



Government of Nepal
Annual Progress Report - 2010

Project Title: Micro-Enterprise Development Programme (MEDEP) III

Award ID: 00049631

Award Title: Micro-enterprise Development Programme Phase III

Project ID: 00060664

Source of Funds: TRAC and AusAID

Implementation Modality: (DIM/NIM): NIM

Project Beginning Year: 1 April 2008

Project Ending Year: 31 December 2010

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Name: Lakshman Pun
Project Manager

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Name: Dhundi Raj Pokharel
Executive- Project Board



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Annual Progress Report – Part I

1. Overview of the Project

Provide a very short description of the project and its main intended results.

Micro-Enterprise Development Programme phase III (MEDEP III) is a joint initiative of the Government of Nepal (GoN) and the United Nations Development Programme (UNDP) with purpose to alleviate poverty through the development and promotion of micro-enterprises and employment generation. MEDEP III is funded by the United National Development Programme (UNDP) and the Australian Agency for International Development (AusAID) and is implemented by the Ministry of Industry (MoI) and co-implemented by Ministry of Local Development (MLD) and Ministry of Forest and Soil Conservation (MOFSC). At the district level the programme is implemented through Business Development Service Providing Organisation (BDSPO), District Micro-entrepreneurs Group Association (DMEGA) and a few NGOs with regular planning, monitoring and supervision of District Enterprise Development Committee (DEDC). The DEDC is a strategic body at district level chaired by the Chairperson of District Development Committee (DDC) and members of DEDC comprise of Local Development Officer (LDO)/DDC, Enterprise Development Unit (EDU)/DDC, District Micro-Entrepreneurs' Group Association (DMEGA), District Chambers of Commerce and Industry (DCCI), Federation of Nepal Cottage and Small Industries (FNCSI), District Agriculture Development Office (DADO), District Forest Office (DFO), District Livestock Service Office (DLSO), Women Development Office (WDO), Federation of Community Forest Users Nepal (FECOFUN), Dalit Co-ordination Committee, Indigenous Nationalities Co-ordination Committee (INCC), representative of Micro-Finance Institutes (MFI), and Cottage and Small Industry Office/Board acting as the role of member-secretary.

The programme focuses on increasing the income of Poor, Hardcore Poor and Socially Excluded Groups especially Women, Youths (16-29 years), Dalits, Indigenous Nationalities, Madhesis, Muslim and Disaster Affected Families, People Living with HIV and AIDS (PLHA), Ex-Injecting Drug Users (IDUs), Discharged Youth Ex-Combatants through the promotion of sustainable micro-enterprises development and employment generation. The programme has facilitated conflict transformation of rural communities particularly in the Tarai districts of Nepal where conflict has emerged again.

In 2010, the MEDEP had six main intended results -

- (1) *Activity Result 1:* Support Government to develop national level program on micro-enterprises and follow up Micro-Enterprise policy related Act and By-Laws, and develop other sub-sector policies,
- (2) *Activity Result 2:* Provide support to District Enterprise Development Committee (DEDC) and National Entrepreneurships Development Centre (NEDC) to establish Business Development Service Providers in MEDEP districts,
- (3) *Activity Result 3:* Implement the Income Generation Activities (IGAs) for 500 target groups under IGA as per already developed manuals and guidelines,
- (4) *Activity Result 4:* Establish 5,500 micro-entrepreneurs and provide scale up supports
- (5) *Activity Result 5:* Enhance capacity of key central and local partner organisations and strengthen the Micro-Enterprise Unit (MEU) of MOI and Enterprise Development Unit (EDU) of DDC for internalisation of MEDEP Model

New intended results added in February 2010 -

Activity Result 9: Establish Entrepreneurs and provide follow up and scale up supports to Discharged Youths from Maoist Cantonments

2. Key Results in 2010

Summarize three major results achieved in 2010, emphasizing changes in development conditions and/or people's lives. Explain how these interim results are leading towards the overall intended results of the project. (You may wish to report on some cumulative results 2008-2010.)

- With the purpose of mainstreaming of Micro-Enterprise Development into National Plans, the Government of Nepal (GON), Ministry of Industry (MOI) successfully launched Industrial Policy 2010 wherein Micro-Enterprise Policy is also embedded superseding the Micro-Enterprise Policy 2007. The National Planning Commission (NPC), Government of Nepal (GON) incorporated Micro-Enterprise Development Perspective Plans in its Three Years Interim Plan (2010/11, 2011/12, 2012/13) approach paper approved by the GON. For the year 2010/2011, the Ministry of Finance (MOF)/GON committed to release amount of 70 million Nepali Rupees (US \$ 958,904.11 @ US \$ 1 = 73 Nepali Rupees). For efficient and effective implementation, the MOI/GON established Micro-Enterprise Unit along with two or three officers under its implementation structures that are Cottage and Small Industry Development Board (CSIDB) and Department of Cottage and Small Industry (DCSI) which are implementing "**Micro-Enterprise Development (MED) Model**" in 25 districts with their own resources with the technical assistance of MEDEP.
- MEDEP provided technical support to Ministry of Forest and Soil Conservation (MOFSC) to conduct studies on four different areas such as (1) Policy Provisions, Gaps, and Practical Constraints in Promoting Small-scale Forest-based Enterprises in Nepal, (2) Evaluation of Revenue Generation from Implementation of Second Generation Operation Plans of Community Forests in Kabhrepalanchowk and Sindhupalchowk Districts, (3) Pine Timber Export to Tibet and Pine Electric Pole Treatment Industry and (4) National Inventory on Resources of *Allo* and *Chyuri* in Nepal. The findings and recommendations of these studies are important for policy revision and new policy formulation and programme planning by MOFSC. The final reports are in the final stages of submission to MOFSC. These all four studies will provide basis for implementation of forest based enterprises keeping in view of the "no depletion in already conserved forests and sustainable harvesting of renewable forest resources.
- Through regular programme from January to December 2010 about 5,416 micro-entrepreneurs got supports from MEDEP who have already established micro-enterprises and started generating their regular incomes from the enterprises that will lead to their sustainable livelihoods. Likewise, about 585 Ex-Combatants discharged from the Maoist cantonments were referred to MEDEP four centres from United Nations Integrated Rehabilitation Project (UNIRP) who have received entrepreneurships development skills, technical skills and business start up investment amount and some of them are now self employed in their enterprises and others are in the process in different districts of Nepal. In this way MEDEP is also contributing in transformation of conflict into peace. Under MEDEP's regular programme about 37 PLHAs (People Leaving with HIV and AIDS) and 4 Ex- Injecting Drug Users have received enterprise development supports from MEDEP and their livelihoods have been sustained and they are no more burden to their family and parent.

Note: your programme officer may give you some indications of information that could be included in this

a. Progress towards CPAP Outcome and Output Indicators

If the project has an M & E Framework with an indicators tracking table, annex it hereto. If the project does not have a table already, fill in the following table (illustrated with an example from MEDEP):

CPAP Outcome:	(Take from the CPAP – PO can fill this in) Income opportunities and access to financial services enhanced, especially for youth and excluded groups and PLWHA in partnership with the private sector and CSOs.
CPAP Outcome Indicators, baselines, targets and current status	(Take from the CPAP; fill in current status if there is new data – if there is no new data, or the project does not have data, just indicate “no new data”) Proportion of population below national poverty line (disaggregated by caste/ethnicity) Baseline: 31% (2007) Target: Current status: <i>Note: Updates on outcome indicators required for annual reporting to HQ ; projects may not have data at the outcome level, however.</i>
CPAP Output:	(Take from the CPAP) Policies designed and initiatives developed to expand employment opportunities for poor youths, women and individuals from socially excluded groups in selected districts.
CPAP Output Indicators, baselines, targets & current status	<i>(List only the indicators from the CPAP that are relevant to the project; the Baseline & targets here should be those in the CPAP, “current status” is the only NEW data.)</i> Number of micro-enterprise-related policies formulated and approved Baseline: Micro-Enterprise Policy and Micro-Finance Policy formulated approved Target: Sub-contracting policy drafted Current status: First draft of Sub-Contracting Policy in progress # of new micro-entrepreneurs developed Baseline: Target: 5500 new micro-entrepreneurs developed Current status: Established 5,416 Micro-entrepreneurs % of women micro-entrepreneurs Baseline: Target: 60% of women micro-entrepreneurs Current status: Established 3,767 women Micro-entrepreneurs (70%) % of Dalit micro-entrepreneurs Baseline: Target: 30% of Dalit micro-entrepreneurs Current status: Out of the total entrepreneurs established about 897 (17%) Hill Dalits and 531 (10%) Terai Dalits. Total Dalit Micro-Entrepreneurs are 1,428 (26.35%),

	<p>% of Indigenous Nationality micro-entrepreneurs Baseline: Target: 40% of Indigenous Nationalities micro-entrepreneurs Current status: Out of the total entrepreneurs established about 1,431 (26%) Hill Indigenous Nationalities and 261 (4%) Terai Indigenous Nationalities. Total Indigenous Nationalities (IN) Micro-Entrepreneurs are 1,672 (30.87%).</p> <p>% of Other Category micro-entrepreneurs Baseline: Target: 30% of other micro-entrepreneurs Current status: Out of the total entrepreneurs established about 1,917 (35%) Hill Brahmin/Chhetri and 0% Terain Brahmin/Chhetri. 6% other terai caste and 1% Muslim by ethnicity. Total Micro-Entrepreneurs belonging to Others category are</p> <p>% of micro-entrepreneurs under 35 Baseline: Target: 60% of micro-entrepreneurs under 35 years of age Current status: By age, 3,786 (70%) Youths entrepreneurs of 16 to 35 years are established. Among them 2,882 (77%) are women</p> <p># of jobs created through support to micro-enterprise development Baseline: Target: Number of jobs created through support to micro-enterprise development Current status: Generated 6,489 (4,023 - 62% women) new employments including entrepreneurs as self employed</p> <p># of HIV infected and affected people having received skill based training who are employed Baseline: 275 People Living with HIV and AIDS (PLHA) and Ex-Injecting Drug Users (IDUs) were established as entrepreneurs in 2009 Target: 30 PLHA and IDUs received skill based training and established as entrepreneurs Current status: Established 41 entrepreneurs among PLHAs and IDUs in 2010.</p>
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3. Achievements against Annual Work Plan 2010 (Annual Targets & Activities)

