.90	3,257.97		3,257.97	
	Activity 1.1.3: Facilitate Mol to make provision of multiyear subcontracting system with MEDSPs (Famos 1.1.4)	-			-	
	Activity 1.1.4: Facilitate Mol to ensure the MED activities to integrate in 14th National Development Plan of Nepal in close consultation and collaboration with the National Planning Commission,	-			-	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	GoN(Famos 1.1.5)					
	Activity 1.1.5: Facilitate Mol for Integration of MED model in NASC curriculum for newly recruited and existing civil servant (including ToT) .(Famos 1.1.6) (Related activity 1.10.2-MOI new staff)	4,881.29			-	
	Activity 1.1.6: Support Mol to orient on Industrial Enterprise Act, 2073 (2016) and use of Nepal Made Products Guidelines.(Famos 1.1.7)	3,319.28	3,272.97		3,272.97	
	Activity 1.1.7: Support DMEGA to organize awareness campaign and enterprises registration Target-50,000 MEs (Famos 1.1.24)	48,812.87	17,204.42		17,204.42	
	Activity 1.1.8: Engage in orientation and formation of M/VEDC in line with Local Level Restructuring (Famos 1.1.25)	24.41	55.28		55.28	
		195.25	194.80		194.80	Recorded under DFAT Budget in CDR
	Activity 1.1.9: Facilitate CSIO/CSIDBO to	9,762.57	6,308.46		6,308.46	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	orient MED model along with MEDPA Strategy and MEDPA guideline during the DEDC meeting	4,100.28	2,959.51		2,959.51	
	Activity 1.1.10: Provide technical and logistic support to orient on MED model in new MEDPA districts	1,952.51	1,937.37		1,937.37	
	Activity 1.1.11: Arrange exposure visit to Local Level Units in other successful MEDEP/MEDPA district;	39,050.30	40,121.90		40,121.90	
		-			-	
	Activity 1.1.12: Facilitate and backstop MEDPA for annual review and planning	4,881.29	2,396.01		2,396.01	
	Activity 1.1.14: Support MOI to conduct interaction meeting on MEDPA in local level restructuring- TWG(Famos 1.1.26)	292.88	137.64		137.64	
	Activity 1.1.17: Backstop Mol to streamline organizational mechanism of MED promotion as per new local government structure (Famos 1.1.28)	1,562.01	1,317.71		1,317.71	
	Activity 1.1.19: Support Mol to prepare lesson learnt documents (Famos 1.1.20)	29,287.72		5,842.35	5,842.35	Recorded in Activity 13 under 87243 in CDR
	Activity 1.1.20: Support MOI to mainstream MED model into other	1,328.69	1,265.19		1,265.19	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	ministries(Famos 1.1.22)					
	Activity 1.1.21: Provide expert support for institutional and capacity development to MEDEP and MEDPA staff (Famos 1.1.29)	35,907.48		33,403.30	33,403.30	
	Activity 1.1.22: Support CSIDB/DCSI to orient local level elected representative & executive officer of Village and Municipal Council on MED model.(Famos 1.1.30)	148,391.13	131,152.13		131,152.13	
	Activity 1.1.24: Engage MOI, DCSI,CSIDB and MOFALD to realign MEDPA within Local, Provincial /State and Federal Level restructuring (Famos 1.1.32)	-			-	
	Activity 1.1.25: Capacitate newly elected members of LGs on MED Model (Famos 1.1.33)	44,419.71	47,405.86		47,405.86	
	Activity 1.1.26: Install GESIMIS and train MIS computer officer/ M&E focal person on its operationalization and orient on RBM&E. (Famos 1.1.34)	12,691.35	10,438.24		10,438.24	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	Activity 1.1.27: Facilitate to form EDC, establish Entrepreneurship Development Section-EDS and Enterprise Development Fund - EDF (Famos 1.1.35)	3,172.84	1,358.20		1,358.20	
	Activity 1.1.28: Facilitate to prepare Local level Enterprise Development Plan-EDP and local level planning process (Famos 1.1.36)	63,456.73	59,601.73		59,601.73	
	Activity 1.1.29: Arrange monitoring visit to MEDPA, MEDEP MEs by EDC (Famos 1.1.37)	31,728.37	23,273.69		23,273.69	
	Activity 1.1.30 : Provide orientation on GESIMIS to computer officers/ M&E officers of the remaining 467 LGs (Famos 1.1.38)	15,956.93	12,505.51		12,505.51	
	Activity 1.1.31: Mobilize elected Mes and LLU's executives and LMEGA members with MEDEP/MEDPA experience to institutionalize MED mode at LLU level (Famos 1.1.39)	28,112.70	18,015.22		18,015.22	
	Activity 1.1.32: Support MOI on setting up enterprise Information Center (library Hall, Furniture/Fixture, sound	12,691.35	11,864.84		11,864.84	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	system,Computer , MIS,) (Famos 1.1.40)					
	Activity 1.1.33: Prepare exit strategy of MEDEP IV (Famos 1.1.41)	19,235.64		20,006.62	20,006.62	
	Activity 1.1.34: Conduct workshop, closing events, skill development training to MEDEP staff and other activities in relation to MEDEP exit strategy (Famos 1.1.42)	14,643.86	1,271.55		1,271.55	
	Activity 1.1.35: Conduct MEDEP Exit Strategy status update meeting in monthly basis (Famos 1.1.43)	-			-	
	Activity 1.1.36: Observe the MEDPA progress at local level units, participate in review, monitoring and provide feed back for quality implementation. (Famos 1.1.44)	-			-	
	Activity 1.1.37: Support MoI to sign MoU and meeting with different ministries and stakeholders on MED model (Famos 1.1.45)	976.26			-	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	Activity 1.1.38: Support MoI to arrange meeting for resource mobilization and MEDPA institutionalization (Famos 1.1.46)	488.13			-	
	Activity 1.1.39: Provide training to DBAs for GESI MIS operation (cost sharing with DCSI/CSDIB) (Famos 1.1.47)	3,905.03			-	
	Activity 1.1.40: Provide Technical and logistics support for institutional and organizational capacity development support to MOI, DCSI and CSIDB and its district offices (support 4WD vehicle) (Activity 1.1.17 of AWP 2016) (Famos 1.1.48)	30,666.98		30,666.93	30,666.93	Recorded in Activity 4 under 87243 in CDR
	GMS	40,194.92		33,585.23	33,585.23	
	1.2 Extent to which MEDEP becomes a facilitator to support MEDPA -Atlas-5					
	Activity 1.2.1: Conduct training on Facilitation Skill for institutionalization to MEDEP/MEDPA Staff including NEDC and NMEFEN staff and board members	10,738.83	10,767.61		10,767.61	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	Activity 1.2.3: Provide technical backstopping for procurement of MEDSPs for MEDPA (Famos 1.2.19)	-	0.08		0.08	
	Activity 1.2.4: Conduct orientation workshop on procurement process to CSIDB/DCSI at central and district level	17,617.93	17,452.55		17,452.55	
		6,833.80		5,339.53	5,339.53	Recorded in Activity 4 under 87243 in CDR
	Activity 1.2.5: Coordinate and conduct monitoring visits for facilitation of MEDPA programme from MEDEP	156,201.19	90,652.55		90,652.55	
	Activity 1.2.6: Produce and distribute Knowledge management materials a) Print Brochures, product catalogues, b) MEDPA Operational Guidelines c) GESI Strategy -Translate and Print d)MED Stages guideline- translate and print e) MED related policies- update and print f)other official printing g) Mobilize media to independently report on MED Field Visits, press events, advocacy events	31,728.37	11,803.25		11,803.25	
		2,928.77			-	
	Activity 1.2.7: Partnership with CSIDB/DCSI to produce and broadcast 12 episode of TV programme on enterprise and employment in cost sharing basis.	8,200.56	8,118.17		8,118.17	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	Activity 1.2.8: Provide financial and technical support to create micro-entrepreneurs under Micro Capital Grants (MCG).	70,632.22	69,960.19		69,960.19	
	Activity 1.2.9: Conduct audit and performance review of MED SPs contract	10,778.92		10,851.37	10,851.37	Recorded under Activity 4 output 88357 in CDR
	Activity 1.2.10: Provide financial and technical support to create micro-entrepreneurs for MEDPA target	1,305,042.48	1,269,037.16		1,269,037.16	
		117,551.16	110,181.12		110,181.12	
	Activity 1.2.11: Support to assessing need of graduation and provide support for graduation to existing micro-entrepreneurs for sustainability of their micro-enterprises toward resiliency to MEDEP MEs.	119,103.41	76,339.00		76,339.00	
	Activity 1.2.12: Support to assessing need of graduation and provide Micro Enterprise Service (MES) to existing micro-entrepreneurs for sustainability of their micro-enterprises for resiliency to MEDPA MEs .	214,838.76	193,742.27		193,742.27	
		46,864.26	40,072.93		40,072.93	
	Activity 1.2.13: Facilitate MoI/MEAs to	17,572.63	14,695.88		14,695.88	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	graduate MEs and SMEs by certification.					
	Activity 1.2.14: Provide technical and logistic supports to establish new Common Facility Centre for establishing group based enterprises on cost sharing basis for MEDE	13,667.60	13,217.71		13,217.71	
	Activity 1.2.15: Provide technical and logistic supports to establish new Common Facility Centre for establishing group based enterprises on cost sharing basis for MEDPA	30,752.11	21,942.55		21,942.55	
		-			-	
	Activity 1.2.16: Conduct visual assessment of CFC building (Famos 1.2.20)	19,525.15	18,678.24		18,678.24	
	Activity 1.2.17: Support CFC handover process (Registration, Documentation, handover events) (Famos 1.2.21)	18,548.89	9,078.66		9,078.66	
	Activity 1.2.19: Support DMEGA to enhance the GESI friendly access to market for micro entrepreneurs' product by upgrading MEs to TE in the ratio of 1:25 for particular product (Famos 1.2.18)	-			-	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	Activity 1.2.20: Support to assessing need of graduation and provide support to existing micro-entrepreneurs affected by flood in 12 districts (Famos 1.2.22)	195,251.48	187,430.81		187,430.81	
	GMS	142,458.70		129,602.71	129,602.71	
	1.3 Staff allocated for MEDPA: One National Programme Coordinator with 2 full-time support positions, all required positions at department and district level-Atlas-6					
	Activity 1.3.2: Facilitate Molto allocate required staff with ToR for MEDPA implementation.	976.26			-	
	GMS	68.34			-	
	1.4 Districts implementing the MEDPA programme without technical support from MEDEP: Atlas-7					
	Activity 1.4.2: Backstop to revise VEDP preparation Guidelines in line with local level restructuring (Famos 1.4.5)	976.26			-	
	Activity 1.4.3: Backstop Mol/IEDI to develop standard package on MED for	24,406.44			-	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	poor (MED Model)					
	GMS	1,776.79			-	
	1.5 MEDPA II Strategy document submitted for approval:-Atlas-8					
	Activity 1.5.1: Provide technical support Mol to prepare MEDPA Strategy Plan II	2,196.58	120.58		120.58	
	GMS	-			-	
	GMS	153.76		8.44	8.44	
	1.9 Advanced data collection and monitoring system implemented nationwide -Atlas-12					
	Activity 1.9.2: Support to produce annual / periodic comprehensive MEDPA and MEDEP progress report . (M & E Specialist cost and consultant) (Famos 1.9.3)	8,041.74	9,221.56		9,221.56	Rs. 441,285 recorded in CDR in ATLAS 7 Output 88357
		1,952.51		2,614.59	2,614.59	Recorded in Activity 3 Output 88357 in CDR
		2,206.34	2,187.24		2,187.24	
	Activity 1.9.3: Support Mol to conduct economic analysis study on Micro Enterprise in Nepal and comprehensive study of key success factors of the MEDEP model that should be realistically	24,601.69		21,331.63	21,331.63	Recorded in Activity 7 Output 88357 in CDR

