

# Mass Impacts on entrepreneurs of the Selected Products and Services Promoted by Micro-Enterprise Development Programme

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## Executive Summary

### Background

In 1998, United Nations Development Programme (UNDP) and Government of Nepal (GoN) spearheaded the MEDEP as an initiative to diversify livelihoods and to increase the incomes of poor families by involving them in microenterprises. Creation and development of entrepreneurial and technical skills of micro-entrepreneurs was the basic approach of Micro-Enterprise Development Programme (MEDEP).

Since its initiation, MEDEP has completed its three phases by 2013 and it is now in its fourth phase (2013 – 2018). Its special focus was on people living below the nationally defined absolute poverty line. The main target groups were women, socially excluded people such as *Dalits*, indigenous nationalities or *Janajatis*, religious minorities, and unemployed youths. It has been well recognised in increasing employment and income of its target groups. Over the years, MEDEP has also been addressing other dimensions of micro-enterprise development including:

- Building capacity of government institutions responsible to promote micro-enterprises for poverty alleviation;
- Creating, strengthening and institutionalising local business development service provider organisations (BDSPOs), now termed as Micro-Enterprise Development Service Provider Organisations (MEDSPOs);
- Creating, strengthening and institutionalising micro-entrepreneurs groups into their local, district and national level associations;
- Promoting appropriate technologies;
- Linking micro-entrepreneurs with market & market players in the value chain of products;
- Linking micro-entrepreneurs with financial institutions for sustained credit facilities;
- Developing appropriate policies and strategies for sustainable micro-enterprise development; and
- Addressing GESI in all process of micro-enterprise development.

At present, MEDEP has been working in 38 districts, and as ensued during the Fiscal Year 2007-08 these have been planned to be handed over to Micro-Enterprise Development for Poverty Alleviation (MEDPA) programme of the GoN by August 2018. As reported, as of August 2015 it has covered 404 Rural Market Centres (RMCs), 1012 Village Development Committees (VDCs), 35 Municipalities, 3,496 Wards and 3,687 settlements.

MEDEP has put efforts to create 70,899 micro-entrepreneurs (MErs) and employment to 79,728 poor and excluded individuals. There are over 100 different products and services promoted by MEDEP and it is reported that by end of 2014 the total cumulative transaction of the micro-enterprises (production, sales and profit etc. of the products and services) was NPR 26.7 million as opposed to NPR 6.9 million of 1998. For the same period, it has also been estimated that the per capita income (PCI) of MErs has increased from NPR 13,831 (approx.US\$ 139) to 59,033 (approx.US\$ 594), an increase of 427% as per MEDEP's official source.

GoN has recognised micro-enterprise sector as one of the effective tools for poverty alleviation and economic development of the country. In these pretexts, however, there appears lack of in-

depth study to justify MEDEP's relevance in generating employment and income opportunities and improving the living standards of the people. Moreover, it has been recognised that not all products and services would have a same level of impacts at a scale that could possibly be considered a mass impact. In these lights, this mass impact study has been undertaken for selected products and services promoted by MEDEP.

## **Objectives**

The main objective this study is to assess the mass impacts on micro-entrepreneurs and contribution to national economy of the selected products and services. MEDEP considered 37 products and services covering 7 different categories (A/c Industrial policy 2010) of MEs for the study.

The specific objectives are as follows:

- a. To elaborate the historical/original background or introduction of the selected products and services as the enterprises;
- b. To determine the roles of MERS and other actors involved in the value chain of the selected products and services;
- c. To conduct the economic analysis for the selected Products and Services by grouping them into seven enterprise categories in terms of local and national contribution;
- d. To compare the efficiency of each category in terms of resources investment and sustainability;
- e. To relate the findings of the study with the existing legal provision for promotion of micro-enterprises for poverty alleviation from local to national levels;
- f. To determine the number of entrepreneurs, their family members moving out of national poverty line;
- g. To estimate the number of employment created in micro-enterprise sector; and
- h. To determine the socio economic empowerment in terms of Gender Equality and Social Inclusion (GESI).

## **Methodology**

The study followed steps as (i) review of literature of MEDEP related documents; (ii) acquiring MEDEP's technical support; (iii) preparation of inception report; (iv) field survey to collect data of all the selected products and services at the selected districts; and (v) use of questionnaire and checklists for field study; (vi) conduct statistical analyses; and (vii) preparation of report.

Considering the need to have in-depth study on 'mass impacts' of the selected products, a total of 11 districts were selected covering all three ecological regions, five development regions and all seven categories of ME products and services. Household surveys as well as Focused Group Discussions (FGDs) were carried out in 10 districts whereas only FGDs were carried out in one district, i.e. Jumla.

The population to draw sample respondents for interviews was based on the MEDEP census data supplied by Area Programme Support Offices (APSOs) as maintained by the MEDEP's Management Information System (MIS). Initially, on the basis of MEDEP's MIS a purposive sampling approach was adopted and a name list of sample households along with their address was prepared with a sample size of 1,200 MERS from 10 districts. When enumeration started in

the field, it was not possible to exactly locate most of those MERS targeted for interviews for various reasons including geographical difficulty to reach far-flung areas, MERS either altered their products/services or migrated to some other places, and security situation. As a result, the study team had to decide to take interviews with any MERS supported by MEDEP under the guidance of Enterprise Development Facilitators (EDFs), officials of District Micro-Entrepreneurs Groups' Association (DMEGA) and officials of BDSPOs. Thus, the sampling became completely random in the selected Village Development Committees (VDCs)/Municipalities. Even in some sample districts, such as, Myagdi, Rolpa and Kailali, completely new VDCs were reached under the guidance of EDFs and BDSPOs which added more randomness in the study. Despite all efforts, out of the total of planned sample size of 1,200 MERS, a total of 1,169 MERS were interviewed including 70 of them as inactive.

In the process of interview, the study tried to capture all possible products/services available in the villages, settlements or municipalities although the key focus was on those 37 selected products/services. While every effort was made to select only from 37 products/services, in the end 90 MERS out of 1099 reported as their primary products/services from other than the pre-defined list. As a result, they have been excluded from the quantitative analysis in the end.

Both quantitative and qualitative methods of data analysis were used to draw inferences and to arrive at conclusions. For the socioeconomic analysis, descriptive methods were utilised and illustrated with the help of tables, graphs, mean, median, mode, standard deviation, and so on. Statistical analyses have been utilised to see the economic impact in the form of income generation and poverty alleviation.

The study used per capita income (PCI) to see the increase in the level of income in general and decrease in poverty incidence in particular. For this purpose, the income of individual household represented by MERS were collected. To measure the income, the analytical methodology applied by Nepal Living Standards Survey 2010-11 (NLSS III) has been utilised. As defined in the NLSS III, an individual in Nepal is considered poor if his/her per capita total annual income is below NPR 19261 (at 2010/11 price) or NPR 26,388 (at 2014/15 price).

The study has used Gender Equality and Social Inclusion (GESI) tools for judging women empowerment. The study has focused on achieving the changes in poor women's lives, and proper, wise and effective utilization of resources. The study has also addressed the perspectives social inclusion along with gender-related changes in society over time.

## **Findings**

Major findings of the study are as follows:

1. Literature review suggest that at the time of MEDEP's initiation about 83% of the economically active population depended on agriculture for livelihood, mainly as self-employed and unpaid family workers (about 71%) and rural poverty in Nepal was considered mainly due to dependence on small farms and insufficient off-farm employment opportunities (MEDEP Programme Document, 1998). A number of credit-based, training-based and market-based initiatives had been experimented prior to MEDEP but results were strong in some while not so strong in others. There were unclarities among stakeholders about demand and supply situation of products. It was only after MEDEP's intervention MERS began to become more aware of demand and supply as revealed by FGDs. During FGDs, micro-entrepreneurs promoted by MEDEP reported that they had less knowledge

and skills for the products they were engaged with prior to MEDEP's support. Likewise, the available resources and market for products had remained unrecognised, even products like nettle-leaf powders people were completely unaware of that such a waste could be a useful resource for income generation. Marketing of products was largely limited to bartering with the exception of *Dhaka* and no efforts were made for linking them with the market system or value chain. The concept of branding and marking was almost non-existent, and value addition was not practiced and there used to be no market available to sell if any amount of produce was surplus.

2. From the survey, most of the MERS have been found engaged with agro-based and forest-based products (over 80%) because they are more readily accepted by the MERS to initiate as micro-enterprises. This is reflective of the national context that a vast majority of the people depend on agriculture and natural resource-base for their livelihood. The most popular products according to their frequency are: off-season vegetables (297), bee keeping (110), mushroom (88), strawberry (76), riverbed farming (72), cane furniture & bamboo products (51), and *Babiyo* (sabia grass) rope making (34). A total of 98 and 78 interviews encountered respectively as artisan-based and service-based products/services which have also reflected a realistic representation of the population of MERS. *Dhaka* and its products, *Laha* (lac) bangles, mini-garment and tailoring, and *Shyama-Panga* are popular products. Service-based products seemed limited scope.
3. MEDEP's programmes and activities have supported the MERS to make their MEs as main supporting factor for their livelihood. In agro-based products, the average benefit-cost ratio has been found 2; while in others the ratios range from a minimum of 0.6 to a maximum of 4.71. Majority of them are women and marginalised groups as envisaged by MEDEP who have received business start and improvement as well as capacity building training as mandatory provision to start the MEs receiving MEDEP's facilities. MERS from highly marginalised section of the society have enjoyed the facilities such as common facility centres (CFCs), linkage for credit facilities, and marketing support (including packaging, labeling). These have helped MERS to operate their MEs smoothly.
4. Products like strawberry, vegetable seeds, honey and *Dhaka* have crossed the local or district borders, and even the national border by some of them through value chain systems. DMEGA officials of Nuwakot reported that they also sold their strawberry in Kolkata (India) by themselves. Cooperatives and collection centres have developed alternative ways, such as engaging the local middlemen despite the fact that MEDEP has made continuous efforts to increase accessibility of the producers to markets to create better environment for increased income and widened value chain of the products. Although MERS have not yet been able to secure higher position in the value chain ladder, but seemed satisfied comparing their past level of living standards.
5. For poor and marginalised households, employment generation has been found as an integral part of availing MEDEP's support to become MERS. Agro-based and forest-based products have greatly contributed to generate employment and income generations as their opportunity cost is low. From the surveyed MERS a total of 138,833 person days of employment has been generated of which off-season vegetable, riverbed farming and *Dhaka* and dhaka products, and mini-garment and tailoring share almost 58 per cent of the total. This implies that from presently estimated total of over 70 thousand MERS of MEDEP if active could generate as much as 70 times of the figure shown by this study. As most of the MERS are women, their involvement has increased women labour force participation as

well as economic productivity although employment opportunities are created for limited person year. So that they have more time saving which they can use for leisure as well as for other productive activities. The support of MEDEP to mechanise *Babiyo* rope making is an important case in point that earlier for an individual the total time taken to make rope out of 30 kg of *Babiyo* would take about 15 days has reduced to 1 day at present. Products/services like *Babiyo*-rope making, beekeeping, off-season vegetables, *pater* products, riverbed farming, strawberry, vegetable seeds production, *Dhaka*, and mini-garment and tailoring, have helped women, marginalised and highly deprived people to come out of the poverty level. Although most of these MERS have put limited amount of capital or no investment, but with MEDEP's support they have been found economically as well as socially empowered. The entrepreneurs have been able to obtain a substantial production and income mainly because they have received different supports in package form including the technical know-how required to operate the enterprises in their own communities.

6. The input to output efficiencies of local raw materials-based products have been found better with a minimal thrust of improvement on their low level technological base. As such agro-based and forest-based products have, therefore, been found highly efficient. The average ME size of agro-based product has been found only NPR 36,168 and a total cost NPR 63,176 can generate a gross income of NPR 158,626 (or NPR 126,575 net income). Likewise, the average ME size of forest-based products has been found NPR 34,794 and a total cost of NPR 70,586 can generate a total of NPR 117,211 gross income (or NPR 84,325 net income). Products such as *Babiyo*-rope, honey, and *Pater* products do not require much investment for raw materials because they are primarily tapped from the natural resources for "free". These MEs are thus easily started at the village level with a very limited up-front capital investment. The MERS primarily require skill training, which MEDEP has successfully been supporting through its TOSE. Similarly, involvement of poor and marginalised peoples as MERS in off-season vegetable, riverbed farming, strawberry, and vegetable seeds production is a testament of this fact. Whereas *Dhaka* clothes, and mini-garment and tailoring are other examples where a significant number of MERS are involved in income generating activities. The initial investment on raw materials for these products could be managed through micro-finances as well as they can take raw materials like cloth from big merchants on loan and can make greater spin-offs.
7. MERS, categorised as the households below the poverty line, have mostly moved out of the national poverty line. The study shows that among the active MERS (1099), less than 10% of the households are below the poverty line due to income from ME. For example, MERS having 1 ropani of land (one 20th of a hectare) for strawberry production, 5 ropanis of land (0.25 hectare) for off-season vegetable farming, 6 *Ghars* or beehives for honey production and 1 sewing machine for tailoring purposes can earn a minimum of NPR 150,000 as net income, which is sufficient to alleviate poverty. Significant changes have been observed such as increase in ownership of houses among the poor and marginalised families of all ethnic groups, increase in labor productivity, and increase in food consumption as a result of increase in household income.
8. The components of income for MERS have been found: i) income earned from the micro-enterprise (supported by MEDEP), and (ii) income earned by the MER and/or other members of the family as farm income, and/or cash/non-farm income including remittance, wages, pension, etc. The per capita income (PCI) figures have suggested that in the case of strawberry (NPR 42,240), fishery (NPR 100,572), *Dhaka* and dhaka products (NPR

38,897), *Laha* bangles (NPR 49,553), leather product & shoes (NPR 165,231) and mini-garment & tailoring (NPR 48,192) can alone be sufficient for poverty alleviation at 2014/15 price (i.e. NPR 26,388). However, at aggregate level of all products the PCI is only NPR 24,503 which suggest that income earned from MEDEP supported ME alone is not sufficient for poverty alleviation. Nonetheless, when combined with other incomes of MERS, the PCI figures have been found well above the poverty line excepting nettle powder (NPR 1,294), incense stick (NPR 20,205) and *Shyama-Panga* (NPR 20,839). Although these products were reported as primary ones, exceptions seems to have appeared because MERS have been found to consider them as part time jobs or peripherals. The surveyed MERS were having other main occupations like hotel and lodge, restaurant, etc.

9. Agro-based products with a total of 568 MERS have been found to generate a total of 53,741 person days of employment per annum followed by forest-based products 30,506 person days. These show that these products are labour intensive in nature and employing high number of household labour. The proportion of household labour and hired labour among artisan-based products (63:37) and service-based products (76:24) were found higher than agro-based products (85:15) and forest-based products (86:14).
10. It has been found that if there was no MEDEP's intervention the proportion of people below poverty line would be 55.61 per cent among the MERS studied. The results show that due to MEDEP's intervention the percentage has come down to a total of 29.66 per cent of the MERS who still remain below the poverty line. This result appears consistent with national poverty reduction level from 42 per cent to 23.8 per cent. This seemed to be supportive to the MDG target. Further, this is indicative of the fact that MEDEP's target group was much poorer than the national average poverty level but with intervention it has been possible to reduce the poverty almost by half.
11. As envisaged in the vision and mission of MEDEP, awareness level has been very high among the women, marginalised and poor, indigenous nationalities, and *Dalits*. GESI dimensions and the gender sensitive interventions have helped the women MERS and the poor and marginalised households to gain human as well as social dignity. Poor and marginalised MERS now feel more empowered as they have been able to break the "*culture of silence*" and ask for their rights for services from the community, GOs, and NGOs level organisations.
12. Becoming organised is a fundamental step towards the direction of empowerment. Analysis of MEDEP's MIS data of 8 sample districts<sup>1</sup> from 1999 - 2012 revealed that about 85% of the total MERS have been found organised into various MEGs. This is the first step to move upwards to become officials and/or members of MEGA, DMEGA and NMEFEN.
13. Women and hard core poor are now involved as well as leading in community level organisations (such as MEGs & MEGAs) formed with the facilitation of MEDEP through Enterprise Development Facilitators (EDFs). Considering chairperson and secretary as key decision making positions of community organisations, analysis of MEDEP's MIS data of sample districts has shown that hard core poor have been increasingly occupying these positions.

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<sup>1</sup> Information on MEG was missing for Dang and Rolpa districts. Therefore, not considered for analysis.

14. Mass impacts on the micro-entrepreneurs have further been explained through the lens of MEDEP's three dimensions and assuming these as attributes for mass impacts. Fifteen sub-attributes were selected for measuring the perceptions. Based on the analysis, it has been found that dhaka and dhaka product, off season vegetable, mini-garment and tailoring, bee-keeping and honey, babiyo rope making, and river-bed farming have relatively low investment, high employment rate, and high GESI perspective. Similarly, strawberry, pater products, laha bangle, fishery, cane furniture, and allo processing are also generating income to the majority of the Mers. However, except strawberry, other products of this group do not have much impact on attracting Mers. Other products such as blacksmith improved product, nettle powder, incense stick, mushroom, leather processing, dairy and milk production, cotton bag, and shyama-panga have not been able to bring remarkable changes in generating employment and income as these have been least feasible to many of the poor and marginalized Mers. Altogether the MEDEP's achievement shows how the interaction of the three dimensions has triggered the societal transformation through employment and income generation, poverty reduction, gender equality, social inclusion and ultimately increase in living standard.
15. Enquiry for exploring reasons for becoming inactive was carried out with 70 inactive Mers from the sample districts. Interestingly, no one expressed any grievance towards MEDEP for being inactive. Instead everyone appreciated MEDEP's support for their empowerment. Key reasons for becoming inactive as reported were labour shortage followed by inability to work by him/herself, poor market facility and limited skill required for the ME.

### **Major Policy Thrust of the Study**

The study suggests that: (i) MEDEP's vision should be focused on growth and development as the existing vision appears to be still subsistence oriented or limiting to certain limited scale of economy; (ii) intervention in agro-based and forest-based products should further be extended to gain quantum leap in the scale of production as well as profit margin; (iii) MEDEP needs to focus further on bringing more focused programme to the targeted Mers primarily of *Dalits*, *Janajatis* and hardcore poor groups by devising some mandatory schemes of their involvement in decision making as well as gaining higher profit margins; (iv) a GESI perspective should further be strengthened whereby the involvement of excluded are systematically ensured like primary focus should still be given in involving women of deprived sections of society; and (v) Institutions such as MEG, MEGA and DMEGA should further be strengthened so that their sustainability could be ensured.

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## Abbreviations and Acronyms

ADB/N	Agricultural Development Bank of Nepal
APSO	Area Programme Support Office
AUSAID	Australian Aid for International Development
BDS	Business Development Services
BCTS	Brahmin, Chhetri, Thakuri, and Sanyasi
BDSPO	Business Development Service Provider Organization
CFC	Common Facility Centre
CSIDB	Cottage and Small Industry Development Board
DCCI	District Chamber of Commerce and Industries
DCSI	Department of Cottage and Small Industries
DCSIO	District Cottage and Small Industry Office
DDC	District Development Committee
DEDIC	District Enterprise Development Implementation Committee
DFID	Department for International Development (UK)
DMEGA	District Micro-Entrepreneurs Group Association
DPIO	District Programme Implementation Office
EDF	Enterprise Development Facilitator
EDO	Enterprise Development Officer
EDU	Enterprise Development Unit
FGD	Focus Group Discussion
FI-NGO	Financial Intermediary NGO
FNCCI	Federation of Nepalese Chamber of Commerce and Industries
FNCSI	Federation of Nepalese Cottage and Small Industries
FSP	Financial Service Provider
ILO	International Labour Organization
MDG	Millennium Development Goal
MEC	Micro-Entrepreneurs' Cooperative
MECD	Micro-Enterprise Creation and Development
MEDEP	Micro-Enterprise Development Programme
MEDF	Micro-Enterprise Development Fund
MEG	Micro-Entrepreneurs Group
MEGA	Micro-Enterprise Group Association
MEP	Micro-Enterprise Policy
MEr	Micro-Entrepreneur
MFI	Microfinance Institution
MFP	Micro-Finance Policy
MOI	Ministry of Industry
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
NMEGA	National Micro-Entrepreneurs' Group Association
NPD	National Programme Director
NPM	National Programme Manager
NPSO	National Programme Support Office
SIYB	Start and Improve Your Business
TOPE	Training of Potential Entrepreneur
TOSE	Training of Selected Entrepreneur
TOEE	Training of Existing Entrepreneur

TOGE  
UNDP  
VDC

Training of Growing Entrepreneur  
United Nations Development Programme  
Village Development Committee

# Chapter I: Introduction

## 1.1 Background

Nepal is still a poor and largely an agricultural country. By the end of 12<sup>th</sup> Plan (2010 - 2013) of the Government of Nepal (GoN), people living below poverty line has been assessed to be 23.8% and about 2/3<sup>rd</sup> of Nepal's population is engaged in agriculture for livelihood and employment (13<sup>th</sup> Plan of GoN). When Micro-Enterprise Development Programme (MEDEP) started in mid-1998, the incidence of poverty was about 42% (NLSS 1995/96). Therefore, its key goal was to alleviate poverty. United Nations Development Programme (UNDP) and GoN spearheaded the MEDEP as an initiative to diversify livelihoods and to increase the incomes of poor families. Creation and development of entrepreneurial and technical skills of micro-entrepreneurs was the basic approach. Special focus was on people living below the nationally defined absolute poverty line. The main target groups were women, socially excluded people such as *Dalits*, indigenous nationalities, religious minorities, and unemployed youths.

From the beginning, MEDEP considered a long term visionary framework as shown in the Figure 1.1 (below) to demarcate its scope of work.

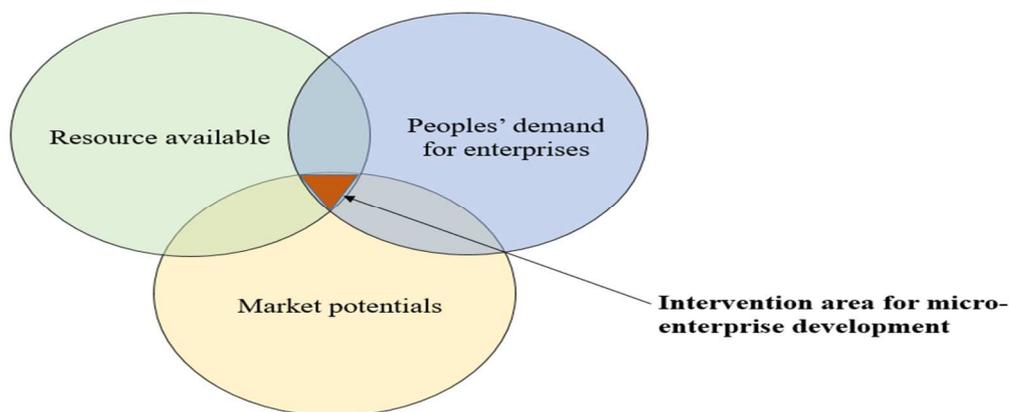


Figure 1.1: MEDEP's strategic framework.  
(Source: MEDEP Project document for Phase-I).

Since its initiation in 1998, MEDEP has completed its three phases by 2013 and it is now in its fourth phase (2013 – 2018). It has remained always guided by the strategic framework as mentioned above. Over the years MEDEP is one among the highly studied and hailed programme in increasing employment and income of poor people thereby reducing poverty and empowering powerless in the society including women, *Dalits* and other groups. In doing so, while remaining focused to the intervention area for micro-enterprise development, various literatures suggest that MEDEP has also been comprehensively addressing other dimensions of micro-enterprise development including:

- i) Building capacity of government institutions (Department of Cottage & Small Industries, Cottage and Small Industries Development Board) who are obliged to promote micro-enterprises for poverty alleviation;
- ii) Creating, strengthening and institutionalising local business development service provider organisations (BDSPOs);
- iii) Creating, strengthening and institutionalising micro-entrepreneurs groups into their local, district and national level associations (Micro-Enterprise Groups, Micro-

- Enterprise Groups Associations, District Micro-Enterprise Groups Associations, National Micro-Entrepreneurs' Federation Nepal );
- iv) Promoting appropriate technologies;
  - v) Linking micro-entrepreneurs with market & market players in the value chain of products;
  - vi) Linking micro-entrepreneurs with financial institutions for sustained credit facilities; and
  - vii) Developing appropriate policies and strategies for sustainable micro-enterprise development.

Over the years, in one hand MEDEP continued to provide strategic and policy support to GoN<sup>2</sup>, on the other hand it also created an environment for other actors to be involved in the enterprise development activities. In this campaign MEDEP continued increasing its coverage through supporting initiation of Micro-Enterprise Development for Poverty Alleviation (MEDPA) by the GoN as well as bringing together development partners in multiplying micro-enterprise development model in different phases of the programme.

At present, MEDEP has been working in 38 districts, which have been planned to handover by August 2018 to MEDPA. This internalisation process had ensued during Fiscal Year 2007-08 with the inception of MEDPA. As reported, as of August 2015 it has covered 404 Rural Market Centres (RMCs), 112 Village Development Committees (VDCs), 35 Municipalities, 3,496 Wards and 3,687 settlements. MEDEP has put efforts to create 70,899 micro-entrepreneurs and employment to 79,728 poor and excluded individuals. There are over 100 different products and services promoted by MEDEP. The official records suggest that by end of 2014 the total cumulative transaction of the micro-enterprises (production, sales and profit etc. of the products and services) was NPR 26.7 million as opposed to NPR 6.9 million of 1998. Likewise, in the same period per capita income (PCI) micro-entrepreneurs has been estimated to increase from RS 13,831 (approx. US\$ 139) to 59,033 (approx. US\$ 594), an increase of 427%. The contribution of entrepreneurs to the annual family income increased from RS 78,133 (approx. US\$ 786.6) to RS 137,166 (approx. US\$ 1380.7), an increase of 176% (without including the income of other family members). These clearly indicate that MEDEP's efforts and promoted products and services have resulted in impacts on socioeconomic conditions of the entrepreneurs and their families. This has been evident by the fact that the GoN has considered micro-enterprise sector as one of the effective tools of poverty alleviation and economic development of the country<sup>3</sup>.

In the meantime GoN came up with the Industrial Policy in 2010 which has categorized enterprises into nine different groups. As per the Industrial Policy (2010), the micro-entrepreneurs (MErs) created by MEDEP were reported to represent seven different categories

#### BOX 1.1: PARTNERSHIPS FOR MEDEP IMPLEMENTATION

1998-2003:	GoN & UNDP
2004-2007:	GoN, UNDP, DFID, NZAID & AusAID
2007-2013:	GoN, UNDP & CIDA
2013-2018:	GoN, UNDP & AusAID

<sup>2</sup>MEDEP provided technical supports to the GoN in preparing and promulgating different policies, acts, guidelines and directives such as Micro-Enterprise Policy 2006, Micro-Finance Policy 2007, Micro-Enterprise Development Operational Guidelines for local bodies and its Micro-Enterprise Development Fund (MEDF) 2006, Second Generation Operational Plans and Pine Plantation Thinning Guidelines 2007 for Community Forestry, Community Forestry Operational Guidelines 2010, Sub-Contract Policy 2010 (draft), Industrial Enterprise Act 2014 (draft), Honey Enterprise Policy 2008 (draft) etc.

<sup>3</sup>Three-Year (Thirteenth) Plan 2015 – 2018, National Planning Commission (NPC).

of enterprises as: Agro-Based (54%), Forest-Based (18%), Service-Based (6%), Artisan (Handicraft)-Based (13%), Tourism Based (2%), Information Technology and Construction-Based (7%).

In these pretexts, however, there appears lack of in depth study to justify MEDEP's relevance in generating employment and income opportunities and improving the living standards of the people. Moreover, it has been recognised that not all products and services would have a same level of impacts at a scale that could possibly be considered a mass impact. In these lights, this mass impact study has been undertaken for selected products and services promoted by MEDEP.

## **1.2 Objectives**

The main objective of this study is to assess the mass impacts on micro-entrepreneurs and contribution to national economy of the selected products and services. The specific objectives are as follows:

1. To elaborate the historical/original background or introduction of the selected products and services as the enterprises.
2. To determine the roles of Micro-Entrepreneurs (MEs) and other actors involved in the value chain of the selected products and services.
3. To conduct the economic analysis for the selected Products and Services by grouping them into seven enterprise categories in terms of local and national contribution.
4. To compare the efficiency of each category in terms of resources investment and sustainability
5. To relate the findings of the study with the existing legal provision for promotion of micro-enterprises for poverty alleviation from local to national levels.
6. To determine the number of entrepreneurs, their family members moving out of national poverty line.
7. To estimate the number of employment created in micro-enterprise sector.
8. To determine the socio economic empowerment in terms of Gender Equality and Social Inclusion (GESI).

## **1.3 Outputs**

Major outputs of this study are as follows:

- i. Historical/original background or introduction of the selected products and services as the enterprises elaborated.
- ii. Roles of MEs and other actors involved in the value chain of the selected products and services determined.
- iii. Economic analysis of selected Products and Services by grouping them into seven categories in terms of national contribution conducted.
- iv. The efficiency of each enterprise category in terms of resource investment and sustainability compared
- v. The findings of the study linked with the existing legal provision for promotion of microenterprises for poverty alleviation from local to national levels.
- vi. Number of entrepreneurs and their family members moving out of absolute poverty determined.
- vii. Estimated the number of employment created in micro-enterprise sector.

viii. Determined the socio economic empowerment in terms of GESI.

## **1.4 Scope of the Study**

The scope of the study is defined as follows:

- i. Cover all seven sectors as defined in industrial policy 2010 such as Agro-based, Forest-based, Service-based, Artisan (Handicraft)-based, Tourism-based, Information Technology-based, and Construction-based.
- ii. Select the districts, products and services as per the presence of large number of entrepreneurs in certain categories.
- iii. Include both primary and secondary data and information on census of the selected products and services.
- iv. Cover all aspects of socio-economic empowerment (economy, education, health and social security) including GESI.
- v. Determine the direct and indirect contribution of the Micro-Enterprise sector in Millennium Development Goals (MDG).
- vi. Also find out the contribution of these enterprises to increase food security and self-sufficiency at household level.
- vii. Compare the efficiency of each enterprise category in terms of investment and sustainability.
- ix. Also assess the enabling policy environment for selected Micro-Enterprise Development and Promotion and access of Micro-Entrepreneurs to benefits provisioned by different laws and policies.
- x. Assess the present situation of the markets of products and services and their potentials.
- xi. Determine the present export value and future potentials of export of products and services.

## **1.5 Study methodology**

### **1.5.1 Study Plan**

Following the ToR, steps taken were as follows:

**Step 1: Review of literatures/documents:** All project related documents like project documents of different phases of MEDEP, baseline report, proposals and log-frame, periodic/annual reports, various relevant study reports, export-import report, etc.were reviewed and necessary information were collected.

**Step 2: Acquiring MEDEP's technical support:** The Study Team coordinated with the Intervention Manager Component 2 and consulted with senior management team, and other professionals including Communication and Documentation Specialist (CDS) and Agro Enterprise Development Specialist (AEDS).

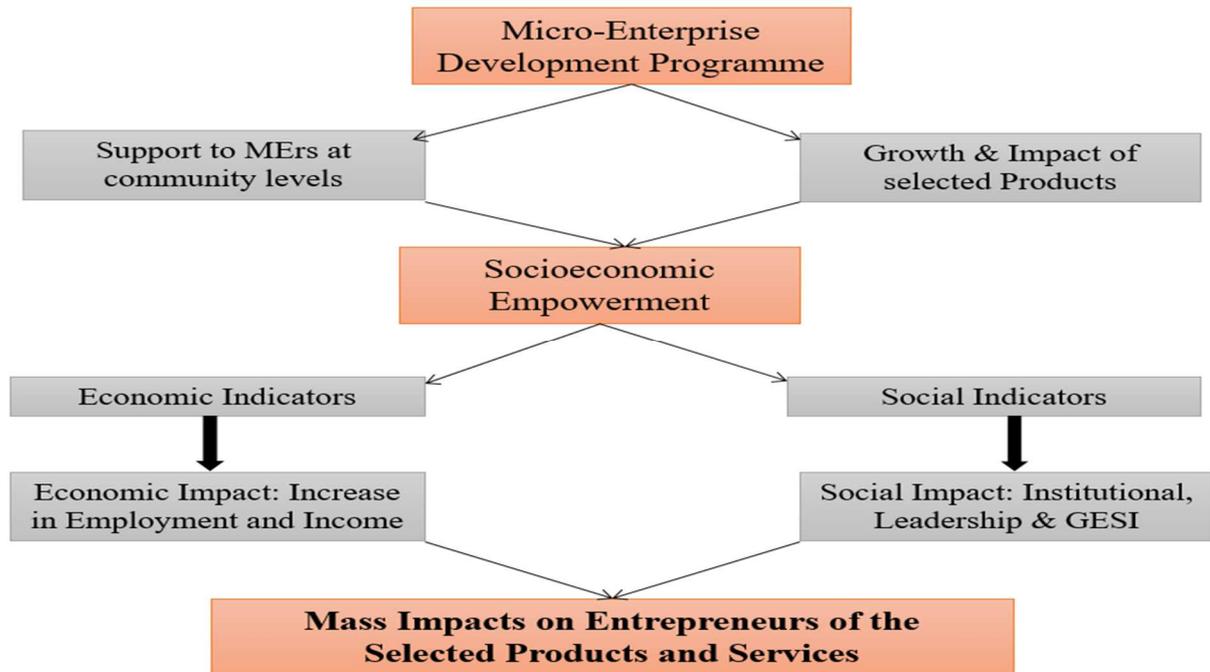
The Study Team also sought support of 8 Area Programme Support Offices (APSOs) of MEDEP for their facilitation during the study.