Annual Progress Report 2010

Award ID: 00049631

Award Title: Micro-Enterprise Development Project (MEDEP) – NEP/08/006

Duration: 2010

Expected Outputs	Policies designed and initiatives developed to expand employment opportunities for Youths, Women, Poor and Individuals from Socially Excluded Groups in selected districts.			
Output Indicators:	<ul style="list-style-type: none"> - Number of micro-enterprise-related policies formulated and approved - 5,500 new micro-entrepreneurs developed - 60% of women micro-entrepreneurs - 30% of Dalit micro-entrepreneurs, 40% of Indigenous nationalities micro-entrepreneurs and 30% Others - 60% of micro-entrepreneurs under 35 years of age - Number of jobs created through support to micro-enterprise development - Number of HIV infected and affected people having received skill based training who are employed [Subject to extension of HIV/AIDS Project and transfer of budget to MEDEP] 			
ANNUAL TARGETS	Achievement against Annual Targets This will be entered into the Annual Atlas, and where Target is a CPAP or Development Work Plan Target, the information will support the CPAP Annual Review & Annual Report	PLANNED ACTIVITIES	Achievements (against activities & actions)	
	(TAKE FROM ANNUAL WORK PLAN)	Fund	Budget Code	Financial Expenditure

					0% completed. Not done any further improvement but cleared due payment only.	UNDP	Contractual Individual	15,000.00	16,041.45
					<p>Action1: Assist Ministry of Industry (MOI) for conducting meetings and workshops (as per need) to make progress in drafting of the Sub-Contracting Policy for business linkages;</p> <p>Action2: Complete study on Branding of Fibre Products (Allo) and draft of Code of Conduct for Branding of Natural Fibre Products (Allo);</p> <p>Action 3: Revise of forest based policy;</p> <p>Action 4: Assist MOI in approving Approach Paper and Action Plan of Micro-Enterprise Development in the Three Years Interim Plan (2010/11 – 2012/13</p>	UNDP	Local consultant	4,514.00	
					100% completed. Conducted a Study on Branding of Fibre products (Allo) and prepared final draft on Code of Conduct. Formed a National level Allo Entrepreneurs Association.	UNDP	Miscellaneous	20,00.00	
					100% completed. Conducted Forest Based Enterprise Gap Analysis and shared with concern stakeholders including Secretaries of two Ministries – Ministry of Industry (MOI) and Ministry of Forest and Soil Conservation (MOFSC).	Ausaid	International/ National consultant	21,500.00	
					100% completed. Incorporated Approach Paper and Action Plan of Micro-Enterprise Development in the Three Years Interim Plan (2010/11 – 2012/13 by NPC and MOF.				

		<p>Action 5: Complete developing of Guidelines and Code of Conduct for sustainable harvesting of 2 Forest Based Products;</p>	<p>10% completed. Developed TOR, drafted contract, Requested Community Forestry Division, Department of Forest (DOF/MFSC) for a proposal to develop guidelines and code of conduct for sustainable harvesting of Kaulo and Lokta and conducted two meetings with personnel of MOFSC. It has been postponed with the commitment of MOFSC to do it in coming days ahead.</p>	Ausaid	Travel	11,983.00	855.89
		<p>Action 6: Support MOI/GON for developing Act and By-Laws of Micro-Enterprise sector in Industrial Policy 2010.</p>	<p>50% completed. Submitted a draft of Act and By Laws of Micro-Enterprise to the team who are working for reviewing of Act and By Laws of the Industrial Policy (2010), MOI. It is underachieved As the reviewing of Act and By as Laws of the Industrial Policy is delayed.</p>	UNDP	Contractual service Company		5,488.58
		<p>Action 7: Complete formulating programme beyond 2010</p>	<p>100% completed. The draft report on Formulation of MEDEP Phase IV has been submitted to UNDP.</p>	Ausaid	Contractual services company	52,002.00	51,391.94
		<p>Action 8: Assist MOI/MEU/CSIDB/DCSI for mainstreaming MEDEP;</p>	<p>100% completed. Provided technical support to develop annual plan for FY 2067/68, preparing Micro-Enterprise Development for Poverty Alleviation (MED-PA) implementation guidelines for CSIDB/DCSI, and establishing of Micro-enterprise Unit within the</p>	TOTAL		106,999	73,777.86

	100%	<p>Established BDSPOs in EDEP districts</p>	<p>Activity Result 2: <i>Provide support to District Enterprise Development Committee (DEDC) and National Entrepreneurships Development Centre (NEDC) to establish Business Development Service Providers in MEDEP districts. (ATLAS Activity 2)</i></p>	<p>structure of CSIDB and DCSI.</p>		
		<p>Action 1: Prepare Local NGO selection criteria and submit to District Enterprise Development Committee (DEDC) and NEDC</p>	<p>100% completed. Developed NGO selection criteria and approved from PB meeting and provided to NEDC and DEDC for its implementation.</p>			
		<p>Action 2: Provided technical and financial supports to local NGOs through NEDC to work as BDSP and implement mechanism to sub-contract BDSP/NGOs by DEDC on work package basis</p>	<p>90% completed. The action has been underachieved in Mahottari due to dispute between DDC and the local NGOs.</p>			

<p>Provided Grants to 500 Disaster Affected and Hardcore Poor households (group based) in selected socially mobilized VDCs for Income Generation Activities (IGA)</p>		<p>M 46%</p>	<p>Activity Result 3: Implement the Income Generation Activities (IGAs) for target groups under IGA as per already developed manuals and guidelines (ATLAS Activity 3)</p> <p>Action 1: Provide support to DEDC for NGO Selection and follow up/monitoring support to Disaster Affected and Hardcore Poor (group based) selected from poor communities including Koshi Flood Affected Families for IGA</p>	<p>46% completed. Developed NGO selection criteria, conducted regular monitoring and follow up, provided IGA support to 231 including 50 Koshi affected groups against 500 targets. APSO Surkhet supported 21 hardcore poor people (11 <i>Baadi</i> women in Dailekh and 5 landslide survivors and 5 single women in Surkhet) and selected 28 landslide affected hardcore people comprises in a group for further process in Jumla. Due to lack of budget, APSO Dang only collected proposals of IGA package for 15 HH in Salyan which have been approved. APSO Kathmandu jointly with PEWDO Nepal provided IGA support to 100 poorest families for tomato production in Plastic Tunnels in Nuwakot district and 60 poorest members of CFUGs for cardamom cultivation in Kavrepalanchowk and Dolakha district</p>	<p>Ausaid</p> <p>Ausaid</p> <p>Ausaid</p>	<p>Grants</p> <p>Contractual services company</p> <p>Travel</p>	<p>12,000.00</p> <p>9,000.00</p> <p>1,000.00</p>	<p>4,030.50</p> <p>359.13</p>
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<p>Established 5,500 Poor and Excluded become micro-entrepreneurs and linked to markets (at least 60% Women, 30% Dalits, 40%, Indigenous Nationalities (Adivashi-Janajati), and 60% Unemployed Youths)</p>	<p>98%</p>	<p>Activity Result 4: Establish micro-entrepreneurs and provide scale up supports (ATLAS Activity 8)</p>	<p>Action 1: Develop 5,500 micro-entrepreneurs (including 15 enterprise in KIND and 26 HIV/AIDS);</p>	<p>98% completed. Established 5416 (3,767 women – 70%) Micro-entrepreneurs comprising 17% Hill Dalit and 10% Terai Dalit, 26% Hill Indigenous Nationalities and 4% Terai Indigenous Nationalities, 36% Hill Brahmin/Chhetri and 0% Terain Brahmin/Chhetri. 6% other terai caste and 1% Muslim by ethnicity. By age, 3,786 (77% women) youth (16 to 35 years); Completed Entrepreneurship training to 8,385 (6,333 women) and technical skill training to 5,078 (3,886 women) potential entrepreneurs; Generated 6,489 (4,023 women) new employments including entrepreneurs as self employed. 100% completed under KIND area. Established 38 enterprises (2-electricity-based) in KIND area (More than target).</p>	<p>UNDP</p> <p>Ausaidd</p> <p>UNDP</p>	<p>Contractual services Individual</p> <p>Contractual services Individual</p> <p>Contractual service company</p>	<p>58,750.00</p> <p>392,450.00</p> <p>455,942.00</p>	<p>81,074.00</p> <p>271,794.56</p> <p>230,426.59</p>	<p>22,000.00</p>	<p>4389.66</p>
Total Activity-3										

Action 2: Provide support to participate MEs' in 10 Trade Fairs and Exhibitions;	100% completed. 11 Trade Fair supports completed.						
Action 3: Train 100 EDFs in Business Scaling-Up Skills and provide Scale Up support to 12,000 MEs;	100% completed. Trained 148 EDFs on Business Scaling Up in Dhangadi, Nepalgunj, Dhulikhel, Bardibas, Biratnagar and Pokhara. Provided Scale Up support to 11,815 against 12000 micro-entrepreneurs on different types of support like labeling, exposure visit, advance skill training, and trade fair exhibition due to time constraints.	Ausaid	Contractual service company	762,638.00	1078,351.25		
Action 4: Conduct 11 workshops for initiating forest based micro-enterprises;	30% completed. Conducted 3 workshops for initiating forest-based enterprises in Kavrepalanchowk, Sindhupalchowk and Ramechhap.	HPL	Contractual services company	121,945.00	121,945.00		
Action 5: Complete preparation of 55 new Second Generation Operation Plans (SGOPs);	100% completed. Prepared 73 SGOPs.	Ausaid	Grant	250,000.00	285,009.10		
Action 6: Sign Memorandum of Understanding (MOU) with Nepal Tourism Board (NTB) and Trekking Agencies' Association of Nepal (TAAN) for implementing Tourism Based	100% completed. Signed Memorandum of Understanding (MOU) with Nepal Tourism Board (NTB) and Trekking Agencies' Association of Nepal (TAAN) for implementing Tourism Based Enterprises development on cost sharing basis; .	HPL	Grant	11,976.00	13187.32		