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	replicated by MEDPA. (Famos 1.9.4)					
	Activity 1.9.4: Mentor with hands-on support to CSIO/CSIDB/ Mol responsible person for MIS Operation. (Famos 1.9.5)	-			-	
	Activity 1.9.5: Facilitate Mol to organize Joint Review (JR) on MEDPA (Famos 1.9.6)	976.26			-	
	Activity 1.9.6: Facilitate Mol for joint monitoring field visits of policy level key stakeholders including NPC,UNDP,DFAT, MoFALD, Parliamentarian. (Famos 1.9.7)	1,952.51	519.41		519.41	
	Activity 1.9.7: Support CSIO/CSIDBO to update missing data of MEDPA (Famos 1.9.8)	10,738.83	9,236.01		9,236.01	
	Activity 1.9.8: Support Capacity Development of LLU on GESIMIS System for MEDPA implementation (Famos 1.9.19)	60,283.90	0.08	47,795.35	47,795.43	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	Activity 1.9.10: Provide ToT on web base GESIMIS database operation to selected staff of MoI and relevant provinces and LLUs (Famos 1.9.11)	4,393.16	4,083.98		4,083.98	
	Activity 1.9.11: Facilitate CSIO/CSIDBO/DEDC for regular monitoring [monitoring sub committee support] (Famos 1.9.12)	23,820.68	18,852.55		18,852.55	
		2,050.14	1,310.34		1,310.34	
	Activity 1.9.12: Capacitate staff of MEDSPs and CSIO/CSIDBO on MIS operation. (Famos 1.9.13)	3,114.26	3,105.12		3,105.12	
	Activity 1.9.13: Support MoI to simplify and add-in required modules into the web base MIS software (Famos 1.9.14) (Addressed 1.9.1)	8,298.19	7,337.24		7,337.24	
	Activity 1.9.14: Provide ToT on RBM&E to government officers (DCSI, CSIDB) and LLU M&E focal person and print handbook (Famos 1.9.16)	976.26			-	
		-			-	
	Activity 1.9.15: Facilitate MoI/DCSI/CSIDB to conduct Annual Performance Evaluation of MEDSPs. (Famos 1.9.17)	58,575.45	54,736.08		54,736.08	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	Activity 1.9.16: Facilitate and support Mol/DCSI/CSIDB to conduct a validation workshop to finalize the procedure on Annual Performance Evaluation of MEDSPs of FY 2073/74 (new strategy). (Famos 1.9.18)	-			-	
	Activity 1.9.17: Facilitate and support Mol/DCSI/CSIDB to review Monitoring and Evaluation Framework for MEDEP IV in accordance with the Revised Results and Resources Framework (Famos 1.9.20)	-			-	
	Activity 1.9.18: Updating MEs database for PCI and employment generation of MEDEP/MEDPA (Phase IV) (Famos 1.9.21)	33,680.88	31,085.25		31,085.25	
	GMS	17,052.89		14,847.19	14,847.19	
	1.10 Part of new staff taking up MEDPA positions are trained in MED through a standardized approach: Atlas-13					
	Activity 1.10.1: Backstop and facilitate Mol to develop, publish and disseminate MED model Desktop Manual (in Nepali) along withand its	6,833.80	5,833.12		5,833.12	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	application.					
	Activity 1.10.2: Support Mol to train staffs of MEDPA on MED model and operation of information centre/library management	6,101.61	110.73		110.73	
	DPC	137,132.67		137,133.00	137,133.00	Some amount of DPC of Output 2 & 3 recorded in CDR in output 1.
	Exchange Loss/Gain			(2,975.49)	(2,975.49)	
	Exchange Loss/Gain			2,708.71	2,708.71	
	GMS	10,504.77		10,014.95	10,014.95	
	Sub total	3,670,187.81	2,708,226.22	502,776.41	3,211,002.63	
Implementation support cost(atlas 3)	Salary (Famos 1.11.1)	1,244,351.45	1,130,770.87	2,924.01	1,133,694.88	
		73,596.10	154,838.24		154,838.24	
	Office Equipment (Famos 1.11.3)	4,686.04	1,994.50		1,994.50	
	Communication (Famos 1.11.4)	23,430.18	17,839.72		17,839.72	
	Supplies (Famos 1.11.5)	16,401.12	8,838.80	3,943.85	12,782.65	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	Rent (Famos 1.11.6)	45,806.00	47,797.40		47,797.40	
	Custodial (Famos 1.11.7)	24,601.69	23,384.92		23,384.92	
	Utility (Famos 1.11.8)	9,957.83	7,973.66		7,973.66	
	R & M Office Equip (Famos 1.11.9)	21,087.16	7,761.25		7,761.25	
	R & M vehicle (Famos 1.11.10)	82,005.62	49,466.83		49,466.83	
	Miscellaneous (Famos 1.11.11)	35,145.27	27,909.79		27,909.79	
	Learning Cost (Famos 1.11.12)	2,928.77	1,965.17		1,965.17	
	GMS, DPC	-			-	
		105,728.08		93,279.81	93,279.81	
Sub Total Programme Support Cost		1,689,725.19	1,480,541.15	100,147.67	1,580,688.82	
	Total of output 1	5,359,913.00	4,188,767.37	602,924.08	4,791,691.45	
CPAP OUTPUT 2.2.1:	CPAP Output 2.2.1: 35,000 micro-entrepreneurs created and 40,000 existing ones scaled up for poverty reduction, employment generation and sustainability					
	2.3 FSPs serving MEs created by MEDEP/MEDPA: number-Atlas-10					