The Study Team also consulted Area Program Support Managers (APSMs) to mobilize the Market Development Specialist (MDS), Government Support Specialist (GSS),Monitoring and Information Support Assistant (MISA) of the concerned districts

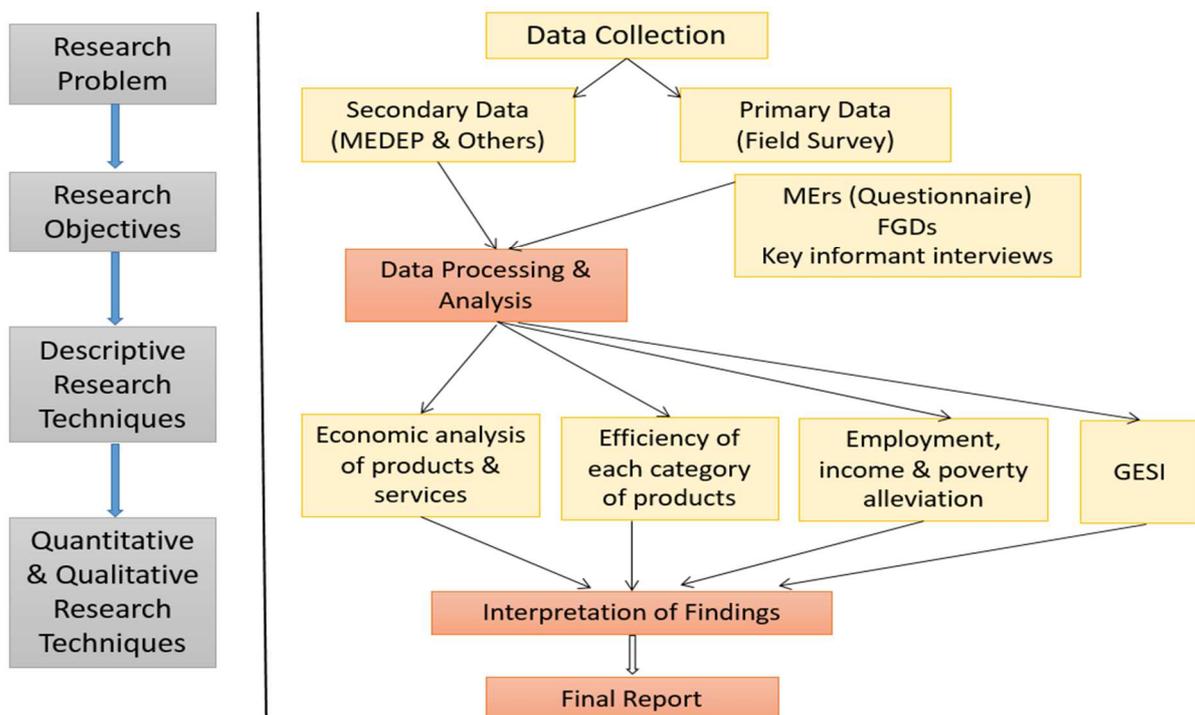
and region in the process of primary data collection from the communities and the districts.

Based on the Step 1 and 2 above the Study Team presented following conceptual framework and research framework which were part of the inception report:

**Figure 1.2: Conceptual Framework**



**Figure 1.3: Research Framework**



Step 3: Inception report: The Study Team prepared inception report, made presentation and obtained approval of the senior management.

Step 4: Field survey: The Study Team conducted field surveys to collect data of all the selected products and services at the selected districts. The Team also acquired data and information available in MEDEP Database and Management Information System (MIS).

- Questionnaire and checklists for field study: The Study Team developed and administered questionnaire and checklist for the study related to objectives and outputs.
- Group approach to field study: Given the time constraint, DRTC decided to mobilise 3 additional research experts and a total of 23 enumerators. Then DRTC organised the entire mass of field study team into three groups to cover 10 sample districts of study for rapidly conducting household questionnaire surveys and focused group discussions (FGDs) with stakeholders. Wherever feasible Enterprise Development Facilitators (EDFs) were also mobilised to introduce Mers for data collection. In each group there were 2 Researchers and 7/8 enumerators. The two researchers in each group conducted FGDs and enumerators conducted household surveys. FGDs were conducted with district level stakeholders, District Micro-Entrepreneurs Groups Associations (DMEGAs), Regional Market Centres (RMCs)/Community Facility Centres (CFCs). The district level stakeholders comprised of District Development Committee, District Agriculture Development Office, DCSI or CSIDB, District Forest Office, District Women's Office, and district chapters of FNCCI or FNCSI wherever possible.
- Train/orient enumerators: The Study Team trained enumerators and provided full knowledge of the questionnaire as well as methodological tools and tips.
- Collection and documentation of appropriate case studies, photos and other relevant evidences;

Step 5: Conduct statistical analyses: Data is entered in Excel sheet and statistical analyses were made.

Step 6: Preparation of draft report: The Study Team prepared draft report useful for organising presentation to MEDEP team including other stakeholders and for collecting valuable inputs.

Step 7: Preparation of final report: The Study Team prepared final report incorporating all relevant inputs during the study period and during the report presentation workshop.

### **1.5.2 Study Coverage**

#### ***Sample districts***

Considering the resource constraints and the need to have in-depth ‘mass impacts’ of the selected products, a total of 11 districts were selected as shown Figure 4.

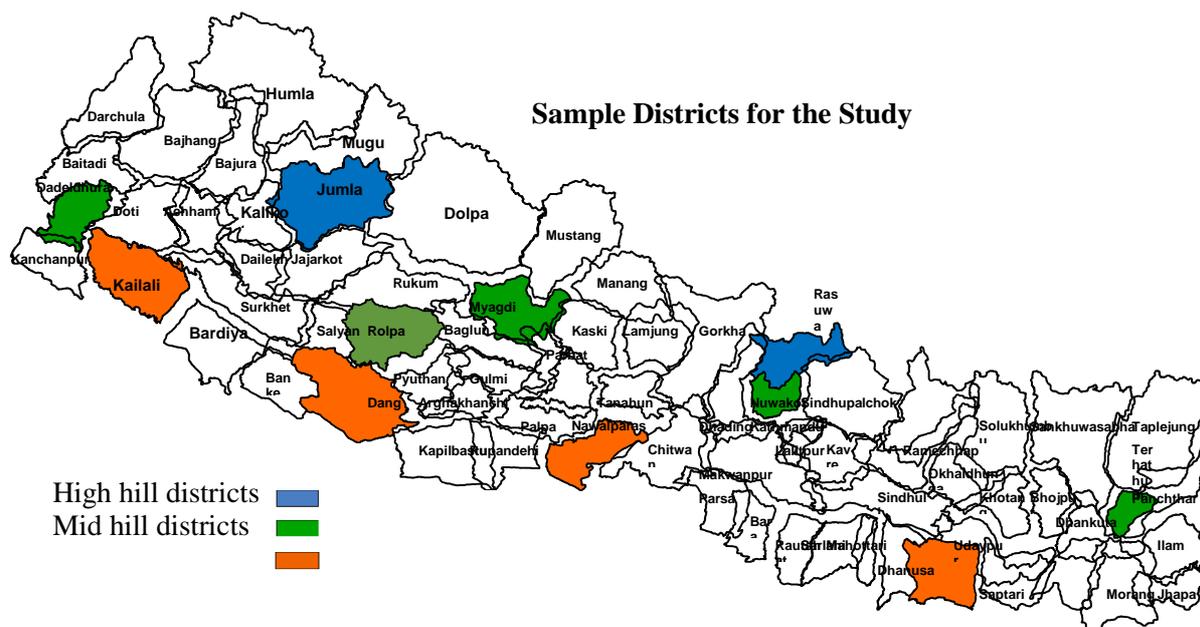


Figure 1.4: Districts Selected for Field Research for Mass Impact Study.

### Sampling and sample size

As random sampling may not capture all products and services from the surveyed villages and settlements of the VDCs, disproportionate sampling methodology is used. As the population of the respondents is identified from the MEDEP census data supplied by APSOs, all the products selected for the study and available in the identified villages and settlements were captured.

In terms of total sample size of the study, MEDEP and study team jointly agreed to maintain the originally proposed size, i.e. 1,200 for 10 districts. However, the total number of households surveyed in the sample districts is 1,169 as shown in Table 1.1 (below).

Table 1.1: District and sample size.

S.N.	Districts	No. of MERS in the district *	Number of active MERS surveyed	Number of inactive MERS surveyed	Total MERS surveyed	Percentage of MERS of the district	VDCs/ municipalities covered	
							N.	Name
1	Tehrathum	1,560	107	6	113	7.18	3	Basantpur, Myaglung, Jiri Khimti
2	Siraha	835	85	5	90	10.2	5	Siraha, Silorba, Pachbari, Bokraha, Chikna
3	Rasuwa	1,626	107	5	112	6.89	8	Gatlang, Syaphrubesi, Dhaibung, Laharepauwa, Dhunche, Betini, Kalikasthan, Ramche
4	Nuwakot	1,698	136	9	145	8.54	7	Okharpauwa, Bidur, Thanigaun, Pipaltar, Ranipauwa, Lawaltar, Dhikure
5	Nawalparasi	2,090	115	6	121	5.8	13	Devchuli, Daune Devi, Jyamire, Dumkibas, Jamuniya, Gaindakot, Nayabelari, Jyamire,

								Sunawal, Baradghat, Rupaliya, Rajhat
6	Myagdi	1,559	100	8	108	6.99	3	Arthunge, Babiyachaur, Singha,
7	Dang	1,986	139	8	147	6.9	10	Ghorahi, Lamahi, Tripur, Tulsipur, Manipur, Lalmatiya, Laxmipur, Rampur, Lewang, Sonpariya
8	Rolpa	593	99	9	108	18.21	5	Liwang, Khungri, Kotgaun, Dhabang, Mijhing
9	Kailali	1,248	123	8	131	10.5	8	Dhangadhi, Fulbari, Sukhhad, Attariya, Ghodaghodi, Baliya, Sadhipani, Mashuriya
10	Dadeldhura	1,752	88	6	94	5.19	3	Alital, Bagarthok, Amargadhi
11	Jumala				0		2	Chandannath, Patmara
Total		14,929	1,099	70	1,169	7.8	67	

\* According to MEDEP's data management system.

### ***Coverage of field survey***

The sample districts, as agreed based on the census data provided by MEDEP, covered only 33 products and services out of 37 considered in the study concept. The excluded products/services thus were Veneer manufacturing (Dolkha), *Petani* cloth (Jhapa), Hosiery (Baitadi), and Thanka and pauwa painting (Ramechhap). Similarly, since the concentration of products/services were not uniform across sample districts, the field survey and focused group discussions were planned according to Table 1.2 (below). For field data collection, mainly three tools were used, namely, (i) household questionnaire survey, (ii) focused group discussions (FGD) with MEGA, DMEGA, BDSPO, and government institutions, and (iii) detailed interviews with some MERS for case study purpose (explained below). Considering time and resource constraints, information collection on the apple processing or drying was taken through FGD only in Jumla with a group of beneficiaries.

**Table 1.2: Sample districts with their focus products and services for the study.**

S.N.	District	Products and services	
1	Tehrathum	• Off -Season Vegetable	• Dhaka
2	Siraha	• Riverbed Farming	• Fishery
3	Nuwakot	• Strawberry, • Off -Season Vegetable,	• NTFP processing (Lemon Grass, Mentha, Camomile, Winter Green),
4	Rasuwa	• Syama Panga	• NTFP processing (Lemon Grass, Mentha, Camomile, Winter Green),
5	Nawalparasi	• Dairy and Milk Product, • Ginger and Ginger Products, • Pater Products	• Dhaka, • Improved Blacksmith Workshop,
6	Myagdi	• Mushroom. • Strawberry, • Off -Season Vegetable, • Vegetable Seeds Production and Marketing, • Fishery, • Allo Processing	• Nettle Powder, • Bel Juice Processing • Cotton Bag Carpet and Woolen Products • Improved Blacksmith Workshop • Eco-Trekking and Home Stays

7	Dang	<ul style="list-style-type: none"> <li>• Mushroom</li> <li>• Off -Season Vegetable</li> </ul>	<ul style="list-style-type: none"> <li>• Babiyo (Sabia Grass) Rope Making</li> <li>• Beekeeping</li> </ul>
8.	Rolpa	<ul style="list-style-type: none"> <li>• Allo processing</li> </ul>	<ul style="list-style-type: none"> <li>• Off-season vegetable</li> </ul>
9.	Kailali	<ul style="list-style-type: none"> <li>• Riverbed Farming</li> <li>• Off -Season Vegetable</li> </ul>	<ul style="list-style-type: none"> <li>• Beekeeping</li> </ul>
10.	Dadeldhura	<ul style="list-style-type: none"> <li>• Sweet and Mandarin Oranges</li> <li>• Off -Season Vegetable</li> </ul>	<ul style="list-style-type: none"> <li>• Allo Processing</li> <li>• Beekeeping</li> </ul>
11.	Jumla	<ul style="list-style-type: none"> <li>• Apple Processing</li> </ul>	

For the field data collection, DRTC planned to deploy three groups of expert researchers and enumerators in cluster approach as follows:

Cluster I: Dr. Pradip Prasad Upadhyay and Mr. Tek Bahadur Gurung along with 7 enumerators covering Nuwakot, Rasuwa, Dadeldhura and Kailali districts. Then then Dr. Upadhyay and Mr. Gurung visited Jumla.

Cluster II: Messrs Dibakar Paudyal and Ram Babu Nepal along with 8 enumerators covering Rolpa, Dang and Myagdi districts.

Cluster III: Ms. Lalita Thapa and Mr. Chandeshwar Acharya along with 8 enumerators covering Nawalparasi and Terhathum districts.

While the Team had to face crisis of various kinds during the study period, in case of Siraha the data collection was approached by contacting a local person for coordination of survey process by providing sufficient orientation on survey questionnaire.

In the field, excellent support of APSOs, BDSPOs and DMEGAs was received by the study teams. To visit in the selected VDCs, the field officials guided to reach MERS. Everyday a total of 35-40 interviews were targeted and this intense operation of field data collection with the above arrangement was for 2 weeks. At the same time, the research experts carried out FGDs with officials of government institutions/agencies, BDSPOs and representatives organisations of MERS.

### ***Coverage of field data analysis***

The three groups were sent out to the field in the selected districts with the frame of mind that 33 products and services would be captured through interviews and FGDs. However, despite every effort made it was possible to cover only 25 different types of products and services from the originally considered 37. Instead other products including banana farming, goat keeping, poultry farming, *Daalthoth* making, retail shop, spices grinding, etc. were quite frequently encountered by the surveyors and at the end their count arrived to 90. From the 25 products and services, data of 5 types comprising of 11 respondents to include cement block, cyber café, carpet and woolen products, *chiyuri* herbal shop and eco-trekking yielded unsatisfactory data or data could not be collected. In this way, with reference to Table 1 (above), a total of 20 different products/services with 998 cases of active MERS could be considered for quantitative analysis.

### 1.5.3 Methods of Data Analysis

Both quantitative and qualitative methods of data analysis have been used to draw inferences and to arrive at conclusions. Major resources to draw analytical substances were literature reviews, household survey data, and notes of FGDs and census data of MEs up to 2012 maintained in the MEDEP's Management Information System (MIS).

Information from literature reviews were mainly utilised for understanding context of MEDEP initiation, modalities, important achievements, policy environment and for drawing important principles or methodologies of analysis adopted by nationally accredited practices like Nepal Living Standard Survey.

Data collected through household questionnaire survey formed the basis of quantitative analysis. After proper cleaning of the raw data collected from the field, necessary analytical tables were generated as well as central tendencies, dispersions and variations were determined. As appropriate both parametric and non-parametric tests including distribution, correlation, and variance were carried out. The key focus of quantitative statistical analyses was on the economic impact in the form of income generation and poverty alleviation.

The qualitative analysis was carried out based on the data gathered through questionnaire and semi-structured interviews or FGDs, and they have been primarily used to draw inferences on empowerment of socially excluded groups and women. In addition, this was supplemented by the specific portion of the census data maintained in the MIS.

#### **Box 2.1: Measurement of per capita income and level of poverty**

The study used per capita income (PCI) to see the increase in the level of income in general and decrease in poverty incidence in particular. The methodology used by Nepal Living Standards Survey 2010-11 (NLSS III) was adopted. For this purpose, the income data of individual MEs covering one complete Fiscal Year (Shrawan 2071 to Asadh 2072 BS) were collected through questionnaire survey. As defined in the NLSS III, an individual in Nepal is considered poor if his/her per capita total annual income is below NPR 19,261 (at 2010/11 price) or NPR 26,388 (at 2014/15 price).

Income with the establishment of micro-enterprises supported by MEDEP and farm and non-farm income excluding MEDEP support have been computed and compared for the year of FY 2014/15 covering mid-July 2014 to mid-July 2015 (from Shrawan 2071 to Asadh 2072). This has allowed to find household income of the MEs and their per capita income (PCI) and show whether the MEs have achieved the anticipated level of income with the establishment of MEs by the support of MEDEP.

As depicted in Figure 1.2 above, the analytical model to determine "mass impact on entrepreneurs of the selected products and services" would be the product of economic and social impacts.

The key factors for economic impacts include increase in income and employment leading to poverty reduction. This has been depicted by the per capita income (PCI) as juxtaposed to poverty line as suggested by NLSS-III at 2014/15 price (please see Box 2.1).

### **Box 2.2: Women Empowerment**

The study used Gender Equality and Social Inclusion (GESI) for judging women empowerment:

1. One of the major objectives of MEDEP is to promote gender equality, and achieve social justice and empowerment of women. The study focused on achieving the changes in poor women's lives, and proper, wise and effective utilization of resources. The study also measured gender-related changes in society over time. In this perspective, the study identified changes in the status and roles of women and men and help measure the contribution of MEDEP towards achieving women empowerment.
2. The measurement of women empowerment has focused on the following indicators:
  - Gap between men and women;
  - Different roles, responsibilities and access to resources of different members of society;
  - Progress towards achieving gender equality goals by disaggregating data by sex, age and other variables;
  - Gender analysis of data based on both qualitative and quantitative indicators;
  - Integration of gender equality issues from MEDEP's perspectives of its policy, and programme; and
  - The impact of changes in power relations between women and men.

Similarly, the key factors for social impacts include institutional leadership by women and hard core poor. This has been depicted by the leadership position reached by women and hard core poor as well as the degree of representations beneficiaries of MEDEP support (please see Box 2.2).

### **1.5.4 Limitations of the study**

The study is of a vast nature given the number of products and services included. Therefore, time period to cover such a vast scope appeared to be too short and getting into depth in the field itself was affected to some extent. The study also has tried to accommodate data maintained in the MEDEP's Management Information System (MIS). However, its use was limited to planning of the study and assessing primarily the social impact part of the study. Given the time and resource constraints it was hard to locate the pre-identified sample individual

micro-entrepreneurs in the field. As a result, the study team had to decide then and there in the field to interview other micro-entrepreneurs promoted by MEDEP. This led to a complete random sampling of the respondents in the district and VDCs which may be considered a positive aspect. Even some of the pre-selected VDCs had to be discarded and new VDCs had to be decided right in the districts because the list from MIS were not matching properly.

The unavailability of baseline report of MEDEP/MEDPA supported VDCs/districts led to a situation that prior situation of the micro-enterprise development before MEDEP's support began had to be based on the recall method during FGDs with micro-entrepreneurs, MEGA's and other stakeholders. Therefore, the analysis is limited to a certain extent.

The political instability during the study period delayed the field research, hampered mobility, and affected in the participation of micro-entrepreneurs in the study process.

### **1.5.5 Organisation of the report**

Based on the thorough assessment of information collected from the field, literature reviews and consideration of limitations, the report has been organised to be specific to the findings.

The Chapter-II will concisely present the context under which MEDEP was and/or has been operated. For this, a very brief historical flash-back will be provided and situation will be described with specific references to i) demand and supply; ii) knowledge and skill; iii) available resources and market; iv) practice of marketing of products; v) branding and marking; vi) value addition; and vii) challenges and limitations. This will only throw light on these parameters as to show the fundamental platform on which MEDEP was justified and

initiated. This will neither make any quantification nor go into providing detail account of each of them because they can be found described elsewhere.

The Chapter-III will briefly describe the products/services promoted by MEDEP and considered for the mass impact study. This will be mainly confined to 20 products which will correspond to quantitative analysis that has been made in Chapter-IV and will cover four categories of MEs, viz. agro-based, forest-based, artisan-based and service-based<sup>4</sup>. Additionally, apple drying and vegetable seed production will also be briefly covered under this Chapter based on the FGD information from Jumla district.

The Chapter-IV and V will be the main core of this study in order to draw inferences on mass impact based on economic and social parameters. The results of quantitative economic analysis comprising of change in per capita income (PCI), employment promotion and poverty reduction due to the interventions of MEDEP will be presented under Chapter-IV. This will clearly show contribution of micro-enterprise sector for achieving MDGs, sufficiencies, efficiencies and potentials. Likewise, Chapter-V will depict social impact based on the analysis of indicators of women's empowerment and GESI considerations.

The Chapter VI "Mass Impacts on Entrepreneurs of the Selected Products and Services" will contain two parts (i) measuring mass impact of products through perception ranking, and (ii) mass impact: the achievements of MEDEP. It will explain how the three-fold policy dimensions namely people's demand for enterprises, availability of resources, and market potentials have triggered mass impacts on the micro-entrepreneurs of the products and services.

Based on the overall analyses, key conclusions and recommendations including policy considerations will be presented under Chapter-VII.

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<sup>4</sup> Although original plan was also to cover IT-based, Tourism-based and Construction-based, it was not feasible to cover these as MEs were not readily found in the sample districts.

## Chapter II: Enterprise Development Context for MEDEP

### 2.1 Situation of Enterprise Development Prior to MEDEP's Support

As Nepal is largely an agricultural country, when micro-enterprise is talked-about naturally the products are mainly agriculture based. Some indigenous peoples who primarily draw their living from forest were producing some products of micro-enterprise nature. At the time of MEDEP's initiation about 83% of the economically active population depended on agriculture for livelihood, mainly as self-employed and unpaid family workers (about 71%) and rural poverty in Nepal was considered mainly due to dependence on small farms and insufficient off-farm employment opportunities (MEDEP Programme Document, 1998). Still today majority of micro-enterprise products are agriculture-based followed by forest-based and others. These are evident by the categorisation of the micro-entrepreneurs created under MEDEP and MEDPA by the Industrial Policy (2010) as mentioned earlier.

GoN established Department of Cottage & Small Industries (DCSI) and Cottage and Small Industries Development Board (CSIDB) under the Ministry of Industry, Commerce and Supplies (MOICS) to promote cottage and smaller industries. Their main focus was towards off-farm activities to make them viable enterprises for supporting livelihoods of smaller operators. However, at the time of MEDEP's inception in 1998 the sector was described as *"Traditional off-farm activities are dying out, whereas the emerging ones are concentrated in the urban areas and along the road-heads. Most of the household cottage industry production is not marketed. A large number of more structured cottage industries do not survive long."* (Programme Document, MEDEP, 1998).

As enumerated in the Phase-I Programme document of MEDEP, prior and on-going assistance were as shown in Table 2.1 (below).

**Table 2.1: Prior and On-going assistance at the time of MEDEP initiation.**

Types of programmes	Examples	Issues
Credit-based	Small Farmer Development Programme (SFDP), Production Credit for Rural Women (PCRW), Micro-Credit Project for Women (MCPW), Intensive Banking Programme (IBP), Banking with the Poor (BWP), Rural Development Banks (RDB), Nirdhan, Centre for Self-Help Development (CSD), etc.	Much was achieved in micro-enterprise development and diversification of employment opportunities in a viable and sustainable scale.
Training-based	Skills training programmes of the DCSI/CSIDB, Skill Development Training Centres (SDTC), Vocational Training Centres (VTC), Council for Technical Education and Vocational Training (CTEVT), Ministry of Local development (MLD), Ministry of Agriculture (MoA), Hotel Management and Tourism Training Centre (HMTTC), Butwal Technical Institute (BTI), Small Business Promotion Project (SBPP), Agro Enterprise Centre (AEC), some district chambers of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Women Entrepreneurs' Association of Nepal	Training-focused programmes were fragmented and uncoordinated, no explicit national skills development policy to guide the training programmes of numerous agencies, and therefore, many different approaches as per many different actors.

	(WEAN), Small Industries Promotion Programme (SIPP), etc.	
Marketing-based	Some localised NGOs like WEAN cooperative, ACP, etc.	General lack of such programmes.

(Source: MEDEP-I Programme Document, 1998).

Similarly, other programmes include Training for Rural Gainful Activities (TRUGA) which was assessed as a successful programme in reaching women and improving women's access to training, equipment, raw materials, loan and other support. Moreover, various international agencies had funded projects, to name a few, Lumle Agricultural Research Centre (LARC) in the western region and Pakhribas Agriculture Centre (PAC) in eastern region funded by UK Government; Resource Conservation and Utilisation Project (RCUP) by US Assistance for International Development (USAID); Koshi Hill Agriculture and Rural Development Project (KHARDEP) by UK Government; Mechi Hill Development Programme (MHDP) by the Netherlands Development Agency (SNV); and so on had also promoted off-season vegetables, vegetable seed production, poultry, livestock, etc. among other development interventions.

As implementation of MEDEP activities took place in different phases (now in Phase IV from 2013-2018), the prior situation for different districts about MEDEP's supports would apply differently. The sample districts for information collection include as shown in Table 2.2 (below). There is no readily available baseline reports of all districts to refer the situation prior to MEDEP intervention. Therefore, information collected through recent visits and FGDs in sample districts are the main basis for making assessment of micro-enterprise development situation at the time of MEDEP initiation.

**Table 2.2: Sample district and beginning of MEDEP's support.**

District	Beginning of MEDEP's support
Dadeldhura, Dang, Nawalparasi, Nuwakot, Tehrathum	1998
Kailali, Myagdi, Rasuwa, Siraha	2004
Jumla, Rolpa	2008

In line with the concept proposed by MEDEP, the parameters considered to understand the enterprise development situation prior to MEDEP's intervention are i) demand and supply; ii) knowledge and skill; iii) available resources and market; iv) practice of marketing of products; and v) branding and marking. In making the analysis, it was also recognised that the products considered for this study are quite broad and many in numbers. Even some of the identified products such as riverbed farming, off-season vegetable production, vegetable seed production and marketing, cane furniture and bamboo products, NTFP processing, etc. by themselves are gamut of products. In the following paragraphs, descriptions of situation prior to MEDEP support concerning the products under study have been made (For further details, please refer to Annex-3).

### **2.1.1 Demand and Supply**

Prior to MEDEP's support, the demand and supply situation of the products under study have been found unclear among local level micro-entrepreneurs, DMEGA, NMEGA and other stakeholders. When asked with micro-entrepreneurs, neither they knew about the demand of products they were going to produce nor the supply. Only after they began to be organised into associations (i.e. MEG, MEGA, DMEGA and NMEGA), they began to become more aware of

demand and supply in a gradual fashion. FGDs carried out in the sample districts suggest that, irrespective of phase-I districts of MEDEP which were initiated in 1998 or districts initiated afterwards, this situation of no knowledge of demand and supply was more or less the same.

Micro-entrepreneurs have shown some degree of diversity in their responses about situation of demand and supply of products prior to MEDEP's support in relation to different categories of products. The agro-based products such as strawberry, sweet & mandarin orange, mushroom riverbed farming and carrot seed production in Jumla district are pretty new venture for micro-entrepreneurs and therefore, they were completely unaware of demand and supply situation, but were keen about these. Off-season vegetable production, ginger and ginger products, and fishery were reported to be quite established products, yet knowledge about demand and supply situation prior to MEDEP at micro-entrepreneurs level was poor.

In case of forest-based products, whatever extracted were mostly for subsistence level production and were long standing products prior to MEDEP support in those sample districts. Only *Allo* processing was of entrepreneurial nature that were promoted or encouraged by large scale entrepreneurs based in Kathmandu valley. Some highly successful micro-entrepreneurs had seen honey as ever demanded product with limited supply.

Among the artisan-based products, *Petani* cloth and *Syama-Panga* are very much cultural items of women in certain ethnic groups and their demand and supply were limited to them. Likewise, leather processing and shoes manufacturing was specific to a caste group, however, the demand for crude and uncomfortable shoes was deteriorating as one could buy more comfortable and sleek designed shoes imported from elsewhere.

The demand and supply for service-based products under this study primarily related to traditional occupation (tailoring, blacksmith, and *Thanka* and *Pauwa* painting) of certain caste and ethnic groups of Nepal. Therefore, their demand and supply were largely limited to local level. Their quality as finished products was not good.

The IT based product, cyber-café, is the demand of present day and supply is feasible where electricity and internet facilities are available. The tourism-based (i.e. Eco-Trekking and Home Stays) products would be relevant only in tourist destination areas whereas construction-based products (i.e. cement block and carpentry) were largely relevant in areas where real state is booming.

### **2.1.2 Knowledge and Skill**

With regards to agriculture-based products the micro-entrepreneurs had traditional knowledge and skills base that needed some improvement. In case of forest-based products, although there used to be some crude knowledge and skill in the communities, except for rope making out of *Babiyo* (*Sabia* grass), there were limited-knowledge to no-knowledge and skills among the entrepreneurs. Although newly sprouting buds of nettle plant used to be eaten as vegetable or soup traditionally, the recognition of their nutritional value to develop as a product, nettle powder, was completely new thing. The artisan-based and service-based products are very much cultural and traditional trait oriented that needed some refinement through modern technologies. IT-based, tourism-based and construction-based products were quite new to the micro-entrepreneurs promoted by MEDEP. On the whole, the knowledge and skills among micro-entrepreneurs promoted by MEDEP reported that they had less knowledge and skills for the products they are engaged with prior to MEDEP's support.

### **2.1.3 Available Resources and Market**

Almost all responses obtained through FGDs suggest that the available resources and market for products had remained unrecognised by the micro-entrepreneurs prior to MEDEP's intervention although some other organisations had done similar work to some extent in the past. Even for products like nettle-leaf powders people were completely unaware of that such a waste could be a useful resource for income generation.

### **2.1.4 Marketing of Products**

In subsistence agriculture, very limited market was there except for bartering of their produce. For all products under the study were never properly marketed by the micro-entrepreneurs prior to MEDEP's intervention. Only the *Dhaka*, leather shoes, some tools made by blacksmith, and charging of tailoring service charge were common in the villages. The marketing was largely rudimentary and no efforts were made for linking them with the market system or value chain.

### **2.1.5 Branding and Marking**

As reported by micro-entrepreneurs, for all products under study had no system of branding and marking. Only *Dhaka* clothes of Tehrathum and Palpa district, and *Khukuri* (knife) of Chianpur etc. were known popularly, but never given a formal branding and marking.

### **2.1.6 Value Addition**

There were no value addition as such practiced for all products except preservation of some of agro-based products through drying (apple) for future use as there used to be no market available to sell if any amount of the produce was surplus.

### **2.1.7 Challenges and Limitations**

In general, the technical knowhow about the products and services, and knowledge about their potentials for greater economic impact was very limited among the micro-entrepreneurs. The perishable nature of agricultural produce, particularly fresh vegetable and fruits, on top of low productivity was very challenging for the farmers to sustain their livelihoods.

Various interventions of past although had increased the production of some of the agro-based products, whenever their produce was little bit glut then there used to have market problem.