Enterprises development on cost sharing basis;					
Action 7: Provide technical and financial supports for construction and or technology dissemination for 66 CFC in collaboration and cost sharing among the entrepreneurs, VDC, DDC, Municipalities and other projects and programmes;	100% completed. Provided support for 100 CFCs (Common facility centers/equipments) against target of 66.	UNDP	Learning Subsidence Allowance	4,000.00	
Action 8: Complete lessons learnt documentation and publish for dissemination;	100% completed. Completed Study on Lessons learnt from MEDEP and received the Final Report.	UNDP	Learning Cost	4,000.00	212.16
Action 9: Document M&E mechanism of MEDEP;	85% completed. Developed an M&E Guidelines for micro-enterprise development. It is yet to test in the field and finalized.	UNDP	Learning Ticket Cost	4,000.00	
Action 11: Conduct assessment for business counseling with purpose to scale up existing entrepreneurs;	100% completed. Conducted assessment for business counseling and as a result developed one Business Counseling and Scale Up Manual.	Ausaid	Miscellaneous	18,000.00	23,483.99
Action 12: Conduct market assessment study of ME's	100% completed market assessment in two destinations Sindhupalchowk/ Ramechhap and	Ausaid	National Consultant	15,084.00	14,612.75

			products in tourism destination in two districts;	Baglung/ Myagdi.					
			Action 13: Conduct study on identifying problems of stunted entrepreneurs	100% completed. Conducted internal study by mobilising EDFs and MEGA members and identified 3,148 stunted entrepreneurs who could be re-active by providing additional support.	UNDP	Publication & Printing	9,600.00		
			Action 14: Complete 7 Participatory Action Research (PAR);	85% completed. Completed 6 out of 7 PARs on Pine Risen (Baglung), Rope Making from Veemal plant (Rukum), water hyacinth (Dhanusha, Mahottari), Kaulo (Udayapur), aromatic compounds for incense stick (Dhanusha), vegetable dye (Parbat).	HPL	Travel	6,182.00	11,407.82	
			Action 15: Complete Impact Assessment Study.	100% completed. Conducted Impact Assessment Study and received the Final Report.	UNDP	Travel	79,900.00	66,098.32	
			Action 16: Complete preparing a national inventory on resources of Chyuri and Allo and backup for market linkage and technology use for Off Season Vegetable;	100% completed. Conducted studies on Allo and Chyuri and produced the Final Reports.	Total Activity 4		2,194,467.00	2,197,602.86	
			Action 17: Establish a Pine Electric Pole Treatment Industry in Kavrepalanchowk/ Sindhupalchowk;	50% completed. Provided support for feasibility study and establishing of Pine Pole Treatment centre in Kavrepalanchowk applying Pro-Poor Public Private Partnership (5Ps)					

		<p>Action 18: Provide support of 5 appropriate technology to FUG for forest based enterprise;</p>	<p>concept in collaboration with Sindhupalchowk, Kavrepalanchowk and Dolakha districts.</p>												
		<p>Action 18: Provide support of 5 appropriate technology to FUG for forest based enterprise;</p>	<p>120% completed. Provided 5 technologies to CFUG members for forest-based enterprises (2 Bitter machines for Lokta paper making in Hawa, Dolakha & Marming, Sindhupalchowk; 1 Packaging machine for Lapsi products in Sheechhap, Sindhupalchowk and 3 Wintergreen Oil Distillation Plant one each in Dolakha, Ramechhap and Sindhupalchok; Rope Making Machine to 16 entrepreneurs of Rukum)</p>												

<p>Action 19: Conduct four NTFP management training to MIEs;</p>	<p>100% completed. Trained 25 CFUG members on NTFP Management and Harvesting in Marming, Sindhupalchowk. Made sub-contract with forestry expert for resource survey of <i>Dhasingre (Wintergreen)</i>, Lokta, <i>Sunpati</i> and <i>Dhuppi</i> in KIND area of Ramechhap district. Trained 72 CFUG members on Leadership Development and Basic Account Keeping training in 3 sites in Kavrepalanchowk district.</p>	<p>Action 20: Complete 8 resource surveys;</p>	<p>100% completed. Conducted Resource Analysis Surveys of eight districts: Kabhrepalanchowk, Rolpa, Rukum, Salyan, Mohatari, Siraha, Sarlahi, and Rautahat. Presented the finding to UNDP and MEDEP staffs. Received the Final Reports.</p>	<p>Action 21: Complete a Pine Timber Export Potential Study to Tibet;</p>	<p>100% completed. Conducted a Pine Timber Export Potential Study to Tibet. Shared the findings to the concerned stakeholders. Received the final report.</p>	<p>Action 22: Completed update existing MIS (census enumeration)</p>	<p>100% completed. Conducted a census enumeration of existing micro-entrepreneurs in 36 districts. Updated existing GSI MIS. However, yet to produce qualitative report due to the deficit of budget.</p>
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<p>Action 23: Print 1,000 Nepali brochure, 200 English brochure and 6,000 note copies;</p>	<p>100% completed. Printed 1,000 Nepali brochure of MEDEP. Printed 200 English brochure of MEDEP. Printed 6,000 note copies for internal use of MEDEP.</p>	<p>Action 24: Conduct one Workshop with FTG Nepal for Market Linkage;</p>	<p>100% completed. Conducted one Interaction workshop on 25 March 2010 in collaboration of MEDEP micro-entrepreneurs and members of FTG-Nepal such as Sana Hastakala, MANUSHI, Mahaguthi, and Association for Craft Producers, Kumbeshwar Technical School, Folk Nepal, New SADLE, Nepal Leprosy Trust, Nepal Girl Care Center, and Wean Cooperative (membership in process). Explored the possibility of Market Linkage integrating micro-enterprises into the supply chain of Fair Trade shops especially with respect to the products with high export potential such as Allo, Dhaka, Incense, and Herbal Soap.</p>	<p>Action 25: Conduct one central level and two regional level workshops on value chain analysis and produced three reports of selected products (Allo, Incense Stick, Dhaka).</p>	<p>100% completed. Conducted one Stakeholders' Workshop on Lapsi Value Chain from 19 to 20 May, 2010 at Chautara, Sindhupalchowk district and next Stakeholders' Workshop on Chyuri Herbal Soap Value Chain from 2 to 3 June, 2010 at Ghorahi, Dang district. Conducted one central level workshop on Incense Stick value chain analysis to the concern</p>				
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	stakeholder on 22 Nov in LDTA, Lalitpur. Completed reports on Allo, incense stick and Dhaka Value Chain Analysis. Posted Allo and Incense Stick Reports on www.medep.org.np .					
Action 26: Complete conducting a study on phasing out strategy of MEDEP;	100% completed. Received the final report.					
Action 27: Complete one internal evaluation study on Revenue generation from SGOP;	100% completed. Conducted one internal evaluation study on Revenue generation from SGOP. Received the Final Report.					
Action 28: Conduct one lodge operation management and one local food preparation trainings to 20 MEs;	100% completed. Conducted one Local food preparation training to 27 potential Micro-entrepreneurs in Jumla. Conducted two event trainings on local food management to 25 potential Micro-entrepreneurs and Lodge Operation Management to 21 potential Micro-entrepreneurs at Nagi, Myagdi in partnership with TAAN, NTB, MEDEP and local community to bring into operation of eco-tourism based enterprise development activities.					
Action 29: Provided 3 Non Timber Forest Product (NTFP) processing, grading, packaging and handling training;	0% completed. Postponed to next quarter due to budget deficit.					

	<p>Action 30: Prepare responsible tourism guidelines;</p>	<p>0% completed Postponed to next quarter due to budget deficit. The reason of postponement is that this is a joint undertaking of MEDEP, Nepal Tourism Board (NTB) and Trekking Agencies Association of Nepal (TAAN) on cost sharing basis. The budget for NTB and TAAN comes from Ministry of Tourism and Civil Aviation. Due to delay in budget announcement of fiscal year 2067/68 NTB and TAAN could not contribute their part before November 2010.</p>			
	<p>Action 32: Provide support for establishment 8 micro infrastructures -CFC (community dining rooms, lunch houses, community run lodges and hot water systems on Public Private Partnership basis for implementation of tourism based enterprises);</p>	<p>100% completed (community dining rooms, lunch houses, community run lodges and hot water systems on Public Private Partnership basis for implementation of tourism based enterprises).</p>			
	<p>Action 33: Conduct training on GSI MIS to new and weak DBAs;</p>	<p>100% completed. APSO Kathmandu trained 13 DBAs and PCs of BDSPOs and DMEGAs on MEDEP GSIMIS</p>			
	<p>Action 34: Collaborate with DDC, NTB and TAAN to develop a Tourism Development</p>	<p>100% completed. MEDEP in collaboration with Nepal Tourism Board (NTB), District Development Committee (DDC) of</p>			

<p>Master Plan for Sindhupalchowk;</p>	<p>Sindhupalchowk and TAAN developed a Tourism Development Master Plan for Sindhupalchowk District.</p>	<p>Action 35: Conduct one national review workshop;</p>	<p>100% completed. Conducted one national professional's consultative workshop for reviewing of the progress, issues, risk and challenges and drafting of way forwards.</p>	<p>Action 36: Provide familiarisation on Tourism trip for 25 tourism stakeholders and media to promote newly developed tourism trail in Myagdi;</p>	<p>100% completed. Conducted about two weeks long Reiki visit for developing a package of new Trekking Route in Parbat, Myagdi and Baglung districts in May 2010 with the objective of verifying and assessing of the potentialities for MEDEP intervention in order to implement the activities related with Tourism Based Enterprises Development in a partnership manner. The participants represented from the Nepal Tourism Board (NTB), Trekking Agencies' Association of Nepal (TAAN), Mahabir Pun Trust (MPT), Borderlands Group-Nature Treks, technical team comprising photographer, video-graphics, geographer & report writer, and MEDEP team. A Memorandum of Understanding (MOU) between Mahabir Pun Trust & Micro-enterprise Development Programme, Area Programme Support Office/Baglung has been done for implementation of the</p>
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										community based tourism activities in the Parbat, Myagdi and Baglung districts in Partnership Approach. Conducted sharing Workshops on Community Based Tourism Development in Myagdi and Baglung in initiation of MEDEP along with majority of stakeholders to materialize the concept of the Community Based Tourism Development.							
										99% completed. Developed 3,000 area maps. The finals products of 2,000 DVD, 6,000 Brochures and Flyers and 500 Posters will be received by the end of December.							
										Action 37: Develop Tourism based communication and promotional materials (1,000 copies for each of two DVDs, 1,000 copies of one Area Map, 1,000 copies for each of two types brochures, 2,000 posters, 2,000 flyers) for two areas (Myagdi, Sindhupalchowk);							
										Action 38: Produce 3,000 copies of CDs on QIPSI, Agro base and Forest base;							
										Action 39: Conduct five days orientation on VEDP development guideline to 72 staffs of BDS							
OUT OF CPAP INDICATOR:																	

<p>Provided support to develop Capacity of 36 DEDCs/ EDUs/ DDCs, 31 DMEGAs, 36 BDSPOs, NEDC, and NMEGA, DFOs, FECOFUNs, CFUGs, CSIO/CSIDB developed; MEDEP Model in 10 districts internalised.</p>	<p>99%</p>	<p>Activity Result 5: <i>Enhance capacity of key central and local partner organisations and strengthen the Micro-Enterprise Unit (MEU) of MOI and Enterprise Development Unit (EDU)/DDC for internalisation of MEDEP Model (ATLAS Activity 5)</i></p> <p>Action 1: Train 36 district level key partners and stakeholder on MEDEP Model;</p>	<p>80% completed. Conducted a 7 days long intensive training on MEDEP Model package to Central level of officials (DG, Directors, and officials) of CSIDB/DCSI. Completed three day long progress review and drafting of way forward to districts and central officers of CSIDB and DCSI of 18 districts where MED PA model is implemented by them. Provided 5 days long MEDEP model orientation to the CSIDB/CSIO staffs of 15 districts of mid western and far western districts in Surkhet. Provided training on MED PA Model, HH Survey, PRA, filling up of form A to E to CSIDO officials of Sarlahi and DEDC members of Rautahat and Mahottari districts.</p>	<p>HPL</p>	<p>Travel</p>	<p>613.62</p>
		<p>Action 2: Train 300 FUG members on MEDEP Model;</p>	<p>100% completed. Trained more than 300 CFUG members on MEDEP model. In addition, trained 72 CFUG members on Leadership</p>	<p>HPL</p>	<p>Services contractual companies</p>	<p>1154.89</p>