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	Activity 2.3.1: Provide technical backstopping and networking to build up partnership with FSPs, NRB for A2F at all levels - central, regional and local level	488.13	189.46		189.46	
	GMS	34.17		13.26	13.26	
	2.4 MEs created by MEDEP/MEDPA accessing services from FSPs: Atlas-11					
	Activity 2.4.1: Organize to facilitate insurance companies to orient/train micro entrepreneurs on insurance products/services (Famos 2.4.3)	1,464.39	1,484.59		1,484.59	Rs. 28,622.06 recorded in Atlas 13 Output 87243 in CDR
	GMS	102.51		102.57	102.57	
	2.5 MED service providers eligible for MEDPA model implementation:Atlas-12					
	Activity 2.5.1: Support on capacity development of MEDPA stakeholders (MED SPs)(Famos 2.5.7)	3,660.97	2,182.77		2,182.77	Rs. -48,483 recorded in Activity 8 Output 87243 in CDR
		7,321.93	6,304.47		6,304.47	Rs. 86,535.90 recorded in Activity 8 Output 87243 in CDR
	Activity 2.5.2: Facilitate Mol to coordinate and collaborate with CTEVT/NSTB for certification of EDFs/EDOs through skill testing and	13,023.27	7,019.60		7,019.60	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	academic courses through Universities.(Famos 2.5.3)					
	Activity 2.5.4: Support Training Institutes/NEDC to conduct orientation on EDF skill test level 4of NSTB on cost sharing basis.(Famos 2.5.6)	976.26	968.26		968.26	Rs. 60,000 recorded in Activity 8 Output 87243 in CDR
	Activity 2.5.5: Support to develop text book for diploma course on entrepreneurship(Famos 2.5.8)	14,643.86	14,457.00		14,457.00	Rs. 1,500,000 recorded in Activity 8 Output 87243 in CDR
	Activity 2.5.6: Suppot IEDI to revise EDF Text Modules based on TSLC and hand it over to IEDI (Famos 2.5.9)	9,762.57	3,365.90		3,365.90	
	GMS	3,457.22		2,396.17	2,396.17	
	2.6 Associations (DMEGAs, NMEFEN, NEDC) with feasible business plans meeting the sustainability criteria Atlas-13					
	Activity 2.6.3: Evaluate the business plan by the independent organization and support the Mes association including NEDC based on the recommendations.	5,515.85	5,470.99		5,470.99	
		7,790.53	6,294.91		6,294.91	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	(Famos 2.6.11)					
	Activity 2.6.7: Facilitate to conduct sharing events market promotional events with private sectors.	1,952.51	2,208.94		2,208.94	
	Activity 2.6.8: Provide logistic support(stall, transportation) to MEs for self sustainability of enterprises by market linkage through exhibition in cost sharing basis (Kings College budget - 150,000)	8,347.00	4,044.23		4,044.23	
	Activity 2.6.12: Support Strong category of 8 DMEGAs for six months on fund raising, membership & fee based services operational, implementation of BP and Advocacy (Famos 2.6.17)	18,744.14	18,800.76		18,800.76	
	Activity 2.6.13: Support Medium category of 15 DMEGAs for six months on scalating fee based services, business networking with MEs, internal fund generation activities and events, coordination with Govt. and private sector for resource generation and advocacy (Famos 2.6.18)	43,931.58	40,918.74		40,918.74	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	Activity 2.6.14: Facilitate to support Weak category of 15 DMEGAs for six months for institutional strengthening (Competent Board Members selection, reviewing statute), good governance, fund raising from membership, members mobilization and strategy development (Famos 2.6.19)	52,717.90	48,837.06		48,837.06	
	Activity 2.6.15: Facilitate to support NMEFEN for six months for institutional strengthening (fund raising, private sector linkage, training packages, restructuring of member organization as per LLU, form DMEGAs). (Famos 2.6.20)	7,810.06	6,821.82		6,821.82	
	Activity 2.6.16: Facilitate to support NEDC for six months for institutional strengthening (sale of expertise in market, fund raising and networking with MEDSPs, enrollment of EDFs as NEDC member). Based on the performance, additional 3 months supports will be provided on cost sharing (50:50). (Famos 2.6.21)	3,905.03	3,873.03		3,873.03	
	Activity 2.6.17: Support MOI to organize felicitation of successful women	1,952.51	1,287.69		1,287.69	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	entrepreneurs (Famos 2.6.22)					
	DPC	137,132.67		137,133.00	137,133.00	
	GMS	20,285.99		19,298.67	19,298.67	
	Sub Total	365,021.00	174,530.22	158,943.67	333,473.89	
Output 3: Capacity for policy advocacy and continuous improvement of quality of services improved, and awareness about MED increased. (00105121)	3.1 Proposals brought forward to the GoN by NMEFEN based on inputs by an entity dedicated to policy and research in micro enterprise development: Atlas-1					
	Activity 3.1.2: Publish and disseminate the Advocacy Handbook	2,440.64	2,314.96		2,314.96	
	GMS	170.85		162.05	162.05	
	3.2 MEGAs and DMEGAs regrouped according to the new federal structure: percentage of DMEGAs/MEGAs aligned with new structure-Atlas-2					
	Activity 3.2.1: Facilitate, technical backstopping to re-structure MEGAs in 65 LLUs	16,816.03	13,475.40		13,475.40	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Total Budget for 2017 (\$USD)	Expenses made from the project (US \$)	Expenses made from the UNDP (US \$)	Total Expenses in US \$	Remarks
	Activity 3.2.2 a: Support MEAs on local resource mobilization and advocacy for institutionalization (formation, legalization process, meeting with LG, local level planning process)	4,881.29			-	
	3.2.2 b: Support MEAs to develop operational manuals of LMEGAs and distribute to LMEGAs	3,905.03	1,727.51		1,727.51	
	DPC	137,132.67		137,133.00	137,133.00	
	GMS	11,391.45		10,663.62	10,663.62	
	Sub Total	176,738.00	17,517.87	147,958.67	165,476.54	
	Grand Total	5,901,672.00	4,380,815.46	909,826.42	5,290,641.88	

Field Monitoring Visit Conducted by Central Level in 2017

SN	Visit Date	Visited Site	Member of Monitoring Visit	Group/People Met at sites	Observed/Monitoring Activities Executed	Finding/Outputs and Suggestions
1	8-Jan-17	Sunsari (Juute Jhalla CFC)	Shankar Koirala, Secretary and Yam Kumari Khatiwada, Joint Secretary of Mol	MEs of Jute Jhalla, Dalmoth and Tailoring	Observed enterprises and interacted with micro entrepreneurs	Found enterprise was running well. Need to support for marketing and business counselling support. And send Jute Jhalla entrepreneurs to Jhapa for observation of Jute Jhalla Handloom.
2	9-10/01/2017	Letang and Jante, Morang;Sunsari (Ceramic CFC at Inarruwa, Vegetable Enterprise at Narsingh, Furniture CFC at Bhokraha and Pater CFC at Paschim Kushaha	Bimal Prasad Baral, Under Secretary, Mol and Madhav Prasad Subedi, Under Secretary, MOI	MEs with CSIO Morang officials and DMEGA staff/executive committee member and also with the same team in Sunsari	The Fibber and cloths' bag making enterprises and tailoring enterprises observed at Letang and Dhaka weaving enterprises in CFC observed at Jante VDC of Morang; observed CFC and enterprise and discussed with micro entrepreneurs.	To be Increased members in CFC at Jante; to be diversified the product of Pater enterpris; and send at least one ME to Nawalparasi to observe Pater enterprise for product diversification
3	13-16 March 2017	Chandragadi, Damak, Jhapa	Mr. Nick Maddock, Livelihood and Employment Advisor, UNDP	CDO, LDO, Chief of DLSO, DADO, WDO, CSIO, Executive Officer of the Damak Municipality, Representative of D-MEGA, BDSPO, FNCCI, FNCSI and LWF, UNHCR, WFP	Discussed on what short of activities to be carried out for overall economic development of Jhapa, what type of enterprise development activities would be undertaken for Bhutanees Refugee and host community for sustainable livelihood.	Stakeholders suggested following Emphasize to develop micro, medium and small size enterprise based on the local resources (agro and forest), Develop infrastructure for enterprise development, carry out economic development activities to both Bhutanees and host communities. Found difficult to compete with India and some raw materials are dependent to India.