With regards to forest-based products, they are mainly extraction-based from the naturally available resources. In some cases extractions are easier compared to others which could cause deterioration of natural resources. In other cases, for example bee keeping in the close by agricultural farming areas, application of certain pesticide could become counterproductive. In other words, pesticides can kill honey bees as well as honey can be contaminated.

In case of artisan-based and service-based products, widening of market was the main challenge while lack of skills for making quality products to make them competitive was the main limitation.

For cyber cafés the issue of wide use of such service was a problem at micro-enterprise scale whereas for eco-trekking and homestays the requirement of huge up-front investment was challenging for micro-entrepreneurs.

The construction-based products like cement blocks and carpentry were also extraction oriented and were difficult to run smoothly as fellow villagers would have complains of utilising public property for private benefit.

## Chapter III: Description Products/Services under the Study

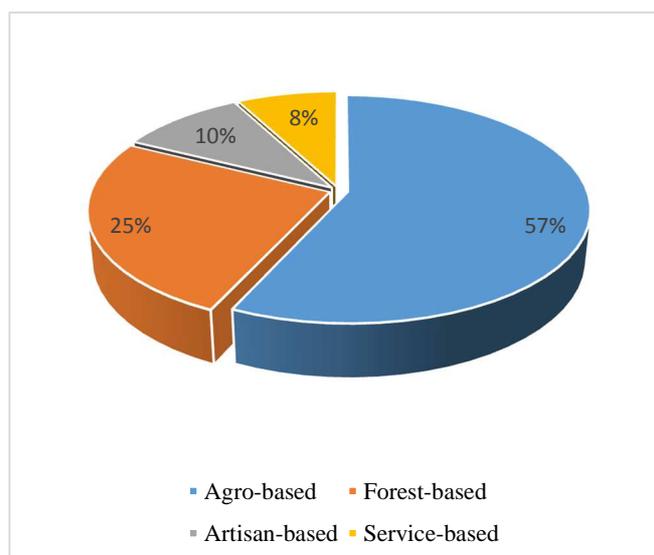
Over the last seventeen years MEDEP has supported promotion of over 100 different products and services. Various past assessments, studies, and MEDEP's internal assessments have revealed that there are a number of products and services which have contributed in achieving social and economic empowerment of people who are highly poor because of subsistence nature of their operations, remoteness, limited technical knowledge and skills, and lack of or limited awareness of market opportunities. However, all the products and services have not contributed uniformly across all places of MEDEP'S operation nor they have equal potential by virtue of their nature and types or comparative advantages. Moreover, it is natural that some of the products and services excell while others wither over time. Further, some products and services may re-emerge as demand and supply situation and relationships may alter over a period of time.

MEDEP considered a substantial number of products and services for this study. However, as also described earlier, in the end this study has limited covering only 22 products and services of which significant quantitative economic analysis will be made for 20 of them in Chapter-IV as shown in Table 3.1 and corresponding Figure 3.1 (below).

**Table 3.1: Category Wise Number of Micro-Enterprises**

Agro-based	568
Forest-based	254
Artisan-based	98
Service-based	78
Total	998

**Figure 3.1: Distribution Micro-Enterprises**



In this Chapter, these 22 products/services under four categories have been described briefly to introduce their overall status primarily based on the FGDs conducted in the sample districts, household survey and some literature reviews.

### 3.1 Agro-based products

Among several, the agro-based products covered under this study are off-season vegetables, strawberry, riverbed farming, mushroom, fishery, diary and milk products, apple drying and vegetable seed (carrot) production. Table 3.2 (below) provides an account of agro-based products captured through household survey and FGDs.

**Table 3.2: Agro-based products studied.**

S.N.	Products	Number of MERS surveyed	Districts studied
1	Off-season vegetables	297	All 10 sample districts
2	Strawberry	76	Nuwakot
3	Riverbed farming	72	Siraha and Kailali
4	Mushroom	88	Dang, Myagdi, Nawalparasi, Nuwakot, Rasuwa and Rolpa
5	Fishery	23	Siraha
6	Dairy and milk products	12	Tehrathum, Dang, Nawalparasi and Nuwakot
7	Apple drying	FGD	Jumla
8	Vegetable seed production	FGD	Jumla

### 3.1.1 Off-season Vegetable

It is a well recognised fact that off-season vegetable production in Nepal represent some 50 per cent of the total vegetable production and 60 per cent of the marketed products. The demand for green vegetable is ever increasing to meet the demand of increasing in urban population. This illustrates the scope of off-season vegetable in Nepal and if produced at the large economic scale with high quality the export potential cannot be under estimated.

During the study out of 1099 respondent, 297 reported as off-season vegetable as their primary products and they do not appear to grow only one vegetable as their sole produce. Mostly they produce quite combinations of vegetable from among tomato, cabbage, cauliflower, broad leaf mustard, peas, radish, onion, carrot, potato and so on. MERS reported that they do not have any major problem of purchasing inputs such as seeds, fertiliser and pesticides as well as marketing their produce. Overwhelming majority of respondent reported that they are highly satisfied and see possibility of extension in the future.

However, one issue that emerged through discussions with MERS, their organisational representatives (MEGA, DMEGA) and other stakeholders (DADO, LDO and district level associations) is that the concept of "off-season" has been blurred. The reason is that off-season vegetables are quite abundantly available in the market and the key incentive for premium price due to application of additional effort and resources do not seem to be so obvious. Instead in some places, people reported that they sometime find it scarce truly seasonal vegetables.

### 3.1.2 Strawberry

Interaction with leaders of strawberry MERS suggested that introduction of strawberry in Nepal happened in mid-1990s by Japanese Agricultural In-service Training Institute (JAITI) in Nuwakot district. Till to date, the concentration of strawberry production is mainly in Nuwakot district and limited in quantity from the national perspective. In recent years consumption of strawberry in major cities of Nepal is picking up its speed as well as MERS reported that they also sold in Kolkata (India). This shows high potential nationally as well as in the export market.

A total of 76 MERS were interviewed during the study who reported strawberry as their primary product. Business aspects of strawberry consist of selling of strawberry fruits, production of other products like jam & jelly as well as raising nursery for the sale of saplings. Cultivation

practices, harvesting, grading and marketing have been well grounded. Size of strawberry farming ranges from 1 - 10 Ropani<sup>5</sup> of land. During interactions and triangulation of information given by different set of strawberry MERS, it is reported that a farm size of 1.5 Ropani can easily earn a net income of NPR 150 thousand in a year.

Overwhelming majority of the MERS reported that they are highly satisfied with their operation and also aspire to enlarge their ME size. However, one important issue raised by them was that strawberry has not yet been listed as one of the national fruits of Nepal for its wider recognition and promotion.

### **3.1.3 Riverbed farming**

The notion of riverbed farming by its name itself explains farming along the river bank on sandy or partially gravelled or alluvial soil wherever possible. This practice is feasible between a period from October to May until the onset of monsoon. Farming could be anything ranging from vegetables to cereal crops. During the study it was observed that riverbed farming as a product may include a number of crops or a single crop like water melon. In the study a total of 72 farmers from Kailali and Siraha districts were interviewed as well as FGDs were carried out. In Kailali, riverbed farming comprised of mixture of various crops mainly vegetables, and in Siraha it was mainly watermelon. FGDs and interviews with MERS revealed that riverbed farming concept for them was new and eye-opening for increasing their income.

### **3.1.4 Mushroom**

Mushroom production is increasing in MEDEP districts which is also reflected by the fact that 6 out of 10 surveyed districts reported. A total of 88 MERS were surveyed and interactions were conducted with their groups. The prospect of mushrooms is high due to its highly nutritional value as well as acceptable to all including vegetarians. Moreover, for MEDEP supported MERS as raw material as substrate for mushroom is rice straw, it being relatively cheap has raised attraction among people. However, the knowledge, skills and practice of preparing substrate, seeding, production management and harvesting apparently need further improvement. Likewise, the marketing aspects such as processing, grading, labeling and branding are not being practiced.

### **3.1.5 Fishery**

A total of 23 MERS were surveyed from Siraha<sup>6</sup> having fishery as their primary product. Interaction with key informants and survey results suggested that fishery has been practiced in group approach in which flow of MEDEP support was in terms of providing technical guidance and linking the entrepreneurs with financial institutions. The prospect of this product appears to be high as the returns reported by MERS have been found very high.

### **3.1.6 Dairy and milk products**

A total of 12 MERS were surveyed during the study from Tehrathum, Dang, Nawalparasi, and Nuwakot who reported dairy and milk products as their primary product. This product comprises of primarily three types of entrepreneurs - i) milk and butter/cream seller who also

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<sup>5</sup> 1 Ropani is equivalent to 500 square metre.

<sup>6</sup> Due to security situation it was not possible to survey in Kailali.

keeps a cow or a buffalo, ii) milk and butter/cream seller who buys milk from primary producers (or do not keep cattle for milk), and iii) milk-based sweets producer and seller who buys milk and cream from others. Field observations and interactions with MERS suggest that presently direct selling of milk is connected to collection centre and dairy milk system and rest others are primarily catering the local market.

### **3.1.7 Apple drying/processing**

According to FGDs with apple processing farmers and DMEGA of Jumla, dried apple slices used to be produced only for household level consumption. Therefore, there was no clear idea as well as reference to estimate demand and supply. The slicing equipment used by apple farmers in Jumla prior to MEDEP was generally household knife and slices would look attractive. They knew that the drying technique was a good way of preserving the surplus apple, however, their quality of product was a major concern. They were reporting that their products are possibly considered low quality in the market which they disagree.

### **3.1.8 Vegetable seed production**

Vegetable seed production and marketing as a product is a quite broad topic. Different vegetables seed production have been carried out at different locations. There exists Seed Entrepreneurs' Association of Nepal (SEAN) established in 1989 which is the member-based non-profit making association of private sector player in large scale vegetable seed production and marketing including export-import. MEDEP's support seemed initiated to tap the potential for micro-entrepreneurs through technical assistance. Most of the micro-entrepreneurs who are engaged in vegetable seed production do not seem to know the demand and supply situation of vegetable seeds in their locality. They are mostly selling their product to contractor/large scale seed entrepreneurs who encourage as well as provide support for vegetable seed production.

Seed production of many of the vegetables used to be traditional practice for subsistence agriculture. For example, seed production of broad leaf mustard (Rayo), coriander, radish, beans, cucumber, pumpkin, etc. were done by women in almost all places of MEDEP's operation. So, there existed some traditional knowledge and skill. However, carrot seed production in Jumla for premium price was pretty much unknown to many. Likewise, onion seed production was quite new in Jumla.

## **3.2 Forest-based products**

Out of the substantial number of forest-based products promoted by MEDEP, the products covered under this study are allo, bee keeping (honey), *Babiyo* rope making, *Pater* products, nettle powder, and incense stick making. Table 3.3 (below) provides an account of forest-based products captured through household survey and FGDs.

**Table 3.3: Forestry-based products studied**

S.N.	Products	Number of MERS surveyed	Districts studied
1	Allo-processing	30	Rolpa, Myagdi, Dang and Tehrathum
2	Bee keeping (Honey)	110	Dang, Rolpa, Dadeldhura, Nawalparasi and Kailali
3	Cane furniture & bamboo products	51	Kailali, Nawalparasi, Tehrathum, Siraha and Dadeldhura
4	Babiyo Rope making	34	Dang and Nawalparasi
5	Pater products	13	Nawalparasi and Dang
6	Nettle powder	14	Myagdi
7	Incense stick	2	Myagdi

### 3.2.1 Allo-processing

Allo is a wild plant used by poor people to extract fibre and make a living. Allo fibre is extracted by harvesting the nettle plant which grows in altitudes ranging between 2000 to 2500 meters. FGDs revealed that its fibre extraction and backward and forward linkages contribute to an enlarged space for employment for specially those who have limited lands to cultivate and are mostly uneducated to make a living from alternative sources of occupation. A total of 30 interviews were made.

### 3.2.2 Bee keeping (Honey)

FGDs and enquiry with bee keepers suggest that beekeeping has been practiced by both non-poor and the poor MERS in the surveyed areas. For beekeeping cultivated and wild plant flora are used as food or raw material by honey bees. Interviews with MERS has reveal that sugar syrup has been commonly used as starter as well as food supplement for bees to protect them from severe hunger when scarcity of food prevails or rainfall occurs for longer duration. The honey is sold as organic honey in most instances, or else sold to cooperatives or processors if the amount of honey is large. Very large bee keepers reported their incomes are as high as NPR 600 thousand to 850 thousand annually. Some bee keepers managed to make wooden hives and sell to new MERS. A total of 110 interviews were made.

### 3.2.3 Cane furniture and bamboo products

Employment generation by making cane furniture & bamboo products is one of the very important micro-enterprise chosen by MEDEP. Despite its growing popularity the concern in the FGD was about the skilled people who faced difficulty in collection of raw cane from forests. This situation has been experienced also by the MERS, even though they are very much satisfied to the jobs they are engaged with. The communities engaged in forestry resources have shown concern on such over exploitation and are initiating plans to harvest products systematically. A total of 51 interviews were made.

### 3.2.4 Babiyo Rope making

Income and employment generation by using forestry resources, particularly *Babiyo* has helped not only earn income but also save forest resource by helping control spread of wild fire. FGDs revealed that dry and unused *Babiyo* often results in quick fire hazard. Field observations,

FGDs and interviews with MERS suggest that the poor people residing near forest with *Babiyo* have been making good income through the collection of *Babiyo* and use of CFCs where they make rope using machines provided by MEDEP. Altogether a total of 34 MERS of Dang and Nawalparasi were interviewed.

### 3.2.5 Pater products

The use of *Pater* plant as a good income generating factor was not realised by people until an effort was made by MEDEP to convince them for taking up such micro-enterprise. At present the value of *Pater* products have much risen and a number of MERS have emerged as entrepreneurs. Altogether a total of 13 MERS of Nawalparasi and Dang were interviewed.

### 3.2.6 Nettle powder

The making of nettle powder from tender nettle apex and leaves could be one of the important forest products was not realised by people until few years back. The health consciousness of the urban elites and efforts of MEDEP appear to have come together to emerge nettle powder as a product. As there is high demand for nettle powder at present and also in future, it is only supply part that may not complete the demand supply cycle. Altogether a total of 14 MERS were interviewed.

### 3.2.7 Incense stick

The production of incense stick making use of local resources viz., Bamboo and Kaulo can be one of the important MERS to earn income with only little amount of money. The enterprise is attractive in terms of returns taken by the entrepreneur. Interview was taken with two MERS as well as information was collected through FGDs.

## 3.3 Artisan-based products

Among the several artisan-based products the survey covered only *Dhaka* and *dhaka* products, *Laha* (lac) bangles, *Shyama-Panga*, cotton bag and leather product and shoes. Table 3.4 (below) provides an account of these products captured through household survey and FGDs.

**Table 3.4: Artisan-based products studied.**

S.N.	Products	Number of MERS surveyed	Districts studied
1	Dhaka and dhaka products	55	Tehrathum, Nawalparasi, Myagdi and Nuwakot
2	Laha bangles	15	Siraha
3	Shyama-Panga	18	Rasuwa
4	Cotton bag	8	Myagdi
5	Leather product & shoes	2	Dang and Myagdi

### **3.3.1 Dhaka and Dhaka products**

FGDs conducted at different levels consistently revealed that *Dhaka* and dhaka products have high employment generating potential as these products have been appreciated by both the Nepalese within Nepal and those who live in foreign countries. MERS procure raw materials usually from local markets. Sometimes distant markets are used to buy raw materials by MERS through groups. A total of 55 MERS were surveyed.

### **3.3.2 Laha bangles**

FGDs conducted revealed that *Laha* bangles have very high returns even as the initial investment have been found very small. MERS reported that they could make several cycles of bangle making in a year and sell readily in the local as well as bordering Indian markets. They mostly bring raw material from India that is primarily *Laha* or lac. This enterprise has been also found unique because it solely engages women. A total of 15 cases were surveyed.

### **3.3.3 Shyama-Panga**

Among the artisan-based products *Petani* cloth and *Shyama-Panga* are socio-culturally important items of which only *Shyama-Panga* was studied in Rasuwa. FGDs conducted showed that *Shyama-Panga* has been a socio-culturally unique and important product in itself and local wool is the raw material. Apparently the demand and supply of *Shyama-Panga* was limited to their community and the income was less of a significance as this category of community has been found depending more on traditional businesses like hotel and trekking. It also appeared that the marketed items had not much contributed to their economic portfolio, nor it was mainstay for income or employment. A total of 18 cases were surveyed.

### **3.3.4 Cotton bag**

Cotton bag as a product has been found to be mainly produced by women MERS. FGDs carried out in Myagdi district has suggested that this product has higher return to investment which was found not so consistent with the finding of household survey with 8 MERS in terms of benefit-cost ratio.

### **3.3.5 Leather product & shoes**

As MEDEP tried to reach hard core poor areas, they may be characterised as remote and socio-economically lagging behind where occupations are considered to have been reflecting their social status. The leather product and shoes have still been found being undertaken by a *Dalit* caste called *Sarki* and the number of MERS doing this business appear to be proportional to their population size in a particular society. Accordingly, it was found only a few MERS having this product as their mainstay and as a reflection of that only two MERS have been surveyed. Moreover, making leather products and shoes seemed to men's occupation. MERS reported that investment in producing leather products and shoes had been high which was consistent with figures provided by them. Calculations have also suggested that their income, therefore, have been directly proportional to the investment. It has become apparent that with the support of MEDEP the MERS have started to produce good quality as well as fine finished leather products and shoes which have shown high potential if investment barrier could be addressed.

### 3.4 Service-based products

The service-based products covered under this study are Mini-garment and tailoring and blacksmith workshop. Table 3.5 (below) provides an account of service-based products captured through household survey and FGDs.

**Table 3.5: Service-based products studied.**

S.N.	Products	Number of MERS surveyed	Districts studied
1	Mini-garment and tailoring	60	Dang, Nawalparasi, Tehrathum, Rolpa, Kailali, Myagdi and Rasuwa
2	Blacksmith workshop	18	Dadeldhura, Dang, Nawalparasi, Tehrathum, Rolpa and Rasuwa

#### 3.4.1 Mini-garment and tailoring

FGDs indicated that the Mini-garment and tailoring has been a highly preferable ME. While income and returns have been reported quite high, the communication opportunity with clients involving different category of people make MERS more social, communicable and driving rapidly towards empowerment. A total of 60 cases were surveyed which have suggested that mini-garment and tailoring enterprises had not limited to certain *Dalit* caste group called *Damai* occupational caste in Nepal.

#### 3.4.2 Blacksmith workshop

Like other *Dalits* blacksmith or *Kami* are one of the occupational caste groups of Nepal who have been producing various kinds of iron-based products like spade, hoes, blade for local plough, axe, sickle, knife, etc. Usually these blacksmith would have their individual traditional workshop called as *Aran* in Nepali language. Normally, they would prepare and sell the items mentioned above in their locality and their profit would not be good enough for them to come out of poverty. As the preparation of iron items would involve a lot of lonely efforts including noises produced while beating iron would not allow them to establish more social communications causing them to remain marginalised. MEDEP's support for these blacksmiths was through improvised iron workshop in the form of common facility centre (CFC) where a group of blacksmith could come together and work more efficiently for better profit making. During the time of field study, interactions with groups of blacksmiths revealed that they had been preparing their iron items by maintaining a turn to work in the improvised workshop. Thus, again blacksmiths have been putting their lonely efforts to prepare iron items. In terms of return to investment it was suggested to be quite good which has been found consistent with the responses provided by 18 surveyed MERS.

## Chapter IV: Economic Empowerment

### 4.1 Investment and benefit from micro-enterprises.

The study has found that overall average size of ME in terms of investment was only NPR 38,064 (Table 4.1). When analysed category wise, service-based products/services category was found having the highest investment of NPR 51,069 followed by artisan-based (NPR 47,184), agro-based (NPR 36,168) and forest-based (NPR 34,794). These are indicative of the fact that the investment capacity of MEs is generally low as majority of them are landless, marginalised and hardcore poor.

An analysis into further depth have shown that the products/services or MEs like leather products & shoes (NPR 350,000), fishery (NPR 258,391) and dairy & milk products (NPR 172,142) have been found among the highest investment requiring ones. MEs having leather products & shoes have been found to invest a lot on various sizes of shoe-frames, leather, glues, nails, etc. Likewise, for dairy ME, investment on cow or buffalo has been found quite high as well as they have been investing on feed and medicines. The investment in fishery was found high because the MEs were taking loan from bank and investing on different fish-ponds in groups.

Generally, the forest-based products have been found requiring less investment. The MEs had to invest less on raw materials as they could mostly extract from the forest for low price or for "free".

**Table 4.1: Size and Investment on Micro-Enterprises and Average Income from MEDEP Supported ME.**

S.N.	Products/Services	ME Size (NPR, weighted)	Average Income from MEDEP Supported ME (NPR, weighted)			Benefit/ Cost Ratio
			Gross income	Total Cost	Net Income	
<b>Agro-based</b>		<b>36,168</b>	<b>158,626</b>	<b>63,176</b>	<b>126,575</b>	<b>2.00</b>
1	Off-season vegetables (n=297)	22,256	108,199	48,831	86,545	1.77
2	Strawberry (n=76)	45,682	271,747	103,503	213,080	2.06
3	Riverbed farming (n=72)	10,702	177,382	68,410	159,491	2.33
4	Mushroom (n=88)	19,114	45,092	25,796	32,810	1.27
5	Fishery (n=23)	258,391	672,283	125,091	589,452	4.71
6	Dairy and milk products (n=12)	172,142	427,850	289,063	172,370	0.60
<b>Forest-based</b>		<b>34,794</b>	<b>117,211</b>	<b>70,586</b>	<b>84,325</b>	<b>1.19</b>
1	Allo-processing (n=30)	32,168	160,590	126,692	115,758	0.91
2	Bee keeping (Honey) (n=110)	53,865	82,617	46,452	66,427	1.43
3	Cane furniture & bamboo products (n=51)	24,608	217,080	131,537	123,050	0.94
4	Babiyo Rope making (n=34)	2,511	89,763	48,992	82,639	1.69
5	Pater products (n=13)	17,000	66,654	20,523	55,046	2.68
6	Nettle powder (n=14)	24,000	57,957	22,970	56,862	2.48
7	Incense stick (n=2)	25,000	32,500	27,875	26,025	0.93
<b>Artisan-based</b>		<b>47,184</b>	<b>262,222</b>	<b>161,490</b>	<b>161,647</b>	<b>1.00</b>
1	Dhaka and dhaka products (n=55)	62,473	285,362	185,472	165,583	0.89
2	Laha bangles (n=15)	2,000	232,800	100,900	184,900	1.83
3	Shyama-Panga (n=18)	14,667	53,278	35,195	37,365	1.06

4	Cotton bag (n=8)	24,250	231,669	187,846	142,135	0.76
5	Leather product & shoes (n=2)	350,000	1,849,250	987,625	1,075,625	1.09
<b>Service-based</b>		<b>51,069</b>	<b>316,988</b>	<b>193,896</b>	<b>219,969</b>	<b>1.13</b>
1	Mini-garment (n=60)	59,042	320,448	200,749	223,217	1.11
2	Blacksmith workshop (n=18)	24,495	305,500	171,050	209,142	1.22
	<b>Total</b>	<b>38,064.38</b>	<b>170,636</b>	<b>84,932</b>	<b>126,566</b>	<b>1.49</b>

The overall average net income from MEDEP supported MERS has been found NPR 126,566 and the benefit cost ratio is 1.49. This suggests that on the whole MERS are quite beneficial as total cost has not included household labour cost which could be defined as employment generation. It has been observed that the return in all the products are quite satisfactory, where the hardcore poor and marginalised households of the rural areas have good opportunities for increasing their earnings with manageable investment by becoming MER.

Although net income has not been the highest in absolute term, the agro-based products have been found with highest benefit cost ratio (2.00) followed by forest-based products (1.19), service-based (1.13) and artisan-based (1.00). In general it has become also evident that artisan-based products/services have the highest recurring costs followed by service-based, forest-based and agro-based. This also has suggested that the net income earned by the MERS in comparison to the investment was highest in agro-based MERS and they were mostly the landless and marginalized farmers having no or minimal alternatives income generating activities. Therefore, the MERS have considered MERS as boon to them.

When analysed individual products/services, the fishery have out-stood in benefit cost ratio (4.71) followed by *pater* products (2.68), nettle powder (2.48), riverbed farming (2.33), *Laha* bangles (1.83), off-season vegetables (1.77) and others. Although scale of operation has been quite substantial dairy & milk products has come to the bottom rung of the benefit cost ratio (0.60). Including dairy & milk products, six products/services have been found having benefit cost ratio below 1 suggesting that their operations have been mostly at subsistence level or they have been making their living based on the margins of more frequent turn over. The field observations also suggests that benefit cost ratio of one or just above one means those MERS have been largely surviving on limited margins of frequent turnovers.

## 4.2 Employment Generation

Employment generation is an inherent feature of micro-enterprise development along with the increase in income (please see 4.3 for details on income). The study has shown that a total of 138,833 person days of employment has been generated due to establishment of 998 MERS in the community levels (Table 4.2). Of the total employment generated agro-based products have the largest share 53,741 person days followed by forest-based (30,506), artisan-based (29,063) and service-based (25,523). The study finding has also shown that the proportion of household labour is higher in case of forest-based (86%) and agro-based (84%) as compared to service based (76%) and artisan-based (63%) products/services. This implies that forest-based and agro-based products/services are household labour intensive as compared to others which demand more hired labour.

When compared among all individual products and services, off-season vegetables have generated the highest employment as the largest number of MERS have reported it as their main products. However, *Dhaka* and Dhaka products have generated second highest number of employment generation although it has been sixth in terms of the number of interviews taken

for the study. Likewise mini-garments and tailoring has proven to be third in employment generation although it has been fifth in terms of number of interviews taken. Therefore, these facts exemplify that employment generation potential is higher with these kinds of products/services than other although they might be adopted by many. Incense stick and *pater* products have been found among the lowest employment generating MEs as it was observed that these products were not really as primary products for MEs reported them as primary products.

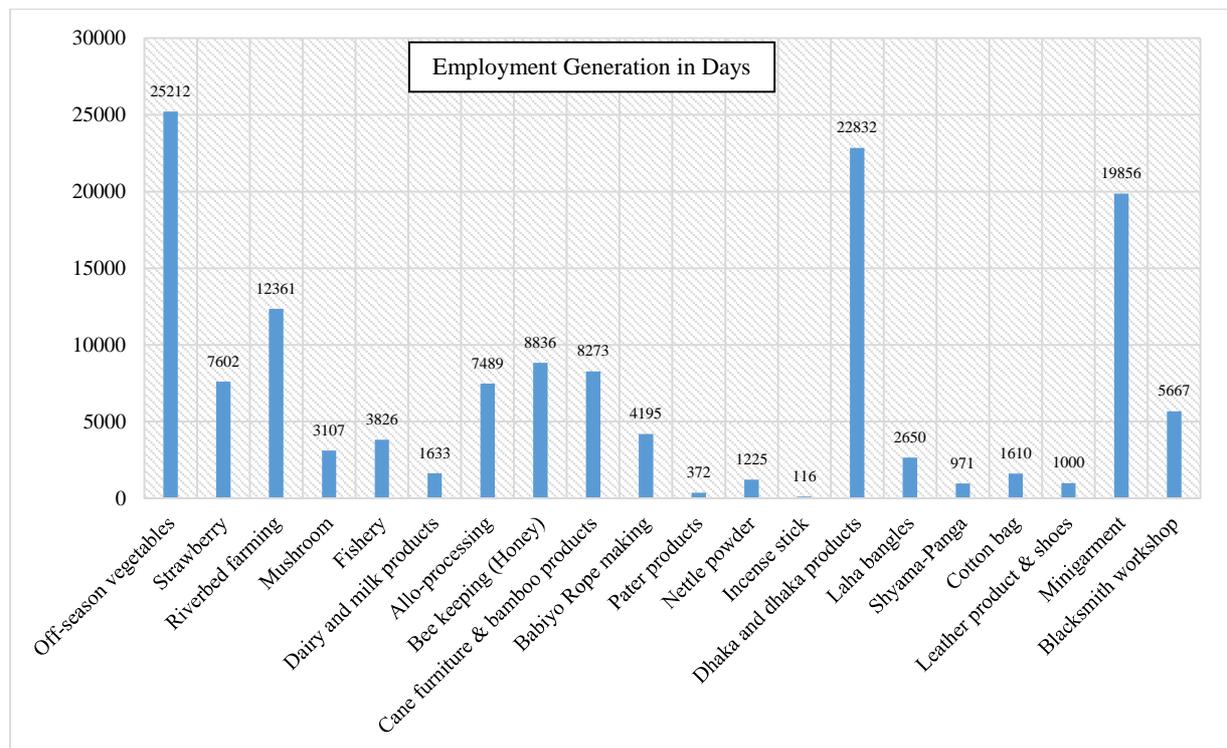
**Table 4.2: Employment generation and average labour utilization in micro-enterprises.**

S.N.	Products/Services	Total Employment generated			Average labour utilised		
		HH Labour	Hired Labour	Total	HH Labour	Hired Labour	Total
<b>Agro-based</b>		<b>45,397</b>	<b>8,344</b>	<b>53,741</b>	<b>93</b>	<b>22</b>	<b>116</b>
1	Off-season vegetables (n=297)	20,745	4,467	25,212	70	15	85
2	Strawberry (n=76)	6,448	1,154	7,602	85	15	100
3	Riverbed farming (n=72)	11,415	946	12,361	159	13	172
4	Mushroom (n=88)	3,069	38	3,107	35	0	35
5	Fishery (n=23)	2,467	1,359	3,826	107	59	166
6	Dairy and milk products (n=12)	1,252	381	1,633	104	32	136
<b>Forest-based</b>		<b>26,337</b>	<b>4,169</b>	<b>30,506</b>	<b>97</b>	<b>16</b>	<b>113</b>
1	Allo-processing (n=30)	5,369	2120	7,489	179	71	250
2	Bee keeping (Honey) (n=110)	8,712	124	8,836	79	1	80
3	Cane furniture & bamboo products (n=51)	6,385	1888	8,273	125	37	162
4	Babiyo Rope making (n=34)	4,192	3	4,195	123	0	123
5	Pater products (n=13)	338	34	372	26	3	29
6	Nettle powder (n=14)	1,225	0	1,225	88	0	88
7	Incense stick (n=2)	116	0	116	58	0	58
<b>Artisan-based</b>		<b>18,253</b>	<b>10810</b>	<b>29,063</b>	<b>184</b>	<b>86</b>	<b>269</b>
1	Dhaka and dhaka products (n=55)	12,502	10330	22,832	227	188	415
2	Laha bangles (n=15)	2,650	0	2,650	177	0	177
3	Shyama-Panga (n=18)	971	0	971	54	0	54
4	Cotton bag (n=8)	1,610	0	1,610	201		201
5	Leather product & shoes (n=2)	520	480	1,000	260	240	500
<b>Service-based</b>		<b>19,365</b>	<b>6158</b>	<b>25,523</b>	<b>260</b>	<b>63</b>	<b>323</b>
1	Minigarment (n=60)	14,298	5558	19,856	238	93	331
2	Blacksmith workshop (n=18)	5,067	600	5667	282	33	315
	<b>Total</b>	<b>109,351</b>	<b>29,481</b>	<b>138,833</b>	<b>134</b>	<b>40</b>	<b>174</b>

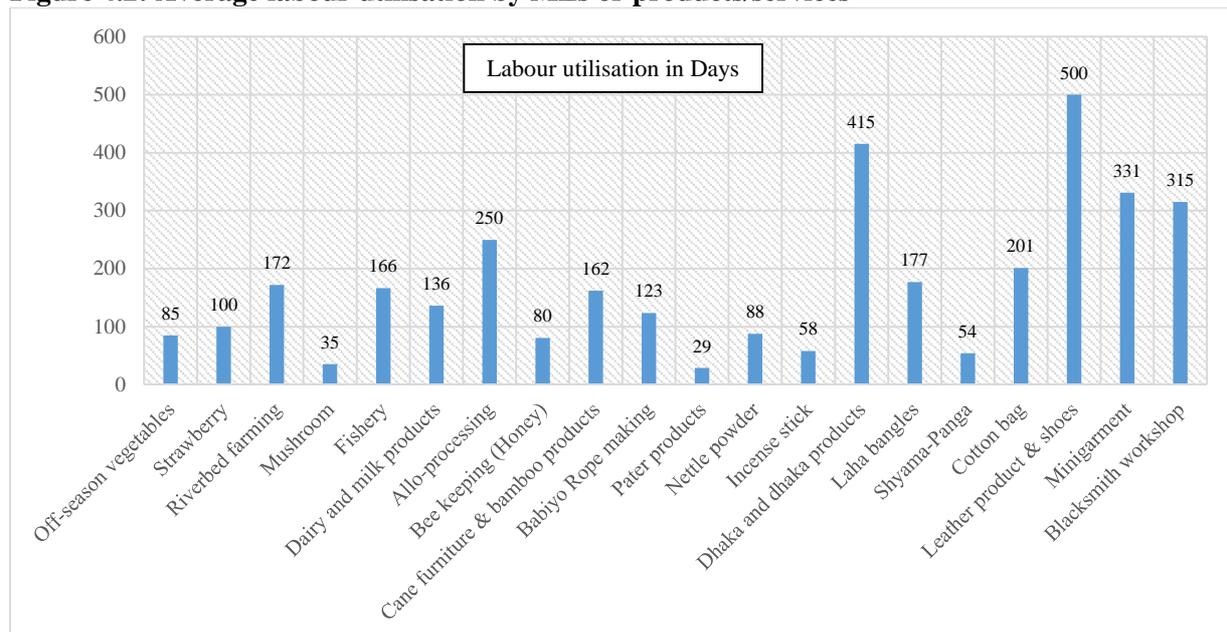
In terms of labour utilisation, total labour required to run a ME has been found to 174 of which 134 is household labour and 34 is hired. Among the four categories of products service-based products have been found highest average labour utilising products (260 person days) followed by artisan-based (184 person days), forest-based (97 person days) and agro-based (93 person days). It was observed that for agro-based and forest-based products due to low opportunity and being engaged with MEs have been a matter of self-employment whereas for service-based and artisan-based products the MEs have to invest on hiring labours.