	Development training in 3 sites in Kavrepalanchowk district.							
Action 3: Train 100 newly recruited EDFs on MEDEP Model;	100% completed. Conducted trainings on MEDEP Model, Social Mobilisation for Micro-enterprise, PRA, and ABCDE forms survey, SIVB TOT to 98 newly recruited EDFs.	Ausaid	Services contractual companies	496,247.00	671,025.00.57			
Action 4: Train and involve key partners and stakeholders of 36 districts in practical field of social mobilisation, PRA, HH Survey, filling of form ABCDE and F, selecting target group;	80% completed. Involved the central and regional directors and officers of CSIDB and DCSI in the practical field of social mobilisation, HH survey, PRA and filling up the MEDEP Developed formats (A, B, C, D, E, F) to start implementation of MED PA model in the respective districts.							
Action 6: Train 30 EDOs and MEOs on monitoring and evaluation;	100% completed. Conducted Monitoring and Evaluation training to 40 participants (MEOs, EDOs, MESs)							
Action 7: Provide scholarship support to 72 poor and excluded students for studying EDF development course in collaboration with CTEVT;	100% completed. Selected 72 potential EDFs (all female) and supported for studying 15 months EDF development course through two institutions - Kanchanjunga Polytechnic Institute Nepal (KPIN), Bhairahawa and Mitra Udhyanilata Vikash Kendra (MUVK), Janakpur for this year. <i>This course will be completed in May 2011.</i>	Ausaid UNDP	Grant Services contractual Individual	72,000.00 19,045.00	26,400.00 28,455.78			
Action 8: Conduct refresher training to 75 participants (DBAs, PC/BDSPSOs) on GSI-	100% completed. Conducted refresher training on GSI-MIS to 40 participants (EDO, PA, MES).	Ausaid	International Consultant	17,500.00				

MIS;	<p>Action 9: Collaborate with and provide technical and financial support to Central Department of Geography, TU to run rural entrepreneurship development course;</p> <p>Action 10: Train 9 CFTs, 21 DFOs on CIS/GIMIS, NTFP/MAPs management, sustainable forest management and harvesting, business and livelihood plan preparation;</p> <p>Action 13: Train 18 BDSPOs & DMEGA on Institutional Development training.</p> <p>Action 15: Conduct 2 RSRF/MF training;</p>	<p>100% completed. A course on Rural Entrepreneurship Development is adopted by the Central Department of Geography, T.U. and this course is running. This action will bring the sustainability of MEDEP model through formal education.</p> <p>40% completed. Trained 23 DFO staffs and Forest Based Enterprise Development Facilitators on SGOP orientation and Mapping techniques to forestry professional.</p> <p>100% completed. Provided TOT to 28 EDFs on SIYB Package in APSO Baglung;</p> <p>100% completed. Conducted 2 trainings on RSRF – Conducted training on RSRF and Account Management in Cooperatives to 26 participants from selected cooperatives of six districts. - Completed training on RSRF to managers of 13 cooperatives from five districts. - Completed support to form and register three cooperatives in Terhathum, Udayapur and Saptari.</p>	AUSAID	IT Equipment	23,000.00	22,641.00
			AUSAID	Local Consultant	6,000.00	6,019.7147794.00
			AUSAID	Miscellaneous	66,500.00	47,794.00
			AUSAID	Office Equipment	76000.00	

<p>Action 16: Train 13 Forest Based Enterprise Development Facilitators and 18 AEDO on MEDEP model;</p>	<p>100% completed. Completed 5 days training to 30 AEDO and FEDO on MEDEP MODEL and Off Season Vegetable.</p>	<p>Ausaid</p>	<p>Audio Video Publication</p>	<p>10,800.00</p>	<p>7,538.00</p>
<p>Action 17: Conduct refresher trainings on Costing and Pricing methods of products and business management (special package) to 72 EDFs and trained <u>1,000 MIES on Costing/pricing and Book Keeping System;</u></p>	<p>65% completed. Conducted book keeping training to 620 MEGs of 110 MEGA; Provided group management training to 490 MEGs and MEGA members. Completed training to 14 EDFs on pricing of different product of ME (Kailali).</p>	<p>Ausaid</p>	<p>Travel</p>	<p>61,200.00</p>	<p>77,455.00</p>
<p>Action 18: Conduct nine appropriate/sustainable harvesting management training to forest based micro-entrepreneurs;</p>	<p>100% completed. Conducted 5 Sustainable harvesting trainings on Chyuri in Surkhet, Lokta in Baidati and Kailikot with coordination of DFO. Completed training on NTFP Management / Harvesting in Marming to 25 CFUG members in Sindhupaichowk; and another training on Timber Harvesting to 25 CFUG members in Dolakha.</p>	<p>Total Activity 5</p>	<p>1,026,312.00</p>	<p>1054,073.46</p>	
<p>Action 19: Complete training to 20 members of DMEGAs and BDSPOs of QIPSI and third phase districts on Market Networking, Organisation</p>	<p>90% completed. Provided training to BDSPOs and DMEGAs members of QIPSI and III Phase districts on OD, OM, leadership Development and Proposal Writing. But, yet to conduct training on Marketing Network.</p>				

	<p>Development/ Organisation Management (OD/OM), Leadership Development and Proposal Writing training;</p> <p>Action 20: Provide technical and logistic supports to two private training institutes for running EDFs development course;</p>	<p>100% completed. Signed MOU and contract between MEDEP and two private training institutions (CTEVT affiliated) - Kanchanjungha Polytechnic Institute Nepal (KPIN) and Mitra Udhyanilata Vikash Kendra (MUVK) that are running the 15 months EDF Development Course. It is continuous programme.</p>		<p>100% completed. Provided support to form Nepal Allo Product Association at national level association. Likewise, provided support to form a District level Nepali Handmade Paper and Bee Keeping Association in Dailekh and Kalikot respectively, and one Tapari (Leaf plate) Product Association in Udayapur, and one Dhaka Product Association in Terhathum. Similarly, supported to form Bamboo Craft and Incense Sticks Product Associations in Sindhuli and one Lapsi Product Association in Sindhupalchowk and one Lokta Paper Association in Dolakha.</p>				
	<p>Action 21: Provide supports to form Associations of Allo and Dhaka Product base Entrepreneurs at national levels;</p>		<p>100% completed. Provided support to form Nepal Allo Product Association at national level association. Likewise, provided support to form a District level Nepali Handmade Paper and Bee Keeping Association in Dailekh and Kalikot respectively, and one Tapari (Leaf plate) Product Association in Udayapur, and one Dhaka Product Association in Terhathum. Similarly, supported to form Bamboo Craft and Incense Sticks Product Associations in Sindhuli and one Lapsi Product Association in Sindhupalchowk and one Lokta Paper Association in Dolakha.</p>					

<p>Action 22: Complete supports to three bachelors, 15 Masters Degree and one Doctoral Degree Students for thesis and dissertation and seven Internships</p>	<p>30% completed. Provided support to 5 degree students against 15, 1 bachelor student against three and three internships against seven.</p>				
<p>Action 23: Assess the present status of the Janakpur Nari Bikash Kendra and develop a realistic business plan for the next five years;</p>	<p>100% completed. Assessed the present status of Janakpur Nari Bikash Kendra (JWDC) and developed a realistic business plan for next five years. Provided technical support for Institutional Development of JWDC for operating managerial position to manage JWDC. Yet to receive the results because it is ongoing process.</p>				
<p>Action 24: Conduct orientation on MEDEP Model to newly selected NGOs</p>	<p>90% completed. Conducted training on MEDEP Model to 30 newly selected NGOs and trained on SIYB ToT, MEDF fund, PRA for selecting procedure of target groups.</p>				
<p>Action 25: Train on Financial Management to newly recruited AFAs and Accountants of BDS and DMEGA;</p>	<p>100% completed. Conducted seven trainings by 7 APSOs.</p>				

<p>Action 26: Conduct TOT on SIYB to MEDEP 40 Staffs;</p>	<p>100% Completed.</p>					
<p>Action 27: Support for Institutional and Capacity enhancement of Micro-enterprise Unit of CSIB/DCSI and MEU/MOI;</p>	<p>90% completed. Provided support of operating micro-enterprise unit of CSIB, DCSI more efficiently and effectively.</p>					
<p>Action 28: Collaborate with EAFS to access loan by micro-entrepreneurs</p>	<p>80% completed. Conducted two workshops jointly with EAFS and shared information with 16 FINGOs/ MF Banks. Developed action plan to conduct regional workshop to identify potential MEGs on the basis of rating criteria developed by EAFS. But, still, not yet materialized.</p>					
<p>Action 25: Conduct PEW/PPW in 36 districts;</p>	<p>100% Completed. Conducted Participatory Evaluation Workshops of DEDCs in 36 districts.</p>					
<p>Action 26: Provide supports to CTEVT for skill testing and certification of 100 mature EDF;</p>	<p>60% completed. Completed MOU and other clarification. Developed a Curriculum (DACUM) for skill testing of EDF level-2 under National Skill Testing Board (NSTB) of CTEVT. Due to lack of budget EDFs could not undergo for skill testing. Completed CFF training to 14 potential CFF and completed CTEVT Exam for accreditation and all 14 have been certificated CFF from 4 districts.</p>					