SN	Visit Date	Visited Site	Member of Monitoring Visit	Group/People Met at sites	Observed/Monitoring	Finding/Outputs and
4	23-27 May 2017	Myanglung Terhathum, Sanischare, Morang and Dhoghare and Dhajjan, Jhapa	1) Henriette Bøe Ketilsson Partner & CEO The Packing Man Team	1) Tinjure Dhaka CFC members 2) Salleri Dhaka CFC members. 3) Dhaka Sales outlet 4) Chairperson of Terhathume Dhaka Product Associations; dhaka waving; and Petani and Dhaka weaver Mers	Observed Dhaka CFC and sales outlet and meeting with Chairperson and members of Dhaka product Associations.	All Dhaka related skills, technology, products variety, success stories should be captured in the video.
5	18 and 19 /06/2017	Paschim Kushaha, Sunsari/Myanglung Terhathum	Honorable member of NPC, Dr. Swarnim Wagle, Senior Programme Analyst Nabina Shrestha and Rajan Kc, Intervention Coordinator, MEDEP, NPSO	Pater micro entrepreneurs along with DMEGA executive members. 1) Tinjure Dhaka CFC members 2) Sangam Dhaka CFC members 3) Salleri Dhaka CFC members 4) Terhathume Dhaka Product Associations 5) DMEGA executive members	Observed pater enterprise. Discussed and interact with Pater MEs. Pater ME produces only pater mat. Product diversification is necessary. New technology is needed in order to scale up this enterprise	Found enterprise running smoothly. There was no problem on marketing. Provided scale up training to pater ME for product diversification. Pater ME should be sent to Nawalparasi to observe pater enterprise (product diversification). NPC has also promised to allocate budget in Dhaka weaving business.
6	9-12 June, 2017	Salyan of Kaski (Annapurna Gaunpalika), Phalebas municipality of Parbat, Painyupata village of Baglung Municipality and Baglung Bazaar and Ghandruk of Kaski (Annapurna Gaunpalika)	1. Pradeep Koirala, Joint secretary, MOI and NPD 2. Binda Acharya, Under Secretary and NPC, MOI 3. Dr. Ramji Neupane, NPM, MEDEP 4. Keshav Dawadi, APSM, MEDE	Laligurans MEs group (sweater making) at Salyan; Salyani tailoring group (tailoring MEs), Salyan; Jaybhumi khadi bhangra MEs group (bhangra), Salyan; Indreni MEs group (dhaka), Saugat koseli ghar, Juntara Butick MEs group (butik) and Phulbari MEs groups (woolen cloths) at Baglung and Laligurans Cotton bag Group (cotton bag), Milijuli khadibhangra MEs group and Laganshil Khadibhangra MEs group at Ghandruk, Kaski.	Observed, monitored and interacted with micro entrepreneurs. Boutique MEs of Baglung need additional training to operate newly machine through MEDEP, No sufficient place for hosiery entrepreneurs to manufacture hosiery products.	Observed different group such as Dhaka, hosiery and boutique. Known about their status of enterprise and support they received so far from program. Boutique and hosiery group have requested for training and CFC building respectively
7	12-Jun-17	Devchuli and Narayani	Nabina Shrestha, Representative from CG group and Krishna Chongbang	Honey production group at Bishaltar and banana fibre/cloth production group	Observed honey production and found the market problem	Agreed to sign MoU with CG to establish a outlet for MEs products in Saswat Dham

SN	Visit Date	Visited Site	Member of Monitoring Visit	Group/People Met at sites	Observed/Monitoring	Finding/Outputs and
				at Narayani		
8	16 - 19 Feb 2017	Libang Rolpa	Mr. Bhim Bahadur Bista APSM, APSO Ghorahi, Ms. Tara Gurung Australian Embassy, Mrs. Nabina Shrestha UNDP. Laxmi Shama GSS APSO Ghroahi	CSIDB, DEDC, DMEGA, BDSPO and MEs of Rolpa Allo Dhago kapada Uddog	Discussed with DEDC on MEDPA status and institutionalization. Discussed on DMEGA sustainability status, BDSPO working status of MCG and MEDPA, MEs status and observed Rolpa Samudayik Allo Dhago Tatha Kapada Udhyog	CSIDB and DDCare taking ownership of MEDPA such as MEDF operation, Budget allocation through it, DDC and VDC budget allocation through DDC and VDC and MEDF on it, DEDSP and VEDP preparation, MEDSP selection and Monitoring of MEDPA program etc; Involvement of targeted people in CFC fromex. Maoist combatant; no marketing problem of the production;Inadequate capacity of DMEGA executive members to receive support from other agencies through submitting proposal.

SN	Visit Date	Visited Site	Member of Monitoring Visit	Group/People Met at sites	Observed/Monitoring	Finding/Outputs and
9	19 -21 April	Banke	Me Bhim Bahadur Bista, APSM and UN Executive Board member -Mr. Amanuel Giorgio Chargé d'Affaires a.i. Counsellor, DPR(ERITREA)/UNICEF Dr. MD Mafizur Rahman, Economic Minister (BANGLADESH) List B/WFP Ms. Sejla Durbuzovic Counsellor (Bosnia &Herzegovina)/UNICEF Mr Evgeny Vakulenko, First Secretary, (RUSSIAN FED) , List E/WFP Mr. Talal Aljamali, First Secretary (Yemen) Vice-President UNDP/UNFPA/UNOPS Executive Board (Asia-Pacific) Mr. Gilles Fagninou, EB Assistant Secretary / UNICEF, Ms. Imelda Katjomuise, EB Administrative Assistant/UNFPA	Allo Entrepreneur in Dang and Radha Krishna Cooperative in Banke	Observed MEs' products exhibition in Dang and Banke and interacted with Cooperative members in Banke.	Economic empowerment of entrepreneur is appreciable; women empowerment and leadership capacity of the MEs have developed especially women, dalits, poor and deprived people living in the rural areas.
10	6/04/2017	Suryabinayak	The packing man (Norwegian, UK, Italian)	MEs of Pashmina Enterprises	Pashmina production industry, old clothes recycling and Newari dress making enterprises	The pashmina industry has been exporting their products in UK, Japan, USA Australia, Spain. Similarly Newari enterprise is also supplying their products in the local market
11	19-Jun-17	Nayabsti of Panauti, Municipality	Dr. Puskar Bajrcharya	Srijansil Bamboo Rack and stool making group at Nayabasti, Panauti. Pragatishil fibre bag making group at Suntan	Observed bamboo stool and Rack making group at Nayabsti, Panauti and Fibre bag making enterprise at Sunathan.	The group has provided 6 extra people as an employment. They are able to earn NRs 20000-25000 per month from this enterprise. Nine MEs are involving in the fibre bag making group. Each ME has to earn NRs 8000-10000 per month.