Analyses of employment generation of within product/service categories reveal some exceptions in utilising household labour as opposed to hired labour. Most of the agro-based products depend more on household labour with the exception of fishery which has been found engaging 35.5 per cent hired labour. Among the forest-based products, incense stick and nettle powder have been found utilising only household labours. Likewise, *Laha* bangles, *Shyama-Panga* and cotton bags have been utilising only household labours.

**Figure 4.1: Generation of employment in different products/services.**



**Figure 4.2: Average labour utilisation by MEs or products/services**



### 4.3 Income generation and Per Capita Income (PCI)

Income of the households covered under the study has two major components: (i) income earned from the micro-enterprise (ME) supported by MEDEP, and (ii) income earned by the MEr and other members of the household from (a) farm income, and (b) cash income. The income computed for both the ME and the MEr's farm and nonfarm income cover the flow of resources in a ME in the past 12 months covering mid-July 2014 to mid-July 2015. Farm income covers the gross values of crops harvested. The harvested values are aggregated across all crops for each ME to obtain a MEr-level estimate from gross agricultural output per household. The net agriculture earnings are computed by deducting input costs such as seeds, fertilizers, and hired labour, net income from livestock covers income from the sale of livestock and selling of milk, ghee, meat, etc.

Cash income has been defined as non-farm income of a MEr. It is computed from salary income, labour wage, remittance and non-agricultural business. Salary income is computed from earning of either the household head and/or other members of the MEr. The labour wage is derived from the earning of received by the MEr's either from agriculture and/or outside agriculture. Remittance is computed from the earnings usually received by the MEr from his/her member(s) working abroad. Similarly non-agricultural business income covers income received by a MEr from any micro-enterprise and/or business other than supported by MEDEP. It also includes other income such as transfer payment in the form of old age, widow, student scholarship, etc. These five categories income are computed as the lump sum annual cash income of each category.

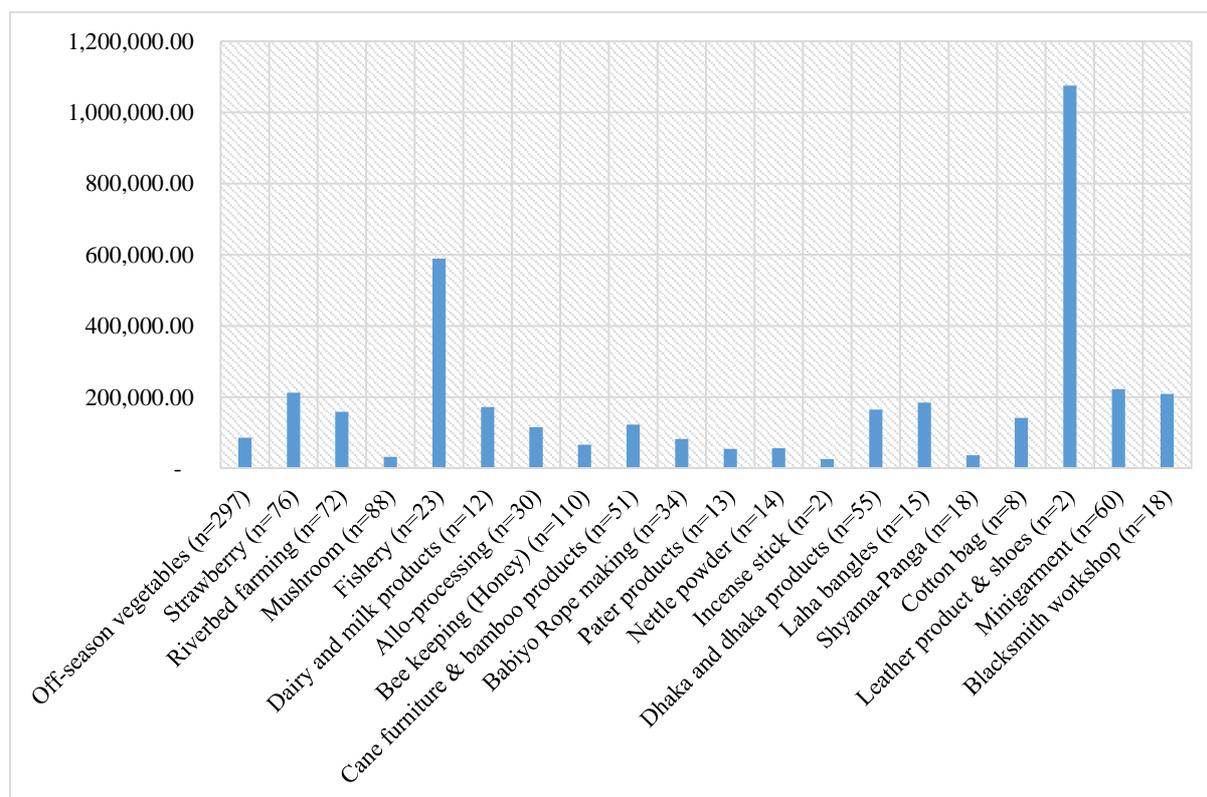
**Table 4.3: Average net-incomes and per capita incomes from MEDEP supported ME and other than MEDEP sources (weighted).**

S.N.	Products/Services	From MEDEP support only		Other than MEDEP support		Overall	
		Net income (NPR)	PCI (NPR)	Net income (NPR)	PCI (NPR)	Net income (NPR)	PCI (NPR)
<b>Agro-based</b>		<b>126,574.55</b>	<b>23,015.39</b>	<b>215,190.33</b>	<b>37,258.18</b>	<b>341,764.88</b>	<b>60,273.57</b>
1	Off-season vegetables (n=297)	86,544.70	16,552.68	294,778.86	50,634.90	381,323.56	67,187.58
2	Strawberry (n=76)	213,079.97	42,240.47	89,254.88	16,727.70	302,334.85	58,968.16
3	Riverbed farming (n=72)	159,490.90	23,350.68	110,584.17	13,885.02	270,075.10	37,235.69
4	Mushroom (n=88)	32,810.29	7,008.04	184,724.03	37,290.94	217,534.32	44,298.97
5	Fishery (n=23)	589,452.17	100,572.41	28,895.65	3,954.93	618,947.82	104,527.33
6	Dairy and milk products (n=12)	172,370.00	27,933.25	251,086.66	40,040.75	423,456.66	67,974.00
<b>Forest-based</b>		<b>84,324.74</b>	<b>16,385.78</b>	<b>206,568.16</b>	<b>36,814.12</b>	<b>290,896.90</b>	<b>53,199.90</b>
1	Allo-processing (n=30)	115,758.33	20,675.25	268,800.23	50,421.24	384,558.56	71,096.49
2	Bee keeping (Honey) (n=110)	66,426.83	14,135.14	199,028.00	33,506.75	218,477.52	47,641.89
3	Cane furniture & bamboo products (n=51)	123,050.10	22,793.31	156,814.61	28,432.44	279,864.71	51,225.75
4	Babiyo Rope making (n=34)	82,638.52	15,242.22	180,758.82	33,484.96	263,127.35	48,727.18
5	Pater products (n=13)	55,045.77	9,127.75	145,661.53	23,603.54	200,707.31	32,731.29
6	Nettle powder (n=14)	56,862.14	12,650.07	451,734.28	87,644.05	508,596.43	100,294.12
7	Incense stick (n=2)	26,025.00	5,205.00	75,000.00	15,000.00	101,025.00	20,205.00
<b>Artisan-based</b>		<b>161,647.34</b>	<b>36,755.7</b>	<b>162,457.20</b>	<b>34,206.77</b>	<b>324,104.55</b>	<b>70,962.47</b>
1	Dhaka and dhaka products (n=55)	165,582.53	38,896.52	229,469.93	48,917.48	395,052.45	87,814.00
2	Laha bangles (n=15)	184,899.73	49,553.23	8,733.33	2,051.67	193,633.07	51,604.90
3	Shyama-Panga (n=18)	37,365.28	8,851.45	57,997.78	11,987.59	95,363.05	20,839.04
4	Cotton bag (n=8)	142,135.00	28,707.00	220,625.00	46,281.25	362,760.00	74,989.10
5	Leather product & shoes (n=2)	1,075,625.00	165,231.25	180,000.00	22,500.00	1,255,625.00	187,731.25
<b>Service-based</b>		<b>219,969.04</b>	<b>46,382.84</b>	<b>193,165.55</b>	<b>40,382.58</b>	<b>413,134.60</b>	<b>86,765.43</b>
1	Minigarment (n=60)	223,217.05	48,192.30	222,753.72	44,690.35	445,970.77	92,882.64
2	Blacksmith workshop (n=18)	209,142.33	40,351.34	94,538.33	26,023.37	303,680.66	66,374.71
<b>Total</b>		<b>126,566.00</b>	<b>24,503.66</b>	<b>206,096.33</b>	<b>37,089.72</b>	<b>332,662.33</b>	<b>61,593.37</b>

As shown in Table 4.3, the study has found that overall average net-income out of MEs supported by MEDEP has come at NPR 126,566 which is over 38 per cent of the total net income. This has demonstrated the fact that the income from MEs have already occupied quite a substantial share of the total income. This shows that income from other than MEDEP supported MEs is about 62 per cent. Assuming that if this 62 per cent equally comprises of on-farm income and other cash income, then the income from ME supported by MEDEP has already outweighed. In addition, even if the proportion of on-farm and non-farm cash income was found to be as 40:60, then the percentage of non-farm income would become just 37 per cent. The major share of non-farm cash income has been found to be remittance. In this way, it can be said that the earning from MEDEP supported MEs has become comparable to remittance earning for MERS.

Likewise, as shown in Table 4.3, the study has found out that share of aggregate PCI of MEs (NPR 24,503.66) supported by MEDEP correspond to the PCI of overall net income (NPR 61,593.37). In other words, the PCI from ME's income supported by MEDEP accounts 36.91 per cent of the PCI of the overall net income. This clearly suggest that the income from MEs have significantly supported in the poverty reduction of MERS at 2014-15 price (i.e. NPR 26,388).

**Figure 4.3: Per Capita Income of MERS received from MEDEP supported micro-enterprises**

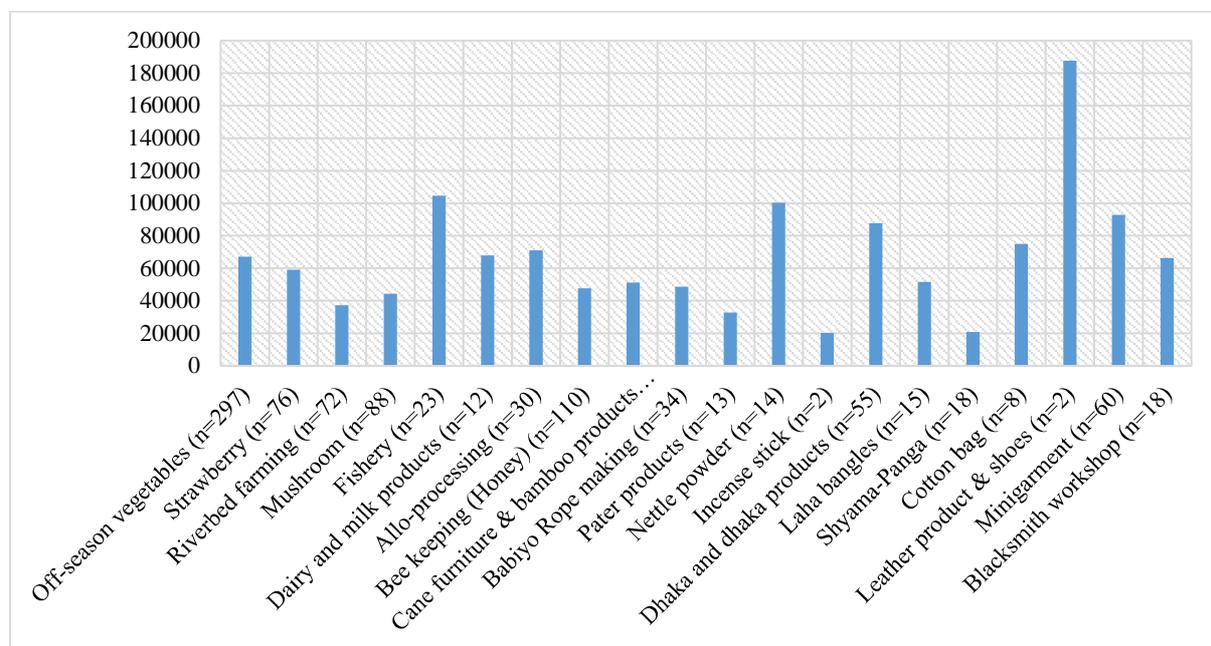


As shown in Table 4.3, when the average net income from MEDEP supported ME's only compared among the categories of products/services the service-based products/services have attained the highest net income (NPR 219,969.04) followed by artisan-based (NPR 161,647.37), agro-based (NPR 126,574.55) and forest-based (NPR 84,324.74). However, similar comparison if made for non-MEDEP part of income, then agro-based MERS have attained the highest net income (NPR 215,190.33) followed by forest-based (NPR 206,568.16),

service-based (NPR 193165.55) and artisan-based (NPR 162,457.20). Yet again the sequence of net income gained change in the case of total net income that service-based has stood up the highest (NPR 413,134.6) followed by agro-based (NPR 341,746.88), artisan-based (NPR 324,104.55) and forest-based (NPR 290,896.20). These have shown that consistently service-based products/services have attained highest income and forest-based products have attained the lowest income. The PCIs also reflect the same pattern.

When compared individual products/services, leather products and shoes have out-stood in net income (NPR 1 million) followed by fishery (NPR 589,452.17), mini-garment (NPR 223,217.05), strawberry (NPR 213,079.97), blacksmith workshop (NPR 209,142.33), *Laha* bangles (NPR 184,899.73), dairy and milk products (NPR 172,370.00), *Dhaka* and dhaka products (NPR 165,582.53), riverbed farming (NPR 159,490.90) and others. A similar pattern could be observed in PCIs.

**Figure 4.4: PCI of MERS as per overall net income**



#### 4.4 Poverty Alleviation

One of the major concern of MEDEP is to target the very poor households of the country and support those households to generate employment and income to alleviate poverty. To achieve this mission, MEDEP has mostly selected the very poor households and tried to develop their skills for establishing micro-enterprises.

To analyze the poverty situation, this section shows:

- poverty level of the individual MERS without including the income earned from MEDEP supported MEs,
- poverty level by including income earned from the MEs supported by MEDEP, and
- poverty level after aggregating the two income sources.

The study used per capita income (PCI) to see the change in the level of income in general and decrease in poverty incidence in particular. For this purpose, the income of individual

household represented by MER were collected. To measure the income, the methodology used by Nepal Living Standards Survey 2010-11 (NLSS III) is utilized (See Annex-6). As defined in the NLSS III, an individual in Nepal is considered poor if his/her per capita total annual income is below NPR 19,261 (at 2010/11 price). Considering this level of income per capita income required to meet the poverty line is estimated at NPR 26,388 (at 2014/15 price).

**Poverty level of MERs with farm and non-farm income (excluding MERs' income)**

Calculating the income of the MERs, it has been found that poverty level would have been 55.61 per cent among the 998 MERs. Of this, 57.39 per cent in agro-based, 53.16 per cent in forest-based, 57.14 per cent in artisan based, and 48.72 per cent in service-based are found below the poverty line.

As the nature of MERs reflects, highest percentage of poverty without adding MERs' income is found among the MERs of *Laha* bangle (100%), blacksmith (83.33%), riverbed farming (79.17%), *pater* (76.92%), cane furniture (72.55%), and *babiyo* (61.76%).

**Poverty level of MERs with MERs' income (including farm and non-farm income)**

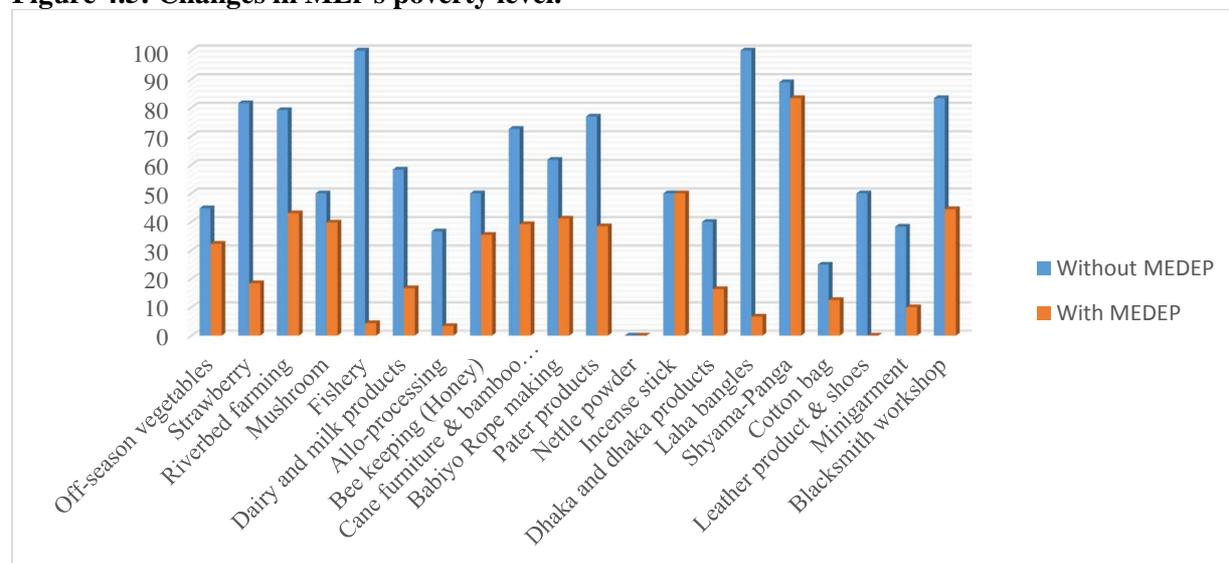
Including the MERs' income in the farm and non-farm income of the MERs, the scenario completely changes. The results show that a total of 29.96 percent of the MERs still remain below the poverty line.

MERs of off-season farming, riverbed farming, mushroom, beekeeping, cane furniture, *babiyo* rope making, *pater* products, *Shyama-Panga*, and blacksmith still remain above the computed average poverty level of 998 MERs.

**Change in MERs poverty level due to MEDEP's intervention**

The changes in poverty level are significant. In agro-based MERs, head count of MERs below the poverty line has found decreased from 326 to 179, a decrease of 82.12 %. Similarly, in forest-based, 55 (68.75%) moved out of poverty, in artisan-based 30 (115.38%), and in service-based 24 (171.43%).

**Figure 4.5: Changes in MER's poverty level.**



**Table 4.4: MErs below and above the poverty line  
(Based on aggregate farm & non-farm income without MEDEP ME's income)**

S.N.	Products/Services	MErs below and above the poverty line (Aggregate Farm & Non-farm income without ME's income)			
		Below the line	Above the line	Total	% below the poverty line
<b>Agro-based</b>		<b>326</b>	<b>242</b>	<b>568</b>	<b>57.39</b>
1	Off-season vegetables (n=297)	133	164	297	45
2	Strawberry (n=76)	62	14	76	82
3	Riverbed farming (n=72)	57	15	72	79
4	Mushroom (n=88)	44	44	88	50
5	Fishery (n=23)	23	0	23	100
6	Dairy and milk products (n=12)	7	5	12	58
<b>Forest-based</b>		<b>135</b>	<b>119</b>	<b>254</b>	<b>53.15</b>
1	Allo-processing (n=30)	11	19	30	37
2	Bee keeping (Honey) (n=110)	55	55	110	50
3	Cane furniture & bamboo products (n=51)	37	14	51	73
4	Babiyo Rope making (n=34)	21	13	34	62
5	Pater products (n=13)	10	3	13	77
6	Nettle powder (n=14)	0	14	14	0
7	Incense stick (n=2)	1	1	2	50
<b>Artisan-based</b>		<b>56</b>	<b>42</b>	<b>98</b>	<b>57.14</b>
1	Dhaka and dhaka products (n=55)	22	33	55	40
2	Laha bangles (n=15)	15	0	15	100
3	Shyama-Panga (n=18)	16	2	18	89
4	Cotton bag (n=8)	2	6	8	25
5	Leather product & shoes (n=2)	1	1	2	50
<b>Service-based</b>		<b>38</b>	<b>40</b>	<b>78</b>	<b>48.72</b>
1	Minigarment (n=60)	23	37	60	38
2	Blacksmith workshop (n=18)	15	3	18	83
<b>Total</b>		<b>555</b>	<b>443</b>	<b>998</b>	<b>55.61</b>

**Table 4.5: MErs below and above the poverty line  
(Based on total income from household farm & non-farm income with MEDEP ME's income)**

S.N.	Products/Services	MErs below and above the poverty line (Farm & Non-farm income including ME's income) 2014/15			
		Below the line	Above the line	Total	% below the poverty line
<b>Agro-based</b>		<b>179</b>	<b>389</b>	<b>568</b>	<b>31.51</b>
1	Off-season vegetables (n=297)	96	201	297	32.32
2	Strawberry (n=76)	14	62	76	18.42
3	Riverbed farming (n=72)	31	41	72	43.06
4	Mushroom (n=88)	35	53	88	39.77
5	Fishery (n=23)	1	22	23	4.35
6	Dairy and milk products (n=12)	2	10	12	16.67
<b>Forest-based</b>		<b>80</b>	<b>174</b>	<b>254</b>	<b>31.50</b>
1	Allo-processing (n=30)	1	29	30	3.33
2	Bee keeping (Honey) (n=110)	39	71	110	35.45
3	Cane furniture & bamboo products (n=51)	20	31	51	39.22
4	Babiyo Rope making (n=34)	14	20	34	41.18
5	Pater products (n=13)	5	8	13	38.46
6	Nettle powder (n=14)	0	14	14	0.00
7	Incense stick (n=2)	1	1	2	50.00
<b>Artisan-based</b>		<b>26</b>	<b>72</b>	<b>98</b>	<b>26.53</b>
1	Dhaka and dhaka products (n=55)	9	46	55	16.36
2	Laha bangles (n=15)	1	14	15	6.67
3	Shyama-Panga (n=18)	15	3	18	83.33
4	Cotton bag (n=8)	1	7	8	12.50
5	Leather product & shoes (n=2)	0	2	2	0.00
<b>Service-based</b>		<b>14</b>	<b>64</b>	<b>78</b>	<b>17.95</b>
1	Minigarment (n=60)	6	54	60	10.00

2	Blacksmith workshop (n=18)	8	10	18	44.44
	<b>Total</b>	<b>299</b>	<b>699</b>	<b>998</b>	<b>29.96</b>

**Table 4.6: Changes in Level of Poverty of MErs**

S.N.	Products/Services	Change in MErs poverty line due to MEDEP's intervention			
		With MEDEP's support	Without MEDEP's support	Decrease in Number MErs	Decrease in %
<b>Agro-based</b>		<b>179</b>	<b>326</b>	<b>147</b>	<b>82.12</b>
1	Off-season vegetables (n=297)	96	133	37	38.54
2	Strawberry (n=76)	14	62	48	342.86
3	Riverbed farming (n=72)	31	57	26	83.87
4	Mushroom (n=88)	35	44	9	25.71
5	Fishery (n=23)	1	23	22	2200.00
6	Dairy and milk products (n=12)	2	7	5	250.00
<b>Forest-based</b>		<b>80</b>	<b>135</b>	<b>55</b>	<b>68.75</b>
1	Allo-processing (n=30)	1	11	10	1000.00
2	Bee keeping (Honey) (n=110)	39	55	16	41.03
3	Cane furniture & bamboo products (n=51)	20	37	17	85.00
4	Babiyo Rope making (n=34)	14	21	7	50.00
5	Pater products (n=13)	5	10	5	100.00
6	Nettle powder (n=14)	-	-	-	
7	Incense stick (n=2)	1	1	-	0.00
<b>Artisan-based</b>		<b>26</b>	<b>56</b>	<b>30</b>	<b>115.38</b>
1	Dhaka and dhaka products (n=55)	9	22	13	144.44
2	Laha bangles (n=15)	1	15	14	1400.00
3	Shyama-Panga (n=18)	15	16	1	6.67
4	Cotton bag (n=8)	1	2	1	100.00
5	Leather product & shoes (n=2)	-	1	1	0.00
<b>Service-based</b>		<b>14</b>	<b>38</b>	<b>24</b>	<b>171.43</b>
1	Minigarment (n=60)	6	23	17	283.33
2	Blacksmith workshop (n=18)	8	15	7	87.50
	<b>Total</b>	<b>299</b>	<b>555</b>	<b>256</b>	<b>85.62</b>

#### 4.5 Microenterprise, employment and income generation, and poverty reduction

The above discussion shows that micro-enterprise contributes to the reduction of poverty and vulnerability of poor through enabling them to break the vicious cycle of poverty and also enabling them to enhance self-empowerment, respect and social dignity. Considering the experience, it has allowed poor people to increase their income, accumulate assets, and enter into mainstream society. Promoting microenterprise sector as a safety net for unemployed people in the societies where unemployment insurance is not available. The MEDEP MErs have created self-employment for themselves through starting and sustaining micro-enterprises.

Nonetheless, as voiced in FGDs, the formal sector financial institutions have not been very effective to the MEDEP's targeted MErs due to lack of collateral requirement, credit rationing, and bureaucratic and lengthy procedure of loan sanctioning. It was viewed that women were more constrained than men in accessing credit facilities, although women MErs require smaller amount of capital for startups. Although women have gained small loans from the community-

based group savings, they have not been able to access loans from the banks and other financial institutions due to collateral requirements of the banks.

In conclusion, following observations are made:

- i. The benefits of starting micro-enterprises go beyond an individual and a household, the communities have become core micro-centers for employment and income generation.
- ii. Employment and income of the MERS have increased and together with their farm and non-farm income, the average income of the MERS has increased significantly.
- iii. The per capita income of the households involved in the MEDEP supported MEs ranges from a minimum of NPR 5,205 (in incense stick) to NPR 165,251 (leather and leather product).
- iv. Due to increased income the poverty level has also decreased. Among the 555 MERS below the poverty line, 299 MERS (53.9%) were found moved out from the poverty level.

## Chapter V: Social Empowerment

### 5.1 Gender Equality and Social Inclusion (GESI)

One of the main impacts of MEDEP's interventions in the districts has been a great improvement in promoting gender equality, women's empowerment and social inclusion among the most marginalized hard core poor. From its inception phase of the project in 1998, micro-enterprises were considered to be more favourable ways to promote gender equality by engaging women in economically 'gainful' work.

After 17 years of interventions, the 4<sup>th</sup> phase of the project aims to assess the mass impacts on micro-entrepreneurs and contribution to national economy of the selected products and services. Thus one of the specific objectives of the study is also to determine the socio economic empowerment in terms of Gender Equality and Social Inclusion (GESI).

Hence, the assessment aims to cover all aspects of socio-economic empowerment that include economy, education, health and social security including gender equality and social inclusion. This also attempts to indicate direct and indirect contributions of the Micro Enterprise sector towards achieving Millennium Development Goals (MDG).

Based on the field observation, surveys, census data of sample districts of MEDEP's MIS and FGDs with Mers and stakeholders, this Chapter presents the assessment of social empowerment - the level of gender equality and social inclusion - that contributes to mass impact on Mers together with the economic impacts as explained in Chapter IV (above).

#### Box 5.1: Gender Equality

Gender equality is achieved when women and men enjoy the same rights and opportunities across all sectors of society, including economic participation and decision-making, and when the different behaviours, aspirations and needs of women and men are equally valued and favoured

#### Measuring Gender Equality

Gender equality is measured by looking at the representation of men and of women in a range of roles. A number of international comparative gender equality indices have been prepared and these offer a way to compare the level of achievements in gender equality. The UN Gender Inequality Index (UN/GII) is based on the premise that "too often, women and girls are discriminated against in health, education and the labour market with negative repercussions for their freedom". The UN GII is a measure of inequalities based on these inequalities.

The gaps between availability of resources and its usage can be narrowed down if women, youths, socially excluded and disadvantaged groups are provided skills to operate micro-enterprises in Nepal.

Government of Nepal has considered micro-enterprise sector as one of the effective tools of poverty alleviation and economic development towards achieving gender equality and social inclusion.

## 5.2 Dimensions of women's empowerment and social inclusion

From the field survey as presented in Table 5.1 (below) 74.43 per cent respondents were women which is indicative of the fact about MEDEP's systematic effort to promote women entrepreneurs. It shows that women's participation in those districts and for the product selected are almost 4 times higher than that of men, except in the case of Siraha district. This does not infer that men are less economically active as they could be engaged in other economic areas outside of MEDEP's programme. This indicates how women are pacing up with men given the conducive opportunity, skills, techniques and enabling environment. However, in terms of social inclusion, the percentage of Hill and Tarai *Dalits* and Muslims are less representative compared to the other community.

**Table 5.1: Distribution of respondents by gender.**

S.N.	District	Gender			Percentage of women
		Men	Women	Total	
1	Tehrathum	24	83	107	77.57
2	Siraha	47	38	85	44.71
3	Nuwakot	59	77	136	56.62
4	Rasuwa	25	82	107	76.64
5	Nawalparasi	15	100	115	86.96
6	Myagdi	12	88	100	88.00
7	Dang	20	119	139	85.61
8	Rolpa	25	74	99	74.75
9	Kailali	20	103	123	83.74
10	Dadeldhura	34	54	88	61.36
Total		281	818	1099	74.43

Similarly, MEDEP's effort in social inclusion could be seen with distribution of respondents by their ethnicity as presented in Table 5.2.

**Table 5.2: Distribution of respondents/participation by ethnicity.**

S.N.	District	Ethnicity								Total
		Hill Janajati	Tarai Janajati	Hill Dalit	Tarai Dalit	Hill BCTS	Tarai BCTS	Muslim	Other Madhesi	
1	Tehrathum	59	0	9	0	39	0	0	0	107
2	Siraha	1	7	0	22	0	1	12	42	85
3	Nuwakot	101	0	2	0	33	0	0	0	136
4	Rasuwa	74	0	10	0	23	0	0	0	107
5	Nawalparasi	44	30	7	2	31	0	1	0	115
6	Myagdi	39	9	6	0	46	0	0	0	100
7	Dang	18	86	4	0	29	0	2	0	139
8	Rolpa	67	0	3	0	29	0	0	0	99
9	Kailali	0	78	18	1	26	0	0	0	123
10	Dadeldhura	5	0	13	0	70	0	0	0	88
Total		408	210	72	25	326	1	15	42	1099
Percentage		37.12	19.11	6.55	2.27	29.66	0.09	1.36	3.82	100.00

While the participation in the enterprises reflect a very good trend of inclusion in all aspects, enterprises compared to the participation pattern of 15 years ago. Also as reflected in the impact assessment carried out in 2010 reflect that *Dalits* represent only 23% of the targeted participants. In this study, the distribution of respondents of three ethnic communities is concentrated mostly in few districts (Siraha, Kailali, Dadeldhura) and on specific products (*Laha* bangles, *Shyama-Panga*) as shown in the Table below, which represents, to some extent the professions and skills training provided are based on culture and gender. However, in some cases, an increasing trend of traditionally excluded groups of *Dalits* and *Muslims* are adopting other economically viable enterprises of high value crops/products such as mushroom, strawberry, bee keeping, off seasonal vegetables, river bed farming and *Dhaka* products.