<p>Assisted Ex Combatants in establishing enterprises suited to individual's aspirations and circumstances to ensure sustainable livelihood.</p>	<p>98%</p>	<p>Action 27: Conduct 5 regional level review meetings for 36 DDCs (LDOs);</p>	<p>Action 28: Conduct one refresher training on Sales Outlet management;</p>	<p>Action 29: Conduct one Trekking Guide and one River Guide Trainings to 40 and 25 Local Unemployed Youths respectively;</p>	<p>Activity Result 9: <i>Establish</i> <i>Entrepreneurs and provide follow up and scale up supports to Discharged Youths from Maoist Cantonments (ATLAS Activity 9)</i></p>	<p>Action 1: Hire Human Resources as per the approved proposal;</p>	<p>0% completed. Just not matched time with Ministry of Local Development due to late budget release of GON.</p>	<p>0% completed. Postponed to next quarters due to budget deficit.</p>	<p>50% completed. Conducted River Guide training at Karnali River. However, Trekking Guide is postponed to next quarters due to budget deficit.</p>		<p>100% Completed. Planned to open 7 Contact Centres but, later with due consultation with UNIRP, established only 4 Contact Centres. Recruited 1 PC, 1 AFA, 4 field coordinators, 2 psychosocial counselors, sub-contracted with NEDC for 8 EDF and one PC to conduct SIYB trainings and monitoring and supports to other programme activities.</p>					<p>contractual Services companies</p>					<p>68,700</p>					<p>98,534.65</p>
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Action 2: Orient and capacity enhanced to MEDEP staffs and NEDC/BDSPOs on UNIRP programme;	100% Completed. Oriented MEDEP staffs, NEDC, UNIRP and other stakeholders on the implementation modality of UNIRP.	UNDP/APPN	Rent Premises	5,000.00	1,231.60
Action 3: Orient 585 on Motivation Counseling Package and MEDEP Model ;	100% Completed. Oriented 585 on Motivational Counseling Package and MEDEP Model	UNDP/APPN	Grants to Benefeciries	40,000.00	48,884.82
Action 4: Train 584 Ex Combatants on Entrepreneurship Development (TOPE and TOSE) and 450 technical skill trainings;	100% completed. Trained 584 on TOPE/TOSE. Trained 288 on technical skill training. Additional 92 are enrolled and continuing Technical Skill Training under APISO Kathmandu, APISO Bardibas and APISO Kailali in which 40 of them will complete their training by end of December 2010 and rest will complete by mid February 2011.	UNDP/APPN	contractual Services Individual	47,547.00	48,226.41
Action 5: Conduct regular follow up and monitoring field visits;	Although monitoring and follow up of the training has been conducting regularly, monitoring of enterprises are not at satisfactory level as it has been scattered throughout the country as number of staffs are insufficient to cover scattered level of enterprises	UNDP/APPN	Local Consultant	3,600	327.00
Action 6: Identify Appropriate Technology for ex-combatants;	Supported 196 with appropriate technology since only those number of beneficiaries have been supported with start up support	UNDP/APPN	Miscellaneous	93,600.00	84,171.00

<p>Action 7: Prepare potential linkages and support for Marketing</p>	<p>Provided 196 with marketing support.</p>	<p>UNDP/APPN</p>	<p>Office Equipment</p>	<p>30,800.00</p>
<p>Action 8: Orient 200 on MEDEP Model;</p>	<p><i>Repeated above.</i></p>	<p>UNDP/APPN</p>	<p>Equipment</p>	<p>5,600.00</p>
<p>Action 6: Link 50 beneficiaries to Finance Institutes for accessing loan;</p>	<p>0% achieved. It could not link up beneficiaries with financial institutions. Several rounds of talks have been initiated with financial institution but these institutions consider Ex-Combatants as the risky clients. One of the suggestions received from Financial Institutions is that there should be provision of security fund to cover the risk. If this condition is fulfilled then the financial institutions will provide loan to Ex-Combatants.</p>	<p>UNDP/APPN</p>	<p>Travel</p>	<p>24500.00</p>
<p>Action 7: Provide support for Advance training on Business Plan to 8 EDFs and 4 field coordinators;</p>	<p>33% completed. Provided training to 4 field coordinator, two PC and Training for EDF has not been achieved yet due to delay in releasing fund from UNIRP work pressure to EDF.</p>	<p>UNDP/APPN</p>	<p>Equipment</p>	<p>2,500.00</p>
<p>Action 8: Assist with Start Up Support to 200 ex combatants;</p>	<p>100% completed. Provided Startup Capital to 210 participants and 111 are still in the process receiving.</p>	<p>UNDP/APPN</p>	<p>Communication</p>	<p>3,000.00</p>
<p>Action 9: Provide Business Counseling supports to 400 ex-combatants;</p>	<p>85% achieved. Provided Business Counseling support to 341 beneficiaries</p>	<p>UNDP/APPN</p>	<p>Supplies</p>	<p>1,800.00</p>
<p>Action 10: Provide Scale Up supports to 200 beneficiaries, at least;</p>	<p>It has been planned for first quarter of next year; still discussion has been going on with UNIRP.</p>	<p>UNDP/APPN</p>	<p>R & M Office Equipment</p>	<p>9,600.00</p>
				<p>2,089.70</p>
				<p>1,983.65</p>

				Total Result 9		336,247	311,455.05
Programme Support Expenditure - Result 6 (ATLAS Activity 6)							
Communication Monitoring & Security							
				AUSAID		363,089.00	45,729.27
				HPL		4,333.00	
				UNDP		327,929.00	367,832.11
				Sub total Result 6		695,351.00	413,561.38
Total for 2010							
1,122,774.00							
1,122,774.00							

3. Results in Gender Equality, Women's Empowerment, and Social Inclusion

Describe results achieved by the project in promoting gender equality, women's empowerment and social inclusion, using the questions below as guidance.

- I. In 2010, did the project support change legal norms in Nepal to enhance gender equality, to empower women, and to enhance the inclusion of the marginalized? If yes, describe the laws and policies, and their envisaged changes.

MEDEP has been successful in integrating promotion of micro-enterprises in the Industrial Policy 2010 that has accorded priority to the target groups and has made specific provisions for women micro-entrepreneurs (e.g. loan arrangement for establishing micro-enterprises; representation of two women entrepreneurs in the National Micro-enterprise, Cottage and Small Industries Promotion Board). However, there is a great opportunity for the MEDEP to support the Ministry of Industry in revision of the policy to make it social inclusion sensitive by a number of ways. Some of these could be: (i) define the target group explicitly to provide micro-entrepreneurship development opportunities to women, Dalits, Indigenous Nationalities, Madhesis, and those below poverty line, (ii) arrangements and mechanisms for their awareness generation, social mobilization, easy access to loan required, other capacity and skills development, and follow up support to develop them as successful micro-entrepreneurs, and (iii) integration of members from National Dalit Commission, Nepal Federation of Indigenous Nationalities, etc. in the National Micro-enterprise, Cottage and Small Industries Promotion Board.

District Enterprise Development Programme Implementation Guidelines (2009) has provisioned for representation from socially excluded groups' (i.e. Dalit, Indigenous Nationalities) organizations in the District Enterprise Development Committee and the Micro-enterprise Development Fund Executive Committee. Similarly, Village Enterprise Development Planning and Implementation Guidelines (2010) has indicated requirement of preparation of plans and activities based on detail analysis of poverty and social inclusion issues and identification of potential micro-enterprises for socially excluded groups.

MEDEP contributed to the integration of the objective of self-employment generation among the poor from the marginalized groups through developing their entrepreneurship skills, and the need for gender and inclusion strategy in the "Three Year Plan Approach Paper 2010/11 - 2012/13". However, there is still a need of developing specific gender and social inclusion strategy in the area of micro-enterprise development.

MEDEP has also significantly contributed to the development of "Code of Conduct to prevent Gender-based Violence in industries and enterprise institutions" in 2010, which was led by the Ministry of Industry. The MOI has also indicated commitment for starting the implementation of the Code of Conduct immediately.

- II. In 2010, did the project support change institutional norms in the partner organization(s) and the pertinent stakeholder(s) in the sector(s) or area(s) concerned? If yes, describe the regulations/guidelines/procedures/mechanisms, and their envisaged changes.

The Cottage and Small Industry Development Board (CSIDB) and Department of Cottage and Small Industry (DCSI) under Ministry of Industry developed their own Micro-Enterprise Development for Poverty Alleviation (MED-PA) Model Implementation Guidelines 2010 based on the District Enterprise

Development Program Implementation Procedure and Micro-Enterprise Development Fund Operational Guidelines (first amendment, 2010), which were jointly approved by the Ministry of Industry and the Ministry of Local Development. With this approach, the CSIDB and DCSI of the MOI formed DEIC (District Enterprise Implementation Committee) that overlooked representation from Dalit Coordination Committee, Indigenous Nationalities Coordination Committee, District Livestock Service Office (DLSO), Micro-Finance Institutions and Federation of Community Forest Users Nepal (FECOFUN) which were represented in the DEDC provisioned under the District Enterprise Development Program Implementation Procedure and Micro-Enterprise Development Fund Operational Guidelines (first amendment, 2010). It indicates that there is still a need to make the government stakeholders more sensitive towards gender and social inclusion.

NGO Selection Procedures/ Mechanisms developed in 2010 include promotion of gender and social inclusion as one of the criteria for selection of NGOs for implementation of the MED-PA. Furthermore, MEDEP has initiated 15 month Technical SLC course for developing Enterprise Development Facilitators through two private training institutions affiliated with Council for Technical Education and Vocational Training (CTEVT), and this year 72 girls from the marginalised groups were provided scholarships by MEDEP. This course was designed and approved by the CTEVT with technical support of MEDEP to meet the long term demand of human resources such as Enterprise Development Facilitators required by the Government of Nepal to replicate MED-PA model in 75 districts.

Likewise, other partner organisations of MEDEP such as Business Development Service Providing Organisations (BDSPOs), District Micro-Entrepreneurs Group Associations (DMEGAs), and National Micro-Entrepreneurs' Federation Nepal (NMEFEN) have adopted the MEDEP's norm of representation of at least two third of the decision-making positions by women and /or Dalits /or Indigenous Nationalities in their statutes. Due to this, MEDEP could achieve encouraging results in terms of the proportions of Women, Dalits and Indigenous Nationalities represented in the decision-making positions of BDSPOs and DMEGAs (see the table GSI-1).

Table GSI-1: Proportion of Women, Dalits and Indigenous Nationalities represented in Decision-Making Positions in District-level Partner Organisations in 2010

<u>Total No. of Organisations</u>	<u>Total No. of Executive Board Members</u>	<u>% Represented in Decision-Making Positions by</u>		
		<u>Women</u>	<u>Dalits</u>	<u>Indigenous Nationalities</u>
39 BDSPOs	351	43	23	27
31 DMEGAs	365	53	20	33

- III. In 2010, did the project support change the knowledge, perceptions, attitudes and behaviour patterns of the concerned in the partner organization(s) and the pertinent stakeholder(s) in the sector(s) or area(s) concerned (but not the final beneficiaries, namely women and men, girls and boys in Nepal)? If yes, describe the target group(s) and the level and their envisaged changes.

Knowledge of 59 officials from MOI, DCSI and CSIDB has enhanced through trainings provided by MEDEP on Micro-Enterprise Development for Poverty Alleviation (MED-PA) approach and Participatory Rural Appraisal (PRA) in 2010.

Similarly, knowledge of the officials of other partner organisations (such as BDSPOs, National Entrepreneurships Development Centre (NEDC), DMEGAs, and NMEFEN) on gender and social inclusion has enhanced through trainings provided by the MEDEP on gender, social mobilisation and PRA. Sharing and dissemination of district-level studies (in the new districts expanded during the third phase of MEDEP) on identification of potential target groups (Poor Women, Dalits, Indigenous Nationalities, Youths) and VDCs based on DAG mapping, resource condition, and market demand has also increased awareness of the district-level implementers on whom and from where to be mobilised and supported for entrepreneurship promotion. Due to the enhanced knowledge of the officials, MEDEP had success in achieving targeted proportion of Poor Women and Youths in its beneficiaries (see the table GSI-2).