SN	Visit Date	Visited Site	Member of Monitoring Visit	Group/People Met at sites	Observed/Monitoring	Finding/Outputs and
12	22-Apr-17	Mangaltar VDC	Pradip Kumar Koirala, Joint Secretary of MoI and National Program Director(NPD)	Goat keeping and Poultry Farming Group at Mangaltar and Grill making enterprise at Banepa	Observed Goat Keeping and Poultry Farm at Mangaltar and discussed with 11 MEs about their business condition.	Nine MEs are keeping goat with support of MEDEP/MEDPA they have 15-20 goat each MEs. They are planning to increase their business volume.
13	21-Mar-17	Banepa	Zimbabwe Delegation Team to Nepal	Observed mini exhibition at Banepa and meeting with CCI Kavre	Observed mini exhibition at Banepa conducted by DMEGA Kavre. There were many types of products displayed on the exhibition(boutique, vegetables, leather shoes, dairy product, bamboo craft, dhaka items etc.	The Zimbabwe Delegation Team to Nepal observed the micro entrepreneurs product and participated interaction meeting with CCI Kavre
14	19-Apr-17	Pipaltar and Bidur of Nuwakot	Pradeep Kumar Koirala, Joint Secretary (MoI)/National Programme Director (MEDEP)	1. Shoe making entrepreneurs, Bidur 2. Dhaka weaving entrepreneurs, Pipaltar	Observed Shoe production and Dhaka Weaving enterprise selling enterprise	NPD interacted with MEs and impressed from their progress.
15	30-Apr-17	Mahottari, Sarlahi	MEDEP National Programme Co-ordinator Bimal baral and National programme Manager, Dr Ramji Neupane, MEDEP	Pargati Bamboo Craft Group, Yakata Dhaka Production Group, Patu Namuna Tailoring Center Bardibas. Lalupate Dhaka Cloth Weaving Group and CFC Lalbandi, Ongoing skill training of MEDPA Tailoring Training Janakinagar	CFC of bamboo products and dhaka cloth weaving machine (<i>Taan</i>) observed	
16	11-12 May 2017	Mahottari	Pradeep Kumar Koirala, Joint Secretary (MoI)/National Programme Director (MEDEP)	Pargati Bamboo craft group yakata Dhaka production Group Patu Namuna Tailoring Center, Bardibas	Observed enterprises and interacted with MEs.	
17	19-Apr 2017	Chadrapur, Rautahat	National Programme Manager	Ujaylo MEG, Maisthan MEG Mushroom, Dhaka Weaving and Food Based Enterprises	ObservedMEG Mushroom, Dhaka Weaving and Food Based Enterprises	To be promoted seed production of Mushroom for its cultivation. Lack of labelling in Food Based Enterprises

SN	Visit Date	Visited Site	Member of Monitoring Visit	Group/People Met at sites	Observed/Monitoring	Finding/Outputs and
18	9 to 11 July 2017	Sindhulimadhi, Kamalamai Municipality	Tara Gurung (DFAT) and Rajan KC NPSO, MEDEP team	Mayor, Executive Officer, members of Executive Board of Kamalamani Municipality, Chief of CSIDB, DMEGA members, BDSPO members/ staff, Namuna Fibre Bag making groups	Observed/Monitoring perception of MEDPA stakeholders in the changing scenario of restructuring in the context of institutionalisation of MEDPA. Slightly few difficulties to independently implement MEDPA, need facilitation /capacity building to full assurance of MED model	Need to facilitate to importance and necessity of MEDEP technical assistance to the Central and Local Government
19	30 Oct to 2 Dec 2017	Dolakha; Bhimeshow Municipality; Ramechhap and Manthali Municipality	Two representatives from Australian Embassy; two from UNDP Country Office; one from NPSO	Dhaka weaving MEs in Dolakha; Meeting with Bhimeshow Municipality; Paper making MEs at Ramechhap, Meeting with Manthali Municipality	MEDEP/MEDPA is successfully provided their support in employment generation and poverty alleviation	Mol needs to conduct dialogue with development partners for continuing at least for technical assistant from the professionals for MEDPA institutionalization in LGs/Provincial Government
20	22nd to 25th Dec. 2017	Bharatpur, Nawalparasi, Kaski and Tanahu	PB members; Mol (Pradeep Koirala, Binda Acharya, Hari Aryal, Khinna Thani, Bhim Bhattarai), MoF (Sunil Kumar Karna), MoA (Srijana Timilsina), MoLS (Sulekha Sharma), Padam Bhusal (DFAT), MEDEP (Lakshaman Pun, Rajesh Verma, Bhumi Bhandari, Krishna Chongbang, Keshav Dawadi).	1) Saugat Ghrih (Subit Dhaka Pasal)-Bharatpur, 2) MEs at Dhaka Common Facility Center, Punarbas, Devechuli Municipality, Nawalparasi, 3) Elected representatives of Devchuli Municipality Office in Nawalparasi, 4) Mr. Shyam Sundar Bhattarai's 'Basistha Dairy Udhog' in Triveni Susta, Nawalparasi, 5) Mini exhibition by 7 MEs groups at Susta Rural Municipality in Nawalparasi, 6) District Micro-Entrepreneurs Group Association (DMEGA) in Nawalparasi, 7) Coffee processing center and Mandarin collection centre in Syanja, 8) Rhitu Allo Production Factory operated by Ms. Sunti Purja and Mr. Buddhi Purja in Pokhara,	Representatives in PB for visit from different ministries observed the success of MEs created by MEDEP/A for poverty alleviation and realized the programme should be continued even in future as it is the best model which fits in Nepalese context as well. During this period, PB members interacted with MEs at all visited sites. Likewise, they had interaction meeting with two Rural Municipalities in Nawalparasi.	PB members made several suggestions during the visit; i.e. 1) The linkage between Mes and Sales outlet to be enhanced, 2) support Dhaka CFC at Susta for technology upgrade and design to improve productivity, 3) Keep close backstopping Rural Municipalities in utilizing fund in MED model and for successful internalization of MED and its sustainability, 4) Support Pater MEs at Susta for irrigation to enhance pater farming so that they don't have to import raw material from India, 5) Ritu Saugat was suggested to contact at Mol for technology support, 6) Support home stay MEs at Tanahu through graduation support to improve home stay services for better.

SN	Visit Date	Visited Site	Member of Monitoring Visit	Group/People Met at sites	Observed/Monitoring	Finding/Outputs and
				Kaski, 9) Bimalnagar Community Homestay in Tanahun, promoted by MEDPA.		
21	16-18 Dec 2017	Bara, Parsa	Ms. Yam Kumari Khatiwada, Secretary, Ministry of Industry (Mol), NPC, Ms. Binda Acharya NPM Mr. Ram ji Neupane	Micro Entrepreneurs and flood effected micro entrepreneurs	MEs promoted by MEDEP/MEDPA and technology distribution to flood affected MEs at Bara.	Flood affected MEs received support to revive their enterprise
22	23-25 Dec 2017	Pokhara	Ms. Yam Kumari Khatiwada, Secretary, Ministry of Industry (Mol), Dr. Gopi Krishna Khanal, Joint Secretary, Mol/NPD, MEDEP NPC, Ms. Binda Acharya NPM Mr. Ram ji Neupane	Local level elected representative	MED model orientation and highlighted on the need of Industrial village along with awareness on MED model.	Local level elected representatives aware on MED model.

Risks Log 2017

SN	Description	Category	Impact & Probability	Countermeasures / Management response
	Enter a brief description of the risk	Environmental	Describe the potential effect on the project if this risk were to occur	What actions have been taken/will be taken to counter this risk
		Financial		
		Political		
		Security		
		Strategic	<u>Enter probability on a scale from 1 to 5[1]</u>	
	Other			
1	State Restructuring may affect the whole situation and scenarios of the present programmes, policies and strategies. Therefore, the institutional structure and policy level responsibilities may change. The effort of Institutionalization of MED Model into government system could be affected by the restructuring of responsible agencies and authorizes at both central and district level.	Political	State restructuring is still on-going as the election of National Assembly and Provincial Assembly have not yet completed that will affect the standard channel on MEDPA implementation. The timing of it, however, is not yet fully certain and will largely depend on the pace of constitution implementation. This may result in the need for re-designing support systems for MEDEP and respective responsibilities, which may affect the implementation and slow down attainment of targets.	<p>MEDEP/UNDP will take (is taking) following measures:</p> <ul style="list-style-type: none"> - The MEDEP workplan will be kept flexible to accommodate change as per prevailing context - Remain vigilant both at the centre and the districts on how the restructuring process unfolds and use the information to inform program management. - Work with the government to incorporate enterprise development /MED related considerations in local level structures. - Hold weekly/fortnightly meeting with MoI, MoFALD, MoF and relevant GoN agencies to develop better clarity on HR and fund flow and advocate for supportive mechanisms for MED - Once established, MEDEP / UNDP will engage with Provincial Government, Local Government both (Rural Municipalities and Municipalities) to institutionalize MED at the local level.
	Likelihood=5; Impact=4			