**Table 5.3: Distribution of respondents by ethnicity in different products/services category (active only).**

S.N.	Products/Services	Hill Janajati	Tarai Janajati	Hill Dalit	Tarai Dalit	Hill BCTS	Tarai BCTS	Muslim	Other Madhesi	Total HH
<b>Agro-based</b>		<b>188</b>	<b>133</b>	<b>23</b>	<b>18</b>	<b>161</b>	-	<b>8</b>	<b>37</b>	<b>568</b>
1	Off-season vegetables (n=297)	92	37	21	1	146	-	-	-	297
2	Strawberry (n=76)	74	-	1	-	1	-	-	-	76
3	Riverbed farming (n=72)	1	32	-	17	-	-	6	16	72
4	Mushroom (n=88)	11	63	1	-	11	-	2	-	88
5	Fishery (n=23)	1	1	-	-	-	-	-	21	23
6	Dairy and milk products (n=12)	9	-	-	-	3	-	-	-	12
<b>Forest-based</b>		<b>73</b>	<b>42</b>	<b>16</b>	<b>1</b>	<b>118</b>	-	-	<b>4</b>	<b>254</b>
1	Allo-processing (n=30)	22	-	1	-	7	-	-	-	30
2	Bee keeping (Honey) (n=110)	19	4	11	-	76	-	-	-	110
3	Cane furniture & bamboo products (n=51)	14	14	2	-	17	-	-	4	51
4	Babiyo Rope making (n=34)	15	11	1	1	6	-	-	-	34
5	Pater products (n=13)	-	13	-	-	-	-	-	-	13
6	Nettle powder (n=14)	1	-	1	-	12	-	-	-	14
7	Incense stick (n=2)	2	-	-	-	-	-	-	-	2
<b>Artisan-based</b>		<b>24</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>6</b>	<b>1</b>	<b>43</b>
1	Dhaka and dhaka products (n=55)	38	2	6	1	7	-	-	1	55
2	Laha bangles (n=15)	-	2	-	5	-	1	6	1	15
3	Shyama-Panga (n=18)	18	-	-	-	-	-	-	-	18
4	Cotton bag (n=8)	6	-	-	-	2	-	-	-	8
5	Leather product & shoes (n=2)	-	-	2	-	-	-	-	-	2
<b>Service-based</b>		<b>32</b>	<b>22</b>	<b>19</b>	-	<b>1</b>	<b>4</b>	-	-	<b>78</b>
1	Minigarment (n=60)	27	22	7	-	-	4	-	-	60
2	Blacksmith workshop (n=18)	5	-	12	-	1	-	-	-	18

From the interview with MERs and FGDs, it has been confirmed that both women and men from all ethnic groups have higher income from their enterprises. The marginalized communities were able to access the opportunities for independent earnings which have made them economically empowered and affected their lives in all other aspects of social norms.

### 5.3 Dimensions of institutional leadership

Women have become more confident in decision making with respect to activities from the selection of enterprise/product and the use of profit from micro enterprise. Similarly their economic literacy has also improved and their financial security, to some extent, has been supported by the savings of group members.

With extra earnings and potential opportunities of expansion of enterprises, women have been able to use their assets for higher value crops/products. The women and marginalized groups have also experienced improved food security both in terms of increased production from own land and with increased capacity to purchase food grains to meet household food requirements.

Almost all respondents have received primary training (TOPE and TOSE) one way or other. During the interviews and in the focused group discussions, the large majority of entrepreneurs (mainly women and marginalized) acknowledged that they have received training more than once and confirm the importance of these training to initiate their own activities. These training not only provided them with skills and knowledge of enterprises but more for their confidence building in expressing their views and concerns. It is only because of their involvement in MEDEP supported enterprises, their social status as well as their participation in decision making process of community wellbeing has been strengthened and recognized. Access to information and exposure to various issues enhanced their confidence. The women and other socially excluded people have also become members of community based organizations (CBOs) in the area. This has further led them to take meaningful and leadership roles in different positions of community based organizations. Table 5.4 reflects their gradual trends in taking up leadership positions.

Leadership qualities of women entrepreneurs through MEDEP interventions have made rippling effect in the community. Women are receiving more recognition of their abilities and contribution not only in the society but also in the political field. They are invited to participate in various decision making process of community and political arena. They have also been able to expand their network and become active in different advocacy groups for bringing policy changes as well as demanding their rights.

**Table 5.4: Distribution of key executive and other positions among different economic categories of MERS (1998-2012).**

S.N.	District	Hardcore Poor						Lower middle						Non Hardcore Poor						Total organised in MEGs	Total not-organised in MEGs	Total not-organised in MEGs
		Chairperson		Secretary		Others		Chairperson		Secretary		Others		Chairperson		Secretary		Others				
		n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%			
1	Terhathum	125	10.74	117	10.05	693	59.54	7	0.60	11	0.95	30	2.58	27	2.32	22	1.89	132	11.34	1164	396	1560
2	Siraha	37	4.60	16	1.99	604	75.03	0	-	1	0.12	2	0.25	14	1.74	4	0.50	127	15.78	805	30	835
3	Nuwakot	43	3.51	40	3.27	334	27.29	17	1.39	13	1.06	155	12.66	75	6.13	67	5.47	480	39.22	1224	474	1698
4	Rasuwa	124	8.55	113	7.79	716	49.35	8	0.55	7	0.48	54	3.72	64	4.41	51	3.51	314	21.64	1451	175	1626
5	Nawalparasi	191	9.22	175	8.45	1085	52.36	1	0.05	0	-	6	0.29	101	4.87	92	4.44	421	20.32	2072	18	2090
6	Myagdi	54	3.98	69	5.08	539	39.69	18	1.33	11	0.81	84	6.19	74	5.45	57	4.20	452	33.28	1358	201	1559
7	Kailali	56	5.57	47	4.68	661	65.77	2	0.20	1	0.10	21	2.09	18	1.79	16	1.59	183	18.21	1005	243	1248
8	Dadeldhura	94	6.84	84	6.11	805	58.59	3	0.22	3	0.22	51	3.71	34	2.47	30	2.18	270	19.65	1374	378	1752
9	Jumla	53	8.15	55	8.46	379	58.31	0	-	0	-	5	0.77	21	3.23	18	2.77	119	18.31	650	44	694
	<b>Total</b>	<b>777</b>	<b>7.00</b>	<b>716</b>	<b>6.45</b>	<b>5816</b>	<b>52.38</b>	<b>56</b>	<b>0.50</b>	<b>47</b>	<b>0.42</b>	<b>408</b>	<b>3.67</b>	<b>428</b>	<b>3.85</b>	<b>357</b>	<b>3.22</b>	<b>2498</b>	<b>22.50</b>	<b>11103</b>	<b>1959</b>	<b>13062</b>

(Note: n = number of MERS).

**Table 5.5: Chairperson from among the hardcore poor by gender and ethnicity (1998-2012).**

S.N.	District	Ethnicity and gender																Total
		Hill Janajati		Tarai Janajati		Hill Dalit		Tarai Dalit		Hill BCTS		Tarai BCTS		Muslim		Other Madhesi		
		Men	Wmn	Men	Wmn	Men	Wmn	Men	Wmn	Men	Wmn	Men	Wmn	Men	Wmn	Men	Wmn	
1	Terhathum	21	36	0	0	7	7	0	0	17	37	0	0	0	0	0	0	125
2	Siraha	2	5	1	1	0	0	11	3	0	0	1	0	4	2	5	2	37
3	Nuwakot	5	10	0	0	3	2	0	0	5	17	0	0	0	1	0	0	43
4	Rasuwa	11	71	0	0	4	5	0	0	2	31	0	0	0	0	0	0	124
5	Nawalparasi	18	35	4	19	13	7	4	11	27	37	1	5	0	2	3	5	191
6	Myagdi	11	23	0	0	4	4	2	10	0	0	0	0	0	0	0	0	54
7	Kailali	2	2	6	36	0	0	0	5	1	4	0	0	0	0	0	0	56
8	Dadeldhura	1	2	18	8	0	0	0	0	21	44	0	0	0	0	0	0	94
9	Jumla	1	2	0	0	9	6	0	0	21	14	0	0	0	0	0	0	53
<b>Total</b>		<b>72</b>	<b>186</b>	<b>29</b>	<b>64</b>	<b>40</b>	<b>31</b>	<b>17</b>	<b>29</b>	<b>94</b>	<b>184</b>	<b>2</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>8</b>	<b>7</b>	<b>777</b>

**Table 5.6: Secretaries from among the Hard Core Poor by gender and ethnicity (1998-2012).**

S.N.	District	Ethnicity and gender																Total
		Hill Janajati		Tarai Janajati		Hill Dalit		Tarai Dalit		Hill BCTS		Tarai BCTS		Muslim		Other Madhesi		
		Men	Wmn	Men	Wmn	Men	Wmn	Men	Wmn	Men	Wmn	Men	Wmn	Men	Wmn	Men	Wmn	
1	Terathum	26	23	0	0	8	8	0	0	18	34	0	0	0	0	0	0	117
2	Siraha	0	1	0	0	0	0	1	3	0	0	0	0	1	2	5	3	16
3	Rasuwa	5	8	0	0	1	2	0	0	12	12	0	0	0	0	0	0	40
4	Nuwakot	15	64	0	0	2	5	0	0	4	23	0	0	0	0	0	0	113
5	Nawalparasi	17	28	7	12	7	18	7	6	18	37	2	4	1	1	7	3	175
6	Myagdi	11	27	0	0	2	8	0	0	5	16	0	0	0	0	0	0	69
7	Kailali	1	1	8	25	1	2	0	0	0	9	0	0	0	0	0	0	47
8	Dadeldhura	2	1	0	0	20	7	0	0	34	20	0	0	0	0	0	0	84
9	Jumla	2	2	0	0	10	5	0	0	20	16	0	0	0	0	0	0	55
<b>Total</b>		<b>79</b>	<b>155</b>	<b>15</b>	<b>37</b>	<b>51</b>	<b>55</b>	<b>8</b>	<b>9</b>	<b>111</b>	<b>167</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>12</b>	<b>6</b>	<b>716</b>

One of the most interesting phenomena noted was that the positions earlier occupied mostly by higher ethnic caste have now been replaced by the members from the marginalized groups. This has helped improve harmony in the community.

#### 5.4 General membership, an indicator of empowerment

The analysis of the MIS database show that the proportion of memberships in the MEGs and MEGAs is to the number of MERs in total on the whole was 85 percent; an index that has been chosen to show the magnitude of the process of empowerment. Many of the districts have crossed the 80 per cent level. Yet 15 per cent of the MERs have not joined this important stage of empowerment.

**Table 5.7: General membership, an indicator of empowerment.**

<b>Districts</b>	<b>Members</b>	<b>Total MErs</b>	<b>Per cent</b>
Tehrathum	1,164	1,560	74.62
Siraha	805	835	96.41
Rasuwa	1,451	1,626	89.24
Nuwakot	1,224	1,698	72.08
Nawalparasi	2,072	2,090	99.14
Myagdi	1,358	1,559	87.11
Kailali	1,005	1,248	80.53
Dadeldhura	1,374	1,752	78.42
Jumla	650	694	93.66
<b>Total</b>	<b>11,103</b>	<b>13,062</b>	<b>85.00</b>

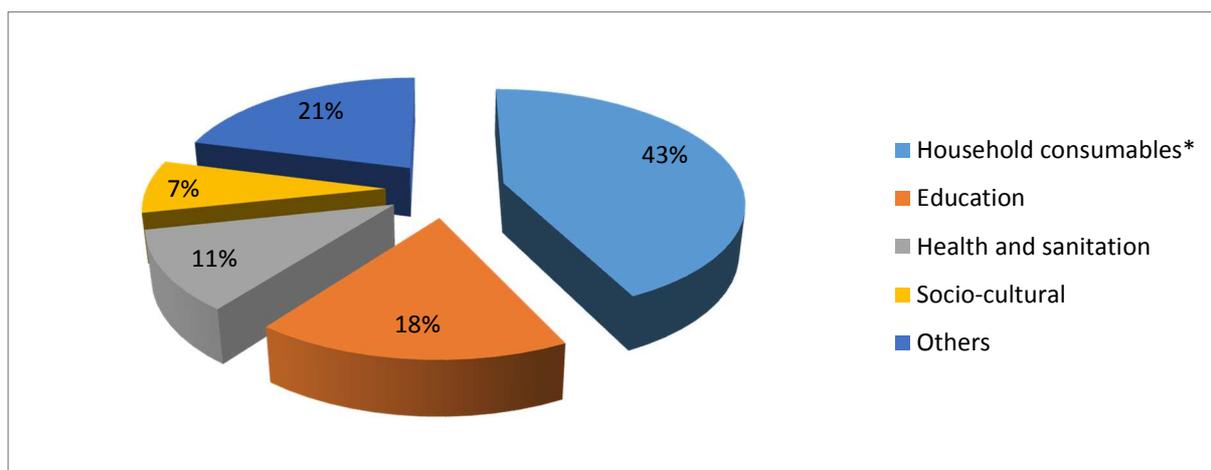
Dadeldhura recorded a below 80 per cent level of membership at 78.42 per cent. Tehrathum has only three-fourths of its MErs to have taken memberships in MEGs. The poorest performer seemed Nuwakot as only 72.08 per cent of the total MErs in the district did take MEG membership.

### **5.5 Expenditure as source of empowerment of MErs**

The earlier sections have shown that the income levels attained by MErs as a result of MEDEP support were quite significant. Survey results and the impressions gathered from FGDs on expenditures made by the MErs were similar. As a result of right choice of MEs and the rise in income not only their poverty levels were reduced, but also capacity of spending for household consumption such as for food grains, pulses, milk, egg, oil etc has improved. The findings on expenditure, on an average, was reported to be NPR 99,470 for such items. Similarly, expenditure on education was also quite high at NPR 40,712. While it was noted earlier (in Chapter IV) that about 38 per cent share of the total income of the MEr household was due to MEDEP supported ME, the level of expenditures for MErs have been found quite encouraging.

Apart from household consumption, spending have been high for social purposes, health and sanitation, and education. FGDs also indicated that spending have been on the rise mainly for education, sanitation and communication. All these outcomes indicate to the rise of empowerment of 74 per cent of women, and others who have participated in the MEDEP. The programme has shown wide mass impact on micro-entrepreneurs, as many of them have gained from increased ability to spend through their earnings which include sustainable long term returns through their investment in areas such as education, and health and sanitation. While the effects of such spending will contribute for life long period and beyond, their increased capacity to spend for socio-cultural purposes, as opined by FGD participants, will enable communities to maintain coherence and harmony in the society.

**Figure 5.1: Share of expenditure in per cent as source of empowerment of MERS**



\*Consumables include food items (food grains, pulses, milk, meat, egg, oil, sugar, spices, etc.) and fuels.

Access to information and exposures on various issues have increased the understanding and knowledge about health care and significance of education motivated the micro-entrepreneurs across all social groups to spend their increased income on education and family's health. Their expenditure pattern in the table below reflects how their earnings from different products/enterprises have been utilized in the areas of education, health and sanitation and other community wellbeing.

The expenditure pattern has shown that most of the children of the target groups are now receiving quality education. The family members are getting better health services. They have better housing facilities with toilets. In all 10 districts, significant improvements in reducing of discriminatory practices such as untouchability, child marriage, and chhaupadi have been noted. Some enterprises related to food and beverages are also established by Dalits – an indication of their social acceptance and harmony and ultimately social empowerment.

The products like honey, strawberry, and mushroom have strengthened the social fabric and family commitment. In many cases, the family members are found to be more willing to participate and establish micro-enterprises which have helped achieve social transformation.

**Table 5.8: Household expenditure of micro-entrepreneurs**

S.N.	Products/Services	Household consumables*	Education	Health and sanitation		Socio-cultural	Others	Total Expenditure
<b>Overall</b>		<b>99469.7</b>	<b>40712.91</b>	<b>26170.01</b>		<b>17472.92</b>	<b>48530.98</b>	<b>232251.3</b>
<b>Agro-based</b>		<b>99,975.01</b>	<b>41,002.62</b>	<b>24,524.01</b>		<b>18,439.91</b>	<b>51,157.77</b>	<b>235,099.33</b>
1	Off-season vegetables (n=297)	116,860.50	50,832.66	28,646.30		20,138.72	56,106.20	272,584.38
2	Strawberry (n=76)	94,075.03	34,003.94	23,665.53		27,532.89	72,239.50	251,516.89
3	Riverbed farming (n=72)	70,723.33	15,756.11	14,926.67		12,966.67	32,955.28	147,328.06
4	Mushroom (n=88)	72,999.89	27,232.38	15,677.95		12,659.88	33,527.72	162,097.82
5	Fishery (n=23)	91,665.21	50,086.96	27,069.56		3,673.91	38,646.95	211,142.59
6	Dairy and milk products (n=12)	108,680.83	77,083.33	45,510.00		22,333.33	57,647.50	311,254.99
<b>Forest-based</b>		<b>101,844.24</b>	<b>38,795.95</b>	<b>29,801.26</b>		<b>15,262.20</b>	<b>45,439.27</b>	<b>231,142.92</b>
1	Allo-processing (n=30)	110,614.00	40,065.00	22,860.00		19,150.00	42,189.50	234,878.50
2	Bee keeping (Honey) (n=110)	84,780.34	44,123.83	37,894.00		16,310.00	58,690.36	241,798.53
3	Cane furniture & bamboo products (n=51)	138,077.84	31,462.74	23,533.33		11,519.60	35,742.35	240,335.86
4	Babiyo Rope making (n=34)	77,289.26	21,794.11	22,290.59		10,867.64	27,675.29	159,916.89
5	Pater products (n=13)	138,870.00	33,692.31	29,369.23		24,692.30	40,440.00	267,063.84
6	Nettle powder (n=14)	110,305.00	70,357.14	22,392.85		15,071.43	33,628.57	251,754.99
7	Incense stick (n=2)	102,390.00	15,000.00	31,000.00		9,500.00	29,750.00	187,640.00
<b>Artisan-based</b>		<b>89,190.54</b>	<b>46,941.02</b>	<b>22,955.00</b>		<b>11,448.98</b>	<b>35,596.22</b>	<b>206,131.76</b>
1	Dhaka and dhaka products (n=55)	76,844.42	31,994.90	32,969.45		12,300.00	39,906.00	194,014.77
2	Laha bangles (n=15)	59,286.67	3,600.00	2,953.33		1,946.67	22,886.66	90,673.33
3	Shyama-Panga (n=18)	91,055.56	91,055.55	13,194.44		12,000.00	29,194.44	236,499.99
4	Cotton bag (n=8)	138,656.61	118,750.00	13,558.75		18,162.50	37,000.00	326,127.86
5	Leather product & shoes (n=2)	119,423.00	98,750.00	23,000.00		27,500.00	64,400.00	333,073.00
<b>Service-based</b>		<b>100,972.43</b>	<b>37,020.51</b>	<b>30,370.77</b>		<b>25,198.72</b>	<b>54,375.64</b>	<b>247,938.07</b>
1	Minigarment (n=60)	99,696.17	43,393.33	32,720.33		16,233.33	55,292.66	247,335.82
2	Blacksmith workshop (n=18)	105,226.66	15,777.77	22,538.88		55,083.33	51,318.88	249,945.52

\*Consumables include food items (food grains, pulses, milk, meat, egg, oil, sugar, spices, etc.) and fuels.

## 5.6 Other initiatives to social empowerment

While the empowerment process is both complex and long, the following kinds of approaches have been also taken to that direction. It should be noted that the earlier tables showed in detail the situation of leadership positions, a source of empowerment, taken by the MERS from 1998 to 2012 period.

FGDs conducted showed and explained the presence of structural inclusiveness and priority to those socially deprived as far as possible. Features of the DMEGAs of the surveyed Districts can be assessed with a case based composition of the executive committees of the DMEGAs of Myagdi and Rolpa. It was seen that the gender equality is focused more toward women despite the fact that they continue to remain socially weak. The representation by sector or categorization of enterprises is maintained in forming the DMEGAs to help diversify such representation as far as possible by type of entrepreneurs engaged. The MEDEP thus follows its mandated path to ensure gender equality and social inclusion in favour of those excluded otherwise.

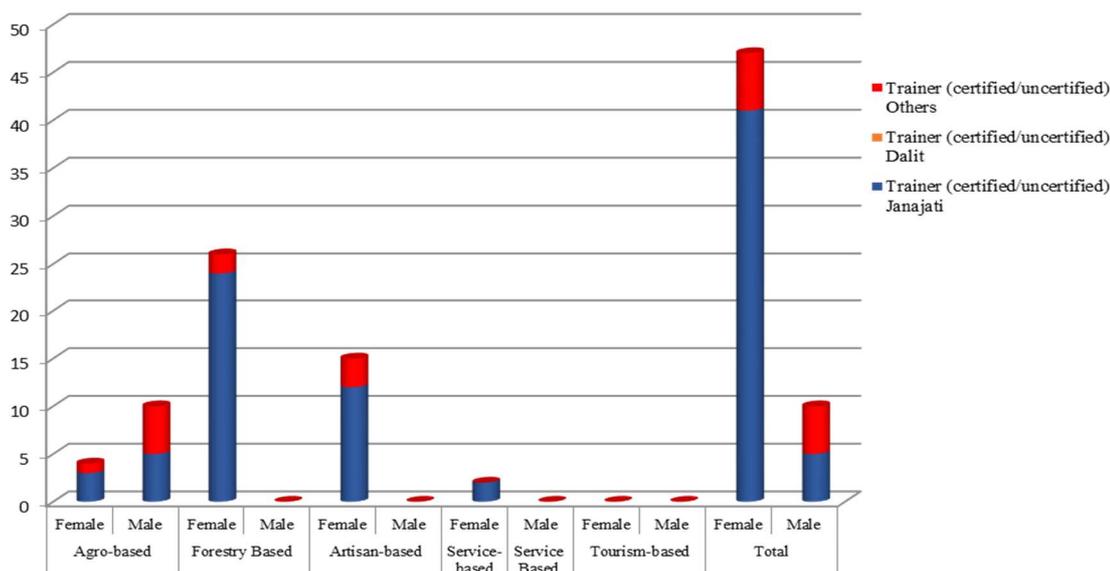
**Table 5.9: Rolpa and Myagdi case: structure of DMEGA by products/services category.**

Category	Number of Executive Members											
	Dalit			Janajati			Others			Total		
	Men	Wmn	Total	Men	Wmn	Total	Men	Wmn	Total	Men	Wmn	Total
Agro-based	1	2	3	3	3	6	1	3	4	5	8	13
Forestry-based	0	1	1	0	5	5	0	2	2	0	8	8
Artisan-based	2	0	2	0	2	2	0	0	0	2	2	4
Service-based	0	1	1	0	0	0	0	0	0	0	1	1
Tourism-based	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>3</b>	<b>10</b>	<b>13</b>	<b>1</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>19</b>	<b>26</b>

(Note: Wmn = women)

MEDEP has created a sound base for enhancement of skills to the targeted beneficiaries through the use of those MErs who are created by MEDEP as far as possible. This also implies that as larger proportion of MErs are women, their empowerment is assured with this such approach of skill development. However, the excluded and deprived minorities such as women of the hills and Dalits of the Tarai have not been able to develop skills to impart training because many of them are illiterate and have their own inherent poor skill base. It will require longer effort through similar approach.

**Figure 5.2: Rolpa and Myagdi case: number of trainers by sector and ethnic category.**



Thus, despite the "women absence" situation prior to MEDEP initiation, after the MEDEP, it was always women that outnumbered men in providing leadership in different forums and institutions.

## **5.7 Legal and policy issues and the empowerment**

FGDs carried out at different levels revealed that the issue of legal aspects about micro-enterprises is well explained through legal and policy documents including the Industrial Policy 2010 and subsequent directives published. The special policy provisions relating to micro-enterprises under clause 9 of the Industrial Policy 2010, for example, clearly mention that “institutional structures and infrastructures shall be created along with making legal provisions necessary that support to promote, develop, and expand micro-enterprises; and services of the existing micro-enterprises, cottage and small industries development fund shall be expanded and made effective for enhancing competitive capacity of MEs” and so on for their market access and expansion. The policy document further adds, “District entrepreneurship development plan shall be prepared in coordination with DDC/municipality/VDC and so on with certain criteria.” Thus there is considerable amount of scope to establish any micro-enterprise. Both forward and backward linkage elements and terms and conditions to engage or seek financing facilities and consideration to other supports are provided. Facilities and services such as production, management, marketing products and services in the country or export etc. is well explained in documents. Yet, such provisions are not accessed fully by people. To enter into action phase starts if Mers have ability and capacity to engage. So, capacity building of institutions to help increase ability of the Mers including encouraging access was logical conclusion for the growth of MEs made by the focus group discussants.

Only few concerns were raised such as regarding the system of the contracting BDSPOs that there is a relatively shorter term given to them for their services for training and skill development. The terms should be multi-year contract services since a too short time has discouraged those willing to take up these services, as selection and other processes and arrangements demand longer time. Under such circumstances, neither the service providers seemed secured to deliver their services nor were the demands for such services well tested owing to too short periods considered. A three year contract service was mentioned to be appropriate.

## Chapter VI: Mass Impacts on Entrepreneurs of the Selected Products and Services

### 6.1 Measuring mass impact of products through perception ranking

MEDEP has expanded its activities to help establish micro-enterprises based on its three-fold policy dimensions namely people's demand for enterprises, availability of resources, and market potentials. Considering these dimensions, the study has developed methodology to rank the selected products under the study to show which have the potential to drive economic and social empowerment. For this purpose twenty products were measured taking into consideration of the following three major attributes:

- i. People's demand for enterprises
- ii. Resource availability
- iii. Market potential

A total of fifteen sub-attributes of each of the products are used to describe the level of success and "efficiency" of the product. Attributes by product were discussed in the FGDs with district level authorities including chairpersons, other officials and the members of MEGA and DMEGA to score and rank the products.

Each product was scored on the basis of its 15 sub-attributes. Each sub-attribute of a product has three score values: (a) score 3 for good/high value, (b) score 2 for average/moderate value, and (c) score 1 for poor/low value. As such, equal weightage has been given to all the five sub-attributes of each attribute.

The attributes and sub attributes are explained as follows:

Attribute 1: People's demand for enterprises as first major attribute reflects the followings:

- Average size of ME in this study is considered best suited if it requires low amount of financial resources in terms of investment. This justifies that poor and marginalized households for whom the target is made do not have enough capacity to manage financial resource to establish an enterprise.
- The product, which has high potentiality for 'generating employment and income' has high score.
- High 'social acceptance of micro-enterprise' also has high score.
- 'Satisfaction level' is measured in terms of the perception of MEs.
- Positive score is also attributed to gender equality and social inclusion as 'GESI perspective.'

Attribute 2: Resource availability is also one of the major attribute to establish micro-enterprise. It covers the following sub-attributes:

- 'Availability of skilled labor' is also required to establish MEs and increase the productivity of capital.
- Though the MEs require limited amount of capital for their investment, many of the very marginalized and poor households face difficulties even for small amount of capital for their micro enterprises.
- 'Availability of raw materials' is very important to initiate and sustain the MEs. Easy availability of raw materials earns high scores.
- Although MEDEP has tried to provide technical support to the MEs, but are not sufficient. Support from district level sectoral line agencies and NGOs are also

necessary. Those products, which have high technical support have high return and thus are getting high score.

- High ‘replicability of technology’ at the community level has also earned high score.

Attribute 3: Market potential is the third important attribute as accepted by the MEDEP. It covers the following sub-attributes:

- High ‘demand for product’ encourages the households to invest in the product.
- ‘Market access’ makes the MEs to sustain production and their expansion.
- ‘Value chain’ of the product ensures the market and provides high benefit.
- ‘Supply-based market expansion’ helps the MEs to increase the investment and expand the activities.
- Low ‘cost of marketing’ has positive impact on the MEs, and so low cost earns high score.

In this way a product can secure a maximum of 45 points and a minimum of 15 points. A score of a sub-attribute has been evaluated on the basis of its financial as well as economic feasibility/viability of the product, and positive impact on socioeconomic empowerment of the MEs.

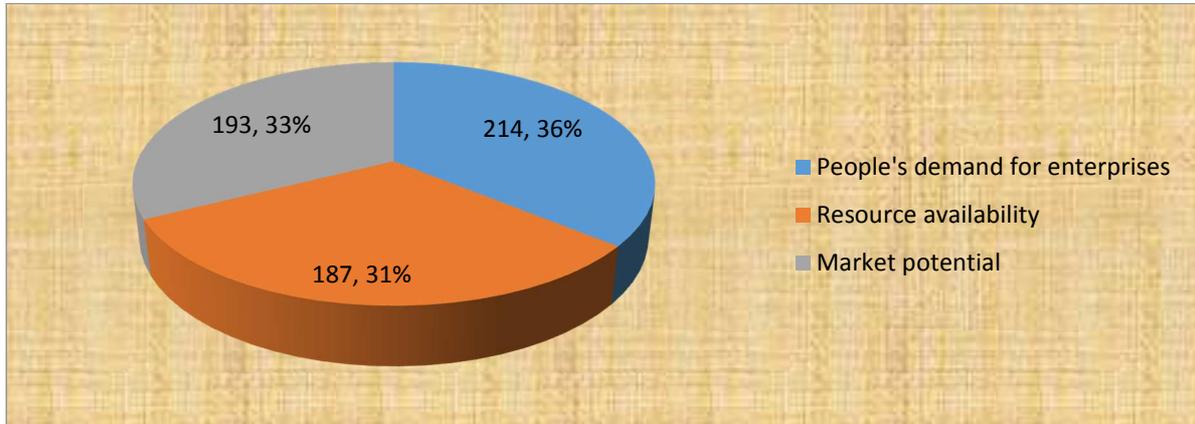
The scores of the attributes and sub-attributes are as follows:

**Table 6.1: Scores of the products on the basis of the attributes and sub-attributes**

S.N.	Attributes and sub-attributes	Score of the product	Percentage of total
<b>I</b>	<b><i>Attribute 1: People's demand for enterprises</i></b>	<b>214</b>	<b>36.03</b>
i.	Average Size of the ME	44	7.41
ii.	Employment & Income Generation	40	6.73
iii.	Social acceptance of ME	39	6.57
iv.	Satisfaction Level	46	7.74
v.	GESI Perspectives	45	7.58
<b>II.</b>	<b><i>Attribute 2: Resource availability</i></b>	<b>187</b>	<b>31.48</b>
i.	Availability of skilled labor	35	5.89
ii.	Availability of capital	40	6.73
iii.	Availability of raw material	41	6.90
iv.	Availability of Technical support	36	6.06
v.	Replicability of Technology	35	5.89
<b>III.</b>	<b><i>Attribute 3: Market potential</i></b>	<b>193</b>	<b>32.49</b>
i.	Demand for product	41	6.90
ii.	Market access	45	7.58
iii.	Valuechain	31	5.22
iv.	Supply-based market expansion	32	5.39
v.	Cost of Marketing	44	7.41
	<b><i>Total Value</i></b>	<b>594</b>	<b>100.00</b>

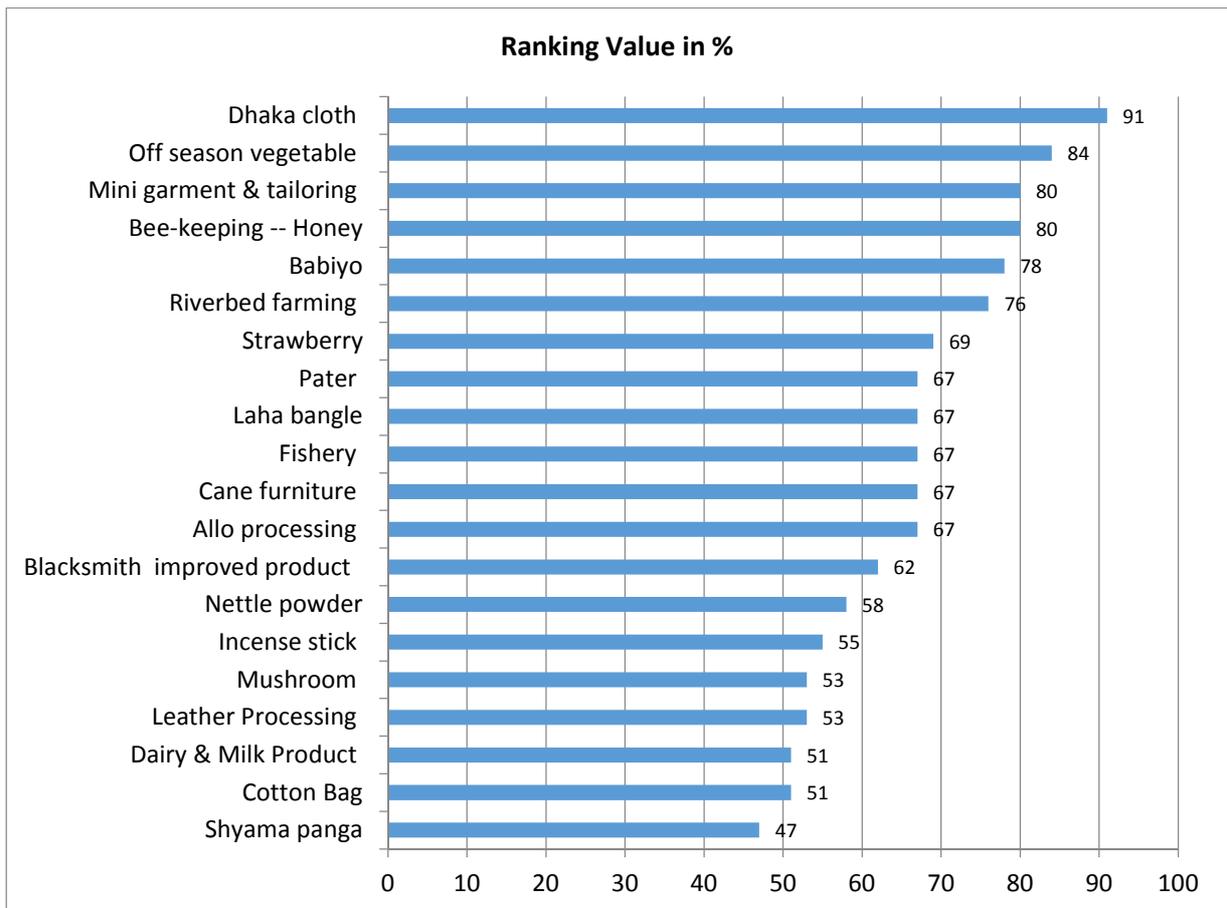
Adding all the attributes of all the products together, it is observed that all the attributes are not very different ranging from 31.48 per cent to 36.03 per cent in weightage terms.