However, it has been learnt that the social mobilisation process and strategies, and motivation and commitment of the officials involved are critical for achieving the targeted proportion of poor people belonging to Indigenous Nationalities and Dalits. Donors and all other facilitating organisations have to understand and provide support for the additional effort and commitment needed to really identify and develop poor people from Indigenous Nationalities and Dalits residing in remote villages as micro-entrepreneurs.

Table GSI-2: Proportion of Poor Women, Dalits and Indigenous Nationalities developed as Micro-Entrepreneurs in 2010 (Total MERS are 5,416)

Target Group	% Targeted Micro-Entrepreneurs	% Achieved Micro-Entrepreneurs
Women	60	72
Dalits	30	29.1
Indigenous Nationalities	40	28.5
Other castes/ethnicities (B/C & others)	30	42.4
Youths (People of age under 35 years)	60	71

Furthermore, detail review of the training contents and procedure is needed to contribute to the changes not only in knowledge and perception of the trainees but also their attitudes and actions for gender equality and social inclusion in entrepreneurship development.

MEDEP's key partner organisations at the central level namely the MOI and at the district level which include DEDCs, BDSPOs and DMEGAs have internalized the MED-PA model appropriately (Impact Assessment of MEDEP, 2010). These organizations are well aware of strength of MED-PA model in terms of its emphasis on: (i) gender equality and at least 60% participation of women, (ii) supporting the livelihoods of the poor and the excluded, and (iii) using local resources and facilities appropriate for MEs belonging to marginalized groups. Recognizing the contribution of micro-enterprise to the overall

livelihoods of the poor belonging to socially excluded groups, some VDCs/DDCs have started to allocate a part of their grant fund to micro-enterprises.

Due to the sensitisation among DMEGAs, and enhanced leadership capacity of women, the elected president of National Micro-Entrepreneurs Federation Nepal (NMEFEN) since 2005 is a woman belonging to Dalit caste. She has been an example leader, who is integrating support for women empowerment in micro-enterprise development (for detail, refer MEDEP, 2010¹).

- IV. In 2010, did the project support change the knowledge, perceptions, attitudes and behaviour patterns of the key stakeholders in the communities? If yes, describe the target group(s) and the level and their envisaged changes.

Impact assessment of MEDEP (2010) showed that, MEDEP-supported MEs have increased their actions against gender inequality and social discrimination. Examples of these actions were: (i) increased participation in public protests and rallies against social discriminations and practices including drinking alcohol and gambling public places, untouchables, stopping Dalit to enter temples and drink water from the same taps, and (ii) raised voices and acted against gender violence and discrimination. As a result of increased social status of MEs belonging to Dalit and other backward castes of Terai through their participation in MEDEP, other service providers (Government, Non-government and Private, including MFIs) have enhanced their readiness to provide support to these MEs. According to female MEs, they have also increased their capacity to raise voices and claim equal pay against low wage/differential wage rate between men and women for work of equal value.

The formation of micro-entrepreneurs' groups is inclusive in terms of representation and access. Proportion of Women, Dalits and Indigenous Nationalities represented in executive committee members of 48 MEGs are 77%, 12% and 67% respectively. Similarly, the proportion of women, Dalits and Indigenous Nationalities represented in executive committee members of 16 MEGAs are 64%, 9% and 64% respectively. (Impact Study of Micro-Finance MEDEP, 2009).

As a result of entrepreneurs' sensitization on gender equality, recently formed National Allo Entrepreneurs' Association with the support of FNCSI and MEDEP has been inclusive from gender perspective, with 67% women holding decision-making positions.

- V. For the projects which reported gender results under the section 2 above, briefly explain how the project interventions improved the situation of gender inequality and empowered women.

MEDEP's facilitation support to micro-entrepreneurs in accessing financial services has also resulted in women empowerment and has developed their capacities to confront systemic gender inequities (Impact of Micro-Finance in MEDEP, 2009). According to the study 90% of MEDEP's micro-entrepreneurs surveyed (i.e. 121) make borrowing decisions by themselves, and 91% of them control income and expenses of enterprises by themselves. The authors further reported that those women micro-entrepreneurs who had access to financial services had more improvements in their position in families, status in society, mobility and social capital than those micro-entrepreneurs without access to financial services had. Women micro-entrepreneurs' participation in MEG meetings and their

¹ MEDEP. 2010. Anthology of Success Stories. MEDEP III, Lalitpur, Nepal.

involvement on MEG operation provided them opportunities to discuss on agenda and related details about political process in their communities (for detail, see the report of Impact Study of Micro-Finance in Micro-Enterprise Development Programme. MEDEP III, Lalitpur, Nepal. October, 2009).

Impact Assessment of MEDEP (2010) indicated MEDEP's positive impacts on empowerment of women MEs as a result of their participation in MEDEP and that they have been able to seek services from others. By gender, proportion of change in land ownership due to MEDEP intervention was positive among both women and men. However, there was a higher propensity for men to acquire land as compared to women. MEDEP's intervention has changed the rules of the game by increasing the proportion of women in decision-making positions in forestry, water related groups and community organizations. The role of women entrepreneurs has constantly been improved with an increased representation of women entrepreneurs in community institutions, such as, Community Forestry Users Groups (CFUGs), Drinking Water Management Groups (DWMGs), cooperatives and saving and credit groups. However, representation of women at decision-making positions at community institutions is lower than that of men entrepreneurs. Gender sensitive interventions by MEDEP have created many individual success cases for women from the poor and vulnerable communities of being enabled to lead a life of human dignity. Capacity of women to be organized themselves and protest against gender violence and social discrimination has increased significantly. The enrolment of girls in tertiary education and the ratio of literate women to men among MEDEP-supported MEs have increased.(for detail, see the report on Impact Assessment of MEDEP, 2010).

- VI. In 2010, did the project incorporate socio-gender analysis at the key milestones of project cycle to track changes in gender equality and social inclusion? If yes, provide the outputs.
- In order to track the changes in gender equality and social inclusion, MEDEP analyses data against targets on gender, caste, ethnicity on Quarterly and Annual basis.
 - Application of Gender and Social Inclusive MIS System with detail dis-aggregation between Hill Dalits and Terai Dalits, Hill Indigenous Nationality and Terai Indigenous Nationality, Hill Brahmin/Chhetri and Terai Brahmin/Chhetri, Other Terai caste group, Muslim, Differently Able People.
 - Outlined basic requirement of at least one woman and one GESI expert in the TOR of 'MEDEP beyond 2010 Formulation' and the 'Impact Assessment of MEDEP'. Accordingly, women team leaders were recruited in recently conducted 'MEDEP beyond 2010 Formulation' and the 'Impact Assessment of MEDEP'.
- VII. In 2010, did the project support incorporate gender equality and social inclusion specific components to consciously increase the human rights of women and socially marginalized groups? If yes, explain the approach.

Women and socially excluded groups have empowered and have gained confidence in obtaining decision-making positions in DMEGAs, and NMEFN and in raising their voices for their human rights (e.g. facilities and provisions for child caretakers during participation in training), provision of livelihoods opportunities (e.g. entrepreneurship) to People Living with HIV and AIDS (PLHA) and Ex-Injecting Drug Users (Ex-IDUs).

MEDEP has been giving priority to recruiting female Enterprise Development Facilitators (EDFs). About 215 (45%) out of 467 EDFs are female. EDFs are mobilized in 36 districts as frontline workers to develop micro-entrepreneurs in the field level. At the same time, MEDEP is facilitating to develop EDFs as Government of Nepal is planning to implement MEDEP model in 75 districts. In this context, CTEVT, MOI/UNDP/MEDEP has jointly developed a 15 month TSLC course and MEDEP has provided scholarship to 72 girls (two girls from each 36 districts) from marginalised groups. These students are studying in two private training institutions namely Kanchanjungha Polytechnic Institute Nepal (KPIN) at Bhairahawa and Mitra Udhyamshilata Vikash Kendra (MUVK) at Janakpur. In the 15 months course Gender and Social Inclusion is one of the sub module out of ten modules. So this course will be supportive to address the issues of gender and social inclusion.

The Impact Assessment of MEDEP (2010), showed that capacity of women and Dalits to organize themselves and protest against gender violence and social discrimination has increased significantly. Dalits and female MEs' awareness of their rights and the capacity to use them appropriately has also increased.

- VIII. Briefly describe any other key achievements in addressing gender equality and social inclusion in your project not already captured above. Where relevant, provide significant examples and/or disaggregated data illustrating these achievements.

The Impact Assessment (IA) of MEDEP (2010) showed positive impacts on the poor micro-entrepreneurs belonging to socially excluded groups. These are: (i) increased house ownership, and physical and livestock assets accumulation by Dalits and Indigenous Nationalities, (ii) improvements in labour productivity, production capacity and cost of production through the use of improved and modern technologies by Dalits, (iii) increased food sufficiency months (on an average by 2.2 months) in Dalits and Indigenous Nationalities, and (iv) increased savings by Dalits in groups and cooperatives. IA report further indicates that the empowerment level of MEs belonging to Dalit and other backward castes of Terai have been improved as a result of their participation in MEDEP and that they have been able to seek services from others. By gender, proportion of change in land ownership due to MEDEP intervention was positive among both women and men, with men showing a higher propensity to acquire land as compared to women (for detail, see the report on Impact Assessment of MEDEP, 2010).

4. Implementation Challenges

Briefly describe any implementation challenge you have faced as well as your responses. Update the Risk and Issues Logs (Annexes the updated Risk & Issues Logs, using the same format as in the QPRs).

Please refer to Annex 1: Risk Log, Annex 2: Issue Log and Annex 3: M&E attached herewith.

5. Lessons learned and next steps

Briefly describe the main lessons that can be drawn from the year's experiences. Mention any "best" or "worst" practices which UNDP should be aware of. Please be specific and focus on 2010.

The main lessons that can be drawn from the year's experiences is that with a simple package of MEDEP Model, to some extent poverty can be addressed through delivering entrepreneurship knowledge, skill and appropriate technologies for establishing Micro-enterprises based on locally available resource with purpose to generating self employment among the Poor, Hard Core Poor and Excluded Groups. It is learnt as a peace building process at the community level. As a result, the GoN has mainstreamed MEDEP model as Micro-Enterprise Development for Poverty Alleviation (MED-PA) model into the **"Three Year Interim Plan 2010/11 – 2012/13"** with ambition to replicate gradually MEDE-PA model in all 75 districts of Nepal. However, it is not easy to fight against the poverty and raise the standard of living of the hardcore people with limited investment in a short period.