SN	Description	Category	Impact & Probability	Countermeasures / Management response
2	<p>MED Model implementation in MEDPA: Delays in contracting the MEDSPs is negatively affecting timing and quality of services provided to the MEs.</p>	Strategic	<p>MEs are not able to get full spectrum of services from the MEDSPs, thus diminishing the quality of services provided. It also reduces benefits to MEs from such services and hinders their capacities to access finance, technologies, raw material and business counseling.</p>	<p>As the selection process of MEDSPs is being delayed due to state restructuring at central, province and local level, continuous follow up with DCSI and CSIDB from project will be continued to procure the MEDSPs. Besides this, MEDEP being vigilant will support MoI/DCSI/CSIDB to procure MEDSPs at central level to implement MEDPA in LGs under the relevant programme district. To make procurement process more efficient and time and cost effective, lobby will be continued to procure MEDSPs at Province Level rather than the central level procurement which will be ensured to incorporate in the revised MEDPA Operational Guidelines.</p>
			Likelihood=3; Impact=3	
3	<p>Frequent transfer of the Government officials. State restructuring poses additional threat to staff capacity development.</p>	Strategic	<p>Induction of new officers into the programme affects timely implementation of the programme and results achievement as the officers either lack or have limited understanding of MEDPA. It will also affect the ownership of the programme, working environment and the cost effectiveness of the delivery.</p>	<p>As agreed in the MEDPA steering committee support MEDPA to institutionalize the MED model course in the NASC curriculum. MEDEP will support govt. to explore the long term solution. MEDEP will technically back up MoI to put this agenda in MEDPA Steering Committee which will support MEDPA to institutionalize MED model course in NASC curriculum.</p>
			Likelihood=4; Impact=3	

SN	Description	Category	Impact & Probability	Countermeasures / Management response
4	Insufficient human resources and capacities in MEDPA: Lack of required staff in MEDPA (MoI, DCSI and CSIDB) due to remaining vacant positions not fulfilling in time and not as per the MEDA 5 Years Strategy Document.	Strategic	Insufficient MEDPA staff for MEDPA implementation leads to affect the quality and timeliness of implementation. Current ban on federal level recruitment further complicates the process of filling in the vacancies.	MEDEP will work closely with MoI to develop clear strategy for HR provision in MEDPA II strategy document for MEDPA implementation in LGs and get it approved by government.
			Likelihood=3; Impact=3	
5	Government Funding for MEDPA: Budget allocation at local level is not sufficient for the programme as per the target set in the 5 year strategic plan of MEDPA.	Financial	Insufficient budget will result in reduction of activities and targets, undermining the credibility and effect of MEDPA implementation at local level; quality of implementation will also be negatively affected.	Continue regular engagement with respective government offices at national (NPC, MOF) and local levels to ensure sufficient funding of the programme. This has resulted in increasing trend of budget allocations for MEDPA, which is expected to be continued. Continue support to GoN to develop MEDPA II Five Years Strategy Document and get it approved from the Council of Minister to ensure the sufficient budget for MEDPA implementation for coming 5 years after MEDPA I comes to an end by FY 2017/18. Define minimum budget required for running MEDPA to ensure fulfillment of its mandate for poverty alleviation and advocate that the yearly allocation from state budget at least meets this minimum requirement. MEDEP will support govt. to orient newly elected members at respective rural municipalities and municipalities and support to develop micro-enterprise development plan at their respective rural municipalities.
			Likelihood=3; Impact=4	

SN	Description	Category	Impact & Probability	Countermeasures / Management response
6	Sustainability of some of the MEA's (DMEGA): due to weak capacity of some of the DMEGAs and their committee members (incl. staff) they have difficulties in generating resources for their sustainability. This, in turn, negatively affects their abilities to (?)_Without resources, they cannot implement their business plan eventhough they have quality plan.	Strategic	It affects coordination and linkages among the MEs and MEs associations. Passive DMEGAs can not advocate and timely raise the concerns/issues of MEs issues to the right authorities.	A dialogue forum will be formed to strategize DMEGAs' roles. - More strategic support will be provided to the MEAs based on the assessment of their business plans and will adopt a partnership approach to such support. Continue lobby govt. to allocated budget for DMEGAs for their role for MED model institutionalization.
			Likelihood=4; Impact=3	
7	Lack of project funds for the remaining time of the project due to non-favorable exchange rate.	Operational	This may affect the scale of implementation.	Monitor the exchange rate dynamics to be able to anticipate and plan for required budget adjustments. - focus on institutionalization activities and less on ME creation and graduation support.
			Likelihood=5; Impact=3	
8	Natural disasters: Nepal is a disaster prone country with the hazards like flood, landslides and earthquake. There is likelihood to occur floods and landslides in prone areas during rainy season and also threats of earthquake at any time. These kinds of disaster once occur may affect to the implementation of the programme.	Natural	This may affect loss of lives and their properties which diverts people's concentration into their survival rather than programme.	Mitigation and preparedness as well as contingency plan will be incorporated in MED model training curricula. In the business plan, there should be contingency plan to mitigate such a disaster.
			Likelihood=3; Impact=4	
9	Risk of fraud undermining reputation of the project	Other	Trust and reputation of the project will be diminished, and this adversely affects quality of the project work.	Close and continuous monitoring system will be developed and implemented to make transparent, effective decision making. Social audit, public audit and accountability mechanism will be conducted
			Likelihood=3; Impact=4	
10	Staff turnover at the end of the implementation phase.	Management	Since the project is at the end of the implementation phase, capable project staff may leave for other opportunities; fulfillment of	A motivational strategy (cushioning period) for retention of the staff will be undertaken. UNDP will support a quick

SN	Description	Category	Impact & Probability	Countermeasures / Management response
	Since the project is at end period, current staff of the project may divert their mind in searching other opportunities and become a problem of retention.		<p>thevacant positions for short period will be difficult. This may affecton the quality programme implementation.</p> <p>Likelihood=4; Impact=4</p>	recruitment process if there is vacant of any positions.

Issue Log Matrix

S.N.	Description of Issues	Types of Issues	Issued Identified Date	Resolution Measures Recommended	Status of the Issue	Status Change Date
1	Planned activities hampered due to the series of elections and it is difficult to accomplish as planned. Staff are engaged in election activities and not available for programme implementation.	Political/administrative	July to Nov 2017	Proactive regular facilitation and coordination needed. Contingency plan to be prepared. Work Plan need to be revised if necessary.	Adjusted the activities as per the situation. LGs elections managed accordingly. Also revised AWP 2017	Nov-17
2	Delayed in fulfilment of required staff provisioned HR in newly establish Industry Development Section/Office in the districts.	Administrative	2017	Recruitment process to be proceeded. For this, ToR to be finalized, recruitment committees to be formed, notice to be published, application to be evaluated and selected the staffs	ToR for EDF and Computer Operator finalized. Gradually IDS has started to recruit the staff	Recruitment started by few of the districts. 2017

Issue Log Matrix

S.N.	Description of Issues	Types of Issues	Issued Identified Date	Resolution Measures Recommended	Status of the Issue	Status Change Date
3	Role of MEGA in the context of Federal Structure	Program	August, 2017	The matters should be discussed in DMEGA meeting. A provision of LMEGA as per new structured should be formed and statute for this provision should be developed.	NMEFEN has developed statute for the LMEGA in the context of Federal Structure .	Dec 2017
4	Local level fund utilization: Many local governments have allocated budget for MED budget, but fund utilization is not done and not clear.	financial	Sep-17	Need to develop the strategy utilize this fund from Mol.	Mol developed sample SoP to utilize this fund	Dec 2017
5	MEDPA guideline is under in revision however due to the inadequate instruction or lack of regulation, it has hampered the MEDPA implementation like as MED SPs proposal evaluation, monitoring, EDC formation, EDF (Enterprise Development Fund) etc.	Operational and Institutionalization	July-Sept, 2017	As soon as possible, need to revise MEDPA Operational Guidelines by Mol.	Guidelines revised by Mol and circulated to District Offices	Dec 2017