**Fig 6.1 Three attributes and their scores**



However, on the basis of sub-attributes the scores vary significantly. The scores of the products are ranked as follows:

**Fig 6.2 Scores of sub-attributes of the twenty products/services**



Based on these rankings the 20 products are grouped as follows:

Group A: The scores range from 76 to 91 per cent. It covers six products.

- *Dhaka* and dhaka product, off season vegetable, mini garment and tailoring, bee-keeping and honey, babiyo rope making, and river-bed farming have relatively low investment, high employment rate, and high GESI perspective.

Group B: The group covers seven products with the scores ranging from 67 to 69 per cent point.

- Strawberry, pater products, *laha* bangle, fishery, cane furniture, and allo processing are also generating income to the majority of the MERS. However, except strawberry, other products of this group do not have much impact on attracting MERS.

Group C: The scores of this group range from 47 per cent point to 62 per cent point. It covers 8 products which have poor impact.

- Blacksmith improved product, nettle powder, incense stick, mushroom, leather processing, dairy and milk production, cotton bag, and *shyama-panga* have not been able to bring remarkable changes in generating employment and income as these have been least feasible to many of the poor and marginalized MERS. Production and their market expansion are found to be limited.

**Table 6.1: Scores of Sub-attributes of the Agro-based Products**

Attributes and Sub-attributes		Off season vegetable	Strawberry	Riverbed farming	Mushroom	Fishery	Dairy & Milk Product
<b>I.</b>	<b>People's demand for enterprises</b>	<b>15</b>	<b>12</b>	<b>15</b>	<b>7</b>	<b>10</b>	<b>7</b>
	i. Average Size of the ME	3	2	3	1	1	2
	ii. Employment & Income Generation	3	3	3	2	2	1
	iii. Social acceptance of ME	3	2	3	1	2	1
	iv. Satisfaction Level	3	3	3	2	3	2
	v. GESI Perspectives	3	2	3	1	2	1
<b>II.</b>	<b>Resource Availability</b>	<b>11</b>	<b>9</b>	<b>9</b>	<b>7</b>	<b>8</b>	<b>10</b>
	i. Availability of skilled labor	2	1	2	1	2	3
	ii. Availability of capital	2	2	2	2	1	1
	iii. Availability of raw material	3	3	3	2	2	2
	iv. Availability of Technical support	2	1	1	1	2	2
	v. Replicability of Technology	2	2	1	1	1	2
<b>III.</b>	<b>Market Potential</b>	<b>12</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>12</b>	<b>6</b>
	i. Demand for product	3	2	3	2	3	2
	ii. Market access	2	3	2	2	3	1
	iii. Value chain	2	3	1	1	2	1
	iv. Supply-based market expansion	2	1	1	2	2	1
	v. Cost of Marketing	3	1	3	3	2	1
<b>Total Value</b>		<b>38</b>	<b>31</b>	<b>34</b>	<b>24</b>	<b>30</b>	<b>23</b>
<b>Value for Ranking in %</b>		<b>84</b>	<b>69</b>	<b>76</b>	<b>53</b>	<b>67</b>	<b>51</b>

**Table 6.2: Scores of Sub-attributes of the Forest-based Products**

Attributes and Sub-attributes		Allo processing	Bee-keeping -- Honey	Babiyo	Pater	Cane furniture	Incense stick	Nettle powder
<b>I.</b>	<b>People's demand for enterprises</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>8</b>
i.	Average Size of the ME	3	3	3	3	2	2	3
ii.	Employment & Income Generation	2	3	2	2	1	1	1
iii.	Social acceptance of ME	3	2	3	1	2	2	2
iv.	Satisfaction Level	2	3	2	2	2	1	1
v.	GESI Perspectives	2	2	3	2	3	2	1
<b>II.</b>	<b>Resource Availability</b>	<b>9</b>	<b>11</b>	<b>13</b>	<b>11</b>	<b>10</b>	<b>9</b>	<b>9</b>
i.	Availability of skilled labor	1	2	2	2	2	1	2
ii.	Availability of capital	3	3	3	3	2	2	2
iii.	Availability of raw material	2	2	3	1	2	2	1
iv.	Availability of Technical support	1	2	2	3	2	2	2
v.	Replicability of Technology	2	2	3	2	2	2	2
<b>III.</b>	<b>Market Potential</b>	<b>9</b>	<b>12</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>7</b>	<b>9</b>
i.	Demand for product	2	3	2	2	2	1	2
ii.	Market access	2	3	2	2	2	2	2
iii.	Value chain	1	2	1	2	2	1	2
iv.	Supply-based market expansion	2	2	2	1	2	1	1
v.	Cost of Marketing	2	2	2	2	2	2	2
<b>Total Value</b>		<b>30</b>	<b>36</b>	<b>35</b>	<b>30</b>	<b>30</b>	<b>24</b>	<b>26</b>
<b>Value for Ranking in %</b>		<b>67</b>	<b>80</b>	<b>78</b>	<b>67</b>	<b>67</b>	<b>53</b>	<b>58</b>

**Table 6.3: Scores of Sub-attributes of the Artisan-based and Service-based Products**

Attributes and Sub-attributes		Dhaka cloth	Laha bangle	Shyama-Panga	Cotton Bag	Leather Processing	Mini garment & tailoring	Blacksmith improved product
<b>I.</b>	<b>People's demand for enterprises</b>	<b>14</b>	<b>13</b>	<b>7</b>	<b>10</b>	<b>7</b>	<b>12</b>	<b>11</b>
	i. Average Size of the ME	2	3	1	2	1	2	2
	ii. Employment & Income Generation	3	2	1	2	1	3	2
	iii. Social acceptance of ME	3	2	1	2	1	1	2
	iv. Satisfaction Level	3	3	2	2	2	3	2
	v. GESI Perspectives	3	3	2	2	2	3	3
<b>II.</b>	<b>Resource Availability</b>	<b>12</b>	<b>8</b>	<b>8</b>	<b>6</b>	<b>7</b>	<b>11</b>	<b>9</b>
	i. Availability of skilled labor	2	1	2	2	1	2	2
	ii. Availability of capital	2	2	2	1	1	2	2
	iii. Availability of raw material	2	2	2	1	2	2	2
	iv. Availability of Technical support	3	2	1	1	2	2	2
	v. Replicability of Technology	3	1	1	1	1	3	1
<b>III.</b>	<b>Market Potential</b>	<b>15</b>	<b>9</b>	<b>6</b>	<b>7</b>	<b>10</b>	<b>13</b>	<b>8</b>
	i. Demand for product	3	1	1	1	1	3	2
	ii. Market access	3	3	1	2	3	3	2
	iii. Valuechain	3	1	1	1	2	1	1
	iv. Supply-based market expansion	3	1	1	1	2	3	1
	v. Cost of Marketing	3	3	2	2	2	3	2
<b>Total Value</b>		<b>41</b>	<b>30</b>	<b>21</b>	<b>23</b>	<b>24</b>	<b>36</b>	<b>28</b>
<b>Value for Ranking in %</b>		<b>91</b>	<b>67</b>	<b>47</b>	<b>51</b>	<b>53</b>	<b>80</b>	<b>62</b>

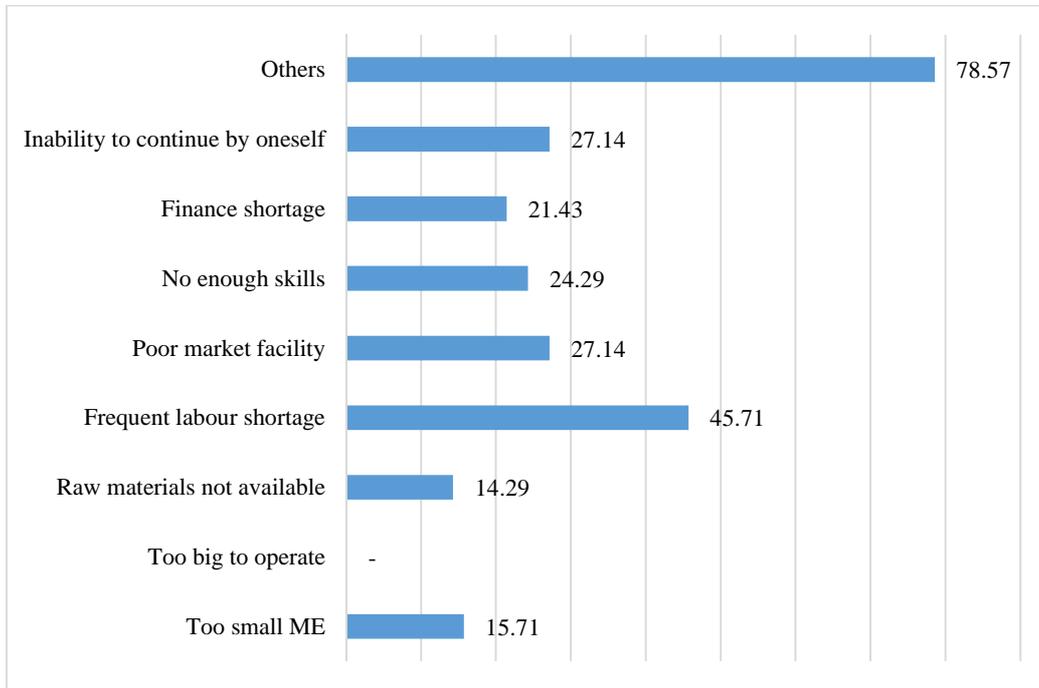
## 6.2 Analysis of reasons of MERS who have become inactive

As explained by MEDEP's official documents and as reflected in the MIS database it was clear that a number of MERS opted to become 'inactive' and accordingly the database has recorded their status. Therefore, it became essential to systematically make analysis of reasons as part of the mass-impact study. Accordingly, attempts were made to collect possible reasons or causes from 70 inactive MERS (who were previously engaged in products and services supported by MEDEP) and analyse them. It was found that none of the so called "inactive" respondents indicated any cause as weakness of MEDEP or any organization as such; which was, however, a point expressed by some respondents categorised and interviewed as "active MERS". The inactive ones were found contended and somehow engaged with their self decided activities, interests and emotions; exceptions being those who could not become self employed.

Interaction with the respondents and analysis of data suggests that there is no sole reason for the MERS to remain inactive. Rather the findings suggests that there are multiple reasons

which combinely influence the MERS to opt for becoming inactive. The key reasons and percentage of respondents has been presented in the Figure 6.3 (below).

**Figure 6.3: Percentage of respondents with reasons for becoming inactive.**



The percentage figures in the above Figure 6.3 suggest the per cent of 70 respondents giving reasons to become inactive. A vast majority of respondents fall under "other" reason followed by frequent labour shortage, poor market facility and inability to continue by oneself, and others. No one reported that the ME was too big to operate.

However, when these reasons were analysed against specific products the examples of details of the other reasons got revealed as presented in Table 6.4 (below). By doing so it also became clear that how many respondents out of the 70 had previously engaged with different MEs or products or services.

**Table 6.4 Respondents against products and services, and reasons given by them to become inactive.**

Products and services	Was too small ME	Too big to operate	Raw material not available	Frequent labour shortage	Poor market facility	Not enough skills	Finance shortage	Inability to self continue	Other	Details of other reasons
Beekeeping (Honey) (12)	1	-	-	4	2	8	6	2	9	Poor family support, changed plans, migration plan etc.
Blacksmith workshop (Improved)(3)	-	-	1	1	1	2	1	1	3	Inferior job psychology, no interest, etc.
Chyuri and herbal soap(1)	1	-	1	1	1	1	-	1	3	Income small, poor family support and interest to continue etc.
Cotton bag (2)	1	-	1	1	1	-	1	-	2	Shift to other business
Dairy and Milk Products	-	-	3	1	1	-	3	1	3	Plan doing for retail business, etc
Dhaka (1)	-	-	2	2	2	1	-	-	2	Wanted to stop dhaka as per family wish.
Fishery(3)	-	-	-	3	-	-	1	1	5	Shifted to tension free enterprise
Incense stick(1)	1	-	1	-	1	1	-	1	-	Shifted to better income generating and free enterprise
Mini Garment and Tailoring (2)	-	-	-	-	-	1	-	-	3	Shifted to tension free enterprise
Mushroom (10)	1	-	-	-	4	-	-	3	7	Can not grow always, disease problem
Off-season vegetable(17)	3	-	-	14	1	-	1	6	8	Good quality seed not available, no interest to continue
Riverbed farming(6)	1	-	-	2	1	1	2	1	4	Slow technical backstopping.
Shyama-Panga (1)	1	-	-	-	1	-	-	-	2	Difficult business
Chyuri and herbal soap factory(1)	-	-	1	-	1	-	-	1	3	Profits very slow gained
Strawberry(4)	-	-	-	2	1	1	-	1	1	No reason, no good land quality so stopped
Vegetable seed production (1)	1	-	-	1	1	1	-	-	-	Planing to migrate
<b>Total</b>	<b>11</b>	<b>-</b>	<b>10</b>	<b>32</b>	<b>19</b>	<b>17</b>	<b>15</b>	<b>19</b>	<b>55</b>	
Per cent	15.7	-	14.3	45.7	27.1	24.3	21.43	27.1	78.6	

### 6.3 Mass impact: the achievements of MEDEP

The MEDEP implemented by the GoN from 1998 has played key roles in bringing social and economic transformation through micro-enterprise development in the country. The programme has been successful in establishing MERS in the villages and transferring modern but simple and plausible technology to them. As per the MEDEP's broad objective, it has also been successful in increasing production at the rural community settings by establishing MEs and thereby augmenting rural incomes.

The importance of MEDEP lies in its focus on small rural entrepreneurs and generate employment opportunities which were not practiced before. However it is now capturing more than 70 thousand MERS in rural Nepal. Low capital intensity, a short operating cycle, and steady returns have made micro-enterprises a preferred activity among hardcore and marginalized households, who are categorized as having no land or less than 0.5 ha of land holding. Establishing MEs have become feasible even for the landless, who depend on labor wage and forest products.

MEDEP is continuously working for a multidimensional empowerment construct focusing on three dimensions: social empowerment, economic empowerment, and political empowerment. Social empowerment issues are captured through inclusion. It is important in a culturally diverse and highly stratified society like Nepal where rural poor face many forms of exclusion.

While MEDEP is not an all-purpose development program and cannot hope to sweep away economic and social inequalities that existed in rural Nepal for centuries, it has nonetheless had a profound impact on the social landscape of the countryside.

It has also helped to reduce the existing barriers of ethnicity and power by bringing together these all heterogeneous groups of people in a platform of MEGA at the community level and DMEGA at the district level.

MEDEP has also played an important role in generating employment for women. With 998 MERS, 74 per cent are women who were able to participate in economically productive activities. As far as empowerment of women is concerned, they find themselves empowered as they earn income from their own MEs to make most household expenditures without being dependent on their husbands or other male seniors.

The most important features of this programme is that it creates opportunities for gainful employment at the very grass roots level, and make better utilization of female labour. The programme is especially suitable for weaker sections of the rural community and have re-distributive effect on rural income in favour of them.

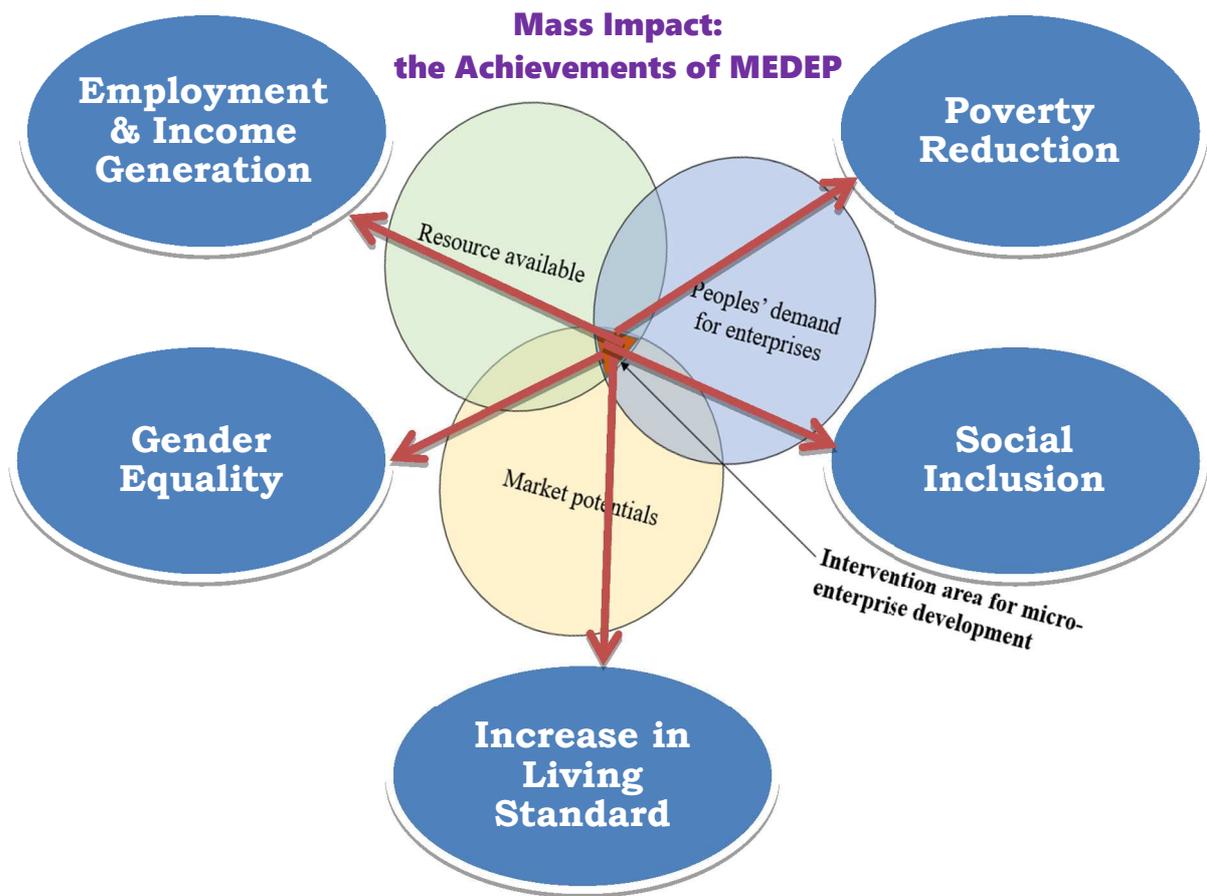
Since ME does not require much land, but family labour, which the poor have in abundance; the landless poor can easily and profitably participate in the micro enterprises, deriving employment and additional income from it. Of the 998 families covered under this Mass Impact Study, 11.1 per cent are landless and another 35.9 per cent are marginal farmers with less than 0.2 ha of land. Thus, MEDEP as per its mission has become in practice to be a pro-poor programme that provided opportunities to the MERS to gain more equitable income.

The economic empowerment aspects of MEDEP deal with connecting people and their institutions with markets.

Although MEDEP does not intend to work on political empowerment, its efforts to connecting poor people with the local institutions, district level line agencies and NGOs have helped the people to ask for their social as well as economic rights. MEDEP has provided the organizational means whereby a significant proportion of humanity is able to take into its own hands the tasks of creating productive employment, overcoming poverty and achieving social integration. They constitute a model for a people-centred and sustainable form of societal organization, based on equity, justice and solidarity. It has thus provided people-centred sustainable development.

The MEDEP three dimensions: people's demand for enterprises, availability of resources, and market potentials have resulted in a gradual change in the overall wellbeing of the targeted people. Its transformational impact has been observed from the social as well as economic empowerment of the MERS and their families. The following figure shows how the interaction of the three dimensions has triggered the societal transformation.

Figure 6.4: MEDEP's three dimensions and mass impacts on entrepreneurs



## Chapter VII: Summary, Conclusions, and Recommendations

### 7.1 Summary of the Findings

This study on “Mass Impacts on Entrepreneurs of the Selected Products and Services Promoted by MEDEP” was carried out in third trimester of 2015. The main objectives of the study are to explain the products and services which have emerged as important micro-enterprises contributing to generate employment and income, and alleviate poverty in the country.

The study covered 11 districts out of MEDEP’s 38 districts. These are Tehrathum and Siraha of EDR, Rasuwa and Nuwakot of CDR, Myagdi and Nawalparasi of WDR, Dang, Rolpa and Jumla of MWDR, and Kailali and Dadeldhura of FWDR. A total of 1169 Mers were interviewed for collecting their micro-enterprise level input and output, and household level income and expenditure. For the mass impact study, 20 products of 4 categories (agro-based, forest-based, artisan-based, and service-based) were studied.

Based on the survey findings and interactions with the Mers, MEG, CFC, MEGA, and DMEGA, at the district levels, following summary, conclusions and recommendations are drawn:

- Viability and situation of the selected products and services as the micro-enterprises.

Of the 4 categories:

- Agro-based and forest-based products are easily accepted by the Mers to initiate micro-enterprises. The specific products are: *babiyo* (sabia grass) rope making, honey and beekeeping, off-season vegetable, pater products, riverbed farming, and strawberry.
  - Among the artisan-based products, *Dhaka*, *laha* bangle, garment and tailoring, and *Shyama-Panga* are popular.
  - Service-based products are quite limited and do not have wide scope.
- Micro-Entrepreneurs (Mers) and value chain of selected products and services.
    - Products such as strawberry, honey and *Dhaka* have built value chain even outside the districts up to Kathmandu and beyond.
  - Economic analysis for the selected products and services and their contribution to local and national economy.
    - Mostly the agro-based and forest-based products have contributed to generate employment and income.
    - These products have helped marginalized, excluded and highly deprived people to come out of the poverty level.
    - The specific products are: *babiyo*-rope making, honey and beekeeping, off-season vegetable, pater products, riverbed farming, strawberry, *Dhaka*, and mini-garment and tailoring.
  - Efficiency of each category in terms of resources investment and sustainability

- Products based on local raw materials and simple technology has been efficient in terms of input and output. As such agro-based and forest-based products are highly efficient.
- Legal provision for promotion of micro-enterprises for poverty alleviation from local to national levels.
- Legal and policy provisions in general are supportive for the promotion of micro-enterprises. The major issues are related to awareness of the legal and policy provisions, and their effective implementation.
- Impact on poverty alleviation.
- MERS, categorized as the households below the poverty line, have mostly moved out of the national poverty line of 2014/15 (estimated at NPR 26,388).
- Employment creation in micro-enterprise sector
- As most of the MERS selected were from the very poor strata, they were facing underemployment due to absence of MEs. Most of them are found engaged as agro-based and forest-based MERS. Employment opportunities to MERS have also been created in artisan-based micro-enterprises.
- The poor HHs, who were interested to involve in agro-forest-based MEs or artisan-service-based MEs found MEDEP's support as integral part of employment generation.
- Socio economic empowerment in terms of Gender Equality and Social Inclusion (GESI).
- As envisaged in the vision and mission of MEDEP, awareness level has been very high among the women, marginalized and poor, excluded and indigenous nationalities, and *dalits*.

## 7.2 Conclusions of the Study

- Viability and situation of the selected products and services as the MEs
- Most of the MERS still rely on agriculture for their livelihood. With the participation in the MEDEP's programs, they have been able to make their MEs as main supporting sector for their livelihood. Most of the MERS have their individually owned MEs, very few were found working as group MERS. Most of the women are found starting the MEs as new starters only due to the opportunity provided by MEDEP. Most of the MERS are from the marginalized, poor and socially excluded groups. Majority of them are women as envisaged by MEDEP.
- Almost all of the MERS covered under the study have received TOPE and TOSE training as these two trainings have been made mandatory to get facilities of MEDEP. Most of the MERS of MEDEP's first and second phases are given TOEE, but many of the MERS of third phase have yet to complete the training.
- The support provided by MEDEP in the form of financial support to procure machinery, construct CFCs, credit facilities as well as packaging, labeling and marketing has encouraged them to be the MERS. Group activities through CFCs have

helped excluded Mers to participate with other groups of the society. These supports have helped Mers to operate their MEs smoothly.

- While the involvement of the private sector in supporting the production, marketing and linkages of entrepreneurs associations such as MEGA and DMEGA is very important for sustainability and growth of Mers. Nonetheless, the present efforts to promote their involvement are found to be isolated, more of individual nature and case specific. The ownership of the programme has not been very effective to meet the desired mission of MEDEP.
- Micro-Entrepreneurs (Mers) and value chain of selected products and services.
- Most of the products are sold in the local market centers, utmost to the district level. So the value chain impact is quite limited.
  - The cooperatives and collection centers supposed to contribute to mass impact are not yet able to involve in marketing of many of the products of Mers. They have developed alternative ways, such as engaging the local middlemen despite the fact that MEDEP has made continuous efforts to increase accessibility of the producers to markets to create better environment for increased income and widened value chain of the products.
  - Entrepreneurs are found to have difficulties to move up in the value chain, but seemed satisfied comparing their past level of living standards.
  - Access to financial institutions for credit by entrepreneurs, particularly the poor, excluded and those living away from road heads in remote villages are simply difficult and inadequate.
  - Although DMEGAs are supported, the Mers have not been effective in selling their products outside the district. Saugat Griha facilitated by MEDEP has been key linking sales-centre for the local products produced by the Mers.
- Economic analysis for the selected products and services and their contribution to local and national economy.
- Of the total 998 Mers, more than 73.9 percent of the Mers are women, who are engaged in running MEs of different investment categories.
  - These women, who were mostly utilizing their time in household chores are now becoming economically productive and generating employment and income. Most of these Mers have put limited amount of capital or no investment, but with MEDEP's support they are economically empowered.
  - Considering the coverage of the program, poor and marginalized Dalits and indigenous nationalities have received employment opportunities and been successful in increasing the level of income.
  - The entrepreneurs have been able to obtain a substantial production and income mainly because they have received different supports in package form including the technical know-how required to operate the enterprises in their own communities.
- Efficiency of each category in terms of resources investment and sustainability
- Products such as babiyo-rope, honey, and pater products do not require investment for raw materials. These products are thus easily started at the village levels with a

very limited capital. The MERS primarily require skill training, which MEDEP has successfully been supporting through its TOSE.

- Similarly in off-season vegetable, riverbed farming, strawberry, and vegetable seeds productions, poor and marginalized MERS have been involved. *Dhaka* cloths, and mini-garment and tailoring are another examples where a significant number of MERS are involved in income generating activities.
- Legal provision for promotion of micro-enterprises for poverty alleviation from local to national levels.
- In forest-based, few problems are reported in collecting raw materials, but these problems could be solved by the local administration of district level.
- Impact on poverty alleviation.
- The study shows that among the active MERS (1099), more than ninety percent of the households are moved out of the poverty. For example, an average MER earns about:
  - NPR 150,000 in strawberry production from 1 ropani of land,
  - NPR 150,000 in vegetable production from 5 ropani of land.
  - NPR150,000 in honey production from 6 ghar of bees
  - NPR 150,000 in tailoring from 1 sewing machine
- These examples show how the MEDEP's intervention has supported alleviating poverty of the poor and marginalized families.
- Following significant changes were observed among the MERS:
  - Increase in ownership of houses among the poor and marginalized families of all ethnic groups.
  - Increase in labor productivity
  - Increase in women's participation in local organizations
  - Increase in the level of children's education
  - Increase in the condition of sanitation
  - Increase in food consumption as a result of increase in household income
- Employment creation in micro-enterprise sector
- The level of employment has increased substantively. Both the men and women who were unemployed or underemployed earlier are now involved in MERS. The support provided by MEDEP has helped generate employment opportunities among the poor and marginalized households. As most of the MERS are women, the participation of women labor force has increased. It has also increased productivity of the women.
- Creation of local enterprises has a multiplier effect: employment creation and opportunities to earn locally, reduction on out migration, opportunities for social works at local level, use of local natural resources, trust for future and for self and so on.

- In both agro-based and forest-based sectors, employment opportunities have been created in a very short period of duration.
  - Products such as babiyo-rope, pater products, off-season vegetable, riverbed farming, strawberry, vegetable seeds productions, *dhaka* cloths, and mini-garment and tailoring are the examples, which have contributed significantly to the increase in employment opportunities among the poor and marginalized households.
- Socioeconomic empowerment in terms of Gender Equality and Social Inclusion (GESI).
- GESI dimension of development has been adopted in all front of MEDEP's development program.
  - These gender sensitive interventions have helped the women Mers and the poor and marginalized households to gain human as well as social dignity.
  - Poor and marginalized Mers now feel more empowered as they have been able to break the "*culture of silence*" and ask for their rights for services from the community, GOs, and NGOs level organizations.
  - Although men possess authority in most of the household decisions, women now do play role in making decisions as they have got income generating opportunities by themselves.
  - A behavioral change among the dalits has also been observed, as they actively present themselves in community decision-makings. MEDEP's support has helped them not only to get productive employment opportunities but also to accumulate land and livestock.
  - With the continued support from the MEDEP, women are now involved in community level organizations. Primarily, in all the MEGs, MEGAs, CFCs, and even DMEGAs, women are chairing the organizations and/or supporting as their members. This has resulted in the increased participation of women in decision-making process.
  - Similarly, the mandatory participation of dalits and indigenous nationalities has enhanced their role in decision-making process.
  - The increased level of per capita income (PCI) of all groups of Mers have helped reducing not only the economic gap but also the existing social gaps.
  - A woman economically empowered has also multiplier effect: her decision making power to expand her business increased, increased capacity to communicate and convince at lower, peer and higher level, play leadership role in community; and increase in health care, educate and feed children and family rightly.

- Despite the fact that the women were found to have significantly benefitted from MEDEP initiatives, in many cases they were burdened with additional work load on top of household chores and agricultural activities.