Secondly, MEDEP learned and realise to make key shifts in several areas which, among others, include move from promoting micro-entrepreneurs to building capacities of government departments to internalise MED-PA model, move from supporting all types of micro-enterprises to adding an integrated value chain approach. Likewise, it realised that the changes in emphasis for making the MED-PA model more efficient and effective in terms of poverty outreach and employment generation, incorporation of support for growth and financial services, provision of demand oriented business development, development of a composite enterprise promotion strategy and organisation development (institution development), addressing finance gaps and use of Gender and Social Exclusion Assessment Framework as a monitoring tool.

Lastly, to put many faceted MEDEP impact on the Poor, Unemployed Youths, Excluded and Disadvantaged Groups, People Living with HIV and AIDS (PLHA) and Injecting Drug Users (IDUs), Women Empowerment, Social Inclusion, environment for equal opportunity each and every one without any prejudices and the central government that has jurisdiction to mould the economic system of the country thoroughly, MEDEP has left sustainable foot prints on the paths it has trodden so far.

For projects continuing in 2011, describe priority actions for the following year to overcome any constraints, build on achievements and partnerships, and use the lessons learnt during the previous year. In particular, make clear recommendations for any required corrective action, for review by the project board.

Considering the above learning MEDEP should focus in following activity in 2011

- Capacity Development and the Institutionalisation of MEDEP are required. For this, development of the Organisational and technical capacities in GoN, local bodies, NGOs and private service providers and its application for effective internalisation, management, implementation and monitoring of the GoN/MED-PA programme is required.
- Improved Access to Finance is required. Need to establish a functional collaboration with promoters and practitioners of financial services for establishing a sustainable and accessible linkage for micro finance institutions for Micro credit services.

- Need to adopt Integrated Value Chains Development Approach in collaboration with stakeholders for strengthening value chains to benefit the small producers / processors through micro-enterprise development.
- Target the number of the poorest households for lifting above the poverty line within the next year. Special Package for hard core poor should be continuing in the next phase.
- Strengthening the capacity of DEDC through trainings, interaction, awareness campaigns and its secretariat for utilise of local funds and implement MEDEP model for economic livelihoods through creation of entrepreneurs, establishment of enterprises and generating of self employments.
- Strengthening the capacity of DMEGAs and BDSPOs for the sustainability of MEDEP model and business development service delivery mechanism.
- Mandatory to focus on Branding, packaging and labelling for the assurance of quality of products.
- Scaling up of existing entrepreneurs: MEDEP has created and promoted almost 51,182 micro-entrepreneurs during the past 12 years. Of these 75% are active and 25% are either inactive or migrated or dropped according to the data updated from census enumeration of existing entrepreneurs in May 2010. MEDEP has a challenge now to develop a system of scaling up of the existing but sick enterprises to make them self sustained.

Case One:

From housewife to entrepreneur – Savitri Devi Chaudhary

Prior to taking up jute mat making as an enterprise, Savitri Devi Chaudhary, 40 from Tutuha, Duhabi Ward 3, was totally dependent on her husband. Their living situation was described as Hardcore Poor. Her husband owned



about one hectare of land and worked as a petty contractor. With the onset of serious illness, he sold almost all of the land for treatment leaving just enough to live on. The only way for the family to survive was for Savitri to work as a daily wage labourer on a farm.

"My life started to change slowly when I was given an opportunity to participate in a week long MECD training organised in our village," says Savitri. "After the training, the Agriculture Development Bank provided us a loan of Rs. 5,000 to start a jute mat enterprise based on the business plan made during the training." When asked about the content of the training,

she replied that it was not about learning skills in jute mat making but enhancing enterprise capability and building the confidence to start a business. "Before this training," Savitri says, "I would never have thought that I could support my paralysed husband to get regular treatment, send my children to school, buy food for the family and repair my house solely through the production of jute mats for the market. Most important was the training was organised in our village otherwise I would never have done it."

"Last year my monthly income from the sale of jute mats ranged between Rs. 4,000 to 5,000 and on the top of this, I earned about Rs. 20,000 by working as a local trainer for jute mat making for different micro-enterprise services providers. A few years ago, I was just a housewife who was afraid to talk with outsiders and hardly thought of leaving the house overnight. Now I have travelled the entire world!" For her, the entire world meant outside of her district, to other parts of Nepal, specifically Kathmandu.

- "Like most Damai families in Nepal, we were born landless. My participation in SIYB training organised by the BDSPO transformed me from an assistant in my husband's business to an entrepreneur. In some months, my monthly income exceeds that of my husband's income. I have received a certificate from the Skill Development Centre, Kathmandu. I am a skilled trainer and used as resource persons by several organizations which, among others, include the BDSPO, Women Development Office and District Cottage Industry Office."

Maya Damai, Amargadhi Municipality 6, Dadheldhura

Case Two:

Bayalkoti Dream of scaling up

Sindhukot is a remote village in Sindhupalchowk district where eighty household of Bayalkoti families are involved in leather bag making vocation. Leather bag making vocation has been a lucrative micro-enterprise for them, however, they desperately feel the need of scaling –up the business to further cater increasing demand of handmade leather bags and accrue the profit margin.

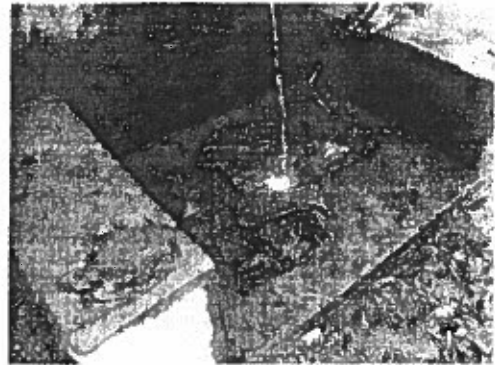
"There is higher demand for handmade leather bag and other leather items we make, however, we are unable to meet the market demand owing to arduous nature of leather processing job", says Sukumaya Bayalkoti, the leader of Kotgaon women Group (MEG).

They make three hundred per cent profit from the raw material. "Had appropriate technology with us, our product would have been better finesse and higher profit", the MEG leader says.

Processing leather and making different leather items is the traditional business of the Bayalkoti family. Further Skill Training and support from Micro–Enterprise Development Program (MEDEP) made them acumen in their micro –business. They collect untreated leather from neighboring villages, carry the skin to their village, and start processing the skin in different steps. Manual processing of skin takes them almost four months. Finally, they manually make three handbags from treated buffalo leather. "One whole piece of buffalo leather roughly costs us one thousand rupees and we make three bags from the leather. One bag is sold at the rate of eleven hundred rupees in Kathmandu," Sukumaya elaborates.

Male members of the family do most of the hard work involved in raw leather processing. Female members help the male by kneading the skin, which is essential at different steps of treatments.

Chamel, Kalimati in Kathmandu and Bhaktapur is major markets for their bags. The Sindhukote micro –entrepreneurs make subcontract with the dealers on annual basis and supply the products as specified by the dealer. The dealer, on the other hand, embellishes the bags to add value and sell to the costumers for more than 2 thousand 5 hundred rupees each.



"As being used in other big leather factories, if we have access to the machine that can ply the thick skin of buffalo in to two or three plies, we can produce more bags with minimum cost. We dream of procuring the machine. We, the women and Men groups, have so far saved one hundred thousand rupees in bank. We like to see MEDEP taking interest for our scaling up", Sukumaya Bayalkoti vented the community's constraint while she furnished our queries at her home, Sindhukot.



Case Three:

RIVERBANKS FARMING CAN MAKE THE POOR RICH- PANO DEVI

Namaste!

I am Pano Devi Mukhiya, a resident of Bhokraha ward no. 5, Siraha district. I am illiterate and have three daughters and husband in my family. I was very poor as I had no piece of land to teal. Although our traditional profession is fishing in the river, my husband cannot do the work owing to his old age and illness.



I had been sustaining the family by doing household chores in some landlords' homes and other daily wages. Daily wages work is not possible every day. When I did not get a job on particular day, the day used to become very troublesome for my family as I am the sole bread earner in my family.

Later I started purchasing fish collected by others at the river and sold them in the open air market that held twice a week. The profit my business used to give me was between Rs 100 and 150. I had to take loan from local landlords for medication to my husband and children when they fell sick. The loan amount was as much as 8 thousand. I was worried day and night.

But I am happy now and thankful to them who motivated and helped me to grow watermelons at the bank of Kamala River. I am also thankful to Mitra Samaj Siraha for its support and encouragement. Now I don't have any debts and my economic worries just vanished in thin air.

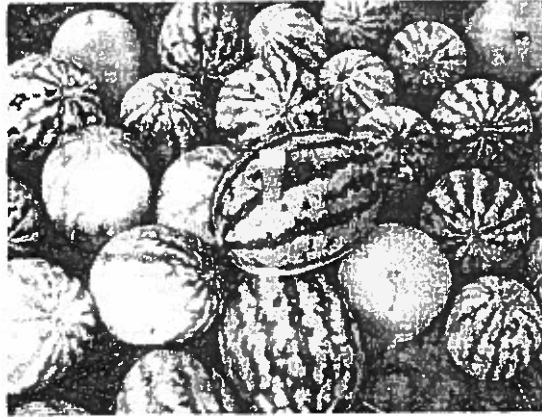
In the beginning, my husband did not believe on river bank farming and scolded me. However, I plated watermelon plants in 5 Katthas of sand at the bank. From the farming I earned Rs. 25, 000 this year. It was my happiest day when I returned Rs.8000 debt borrowed from the landlords. I never had dreamt of this much money in my hand. This second year I planted watermelon on 10 katthas of land and earned Rs. 50,000.

I bought a grocery shop from the profit. I have also bought a silver necklace for myself and new clothes for my husband and children. Now my daughters go to school. Husband runs the shop and I continue riverbank farming as I have the



skill and plenty of barren river banks in my village. Not only me, but many poor families like me have learnt the skill of

riverbank farming and they are also earning money like me. Now we know that watermelon and other farming on the sandy bank of river can make every poor family of this village rich.



MEDEP has been contributing to the Government's efforts on poverty reduction in rural areas through

the development of micro-entrepreneurs among the poor. MEDEP has been working in 36 districts of the country. Among them 13 districts are in Terai and 17 are in the hills and 6 are mountain. The Programme focuses on creation of micro enterprises and employment opportunities for youth, women, poor and excluded groups.

By December 2010 MEDEP has created about 51,182 entrepreneurs and generated 52,374 employments in the rural area. MEDEP model has been proven to be a successful in alleviating poverty among the poor and excluded families.