Issue Log Matrix

S.N.	Description of Issues	Types of Issues	Issued Identified Date	Resolution Measures Recommended	Status of the Issue	Status Change Date
6	Progressive value for PCI change data has been updated only for the MEs created in 2014, 2015 and 2016 so for progressive value of rest MEs have not been updated.	Operational	2017	Regular data update mechanism should be developed and implemented.	Updated transaction data for PCI updating of 2014, 2015 and 2016. A mechanism for updating of transaction data for last three years through MEDSP has been developed.	Dec 2017
7	Quality of service of MEDSPs in MED implementation in some districts.	Operational	IV qrt 2015	Timely selection of MEDSPs and Multi-Year Contracting	Incorporated the Multi-Year Contracting into Draft MEDPA II Strategic Plan	Same

Issue Log Matrix

S.N.	Description of Issues	Types of Issues	Issued Identified Date	Resolution Measures Recommended	Status of the Issue	Status Change Date
8	Due to reallocating and transferring process of staff from the central as well as district level staff to LGs level, the staff priority is focus in securing their job position in appropriate place rather than implementation of the programme. Due to this reason, officials of CSIOs/CSIDBs are reluctant to engage actively in MEDPA programme	Institutional	July to Sept 2017	Clear instruction and motivation is required.	Same	July 2017
9	Institutionalization of GESIMIS in MEDPA at Central, Provincial and Local Governance Levels	Operational	July 2017	Continued support including training and logistics is necessary to build the capacity of the M&E and IT staff of Central and Local Levels.	Enterprise Information Centre (EIC) established at MoI and trained Government staff of Central and Local Levels.	Nov 2017

GESI wise distribution of Additional Employment Generated by MEDEP and MEDPA in different period

Additional Employment Generated from 1998 to 2017	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
MEDEP	86000	107201	76577(71%)	30624(29%)	25718(24%)	38335(36%)	43148(40%)	29341(27%)	56260(53%)
MEDPA (Total)	59370	62948	53402(85%)	9546(15%)	11312(18%)	14206(23%)	37430(60%)	8104(13%)	15787(25%)
MOI	59370	62932	53390(85%)	9542(15%)	11312(18%)	14195(23%)	37425(60%)	8104(13%)	15781(25%)
MEDEP for MEDPA									
RELRP		16	12(75%)	4(25%)	0(0%)	11(69%)	5(31%)	0(0%)	6(38%)
LSER									
VDC									
DDC									
Parliament									
Grand Total for 1998 to 2017		145370	170149	129979(76%)	40170(24%)	37030(22%)	52541(31%)	80578(47%)	37445(22%)
Additional Employment Generated during MEDEP Phase IV	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
MEDEP	30000	55226	41073(74%)	14153(26%)	12087(22%)	22036(40%)	21103(38%)	15220(28%)	32835(60%)
MEDPA (Total)	43000	61078	51986(85%)	9092(15%)	10704(18%)	13592(22%)	36782(60%)	7937(13%)	45471(74%)
MOI	43000	61062	51974(85%)	9088(15%)	10704(18%)	13581(22%)	36777(60%)	7937(13%)	45458(74%)
MEDEP for MEDPA									
RELRP		16	12(75%)	4(25%)	0(0%)	11(69%)	5(31%)	0(0.0%)	13(81%)
LSER									
VDC									
DDC									
Parliament									
Grand Total during Phase IV		73000	116304	93059(80%)	23245(20%)	22791(20%)	35628(31%)	57885(50%)	23157(20%)

Yearwise Additional Employment directly Generated by MEDEP Phase IV	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
Aug to Dec 2013	30000	4555	3326(73%)	1229(27%)	1099(24%)	1521(33%)	1935(43%)	1402(31%)	3833(84%)
2014		10003	7461(75%)	2542(25%)	2128(21%)	3955(40%)	3920(39%)	2364(24%)	5335(53%)
2015		14196	10464(74%)	3732(26%)	2811(20%)	5853(41%)	5532(39%)	4195(30%)	12245(86%)
2016		26472	19822(75%)	6650(25%)	6049(23%)	10707(40%)	9716(37%)	7259(27%)	17463(66%)
2017									
Grand Total by Phase IV	30000	55226	41073(74%)	14153(26%)	12087(22%)	22036(40%)	21103(38%)	15220(28%)	38876(70%)
Yearwise Additional Employment generated during MEDPA I	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
Aug to Dec 2013	43000	163	128(79%)	35(22%)	39(24%)	80(49%)	44(27%)	3(2%)	105(64%)
2014		6167	4434(72%)	1733(28%)	1420(23%)	2268(37%)	2479(40%)	688(11%)	4164(68%)
2015		33680	30894(92%)	2786(8%)	2925(9%)	4388(13%)	26367(78%)	2152(6%)	15517(46%)
2016		20956	16462(79%)	4494(21%)	6307(30%)	6820(33%)	7829(37%)	5094(24%)	19550(93%)
2017		112	68(61%)	44(39%)	13(12%)	26(23%)	63(56%)	0(0%)	94(84%)
Grand Total by MEDPA I	43000	61078	51986(85%)	9092(15%)	10704(18%)	13582(22%)	36782(60%)	7937(13%)	39430(65%)

GESI wise distribution of Graduated MEs under different Programme and in different period

Graduated MEs from 1998 to 2017	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
MEDEP		30637	20467(67%)	10170(33%)	7338(24%)	10963(36%)	12336(40%)	8231(27%)	17305(56%)
MEDPA (Total)		5364	4072(76%)	1292(24%)	1712(32%)	1904(35%)	1748(33%)	1094(20%)	2051(38%)
MOI		5353	4064(76%)	1289(24%)	1712(32%)	1898(35%)	1743(33%)	1094(20%)	2046(38%)
MEDEP for MEDPA									
REL RP		11	8(73%)	3(27%)	0(0%)	6(55%)	5(45%)	0(0%)	5(45%)
LSER									
VDC									
DDC									
Parliament									
Grand Total for 1998 to 2017		36001	24539(68%)	11462(32%)	9050(25%)	12867(36%)	14084(39%)	9325(26%)	19356(54%)
MEs Graduated during Phase IV	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
MEDEP		16702	11879(71%)	4823(29%)	4031(24%)	6230(37%)	6441(39%)	4304(26%)	13086(76%)
MEDPA (Total)		5362	4071(76%)	1291(24%)	1710(32%)	1904(36%)	1748(33%)	1094(20%)	4444(83%)
MOI		5351	4063(76%)	1288(24%)	1710(32%)	1898(35%)	1743(33%)	1094(20%)	4434(83%)
MEDEP for MEDPA									
REL RP		11	8(73%)	3(27%)	0(0%)	6(55%)	5(5%)	0(0%)	10(91%)
LSER									
VDC									
DDC									
Parliament									
Grand Total during Phase IV		22064	15950(72%)	6114(28%)	5741(26%)	8134(37%)	8189(37%)	5398(24%)	17530(79%)
Yearwise MEDEP IV MEs Graduated	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
Aug to Dec 2013									

2014		3920	2667(68%)	1253(32%)	982(25%)	1527(39%)	1411(36%)	945(24%)	2844(73%)
2015		4556	3313(73%)	1243(27%)	1070(23%)	1697(37%)	1789(39%)	1216(27%)	3334(73%)
2016		4700	3389(72%)	1311(28%)	1187(25%)	1569(33%)	1944(41%)	1162(25%)	4483(95%)
2017		3526	2510(71%)	1016(29%)	792(22%)	1437(41%)	1297(37%)	981(28%)	2344(66%)
Grand Total by Phase IV		16702	11879(71%)	4823(29%)	4031(24%)	6230(37%)	6441(39%)	4304(26%)	13005(78%)
Yearwise MEDPA I MEs Graduated	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
Aug to Dec 2013									
2014		887	667(75%)	220(25%)	245(28%)	380(43%)	262(30%)	177(20%)	750(85%)
2015		1660	1256(76%)	404(24%)	463(28%)	678(41%)	519(31%)	323(19%)	1439(87%)
2016		2712	2074(76%)	638(24%)	980(36%)	806(30%)	926(34%)	574(21%)	2258(83%)
2017		103	74(72%)	29(28%)	22(21%)	40(39%)	41(40%)	20(19%)	78(76%)
Grand Total by MEDPA I		5362	4071(76%)	1291(24%)	1710(32%)	1904(36%)	1748(33%)	1094(20%)	4525(84%)