### 7.3 Recommendations

- Viability and situation of the selected products and services as the enterprises.
  - MEDEP needs to reduce the number of products for its intervention so that a more focused support could be increased.
  - Fine tuning in the identification of market demand and supply lines at local, regional and national level markets is needed to expand market for products. For this, value chain activities will have to be adopted in feasible clusters and product ranges.
  - The new micro-entrepreneurs need to be educated about the demand and supply situations of products and the value chains. Even for the established products such as strawberry, fishery, and dhaka cloths value chains mechanism should be strengthened and supports should be provided to the MERS to actively participate jointly with the private sector association such as FNCCI.
  - Quality upgrading as per the technological improvements and in line with the requirements of trade practices, including fair trade, should be followed for products with better and higher market potential; and it calls for development and dissemination of required code of conducts, standards and integration of MERS in skill training and training up-gradation.
  - Access to finance should be improved by widening various sources including the existing ones by increased and improved collaboration, and coordination.
  - The local governments, particularly VDCs, should embrace the MEDEP program and feel motivated to support micro-enterprise development for poverty reduction, social inclusion and employment generation. .
- Micro-Entrepreneurs (MERS) and value chain of selected products and services.
  - To increase the value of the products, MEDEP needs to coordinate with FNCCI and the Chamber of Commerce so that the MEDEP's MERS could get more income from their products.
- Economic analysis for the selected products and services and their contribution to local and national economy.
  - To increase the income of the MERS, and to facilitate the expansion of MERS, MEDEP needs to coordinate with the local banks, financial institutions, and micro-finance centers to facilitate loans to these MERS.
  - Two-prong approach should be taken to support the MERS. The high income MERS should be linked to existing financial institutions (banks) whereas the low income MERS are concerned that they should be assisted by MEDEP.

- Efficiency of each category in terms of resources, investment and sustainability
  - To increase the efficiency of the MEs by focusing on few products that are comparatively more viable and economically rewarding instead of spreading efforts to a number of products. This can be done reviewing the interest of MERS, profit making capacity, long term availability of raw materials and sales potential.
- Legal provision for promotion of micro-enterprises for poverty alleviation from local to national levels.
  - In consultation with the concerned ministries, the procedures should be explicitly documented so that the MERS will not get confused in accessing resources needed to the MEs.
- Impact on poverty alleviation.
  - In the initial phase, financial support should be directly provided to the very poor and marginalized MERS.
  - MEDEP should start graduating the MERS from its support target group and should link them to the private institutions to be the MERS of the main stream.
  - In this context, MEDEP should select the graduated MERS to be the catalyst to support the newly entrant-MERS.
  - This process will help MEDEP to accommodate additional number of poor and marginalized households as new MERS
- Employment creation in micro-enterprise sector
  - MEDEP needs to focus on the programs, which generate employment in a very short period. In this context, a large number of both men and women should be attracted in agro-based and forest-based MEs.
- Socio-economic empowerment in terms of Gender Equality and Social Inclusion (GESI).
  - GESI's concerns should further be reviewed so that highly excluded women and men of very remote areas could be addressed.
  - The program should further focus on bringing very poor and marginalized households of indigenous nationalities, and dalits.
  - MEDEP must continue its efforts where it has comparative advantage, and where the poverty, unemployment, and GESI issues are yet to be addressed. In feasible areas, it must focus MEs towards growth strategies and engage on the path of growth, upscaling and development.

#### **7.4 Major Policy Thrust of the Study**

- i. MEDEP's vision should be focused on growth and development.
  - Success of MEDEP is immense in income generation and poverty alleviation. As such poverty-graduated MERS should be identified and additional support programmes should be designed for them. MEDEP should design policy and

- programmes for advance skill training, support to technology and its transfer, and market linkage. Value chain should be expanded.
- ii. Intervention in agro-based and forest-based products should further be extended.
    - While extension support could be provided the line-ministries, and line-agencies of the Government, MEDEP should focus on through social mobilization, technical backstopping through CFCs, strengthening DMEGA and its organizations, bringing financial institutions to support the MERS.
  - iii. MEDEP needs to focus further on bringing more focused program to the targeted MERS primarily of *Dalits*, *Janjatis* and hardcore poor groups.
    - Many marginalized group of people are still below the poverty line and they not captured in the programme. Coverage of MEDEP should be extended targeting those group of people, who were excluded from other initiatives of Government and other agencies.
  - iv. A GESI perspective should further be strengthened. Primary focus should still be given in involving women of deprived sections of society.
    - The GESI approach adopted by MEDEP should further be extended in mobilizing the MERS in each activity of MEG, CFC, RMC, MEGA, and DMEGA so that their leadership quality should further be enhanced. This would help reduce unequal gender relations and discriminatory social practices.
  - v. Institutions such as MEG, MEGA, and DMEGA should further be vitalized so that there sustainability could be ensured.
  - vi. MEDEP has tried to established organizational linkages through MEG, CFC, RMC, MEGA, and DMEGA. But these institutions have not been very effective to mobilize the marginalized MERS.

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# Annexes

## Annex-1

### Terms of Reference<sup>7</sup>

#### Title of the Service required

#### Mass Impacts on the entrepreneurs of the Selected Products and Services Promoted by MEDEP

##### 1. Background

In partnership with UNDP, the Government of Nepal (GoN) initiated Micro-Enterprise Development Programme (MEDEP) in 1998 aiming to diversify the livelihoods and to increase the incomes of poor families through the creation and development of entrepreneurial and technical skills of micro-entrepreneurs and thereby alleviation poverty of the people living below the nationally defined absolute poverty line with special focus on Women, Socially Excluded such as Dalits, Indigenous Nationalities, Religious Minorities, and Unemployed Youths. MEDEP has successfully completed three phases and now in running phase IV (August 2013 to July 2018).

Realising the facts of the successes of the First Phase (1998-2003) which was piloted in Nepal for the first time, Government of Nepal (GoN) promulgated “Micro-Enterprise Policy in 2006 (2064)” and the local bodies such as District Development Committees (DDCs), Village Development Committees (VDCs) and Municipalities of MEDEP working districts internalised MEDEP model since 2007/08 (2064/65) when the local bodies allocated their own resources and implemented MED programme based on MEDEP model. In the mean time Government of Nepal internalised MEDEP like programme for the first time in the districts when Three Year Interim Plans (TYIPs 2065/066 – 2067/068) reflected Micro-Enterprise Development Programme with Strategy, targets and budgets in the last fiscal year 2067/068 that was directly implemented by districts offices of Department of Cottage and Small Industry (DCSI) and Cottage and Small Industry Development Board (CSIDB). The Industrial Policy 2010 has embedded Micro-Enterprise Policy 2006 with the highest priority. The subsequent Three Year Interim Plan (TYIP) 2068/69 – 2070/71 also reflected micro-enterprise development programme with strategies, actions, budgets and targets. In the meantime, GoN approved Micro-Enterprise Development for Poverty Alleviation (MEDPA) and its Operational Guidelines to for Five Year (2070/71 – 2074/2075) in line with to replicate and institutionalise Micro-enterprise Development (MED) model into their systems and implement it as one of the first priority regular programme with target to cover all 75 districts by end of Fiscal Year (FY) 2074/75. National Planning Commission (NPC) also incorporated the targets and budget reflected in MEDPA in its Thirteenth Plan (2070/2071 – 2072/2073).

On the request of GoN, Department of foreign Affairs and Trade (DFAT), Australian Aid is generously providing resources through UNDP to implement MEDEP phase IV (August 2013 – July 2018) with the main objective of developing capacity of GoN agencies, Micro-Enterprise Development Service Providers (MED-SPs), Micro-Entrepreneurs Associations and other relevant stakeholders so as to make them capable of implementing MEDPA following MED model. In this changing context MEDEP is taking up roles from direct implementation to facilitating and advisory. By end of phase IV MEDEP should handover all its 38 working districts to MEDPA and phase-out. As of August 2014 MEDEP has covered 38 districts, 404 Rural Market Centres (RMCs), 112 Village Development Committees (VDCs), 35 Municipalities, 3,496 Wads and 3,687 settlements. As of December 2014 MEDEP has been able to create 70,899 micro-entrepreneurs and created about 79,728 jobs for the Poor and Excluded. 16

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<sup>7</sup>Note: Only Part A of the TOR is given. Part B: Cost estimate/remuneration; and Part C: Qualifications, competencies of consulting firm/organization are not included)

## **2. Rationale**

Being a naturally beautiful country with series of snowy mountains and numerous beauties from east to west, Nepal attracts large numbers of visitors from other countries. Nepal has huge resource potential but the gap between the availability of resources and its usage is wide. In spite of having such huge resources potential Nepal remains one of the poorest countries in the world. The gaps between availability resources and its usage can be narrowed down if women, youths, socially excluded and disadvantaged groups are provided skills to operate micro-enterprises in Nepal. According to the Nepal Central Bureau of Statistics 25.2% of the population live below the poverty line, which is currently set at Rs. 19,261 (US\$ 250)1 per person per year. Due to the lack of employment opportunities as well as less number of production oriented activities, The approach paper of the Thirteenth Plan estimates the poverty level at 23.8 percent. Poverty is pervasive and chronic, and this state of pervasiveness is reflected by Nepal's global ranking in the 2011 Human Development Index as 157 out of 187 countries.2 In this situation Government of Nepal has considered micro-enterprise sector as one of the effective tools of poverty alleviation and economic development of the country.

MEDEP has been working almost for the last 17 years and its results and impacts on alleviating poverty, creating employment and overall livelihoods improvement of the target groups. However, MEDEP has not researched and documented properly on such impacts yet. With the technical and to some extent of financial supports of MEDEP GoN has promulgated different Policies, Acts, Guidelines and Directives such as Micro-Enterprise Policy 2006, Micro-Finance Policy 2007, Micro-Enterprise Development Operational Guidelines for local bodies and its Micro-Enterprise Development Fund (MEDF) 2006, Second Generation Operational Plans and Pine Plantation Thinning Guidelines 2007 for Community Forestry, Community Forestry Operational Guidelines 2010, Sub-Contract Policy 2010 (draft), Industrial Enterprise Act 2014 (draft), Honey Enterprise Policy 2008 (draft), etc., have created conducive environment in micro-enterprise development, employment creation and poverty alleviation in different sectors of enterprises in Nepal.

Industrial Policy 2010 has categorised enterprises into nine different groups.. Among 70,899 micro-entrepreneurs created by end of 2014 under, MEDEP and MEDPA their representations in different categories of enterprises as per Industrial Policy 2010 are Agro-Based (54%), Forest-Based (18%), Service-Based (6%), Artisan (Handicraft)-Based (13%), TourismBased (2%) , Information Technology and Construction-Based (7%).

By end of 2014 the total cumulative transaction of the Micro Enterprises (production, sales and profit, etc.) of the products and services are, in terms of monetary value is around 26,709,580 and 6,916 (in NRs million) respectively which is very huge amount. Likewise, individual Per Capita Income (PCI) is increased from NRs 13,831 (US \$ 139) to 59,033 (US \$ 594) that is 427% .The contribution of Entrepreneur to the family annual income increased from 78,133(US \$ 786.6) to 137,166 ( US \$ 1380.7) that is 176% without considering the income of other family members This shows that there is significant impact on socioeconomic condition of the entrepreneurs and their families. As MEDEP has promoted more than 70,000 MEs in different categories, collectively their contribution in the national economy may also be significant. However, as of now MEDEP has not been able to conduct research and studies in such areas for proper documentation. Therefore, for a mature project like MEDEP, it has been necessary to document properly category-wise documentation of impacts on the livelihoods of the entrepreneurs and contribution to national economy. Such evidence-based documentation will help in policy influence and advocacy at national level that will guide GoN and other organisations for proper planning and implementation of poverty alleviation through micro-enterprise development and therefore this study has been conceived and designed by MEDEP. .

## **3. Objectives**

The main objective is to assess the mass impacts on micro-entrepreneurs and contribution to national economy of the selected products and services. The specific objectives are as follows:

- a. To elaborate the historical/original background or introduction of the selected products and services as the enterprises.
- b. To determine the roles of Micro-Entrepreneurs (MEs) and other actors involved in the value chain of the selected products and services.
- c. To conduct the economic analysis for the selected Products and Services by grouping them into seven enterprise categories in terms of local and national contribution.
- d. To compare the efficiency of each category in terms of resources investment and sustainability
- e. To relate the findings of the study with the existing legal provision for promotion of micro-enterprises for poverty alleviation from local to national levels.
- f. To determine the number of entrepreneurs, their family members moving out of national poverty line.
- g. To estimate the number of employment created in micro enterprise sector.
- h. To determine the socio economic empowerment in terms of Gender Equality and Social Inclusion (GESI).

#### **4. Outputs**

Major outputs of this study are as given below:

- a. Historical/original background or introduction of the selected products and services as the enterprises elaborated.
- b. Roles of MEs and other actors involved in the value chain of the selected products and services determined.
- c. Economic analysis of selected Products and Services by grouping them into seven categories in terms of national contribution conducted.
- d. The efficiency of each enterprise category in terms of resource investment and sustainability compared
- e. The findings of the study linked with the existing legal provision for promotion of microenterprises for poverty alleviation from local to national levels.
- f. Number of entrepreneurs and their family members moving out of absolute poverty determined.
- g. Estimated the number of employment created in micro enterprise sector.
- h. Determined the socio economic empowerment in terms of GESI.

#### **5. Scope of the Service**

The scope of the study will be as given:

- a. This study will cover all seven sectors as defined in industrial policy 2010 such as Agro- Based, Forest-Based, Service-Based, Artisan (Handicraft)-Based, Tourism-Based, Information Technology-Based and Construction-Based.
- b. The districts, products and services will be selected as per the presence of large number of entrepreneurs in certain categories.
- c. The study will include both primary and secondary data and information on census of the selected products and services.
- d. The study will cover all aspects of socio-economic empowerment (economy, education, health and social security) including GESI.
- e. This will also determine the direct and indirect contribution of the Micro Enterprise sector in Millennium Development Goals (MDG).
- f. This study will also find out the contribution of these enterprises to increase food security and self sufficiency at household level.
- g. This study will compare the efficiency of each enterprise category in terms of investment and sustainability.

- h. This study will also assess the enabling policy environment for selected Micro-Enterprise Development and Promotion and access of Micro Entrepreneurs to benefits provisioned by different laws and policies.
- i. This will assess the present situation of the markets of products and services and their potentials.
- j. This study will determine the present export value and future potentials of export of products and services.

## 6. Selected districts, products and services

S.N.	District	Products and services	
1	Tehrathum	<ul style="list-style-type: none"> <li>• Off -Season Vegetable</li> </ul>	<ul style="list-style-type: none"> <li>• Dhaka</li> </ul>
2	Siraha	<ul style="list-style-type: none"> <li>• Riverbed Farming</li> </ul>	<ul style="list-style-type: none"> <li>• Fishery</li> </ul>
3	Nuwakot	<ul style="list-style-type: none"> <li>• Strawberry,</li> <li>• Off -Season Vegetable,</li> </ul>	<ul style="list-style-type: none"> <li>• NTFP processing (Lemon Grass, Mentha, Camomile, Winter Green),</li> </ul>
4	Rasuwa	<ul style="list-style-type: none"> <li>• Syama Panga</li> </ul>	<ul style="list-style-type: none"> <li>• NTFP processing (Lemon Grass, Mentha, Camomile, Winter Green),</li> </ul>
5	Nawalparasi	<ul style="list-style-type: none"> <li>• Dairy and Milk Product,</li> <li>• Ginger and Ginger Products,</li> <li>• Pater Products</li> </ul>	<ul style="list-style-type: none"> <li>• Dhaka,</li> <li>• Improved Blacksmith Workshop,</li> </ul>
6	Myagdi	<ul style="list-style-type: none"> <li>• Mushroom.</li> <li>• Strawberry,</li> <li>• Off -Season Vegetable,</li> <li>• Vegetable Seeds Production and Marketing,</li> <li>• Fishery,</li> <li>• Allo Processing,</li> </ul>	<ul style="list-style-type: none"> <li>• Nettle Powder,</li> <li>• Bel Juice Processing</li> <li>• Cotton Bag Carpet and Woolen Products</li> <li>• Improved Blacksmith Workshop</li> <li>• Eco-Trekking and Home Stays</li> </ul>
7	Dang	<ul style="list-style-type: none"> <li>• Mushroom</li> <li>• Off -Season Vegetable</li> </ul>	<ul style="list-style-type: none"> <li>• Babiyo (Sabia Grass) Rope Making</li> <li>• Beekeeping</li> </ul>
8.	Rolpa	<ul style="list-style-type: none"> <li>• Allo processing</li> </ul>	<ul style="list-style-type: none"> <li>• Off-season vegetagle</li> </ul>
9.	Kailali	<ul style="list-style-type: none"> <li>• Riverbed Farming</li> <li>• Off -Season Vegetable</li> </ul>	<ul style="list-style-type: none"> <li>• Beekeeping</li> </ul>
10.	Dadeldhura	<ul style="list-style-type: none"> <li>• Sweet and Mandarin Oranges</li> <li>• Off -Season Vegetable</li> </ul>	<ul style="list-style-type: none"> <li>• Allo Processing</li> <li>• Beekeeping</li> </ul>
11.	Jumla	<ul style="list-style-type: none"> <li>• Apple Processing</li> </ul>	

(Note: Districts and products selected for this study only)

## 7. Methodology of the study

There are 8 Area Programme Support Offices (APSOs) of MEDEP to facilitate and implement the programme throughout the country. Consulting firm can request to Area Program Support Managers (APSMs) to mobilise the Market Development Specialist (MDS) , Government Support Specialist (GSS), Monitoring and Information Support Assistant (MISA) of concerned districts and region as per their time availability. They will be appropriate contact person to facilitate the primary data collection from the community and district. The team of consulting firm shall develop a study design to complete the following steps or activities for the impact assessment of the selected enterprises however finalization will be done in consultation with the MEDEP management:

- Review of literatures/documents; all project related documents like baseline report, proposals and log-frame, periodic/annual reports, various relevant study reports, export-import report, etc;
- Coordinate with Intervention Manager Component 2 and consult with senior management team, and other professionals including Communication and Documentation Specialist (CDS) and Agro Enterprise Development Specialist (AEDS);
- Prepare the inception report and presentation to the senior management for approval.
- Conduct the census survey of all the selected products and services in the districts as well as avail the data and information available in MEDEP Database and Management Information System (MIS).
- Conduct statistical Analyses such as test of significance using tools such as mean, variance, chi square test, T test, regression and correlation, internal rate of return, wherever applicable.
- Develop and administer questionnaire for the study related to objectives and outputs;
- Train/orient enumerators (Enterprise Development Facilitator-EDF as much as possible) in the methodology of the study and also in the questionnaire;
- Field observation and interaction with communities at project sites including key informant's survey and Focus Group Discussions with MEs for triangulation.
- Meeting with partners and stakeholders, especially MOI, MOFALD, CSIO/CSIDB, NMEFEN, NEDC, DADO and DDC;
- Collection and documentation of appropriate case studies, photos and other relevant evidences;
- Prepare draft report and organise presentation to MEDEP team including other stakeholders to collect feedbacks,
- Prepare final report and submit to MEDEP incorporating feedbacks from stakeholders.

### Reporting Format

Consulting firm should propose the Reporting format which can be finalised on bilateral discussion and agreement. However, certain portions or components must be included in the report of each commodity/enterprise as given in Annex I(*not included here*).

### **8. Inputs from UNDP/MEDEP**

The Consulting Firms shall work under the direct supervision of National Programme Director through National Programme Manager in close consultation with Chief Technical Advisor. MEDEP management team and Intervention component manager 2 including Agro Enterprise Development Specialist (AEDS) and communication and Documentation Specialist (CDS) and other professionals will provide support as and where needed and will periodically monitor the progress of the work undertaken by the consultants. In addition, APSOs team will help the consulting firm to organize meetings, workshop and other Mass Impact Study related tasks based on the need of the consulting firm.

### **9. Specific Tasks of the Consulting firm**

Suggested tasks of the Consulting firm include the following:

- a. Prepare and submit inception report including methodological approach, time line within 15 days from the date of signing the agreement and finalize by incorporating feedback received from MEDEP.
- b. Discuss with MERS, MEAs and SPs at different levels to collect, analyze and verify the Mass impact related data and information.
- c. Discuss with MOI, MOAD, MOFALD and other concerned ministries for quantitative and qualitative assurances of the impact of selected commodities at local, regional and national levels.
- d. Assess the access of MERS taking benefits from existing MED related policies and programmes.
- e. Review literature of the past research and impact studies on MED by different organisations and MEDEP.
- f. Prepare and submit draft report to MEDEP for feedback and sharing of the study findings with stakeholders before final submission.
- g. Submit final Report after incorporating feedback from MEDEP and other stakeholders.

## **10. Deliverables**

The selected consulting firms/Organization should submit a comprehensive commodity (Product and Service) wise Impact Study Report as mentioned in section 3 (Objectives) and section 4 (Scope). Some specific deliverables expected from this study are as follows:

- a. Inception Report.
- b. A comprehensive draft Report and Enterprise Category-wise draft report.
- c. A comprehensive Final reports as well as enterprise Category-wise final reports with synopsis on each (from 10-20 pages) both in English and Nepali Languages (A set of e copy and two sets of hardcopy), all raw data collected during the study incorporating MEDEP's and stakeholder inputs.
- d. An analytical summary of the findings including key findings for each commodity.

## **Annex-2 Study Team**

### **Core Team:**

Dr. Pradip P. Updhyay, Team Leader  
Mr. Dibakar Paudyal, On-Farm Agricultural Specialist  
Mr. Tek Bahadur Gurung, Off-Farm Agricultural Specialist

### **Extended Expert Team Members:**

Ms. Lalita Thapa, GESI & RBM Expert  
Mr. Ram Babu Nepal, Institutional Expert  
Mr. Chandeshwar Acharya, Governance Expert

### **Enumerators:**

Ms. Dwarika THEBE  
Ms. Rashmi LIMBU  
Ms. Kranti RAI  
Mr. Duni Ram SARU MAGAR  
Mr. Nirajan MAINALI  
Mr. Pramila BHATTARAI  
Mr. Binod TIMILSENA  
Mr. Amrit ADHIKARI  
Mr. Tanka RAI  
Mr. Brinda KC  
Ms. Dil Kumari RAI  
Ms. Aruna RAI  
Mr. Upendra RAI  
Mr. Kedar  
Ms. Pushpa SAPKOTA  
Mr. Suman KHADKA  
Ms. Pushpa PAUDEL  
Ms. Subarna KARKI  
Ms. Sobhana ADHIKARI  
Ms. Puja SHARMA  
Mr. Rajan PARAJULI  
Mr. Tajbij GARTAULA  
Ms. Sarmila PANDIT

<p>that needs ations was y the farmers, ping the e and letting it nd 1.50 hours, n inoculated und 3kg s needed to see at activities r right time with nowledge, skill f caution. So l training and actices had to rmer way of training room management.</p>	<p>Straw, the main resource for mushroom production was cheaply available. Spawn was obtained on advance request either through the office of the ADO or through some private spawn companies in Kathmandu. All that needed was placement of order in right time when the temperatures are not extremely high, though best times would be when ambient average temperatures could be around 25-30 degrees celsius. The other resources needed were fire wood for boiling chopped (3-4 inch) straw to make good substrate for mushrooms (food for fungi) and plastic bags for tightly packing as 3 Kg bags.</p>	<p>A well care taken bag starts fruiting (mushrooms) in about 4-5 week's time depending upon the temperature and humidity conditions. In about 4-5 days first flush of crop would be ready for harvest and marketing. In most production areas, there would be no marketing problem of mushrooms as there was no mushrooms available.</p>	<p>Grading of mushrooms was no concern as there was no produced mushrooms in townships except in large market centers such as Kathmandu and Pohara.</p>	<p>There was no question of value addition as there was no production.</p>	<p>The knowledge of farmers to farming will have to be guided critically and continuously against the higher susceptibility of diseases in and around the farm house or shed. The fungal enemies are also mostly fungal in origin. Since whatever is preferred by the mushrooms is also preferred by the "wild or unwanted" mycelia. These "seeds of disease" must be controlled with proper management of mushroom production as well as proper disposal of the used substrate. Entomological problems may also be witnessed if proper management is not advised to the entrepreneurs.</p>	<p>Communities noted that MEDEP's arrival to their village was so timely to take forward the mushroom enterprise as only little was known about mushrooms, and some species would be the fastest income earning crop requiring relatively small amount of labour.</p>
<p>ment used by umla prior to rally household new that the was a good way surplus apple, ality of product rn. They were r products are ed low quality ch they</p>	<p>Plenty of apple available.</p>	<p>Generally not sold.</p>	<p>None</p>	<p>None</p>	<p>No road to transport apple outside Jumla.</p>	
<p>athmandu to a person, at it could have ere was no verting the raw o various other addition and</p>	<p>Whatever amount of strawberry was produced used to be purchased by JAITI.</p>	<p>When JAITI left Nuwakot, then only farmers began to look for marketing their produce. Mr. Kanchhaman Tamang recalls that he went to sell strawberry in Khichapokhari (Kathmandu) and sold at rate of NPR 350 per K.G.</p>	<p>There was no knowledge of branding or marking.</p>	<p>There was no knowledge of possible value addition.</p>	<p>No idea about market because JAITI used to purchase all produce. After JAITI left it was challenging to keep the product continue in the locality.</p>	<p>DEMEGA Chairperson Mr. Kanchhaman Tamang, Mr. Mangal Siddhi Taman and Mr. Dipesh Tamang noted that MEDEP's arrival to their village was so timely to take forward the strawberry in Nuwakot.</p>
<p>al agricultural ills. But they miliar about rberbed farming ive.</p>	<p>There were plenty of fertile sandy riverbeds in their locality. But every year the shore area could vary due to changing course of river as reported by farmers who</p>	<p>Watermelon is the main product of the riverbed farming. Earlier the watermelon used to be primarily imported from India.</p>	<p>There was no knowledge of branding or marking.</p>	<p>There was no knowledge of possible value addition.</p>	<p>Lack of knowledge of such potential was a major limitation.</p>	<p>MEDEP staff discussed with farmers for the possibility of such riverbed farming. Some landless farmers were convinced that cultivating</p>

<p>training. Skills cal uld be required.</p>	<p>Availability of land with good quality soil and moderate to good irrigation facility would be desirable. As organically produced vegetables would be preferred by consumers, a good livestock combined vegetable production farm would be an unbeatable resource combination. Good quality seed and a nursery for raising seedlings for many of the vegetable crops would be better. At times some inputs and chemicals like plastic and chemical fertilizers, primarily nitrogen based, would be required.</p>	<p>market outlets were not many.</p>		<p>taken as a luxury item for those who could afford.</p>	<p>potential was a major limitation to go for off- season vegetable production.</p>	<p>those small holders who had surplus labour to self help raise their income as markets would be connected soon to deliver their products and that there was high demand of these products in local as well as distant markets. Farmer group meets were organized and issues discussed at local levels.</p>
<p>f many of the be tradional tence xample, seed d leaf mustard radish, beans, i, etc. were almost all 's operation. ome traditional ill. However, ction in Jumla was pretty many. eed production umla.</p>	<p>Nepal is rich in taking locational advantage of producing various kind of vegetable seeds. Vegetable seed markets are available from local to international levels.</p>	<p>Vegetable seeds are generally sold to seed entrepreneurs by the producers.</p>	<p>None</p>	<p>None</p>	<p>Technical knowledge.</p>	

<p>as a lack of fact that man making very rough items DEP felt that al would be rent knowledge e traditional only time come is g money with proved skills</p>	<p>3000m with moist, fertile and well-drained soil. The bark of the forest collected stem shoots (10-11 feet high at maturity), when processed (cooked well using ash and debarked by beating the cooked "Puwa"), provide fibres of unique qualities. It was used to spin some products only.</p>	<p>was to transact directly the very rough built fibre wooven products locally. The markets were truely localized and the utility and level of incomes were insignificant.</p>	<p>branding and marking of such product.</p>	<p>barter form of trade was practiced.</p>	<p>The bulk obtained for processing further was quite small which might result to lower returns to scale.</p> <p>The skills gained by one entrepreneur can be useful only so long as the person remains in an area where plenty of allo fibre processing takes place. Her/his migration due to any cause is likely to render the skill gained as worthless. A girl skilled may be worthless once she gets married and happens to be a member of non-allo area after her marriage for example.</p> <p>-The preference given to allo products by consumers is ceremonial and gift driven, not mass demand oriented in itself.</p> <p>-Is something only very rich may prefer; and even that possibility is less likely as there are plenty of alternative materials for allo products.</p>	<p>engagement, weaving and creating niche market for the product would contribute to the cause of poverty reduction, income augmentation through the use of this wasted resource.</p> <p>Remote area people, particularly women, Dalits and Janajatis were devoid of opportunities to engage. They had high degree of illiteracy and were unable to express their feelings what so ever. It was thought that this entreprise if created would pave ground for higher empowerment to those who were shy to express and come forward to raise their concerns.</p>
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<p>thousand, an able by the local ever, they t potential once ns and field nced them ly mand made ere made until al people had limited capacity</p>	<p>members. They need not pay any charge in making use of Babiyo as rope. Community would be happy to help raise welfare and income of community members. As such, the facilities developed by the MEDEP could be used by any individual to make Babiyo rope. All members in the community had positive attitude to such an enterprise. -There was limited market, though they could easily expand market.</p>					<p>poverty reduction, income augmentation and use of otherwise wasted resource, with specific reference to areas where very little alternatives to earn money exist. -This very enterprise has been a bait to attract poor people, particularly women, and janajatis who were devoid of opportunities to engage in some income raising activities. They had high degree of illiteracy and were unable to express their feelings what so ever. This enterprise has created ground for massive empowerment to those who were shy to express and come forward to raise their concerns. This has been the greatest advantage out of the allo processing enterprise.</p>
<p>d skills in bee as well as d marketing of y limited. The e Offices in nly focal points mply provide manded by es were not ed for creating promoting</p>	<p>In case of Tarai districts like Kailali, Dang and Nawalparasi the rape and mustard seed field was the main resource for bee keeping whereas in hilly districts like Dadeldhura, Darchula, Baitadi and Rolpa the bee keeping was Chiuri tree and other forest plants and mixed crops based. In districts like Myagdi and Terathum mixed forests, agricultural crops including citrus fruit plants were source of pollen.</p>	<p>There was no systematic market for honey, just as there was no appropriate system of honey collection. Very high bee population would be killed and wax would be wasted in the process of honey extraction using rough methods of haphazard smoking and chopping combs in the hives. The studies made by the MEDEP in the beginning of its program revealed that establishment of demand and Marketing of honey would mean also increase in the number of beehives among the entrepreneurs.</p>	<p>There was no knowledge as well as practice of branding or marking of honey.</p>	<p>There was no knowledge of possible value addition in the honey as a product.</p>	<p>The main challenge was how to convince entrepreneurs to invest in the modern beehive. The other concern expressed was about marketing of honey since many consumers believed that sugar adultration was quite common in honey sold. -While, the actual effect of the pesticides on the quality of honey produced would have been not more, the concern of consumers to this direction could not be denied, and was a challenging part.</p>	<p>The benefits of honey as perceived by consumers were not many. Honey was perceived only a kind of medicine.</p>
<p>rom unique ate plant" and its ong standing Hill villages. ? studies showed of such allenged as neir trust in h paper widely rm started to</p>	<p>The Kagaje plant was available in forest for free needing no farm land. Small land holder poor farmers surplus labour could be used to collect this plant for free from forest to transform the same into good quality paper to help concrete</p>	<p>No marketing of Nepali paper except for writing was known by local people. It left out unique potential of marketing papers for other uses.</p>	<p>No branding and marking knowledge and concern was noted at local level causing limited knowledge about Nepali papers potential higher income.</p>	<p>No possibility of value addition was recognised by the people engaged in making paper. Value addition was not their concern, except for making raw paper.</p>	<p>Nepali paper making tradition and local knowledge was under threat due to entry of modern paper in the rural areas.</p>	<p>The other benefits of keeping such skill alive to help raise rural or village tourism or attraction for outsiders was not thought of.</p>

<p>had nothing to were collected ixed with flour emergency food t or food is no knowledge do with them plants are lying</p>	<p>Nettle powder was not known to people. It would rather be an insult to talk about such an idea. Markets for nettle powder were not even thought.</p>	<p>Marketing was not done.</p>	<p>Branding or marking was not thought.</p>	<p>Value addition by local people was not imagined even.</p>	<p>Challenges were on how to increase income of people who had abject poverty, and people were ultra poor with no knowledge what to do.</p>	<p>Poverty and lack of knowledge moved together. If knowledge could be gathered and utilized properly, the poverty of people would be alleviated.</p>
<p>ledge and use of leather e. Yet it was fast nor sensible hands of people e skill was not what was e the es and thus be a oly side.</p>	<p>The under utilization of leather such as fixing leather stock underneath the shoe or making stripes as substitutes for thread or tightening ropes or use of precious leather as pulling carts to remove soils while preparing grounds and so on indicated the plentifulness of leather. Such resource and market</p>	<p>Products were marketed only locally, were gripless and were useful not for sloppy paths with slippery nature.</p>	<p>No branding was done.</p>	<p>Only little value was added.</p>	<p>How to widen use and market for leather processed locally was a serious problem, and not yet deeply and widely thought by the state.</p>	<p>Scarcity under abundance was the circumstance for leather as leather processing was not taken up as a critical means to employ people, generate income and keep traditionally engaged people in the line of prosperity. Prosperity of those traditionally engaged in such</p>

