

MICRO ENTERPRISE DEVELOPMENT PROGRAMME (MEDEP)



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

BACKGROUND

The Government of Nepal and UNDP initiated MEDEP in 1998 to address issues of income poverty among socially- and economically-excluded people living below the national poverty line by helping them start enterprises, with financial and technical support from Australian Aid, DFAT/Australian Government through UNDP. The programme is in its fourth phase of expansion.

In recognition of the positive impacts of the Micro-Enterprise Development (MED) model, the Government has adopted it in its Micro Enterprise Development for Poverty Alleviation (MEDPA) Programme, with the Ministry of Industry as the implementing agency. As of July 2017, MEDPA has extended to all 75 districts in Nepal.

The combined efforts of MEDEP and MEDPA have helped increase the per capita income of micro-entrepreneurs by 343.8% from NRs. 17,605 to NRs. 78,133 on average across the project's duration.



Lalo Devi from Saptari started a successful flute-making business with MEDEP support

The project aims to:

- Support the Government to institutionalize MED activities through MEDPA;
- Build the capacity of the Government and private sector, including NGOs (MED service providers) to sustainably delivery MED; and
- Strengthen the capacity of Micro-Entrepreneurs' Associations (MEA) to sustainably provide members with business development services, such as access to markets, finance, improved technology and advocacy.



QUICK FACTS:

Duration: August 2013 – July 2018

Focus: Poverty Alleviation through Micro Enterprise Creation and Promotion

Source of Funding: Department of Foreign Affairs and Trade (DFAT), Australian Aid and UNDP

Implementing Agency: Ministry of Industry (MoI)

Total Budget: US\$ 30,645,059

Annual Budget 2016: US\$ 7,162,554

Total Expenditure 2016: US\$ 6,372,395

Budget Utilization 2016: 88.97%

Annual Budget 2017: US\$ 6,128,990

ACHIEVEMENTS SO FAR



Promotion of micro-enterprises is a key aspect of UNDP's efforts to fight poverty in Nepal

- Facilitated signing of MoU between 12 national-level commercial and microfinance banks and National Micro-Entrepreneurs Federation Nepal (NMEFEN) for access to financial services for micro-entrepreneurs. A total of 16,554 micro-entrepreneurs had accessed loans worth NRs. 398 million from these institutions by the end of December 2016.
- Facilitated and supported different ministries and national stakeholders to formulate micro enterprise-friendly laws, policies, guidelines and their revisions, such as the Industrial Enterprise Act, Industrial Policy, Micro Enterprise Policy, Honey Promotion Policy and Monetary Policy, among others.
- Parliament endorsed the Industrial Enterprise Act 2073 in 2016, which—for the first time—enables micro-enterprises to register free of cost and benefit from tax exemption for five years.
- Created 119,085 micro-entrepreneurs through MEDEP/MEDPA as of June 2017.
- Created 187,358 direct and 172,425 indirect employment opportunities, moving 525,200 people out of poverty, as of June 2017.
- The national average Per Capita Income (PCI) after programme intervention rose from NRs. 17,605 to NRs. 78,133, an increase of 343.8%. The annual income contribution of an individual micro-entrepreneur to her/his family increased from NRs. 86,581 before MEDEP intervention to NRs.137,166 after (without considering income of other family members), which is about 58.4%.
- Supported 741 Common Facility Centers (CFCs) for 15,061 very poor micro-entrepreneurs (55.3 % women).
- Micro-entrepreneurs federated in 330 cooperatives.
- Operated 40 sales outlets.

GENDER AND SOCIAL INCLUSION

- Of the total micro-entrepreneurs created by MEDEP/MEDPA as of 2016, 72% were women, 25% Dalits and 40% people from indigenous groups.
- Helped prepare and implement a GESI strategy and action plan for MEDPA.
- Women, Dalits and people from indigenous nationalities occupied 61%, 21% and 45% of decision-making positions, respectively, (such as President, Secretary and Treasurer) in UNDP-supported District Micro Entrepreneur Groups Associations (DMEGAs) in 51 districts.
- 299 micro-entrepreneurs supported by MEDEP participated and emerged victorious in the first and second phase of the local-level elections; of them 75% are women and 40% from the Dalit community.



A significant proportion of microentrepreneurs—nearly three-fourths created by MEDEP have been women

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