GESI wise distribution of ME Created by MEDEP and MEDPA in different Period

ME creation from 1998 to 2017	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
MEDEP	86000	87991(102.3%)	62568(71.1%)	25423(28.8%)	21362(24.3%)	33054(37.6%)	33575(38.2%)	19671(22.4%)	46596(53.0%)
MEDPA (Total)	59370	43689(73.6%)	34620(79.2%)	9069(20.8%)	12158(27.8%)	17382(39.8%)	14149(32.4%)	8474(19.4%)	28946(66.3%)
MOI		26928	21562(80.1%)	5366(19.9%)	7649(28.4%)	10150(37.7%)	9139(33.9%)	5930(22.0%)	16838(62.5%)
MEDEP for MEDPA		12204	9976(81.7%)	2228(18.3%)	3731(30.6%)	4877(40.0%)	3586(29.4%)	2467(20.2%)	8924(73.1%)
RELRP		3776	2520(66.7%)	1256(33.3%)	622(16.5%)	1900(50.3%)	1254(33.2%)	14(0.4%)	2551(67.7%)
LSER		460	302(65.7%)	158(34.3%)	84(18.3%)	307(66.7%)	69(15.0%)	0(0.0%)	370(80.4%)
VDC		108	93(86.1%)	15(13.9%)	19(17.6%)	51(47.2%)	38(35.2%)	23(21.3%)	94(87.0%)
DDC		143	108(75.5%)	35(24.5%)	32(22.4%)	67(46.9%)	44(30.8%)	40(28.0%)	112(78.3%)
Parliament		70	59(84.3%)	11(15.7%)	21(30.0%)	30(42.9%)	19(27.1%)	0(0.0%)	57(81.4%)
Grand Total for 1998 to 2017	145370	131680(90.6%)	97188(73.8%)	34492(26.2%)	33520(25.5%)	50436(38.3%)	47724(36.2%)	28145(21.4%)	75542(57.4%)
ME creation in MEDEP IV	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
MEDEP	30000	22378(74.6%)	17343(77.5%)	5035(22.5%)	5545(24.8%)	9068(40.5%)	7765(34.7%)	5875(26.3%)	18298(81.8%)
MEDPA(Total)	43000	40861(95.0%)	32595(79.8%)	8266(20.2%)	11429(28.0%)	16233(39.7%)	13199(32.3%)	8239(20.2%)	36199(88.6%)
MOI		24378	19694(80.8%)	4684(19.2%)	6951(28.5%)	9161(37.6%)	8266(33.9%)	5700(23.4%)	24091(98.8%)
MEDEP for MEDPA		12204	9976(81.7%)	2228(18.3%)	3731(30.6%)	4877(40.0%)	3596(29.5%)	2467(20.2%)	8924(73.1%)
RELRP		3499	2364(67.6%)	1135(32.4%)	591(16.9%)	1741(49.8%)	1167(33.4%)	9(0.3%)	2551(72.9%)
LSER		460	302(65.7%)	158(34.3%)	84(18.3%)	307(66.7%)	69(15.0%)	0(0.0%)	370(80.4%)
VDC		108	93(86.1%)	15(13.9%)	19(17.6%)	51(47.2%)	38(35.2%)	23(21.3%)	94(87.0%)
DDC		142	107(75.4%)	35(24.6%)	32(22.5%)	66(46.5%)	44(31.0%)	40(28.2%)	112(78.9%)
Parliament		70	59(84.3%)	11(15.7%)	21(30.0%)	30(42.9%)	19(27.1%)	0(0.0%)	57(81.4%)

Grand Total during Phase IV	73000	63239(86.6%)	49938(79.0%)	13301(21.0%)	16974(26.8%)	25301(40.0%)	20964(33.2%)	14114(22.3%)	54497(86.2%)
Yearwise ME directly created by MEDEP IV	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
Aug to Dec 2013	4250	4727	3404(72.0%)	1323(28.0%)	1185(25.1%)	1946(41.2%)	1596(33.8%)	1244(26.3%)	3856(81.6%)
2014	4100	4882	3729(76.4%)	1153(23.6%)	1046(21.4%)	2100(43.0%)	1736(35.6%)	1263(25.9%)	4003(82.0%)
2015	5320	5455	4235(77.6%)	1220(22.4%)	1460(26.8%)	2071(38.0%)	1924(35.3%)	1527(28.0%)	4725(86.6%)
2016	3122	5363	4374(81.6%)	989(18.4%)	1371(25.6%)	2278(42.5%)	1714(32.0%)	1598(29.8%)	4580(85.4%)
2017	3828	1951	1601(82.1%)	350(17.9%)	483(24.8%)	673(34.5%)	795(40.7%)	243(12.5%)	1607(82.4%)
Grand Total by Phase IV	20620	22378	17343(77.5%)	5035(22.5%)	5545(24.8%)	9068(40.5%)	7765(34.7%)	5875(26.3%)	17670(79.0%)
Yearwise ME created under MEDPA I	Target	Achievement							
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth
Aug to Dec 2013	4250	182	146(80.2%)	36(19.8%)	45(24.7%)	87(47.8%)	50(27.5%)	3(1.6%)	163(89.6%)
2014	11700	5968	4854(81.3%)	1114(18.7%)	1712(28.7%)	2512(42.1%)	1744(29.2%)	1404(23.5%)	5225(87.6%)
2015	11480	6415	4601(71.7%)	1814(28.3%)	1787(27.9%)	2349(36.6%)	2279(35.5%)	1645(25.6%)	4600(71.7%)
2016	14278	13451	10535(78.3%)	2916(21.7%)	3540(26.3%)	5575(41.4%)	4336(32.2%)	2008(14.9%)	11328(84.2%)
2017	10672	14845	12459(83.9%)	2386(16.1%)	4345(29.3%)	5710(38.5%)	4790(32.3%)	3179(21.4%)	13410(90.3%)
Grand Total by MEDPA I	52380	40861	32595(79.8%)	8266(20.2%)	11429(28.0%)	16233(39.7%)	13199(32.3%)	8239(20.2%)	36827(90.1%)

Year wise MEs benefitted from Graduation Support in Phase IV

Yearwise MEDEP IV MEs received Graduation Support	Target	Achievement								Remarks
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth	
Aug to Dec 2013	1000	2340	1568(67%)	772(33%)	492(21%)	1006(43%)	842(36%)			Apr-13
2014	8220	7305	5113(70%)	2192(30%)	1680(23%)	3141(43%)	2484(34%)	1241(17%)	4236(58%)	Apr-14
2015	3610	3986	2943(74%)	1043(26%)	1101(28%)	1487(37%)	1398(35%)	934(23%)	2707(67%)	Apr-15
2016	4340	3925	2798(71%)	1127(29%)	648(17%)	1947(50%)	780(20%)	279(7%)	2017(51%)	QPR 2016
2017	6100									Shifted to 2018
Grand Total by MEDEP	23270	17556	12422(71%)	5134(29%)	3921(22%)	7581(43%)	5504(31%)	2454(14%)	8960(51%)	
Yearwise MEDPA I MEs received Graduation Support	Target	Achievement								Remarks
		Total	Women	Men	Dalit	IN	BCST	Madhesi	Youth	
Aug to Dec 2013										
2014	2450	1588	1270(80%)	318(20%)	349(22%)	508(32%)	731(46%)			Apr-14
2015	3840	4304	3452(80%)	852(20%)	1093(25%)	1772(41%)	1439(33%)	613(14%)	2959(69%)	Apr-15
2016	5328	4798	3031(63%)	1367(29%)	751(16%)	2248(47%)	1789(37%)	404(8%)	2380(49%)	QPR 2016
2017	3495	3193	2658(83%)	535(17%)	855(27%)	1345(42%)	993(31%)			MEDEP for MEDPA only
Grand Total by MEDPA I	15113	13883	10411(75%)	3072(22%)	3048(22%)	5873(42%)	4952(36%)	1017(7%)	5339(39%)	



His Excellency Mr. Peter Budd, Australian Ambassador to Nepal observes the products and interacts with micro-entrepreneurs during his visit in Dolakha. © Bhumi Bhandari/MEDEP



MEDEP Project Board Members pose a photo with micro-entrepreneurs in Nawalparasi.

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Ms. Gita Kumari Khatri, works on her spices processing mill in Dailekh.

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Ms Sushma Darji, elected micro-entrepreneur of Barah Municipality ward 7 of Sunsari district. She was elected as a Dalit Ward Member in 2017 local elections.

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