<p>ed need and to use reason based kup of the oring system ect on demand s not known to e tailors. There oriate ills required for ing and</p>	<p>resources. However, choice of raw materials were limited. Markets for most of the garments in the form of tailoring order were existent. Readymade garments tailored at local level had not any market as they would be the losers with imported garments overwhelmingly.</p>	<p>extent local tailors did customized tailoring.</p>			<p>garments. Imported cheaper and better garments posed threats toward entering into the tailoring business.</p>	<p>garments would be possible. So, for both the consumers and the service provider, half clear message was that tailoring and mini garment service centre could be a more efficient place to work.</p>
<p>edge was concern to make plausible. Yet ing fast nor s the demands ll was not what was e the orted tools of Knowledge and ged behind.</p>	<p>The under utilization of resources indicated the false abundance of resources such as coal, labour and even the raw iron. The critical tools required were nobody's concern. Only the blacksmith could never win the battle on the need for such tools. Markets for locally made items gradually diminished, thus posing challenge not only for income but also for employment and identity of black smiths, the traditional supporters and main builders of a state.</p>	<p>Markets for locally made items gradually replaced. The crafts and tools made could not win the market.</p>	<p>No branding was done.</p>	<p>Only little value was added.</p>	<p>How to widen use and market for locally crafted tools was a serious problem. The state was not yet deeply and widely thoughtful about the problem.</p>	<p>Scarcity of tools and craftsmanship prevailed as neither required raw material nor tools for crafting items were available. Black smith workshops was not taken up as a critical means to create required farm tools and their repair, employ people, generate income and keep traditionally engaged people in the line of prosperity. Prosperity of those traditionally engaged in such occupation was challenged.</p>
<p>edge and skills nd as it was a ervice with new</p>	<p>The skill was soon available but support needed was not initiated by any body at village level.</p>	<p>Marketing of such services was not done.</p>		<p>Value addition to such services was not thought.</p>	<p>How to widen use of such service was a problem. The state was not yet deeply and widely thoughtful on how to go about addressing such problem.</p>	<p>A great risk for establishing such service with no prior knowledge discouraged the talented poors for establishing such service.</p>


## Annex - 4: Household questionnaires and FGD Checklist

### Mass Impacts on Entrepreneurs of the Selected Products and Services Promoted by MEDEP

#### Entrepreneurs Survey Questionnaire

Date of Interview:

#### Part-I: General information

##### A. Household Information

Name:		Sex:	<b>M:</b>	<b>F:</b>
VDC/ Municipality:		Ward:	Settlement Name:	
District:				

Family size no.:	Male no.:	Female no.:
Land owned:	Rented land:	Total Land:
House type: i) Separate & No. ii) With cattle shed		House category: i) Pakki, ii) Kachhi iii) <b>Typical remarks</b>

##### B. Product type related to the MER

Circle the exact product type(s) for this entrepreneur, and also clearly mark as Main (1), Secondary (2) or Tertiary (3) and so on:

<b>1</b>	<b>Agro-based (10)</b>	<b>3</b>	<b>Artisan-based (8)</b>
1a	Sweet and Mandarin Oranges	3a	Petani Cloth
1b	Mushroom	3b	Dhaka
1c	Dairy and Milk Products	3c	Laha Bangles
1d	Apple processing	3d	Shyama-Panga
1e	Strawberry	3e	Hosiery/Wolen items
1f	Riverbed farming	3f	Cotton bag
1g	Off-season vegetable	3g	Leather processing and shoes manufacturing
1h	Ginger and ginger products	3h	Carpet and woolen products
1i	Vegetable seed production and marketing	<b>4</b>	<b>Service based (3)</b>
1j	Fishery	4a	Mini Garment and Tailoring
<b>2</b>	<b>Forest based (12)</b>	4b	Balcksmith workshop (Improved)
2a	Pater Products	4c	Thanka and Pauwa Painting
2b	Allo Processing	<b>5</b>	<b>IT Based (1)</b>
2c	Babiyo (Sabia grass) Rope making	5a	Cyber café
2d	Beekeeping (honey)	<b>6</b>	<b>Tourism based (1)</b>
2e	Lokta Processing (Nepali handmade paper)	6a	Eco-Trekking and Home Stays
2f	Cane furniture and Bamboo Products	<b>7</b>	<b>Construction based (2)</b>
2g	NTFP processing (Lemongrass, Mentha, Camomile, Winter Green)	7a	Cement block
2h	Incense Stick	7b	Carpentry

2i	Chyuri herbal soap
2j	Veneer Manufacturing
2h	Nettle powder
2l	Bael Juice Processing

**C. Status of enterprise write down the product(s) name:**

Status	Main	Secondary	Tertiary	
a. Active				
b. Inactive				
c. Semi-active				

**D. Size or Volume of ME (s) in investment term (cost to start the business- rent for land, construction of shed, equipment, tools, etc.)**

Name of the Enterprise(s)	Rupees	Brief description of ME
Main:		
Secondary:		
Tertiary:		

**Part-II: Questions related to Agro-based, Forest-based, Artisan-based and Service-based Products**

**E. Raw materials**

(i) Availability of raw materials (as of Shrawan 2071 - Asar 2072)

Name of raw materials (please specify)	Availability				Proximity (दूरी)				
	Abundant (12 months easily)	Moderately abundant (12 months difficulty)	Scarce (Less than 50%)	Declining	In the nearby farm/forest	In the distant forest	In the nearby market (name)	Imported from (name)	Others (specify)
1.									
2.									
3.									
1.									
2.									
3.									
1.									
2.									
3.									

(ii) Price trend of raw materials and actual price of raw materials paid last year (Shrawan 2071 - Asar 2072)

	Price of raw materials paid last year	Price trend
--	---------------------------------------	-------------

Name of raw materials	Unit	Total Volume Required	Rs per unit	Total Cost	Increasing	Decreasing	Constant	No idea
1.								
2.								
3.								
1.								
2.								
3.								
1.								
2.								
3.								

**F. Question only for Agro-based and/or Forest-based products**

(i) Days/cost for producing the products; and availability of labour

Name of Product(s)/ME	Days			Wage rate per day (Rs)	Total Cost	Availability			
	HH labour	Hired labour	Total			Cheap/Easy	Normal	With difficulty	Justify
1.									
2.									
3.									

1 day = 8 hours

### **G. Product manufacturing/production**

(i) Days of labour and cost to prepare (processing); and availability of labour.

Name of Product(s)	Days			Wage rate per day (Rs)	Total Cost	Availability			
	HH labour	Hired labour	Total			Cheap/Easy	Normal	With difficulty	Justify
1.									
2.									
3.									

### **H. Where do you sell your product (s)?**

Name of Product(s)	Market (please write names)			Please explain (why?).
	Local (within district)	To other parts of the country	To other countries	
1.				
2.				
3.				

### **I. How many days does it take for marketing your product?**

Name of Product(s)	Days			Wage rate per day (Rs)	Total Wage Cost (Rs)
	Use HH labour	Use hired labour	Total		
1.					
2.					
3.					

(iv) How much did you earn from the sale of your product(s) last year? (as of Shrawan 2071 - Asar 2072).

Name of Product(s)	Unit	Total volume of product	Per unit price	Total value	First sale point/location	Total cost for marketing if any? (Transport, accommodation, advertisement)

						through local radio, etc.)
1.						
2.						
3.						

**Part-III: Question related only to IT, Tourism and Construction based products**

Please give following details.

Product	Date of Establishment	No. of clients served	Earnings			
			Unit	Per unit charge	No./volume of product	Total value
1. IT						
2. Tourism						
3. Construction (Pls mark 7a or 7b)		xxxxxxxx				

**Part-IV: Question related to spread or extension of the ME products**

Please give following details about the expansion of ME/products.

Name of Product(s)	Have others also started the enterprise in your community/locality? (Yes or No)	If 'Yes' how many	Will this enterprise expand in future?		Any possibility of its decline in future?	
			Yes/No	Give reasons	Yes/No	Give reasons
1.						
2.						
3.						

**Part-V: Question related to household income and expenditure**

(i) Give details of household income other than MEDEP supported MEs.

S.No.	Source of income	Unit	Total no./volume	Price per unit	Total income	Cost of labor (Rs)	Other input	Total Cost

								cost (Rs)	
<b>A.</b>	<b>Cereal Crops:</b>								
i.	Paddy								
ii.	Wheat								
iii.	Maize								
iv.	Millet								
v.	Barley								
vi.	Others								
<b>B.</b>	<b>Cash crops:</b>								
i.	Potato								
ii.	Pulses								
iii.	Oil seeds								
iv.	Vegetables								
v.	Fruits								
vi.	Others (mushroom, honey, cane etc)								
<b>C.</b>	<b>Livestock:</b>								
i.	Milk								
ii.	Meat (Goat, pig etc)								
iii.	Poultry								
iv.	Eggs								
v.	Fishery								
vi.	Wool								
vii.	Others								

S.No.	Source of income	Unit	Total no./volume	Price per unit	Total income	Cost of labor (Rs)	Other input cost (Rs)	Total Cost
<b>D.</b>	<b>Non-farm occupation:</b>	Annual Income (Rs)						
i.	Job (salary income)		xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
ii.	Labor wage		xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
iii.	Remittance		xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
iv.	Non-agri business		xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
v.	Others:		xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx

(ii) Give details of household based on last year expenditure except agriculture cost:

S.No.	Description	Unit	Amount	Cost in Rs	Remarks
i.	Food (cereals)				
ii.	Pulses				
iii.	Vegetable				
iv.	Milk				
v.	Meat				
vi.	Egg				
vii.	Oil				

viii.	Firewood				
ix.	Other fuel (specify)				If gas = cylinder, kerosen/petrol/diesel = ltr
x.	Sugar, spices, tea, etc.	xxxxxx	xxxxxx		
xi.	Education	xxxxxx	xxxxxx		
xii.	Health	xxxxxx	xxxxxx		
xiii.	Clothing	xxxxxx	xxxxxx		
xiv.	Sanitation (soap etc)	xxxxxx	xxxxxx		
xv.	House improvement	xxxxxx	xxxxxx		
xvi.	Utility (telephone, electricity, water, etc.)	xxxxxx	xxxxxx		
xvii.	Social & cultural activities	xxxxxx	xxxxxx		
xviii.	Others	xxxxxx	xxxxxx		

#### Part VI: Satisfaction and suitability

How satisfied are you with the product (s) you are engaged with?

S.N.	Product name	Satisfaction rank				Reasons
		Highly	Moderately	Not satisfied	Indifferent	
2						
2.						
3.						

**VAT/PAN: Y/N (Number if possible)**

Enumerator's remarks about the enterprise (s):

Thank you for your kind cooperation!

Interview taken by: .....

## Mass Impacts on Entrepreneurs of the Selected Products and Services Promoted by MEDEP

### Entrepreneurs Survey Questionnaire (Only for Inactive)

Date of Interview:

#### Part-I: General information

#### B. Household Information

Name:		Sex:	M:	F:
VDC/ Municipality:		Ward:	Settlement Name:	
District:				

Family size no.:	Male no.:	Female no.:
Land owned:	Rented land:	Total Land:
House type: i) Separate & No. ii) With cattle shed		House category: i) Pakki, ii) Kachhi iii) <b>Typical remarks</b>

#### B. Product type related to the MEr

Circle the exact product type(s) for this entrepreneur, and also clearly mark as Main (1), Secondary (2) or Tertiary (3) and so on:

<b>1</b>	<b>Agro-based (10)</b>	<b>3</b>	<b>Artisan-based (8)</b>
1a	Sweet and Mandarin Oranges	3a	Petani Cloth
1b	Mushroom	3b	Dhaka
1c	Dairy and Milk Products	3c	Laha Bangles
1d	Apple processing	3d	Shyama-Panga
1e	Strawberry	3e	Hosiery/Wolen items
1f	Riverbed farming	3f	Cotton bag
1g	Off-season vegetable	3g	Leather processing and shoes manufacturing
1h	Ginger and ginger products	3h	Carpet and woolen products
1i	Vegetable seed production and marketing	<b>4</b>	<b>Service based (3)</b>
1j	Fishery	4a	Mini Garment and Tailoring
<b>2</b>	<b>Forest based (12)</b>	4b	Balcksmith workshop (Improved)
2a	Pater Products	4c	Thanka and Pauwa Painting
2b	Allo Processing	<b>5</b>	<b>IT Based (1)</b>
2c	Babiyo (Sabia grass) Rope making	5a	Cyber café
2d	Beekeeping (honey)	<b>6</b>	<b>Tourism based (1)</b>
2e	Lokta Processing (Nepali handmade paper)	6a	Eco-Trekking and Home Stays
2f	Cane furniture and Bamboo Products	<b>7</b>	<b>Construction based (2)</b>
2g	NTPFP processing (Lemongrass, Mentha, Camomile, Winter Green)	7a	Cement block

2h	Incense Stick	7b	Carpentry
2i	Chyuri herbal soap		
2j	Veneer Manufacturing		
2h	Nettle powder		
2l	Bael Juice Processing		

What were the reasons you became inactive for the ME?

S.No.	Reasons	Tick the reasons	Rank the reasons	Remarks
i.	ME was too small for you, so that you graduated to next higher level.			
ii.	ME was too big operation for you, so you could not handle.			
iii.	Unavailability of raw materials			
iv.	Unavailability of labour			
v.	There was not enough market facilities.			
vi.	Not enough skill.			
vii.	Shortage of finance.			
viii.	Others, pls specify.			

Please provide more reasons and/other reasons if above provisional list is not sufficient.

Thank you for your kind cooperation!

Interview taken by: .....

**Annex - 5: Checklist for Focused Group Discussion (FGD)**

*Annex 5.1*  
**Focused Group Discussion with**

**District Level Bodies (DCSI/CSIDB, DDC, DADO, DFO, DWO)**

**District:**

**Address:**

**Date:**

**A. Context, overall impact and changes observed**

Query	Views of the Respondents/Group
What was the context of MEDEP initiation in the district?	
What are the products of the district?	
Explain the overall impact of the MEDEP as experienced in the district:	
In the perspective of GESI, explain the socio-economic empowerment of marginalized and socially excluded people.	
Explain the role of MEDEP as an "igniter" for product development, diversification, change and growth.	
Explain the impact of the product development on income generation and poverty alleviation of the MErs at the district level.	
Explain the products, which will have great impact on poverty alleviation and income generation in the districts.	

**B. Opinion about Value Chain**

Query	Status and Remarks
What value chain systems practiced in the district of a product or not?	
Whether the MERS are integrated in the established value chain system of a product or not?	
Whether MERS themselves have developed their own (autonomous) value chain system or not?	
Whether the value chain system has helped the MERS to increase their employment and income or not?	

**C. Social empowerment**

Query	Status and Remarks
Explain how GESI is being incorporated in MEDEP.	
What are the legal and policy provisions to ensure GESI?	
Are there any constraints?	
Do you suggest any policy provision required for development of MERS?	

Thank you for your kind cooperation!

Interview/discussion notes taken by: .....

**Focused Group Discussion with  
District Micro Enterprise Group Association  
(DMEGA)**

District:

Address:

Date:

**1. Explain the organizational composition of MEGAs, DMEGA**

Category wise MEGA	Number of Executive Members	Number of General Members	Remarks
Agro-based			
Forestry-based			
Artisan-based)(l;NkL cfwf/Lt pBd			
Service-based			
Tourism-based			
IT-based			
Construction-based			
Total			
a. Men(k'?if)			
b. Women(dlxf)			
<u>Ethnicity</u>			
a. Janjati			
b. Dalit			
c. Others			

**2. Please provide information on number of trainers in this district:**

Sector		Agro-based	Forestry-based	Artisan-based	Service-based	Tourism-based	IT-based	Construction-based
								(lgdf{0f cfwfl/t)
Involved as trainer, No.	Total							
	Janjati							
	Dalit							
	Others							
Certified? by NSTB/ CTEVT, No.	Total							
	Janjati							
	Others							
Grand Total	Total							
	Janjati							
	Dalit							
	Others							

**3. Explain the role of MEDEP as an "igniter" for product development, diversification, change and growth.**

**4. Social empowerment (GESI)**

What percent of MEs are members of MEGA or DMEGA (+ central level) or so on? Please provide the following information (number or percent):

Registered with		CSIDB	DCSI	Company Registrar Office	Informal Operation	Total
MEGAs, Men (;fgf pBd ;d"x. k'?if)	Total					
	Janjati					
	Dalit					
	Others					
MEGAs, Women (;fgf pBd ;d"x, dlxf)	Total					
	Janjati					
	Dalit					
	Others					
DMEGAs, Men (lhNnfut ;d"x ;+u7g, k'?if)	Total					
	Janjati					
	Dalit					
	Others					
DMEGAs, Women (lhNnfut ;d"x ;+u7g, dlxf)	Total					
	Janjati					
	Dalit					
	Others					
Grand Total	Total					
	Janjati					
	Dalit					
	Others					

**5. Opinion about Value Chain**

Query Ijifo	Status and Remarks
<p><i>a.</i> Whether the MErs are integrated in the established value chain system of a product or not?</p>	
<p><i>b.</i> Whether MErs themselves have developed their own (autonomous) value chain system or not?</p>	
<p><i>c.</i> Whether the value chain system has helped the MErs to increase their employment and income or not?</p>	

**6. Experience about Raw materials and Products(mark right as per applicability)**

Query	Product B	Product C	Product D	Product E	Product F	Product G	Product H
<p><i>a.</i> Availability of raw material (Abundant/Moderate/Scarce)</p>							
<p><i>b.</i> Price trend of raw material (Increase/Constant/Decrease)</p>							
<p><i>c.</i> Availability of labour</p>							
<p><i>d.</i> Availability of capital</p>							

**7. Experience about Product Market**

Product Name/Code →	Product A	Product B	Product C	Product D	Product E	Product G
a. Availability ?						
b. Market outlets (Where?)						
c. Supply of products/services since (year)						
d. Branding, Y/N						
e. Marking, Y/N						
f. Have others also copied MEs due to MEDEP ? Y/N						
g. If yes, how many MEs in your locality?						
h. Can ME product /services decline in future? Y/N						
i. What Skill enhancing other than SYIB, TOPE/TOSE/TOEE/TOGE has been provided to the MEs ?						

**7. Financing of MEs.**

*a. Please provide following information about loan facilities. .*

Number and percentage of MEs taking loans: ... ..

Sources of loan, (Specify by priority)	Interest rates	Usual period for loan in years	Remarks
a.			
b.			
c.			
d.			
e.			

***b. Please inform on loan pay back status and reasons for such outcome***

Status/Reasons	Reason I	Reason II	Reason III	Remarks
a. Good				
b. Normal				
c. Poor				
d. Very poor				

***c. Enquiry: Cost breakdown of selected products***

ME/Product type (Code )	% Cost of raw materials (only cash) :	% Labour costs ( only cash paid to others):	% Maintenance and utility cost:	% of other cost	Remarks
a.					
b.					
c.					
d.					
e.					

***d. Ranking for Value add I, II, III etc or in % or step wise change in value***

ME/Product type (Code )	Cost at rawprocessed stage I	Processing stage II	Processing (Stage III) Final Product	Packaging/ Labeling/Marking (value before whole selling)	Whole selling	Transport to central market	Retail cost
a.							
b.							
c.							
d.							
e.							
f.							
g.							

(The table needs /unit adjustment due to change in forms, and bulk associated while processing and transportation for example)

*e. Please provide the following breakdown information on expenses*

Annual expenditures in %, or rank	Education	Health	Clothing	House improvement	Land purchase	IT (TV + mobile/telephone costs)	Savings	Others, please specify
In percent, or								
In rank								

**8. Legal Status of Enterprise: How many of the MEGAs and DMEGAs are registered with**

Registered with	CSIDB	DCSI	Company Registrar Office	Informal Operation	Total
MEGAs					
DMEGAs					
Total					

**9. How many of them have VAT/PAN Numbers**

Registered with	VAT Nos.	PAN Nos.	Total
MEGAs			
DMEGAs			
Total			

**10. What were the reasons that some MEs have become inactive ?**

S.N.	Description	Rank perceived	or percent of cases
A	ME too small for the person, so that he/she hence graduated to next higher level.		
B	ME was too big operation, so could not be handled.		
C	Unavailability of raw materials.		
D	There was not enough market facility.		
E	Not enough skill.		
F	Shortage of finance.		
G	Was capable and shifted occupation with positive results		
H	Policy issues (difficulty) : please specify		
I	Others (difficulty), pls specify		

*Additional information & remarks (if any):*

Thank you for your kind cooperation!

Interview/discussion notes taken by: .....

**Focused Group Discussion with  
Rural Market Centre / Community Facilitation Centre**

District:

Address:

Date:

**1. Your Opinion about Value Chain System (VCS)**

Query	Yes/ No	Give Reasons
Are the MERS integrated in the established VCS of a product or not?		
Are the MERS linked autonomously ) with the VCS or not?		
Have the VCS helped the MERS to increase their employment and income or not?		

**2. Experience about Raw materials and Products (mark right as per applicability)**

Query	Product Name/Code	A: .....	B: ....	C: ....	D:.....	E:.....	F:...
Raw Material	Availability						
Price trend, main raw material	Increase/Constant/Decrease						
Labour	Availability						

### 3. Experience about Market

Products	A...	B...	C...	D...	E...	F...	G...	H...
Availability (Give details)								
Market outlets (Give details)								
Supply of products/services (From when? (year))								
Branding, Y/N (Give names if any)								
Marking Y/N (Give names if any)								
Have others also copied MEs due to MEDEP ? Y/N (Give reasons & details of MEs)								
Will the ME products /services increase or decrease in future? Y/N (Give reasons & details of MEs)								
What are other skills needed to the MErs other than SYIB, TOPE/TOSE/TOEE? (Give details)								

*Additional information & remarks (if any):*

Thank you for your kind cooperation!

Interview/discussion notes taken by: .....

### Calculation of Per Capita Income (PCI)

Income, as defined in this survey, measures the flow of resources in a household in the past 12 months of the Fiscal Year (FY) 2014/15. It intends to capture the flow of resources required to meet a minimum level of living standard. The method of constructing income aggregates for this study is similar to the method applied in the Nepal Living Standards Survey 2010/11 (NLSS-III).

The main components of household income are divided in two categories:

- i. Income from micro-enterprises established by a household headed either by a male HH head or female HH head but sharing a same kitchen; and
- ii. Income from all other sources of the HH such as crop income, non-crop farm income, income from wage employment, income from nonfarm enterprises (other than MEDEP's support), income from remittances, and income from other sources.

Income from micro-enterprises (with MEDEP support) covers the products as follows:

- i. Agro-based: Sweet and Mandarin Oranges; Mushroom; Dairy and milk products; Apple processing; Strawberry; Riverbed farming; Off-season vegetable; Ginger and ginger products; Vegetable seed production and marketing; and Fishery
- ii. Forest-based: Pater products; Allo processing; Babiyo (sabia grass) rope making; Beekeeping (honey); Cane furniture and bamboo products; NTFP processing (lemongrass, mentha, camomile, winter green); Incense stick; Chyuri herbal soap; Veneer manufacturing; Nettle powder; and Bael juice processing.
- iii. Artisan-based: Petani cloth; Dhaka; Laha bangles; Shyama-panga; Hosiery; Cotton bag; Leather processing and shoes manufacturing; carpet and woolen products.
- iv. Service-based: Mini garment and tailoring; Improved blacksmith workshop; Thanka and pauwa painting;
- v. IT-based: Cyber café
- vi. Tourism-based: Eco-trekking and home stays;
- vii. Construction-based: Cement block; and Carpentry

Income from farm and non-farm sources (without MEDEP support) covers the following components:

- i. Cereal Crops: Paddy; wheat; maize, millet, barley; others.
  - Income from cereal crops are calculated from the questionnaire, which provides information on quantity harvested and unit selling price for each crop.
- ii. Cash Crops: Potato, pulses, oil seeds, vegetables, fruits, others (such as mushroom, honey, cane etc).
  - Income from cash crops are calculated from the questionnaire, which provides information on quantity harvested and unit selling price for each crop.
- iii. Livestock: Milk, meat (goat, pig etc), poultry, egg, fishery, wool, others.
  - Income from livestock is calculated from the sale of cows, buffaloes, goats, yaks, and poultry is combined with earnings from selling of milk, ghee, eggs, curd, and meat.

- iv. Non-farm occupation: Job (salary income), Labor wage, Remittance, Non-agri business, others.
- Income from non-farm occupation is calculated from the total annual earnings received from salaried jobs, labor wage, remittances (usually received from foreign employment), non-agricultural business, and other sources transfer income usually received from the government in the form of allowances).

Per Capita Income:

- First the total household income is computed by summing income from sources described above (i) income received from the micro-enterprises (supported by MEDEP), and (ii) all other farm and nonfarm income (excluding MEDEP's support MEs' income).
- Second the per capita income is computed by dividing household income by household size.
- Nominal *mean* and *median* household and per capita incomes of the respondents (MEs) are calculated for each of the district separately and of the ten districts in aggregate.
- *Product wise PCI*
- Based on the average per capita income of all the respondent MEs, projections and comparisons of per capita incomes among the districts, gender, and ethnic groups (based on GESI approach) are made.
- *For comparison to the national PCI, income data should be inflated.*

## Annex - 7: List of people consulted

### District: Nawalparasi

Name	Organization
Lalkrishna Shrama Paudel, LDO	DDC
Prakash Acharya, Cooperative Officer	Cooperative Division Office
Giriraj Pande, Vice president	Chamber of Commerce
SSuresh Bhushal, Officer	Women development office
Nirmal Regmi, Officer	DADO
Mohan Raj Gyawali, Officer	DDC
Lal Bahadur Kurmi, Officer	DFO
Radha Bhandari	Bee keeping Group
Parwati Tamang	Bee keeping Group
Bina ranamagar (Kaucha)	Bee keeping Group
Gita Sinjali	Bee keeping Group
Kumari B.K.	Bee keeping Group
Sunita Gurung	DMEGA
Laxmi Ranamagar	Bee keeping Group
Jaisari B.K.	Bee keeping Group
Dinu Thapa	Bee keeping Group

### District: Terhathum

Pralhad Kumar Karki	DDC
Tulasi Sangraula	Sabau Mahasangha
Sarad Dahal	Gharelu Mahasangha
Krishna Prashad Ghimire	DDC
Tara Shrestha	FNCCI
Pom B.Regmi	Agriculture Dev.Bank
Prakash Khadka	MEDEP
Pashupati Singha	DADO
Chhatra B. Shrestha	DMEGA
Janaki Kunwar	Women Dev Office
Satya Narayan	CSIDB
Manoj Kumar Sunuwar	Treasure Controller office
Devichandra Pokharel	DFO
Dirgha Dhoj Chapagain	DEO
Lilanath Pokherel	DEO
Nara Prashad Upreti	CSIDB

## District Rolpa

<u>Name</u>	<u>Office/Organization</u>
Mr. Gehendra B. Dangi	DDC
Mr. Ram Kumar Neupane	DDC
Mr. Kishore Pd. Panta	DADO
Mr. Jit B. Mahat	SCIDD
Mr. Hari Narayan Mandal	DFO
Mr. Balkrishna Acharya	SCIDD
Mr. Chandra B. Budha Magar	DMEGA
Mr. Bishwo Kumar Chand	DCCI
Mrs. Tara Devi Sunuwar	DWCDO
Mr. Upendra Raj Panta	DMEGA
Mr. Jhapat B. Thapa	DTO
Mr. Nim B. Singh	DLSO
Mrs. Krishni Gharti	Chair DMEGA
Mrs. Geeta Thapa Acharya	Member DMEGA
Mrs. Manisha Pun	Member DMEGA
Mr. Hemanta Thapa Magar	DMEGA
Mrs. Kalpana Giri	Member MEG Sulichaur RMC
Mrs. Belmati Pun	Member MEG Sulichaur RMC
Mrs. Pabitra Pun	Member MEG Sulichaur RMC
Mrs. Mamata KC	Member MEG Sulichaur RMC
Mrs. Nisha Rana	Member MEG Sulichaur RMC
Mrs. Jeet Kumari Gharti	Member MEG Sulichaur RMC

## District: Dang

Mr. Ramesh Gautam	DDC
Mr. Sudan B. DC	DDC
Mr. Bhim B. Bista	SIDP
Mr. Nava Raj Lafle	DFO
Mr. Ram Pd. Devkota	SIDP
Mrs. Rewa Adhikari	DMEGA
Mrs. Manju Neupane	DMEGA
Mr. Bhim B. Basnet	DSEG
Dr. Jagat B. Silwal	DLSO
Mr. Sridhar Gyawali	DADO
Mrs. Manju Neupane	Chair DMEGA
Mr. Tilak Adhikari	Vice-Chair DMEGA
Mr. Mangal Pd. Chaudhari	Joint Secy. DMEGA
Mr. Dhananjaya Acharya	Secy. Finance DMEGA
Mr. Tulasiram KC	Member DMEGA
Mrs. Prema BiKa	Member DMEGA
Mrs Mangali Chaudhari	Member DMEGA

Mrs. Sharmila Pun	Member DMEGA
Mrs. Tilsara Pun	Member DMEGA
Mrs. Kumari Chaudhari	Member DMEGA

### **District: Myagdi**

Mr. Mr. Chiranjibi Poudel	DDC
Mr. Dayaram Chapagain	DLSO
Mr. Hari K. Acharya	DDC
Mr. Ajaya Bikram Manandhar	DFO
Mrs. Nirmala Sharma	DWCO
Mr. Chiranjibi Regmi	Sangam Training
Mrs. Phamaya Pun	DMEGA
Mrs. Anita Thapa	DMEGA
Ms Dilu Gurung	Member, Central level DMEGA
Mr. Mekh B. Hamal	DADO
Mr. Khem Raj Poudyal	DMEGA
Mr. Lilaram Gauchan	CCI
Mr. Bikash Thakali	Sangam Training
Mr. Bishnu P. Poudel	DDC
Mr. Dhan B. Khati	Chair DMEGA
Mrs. Usha Kisan	Founder Chair DMEGA
Mrs. Bishnu Gurung	Member Finance DMEGA
Mrs. Kharamaya Bitalu	EDF DMEGA

### **District: Nuwakot**

S.N	Name
1	Mr.Kanchha Lama
2	Mr Dipesh Tamang
3	Ms.Dhanmaya tamang
4	Mr Mangal Tamang
5	Mr Tilak Tamang
6	Mr Shailendra Bhandari, Planning officer(DMEGA)
7	Mr Gita Thapa
8	Ramchandra Neupane
9	Pushkar Sharma
10	

#### **CSIDB**

S.N	Name
1	Mr. Ram Bahadur Rana
2	Ms. Prativa Thapa

**District: Rasuwa**

S.N	Name
1	Bishnu Koirala
2	Ms. Laxmi Pun
3	Shree Gita shrestha (DMEGA)
4	Shree Bikram Lopchan (DMEGA)
5	Ms Dhuma Moktan (EDF)
6	Shree Krishna Bahadur Tamang

**District: Kailali**

S.N	Name
1	Shree Ganesh Bistha
2	Parbati Chaudhari (CFC)
3	Sarita Chaudhari
4	Shree Bhoj Raj Chaudhari (CFC)
5	Shree Briju Chaudhari (CFC)
6	Shree Jet Ram Chaudhari (CFC)
7	Shree Babita Chaudhari

Meeting with officers of BDSPOS of far western Region

S.N	Name
1	Jagadesh Aawasthi
2	Shree Krishna Pandiya
3	Pawan Bhandari
4	Naresh Bhatta

**District: Dadeldhura**

S.N	Name
1	Suran Bahadur Bohara
2	Shree Kamal Bohara
3	Shree Manab Giri
4	Shree Maha Bohara
5	Shree Bishnu Joshi
6	Kamala Bohara (MEGA)
7	Surat Bahadur Bohara
8	Tuli Devi Bohara
9	Ganesh Bahadur Bohara
10	Kamala Bohara
11	Dan Bahadur Bohara
12	Yaksha Bahadur Bohara
13	Gomani Nepali
14	Prem Bohara
15	Padma Bohara
16	Chandra Bohara
17	Shankar Daata Bohara
18	Karam Nepali
19	Param Dhan Bohara
20	Chandra Bahadur Sharki
21	Surja Damahi

## District: Jumla

S.N	Name
1	Narajit Damahi(DMEGA)
2	Amar Rokiya (BDSPO)
3	Dauram Nepali(SEDf)
4	Mun Bahadur Bistha(DMEGA)
5	Chandra Lal Bohara
6	Ram Devi Budha
7	Chandra B. Rokiya
8	Churki Mahato
9	Lal B.Budha
10	Narma gang Rokiya