Case Four:

COUNTINUOUS SUPPLY OF HUMAN RESOURCES REQUIRED TO INTERNALISE MICRO-ENTERPRISE DEVELOPMENT FOR POVERTY ALLEVIATION (MED-PA) MODEL INTO GOVERNMENT SYSTEMS

So far, MEDEP is developing the unique manpower called "Enterprise Development Facilitator (EDF)" and mobilizing them in the field who are the frontline workers and pillars to make this programme successful. EDF get several training such as Participatory Rural Appraisal (PRA), Social Mobilization for Enterprise Development (SMED), Start and Improved Your Business (SIYB), Customer and Market Survey, Cleaner Production, Micro Finance, Computer Skill, Proposal and Report Writing, Co-operative Management, Accounting, Costing and Pricing, etc. As of today there are 467 MEDEP trained EDFs approximately working in 36 districts. Government of Nepal is planning to implement MEDE-PA model gradually in 75 districts allocating its own resources. For this during next 5 years, approximately 1,200 additional EDFs are needed.

After MEDEP phase out such trained manpower production will be stopped and government has to develop a system of production of such manpower in a regular basis. Realizing this fact Ministry of Industry and UNDP decided to develop a EDF curriculum in collaboration with Council for Technical Education and Vocational Training (CTEVT) and MEDEP provided technical and financial support to CTEVT in 2007 and developed a 15 months Technical School Leaving Certificate (T.S.L.C.) course which has been approved by the Council of CTEVT. This course is run by two private training institutes namely Kanchanjangha Polytechnic Institute Nepal (KPIN) in Bhairahawa and Mitra Udyamshilta Vikash Kendra (MUVK) in Janakpur.

- Three Year Interim Plans of Government of Nepal (2007/08 – 2009/10 and 2010/11 – 2012/13), have clearly indicated in its strategy that MEDEP model should be replicated in all 75 districts.

- Rs. 1.182 billion has been proposed by the Government for replicating this programme.
- In 2009/10 Government allocated Rs. 50 million to replicate MED-PA model in 18 districts and during the current fiscal year 2010/11 Rs. 70 million has been allocated to replicate in additional seven districts making in total 25 districts.
- There are about 467 trained EDF available to run this programme. However to continue this programme by the government there is a need of about 1,200 additional EDFs in next 5 years.
- Two private training institute having the capacity including experienced trainers to run this course are affiliated to CTEVT.
- MEDEP Project Board has decided to provide scholarship to 72 students (2 girl students) from each 36 districts. The girl students are selected applying stringent criteria to make it gender and social inclusive and they are studying in these two institutes.



Girl Students studying in KPIN, Bhairahawa

Implementation Status of DEX or NEX Audit Action Plan (if applicable)

Audit areas – Findings	Impact Severity	Target date for implementation	Implementation Status (Implemented, Partially implemented, not implemented)
1. There was underachievement of some targeted activities and various actions were re-phased to 2010	Medium	Jun-10	Partially implemented
2. There is weakness in quarterly planning where quarterly work plan was prepared without receiving the quarterly work plans from the Area Programme Support Offices and Several of the activities were included in the first quarter work plan without financial resources. Delay was observed in approval of 2nd quarter QWP and FACE. Activity result 5 was under budgeted.	Medium	Jul-10	Partially implemented
3. There is weak fund management at Area Programme Support Offices where the funds were disbursed without completing the due process.	Medium	Jun-10	Implemented
4. Weak financial management of the Business Development Service Providing Organizations (BDSPOs). Auditors noted- (1) lack of standard reporting format for BDSPOs (2) submission of photocopies of supporting documents to Area Programme Support Office (APSO) by BDSPOs (3) lack of oversight over advances to BDSPOs (4) lack of finance assistant position in APSOs	High	Jun-10	Partially implemented
5. Procurement of services from hotel was carried out without competitive bidding process. In some cases, evaluation/decision made by procurement committee for selecting the parties was not available for verification.	Medium	May-10	Implemented
6. Human Resources not recruited as per HR Plan and high turnover of personnel	Medium	May-10	Implemented

Annex 1: Risk Log

Risk Log Matrix

Project Title: Micro-enterprise Development Programme Phase III (NEP 08/006)
 Award ID: 00049631
 Year: 2010

#	Description	Category	Impact & Probability	Countermeasures / Mngt response	Owner	Author	Date identified	Last Update	Status
	Enter a brief description of the risk	Environmental Financial Operational Organizational Political Regulatory Security Strategic Other	Describe the potential effect on the project if this risk were to occur Enter probability on a scale from 1 to 5 P =	What actions have been taken/will be taken to counter this risk	Who has been appointed to keep an eye on this risk	Who submitted the risk	When was the risk first identified	When was the status of the risk last checked	e.g. dead, reducing, increasing, no change
1	Inaccessibility of Micro Credit Services in remote districts and rural interiors of other districts	Financial and Operational	The effect of insufficient access of micro credit service created problem in establishment of enterprises as per the Business Plan in time though they gained knowledge and skill on Entrepreneurship Development.	Partnership with locally available Micro-Finance Institutes (MFIs) such as Rural Development Banks, Nirdhan Utthan Bank, Co-operatives, Financial Intermediary NGOs and Rural Self Reliance Fund (RSRF of Nepal Rastra Bank and there are now more than 45 MFIs linked with MEDEP	Micro-Enterprise Specialist (MES) of Area Programme Support Office (APSO)/ MEDEP/ District Micro-Entrepreneurs Group Association (DMEGA)/ Micro-Entrepreneurs Group	MEDEP/ APSO	Jan-10	December 2010	Some natural linkages between Entrepreneur Groups and MFIs have been observed in some district where the non-bankable families have been promoted to bankable by MEDEP. This has

#	Description	Category	Impact & Probability	Countermeasures / Mngt response	Owner	Author	Date Identified	Last Update	Status
				promoted groups of micro-entrepreneurs.	Association (MEGA)				significantly improved in access to micro-finance service by entrepreneurs in some Rural Market Centres
2	Delayed and Insufficient budget release from UNDP.	Operational	MEDEP could not release the program budget of all Quarters in time to APSOs and Micro-Enterprise Development Fund (MEDF)/DDC due to UNDP's delay in releasing budget. As a result, the regular and planned programme could not be conducted as per plan.	UNDP must be serious in coordination and conscious of releasing budget in time and as per the agreement made or approved project document.	UNDP	MEDEP.	Apr-10	Dec 10	Worst
3	High Risk for MEDEP Staff (Hills origin staffs) to work in Terai region especially while coordination and implementation of the programme.	Political and Security	Create obstacles in programme implementation in Mahottri, especially and less achievement against the target.	Initially, waited for cool days and attached Enterprise Development Officers (EDOs) and Monitoring and Evaluation Officers (MEOs) along with local EDFs.	MES/APSO/MEDEP/	APSO	Since last Quarters of 2009		NGO selection process is still pending DDC could not select NGO
4	High Political Pressure in	Operational/ Political	Low Achievement Rate against the target in 2010.	Organised successive DEDC to	APSO / MEDEP	APSO / MEDEP			NGO selection

#	Description	Category	Impact & Probability	Countermeasures / Mngt response	Owner	Author	Date Identified	Last Update	Status
	local NGO (business development service provider organisation) selection Process.		The Second instalment could not transfer to MEDF as the first instalment could not spend due to uncertainty of programme implementing NGO in the districts.	finalize the selection process of NGO in the district.					process completed in four out of five new districts and it is still pending in Mahottari
5	The most of time DDC offices in Terai districts remained close due to Band.	Operational	Weak coordination with DDC due to which weak programme implementation. The MEDEP contribution to MEDF could not be released in time and in reciprocal DDCs could not submit reports in time.	Although late the budget for each quarters was released but the reports could not be received in time	APSO / MEDEP	APSO / MEDEP	Since Jan 2010	December 2010	Bands still continuing which is out of the control of MEDEP
6	Low capacity of local selected NGOs and long time taking for enhancing capacity of the selected local NGOs	Strategic and regulatory	Delay in programme implementation.	Tried the hardest to accelerate the process. In some districts, experienced EDFs have been mobilised through a short term contract with NEDC.	NPSO/ MEDEP	MEDEP- APSO	April, 2010	June 2010	Capacity has been enhanced to some extent
7	Implementation of Cantonment programme	Operational	The work load of Ex Combatant to micro-enterprise package found heavy, particularly in Far Western and Mid western Regions. For this, most of the regular staffs have to involve in this programme. As a	Issues and problems are being solved by conducting regular meetings with UNDP and UNIRP	UNIRP/ UNDP	UNDP	Since 2010	December 2010	Many issues and problems are resolved but new problems and issues are generated continuously

#	Description	Category	Impact & Probability	Countermeasures / Mngt response	Owner	Author	Date Identified	Last Update	Status
8	Lack of Proper Guidelines and Norms under UNIRP programme	operational	<p>result, the regular programme is hampered. Since this is a entirely new programme in Nepal the mechanism of implementation has not been well established that has generated several issues and problems at field and national level.</p> <p>Unexpected issue raised and middle level management did not provided decision in time, and on other hand, UNIRP did has not developed a Guideline for food support to participants during skill training</p>	Managed somehow	APPN/ UNDP	UNDP	Since 2010	December 2010	It is still not resolved yet Still the clear Guidelines are not in place
9	Unavailability of VAT Registration Training		<p>AS per VAT Registration Act, the firm less than 20, 00,000.00 transactions per year is not needed to be registered in VAT. But we need VAT Registration firm for training. It has created problem to the participants who requested for skill training nearby their residence.</p>	Managed somehow	MEDEP	MEDEP	Since 2010	June 2010	MEDEP has tried to procure services from VAT registered companies wherever possible. However, in the case where no VAT registered company exists system

#	Description	Category	Impact & Probability	Countermeasures / Mngt response	Owner	Author	Date Identified	Last Update	Status
									of maintaining Note-To-The-File

Issue Log Matrix

Project Title: Micro-enterprise Development Programme Phase III (NEP 08/006)
Award ID: 00049631
Year: 2010

Type	Date Identified	Description and Comments	Status	Status Change Date	Author
Lack of Sectoral-Skilled Human Resource in Rural Areas	Jan-10	Skilled Resource Persons are not available when needed in mountain and hilly districts particularly for conducting skills training	Skilled Resource Persons have to come from other districts like Kathmadu, Pokhara, Nepalgunj, etc.	some changes found after training	BDSPO, EDO, APSO
Marketing	Jan-10	Weak linkage between the Micro-entrepreneurs and wholesalers and other consumers due to some problems of quality and quantity products of micro-entrepreneurs.	Local level marketing is good.		BDSPO, DMEGA, NMEGA, APSO and NPSO
Low capacity of Database Assistant (DBA) to operate GSI-MIS system	2007	In most of the districts, the DBAs could not operate GSI due to their low capacity and lack of basic computer knowledge though they have been trained many times.	Not submitting GSIMIS database <u>properly</u> in time.	Similar 2007	NMEGA
Poor Accounting System in BDSPOs and DMEGAs	10-Oct	No proper Financial Management and Record Keeping in BDSPOs and DMEGAs due to lack of financial background staffs. It has caused a lot problem during Audit Time.	MEDEP supported for one Admin and Financial Assistant (AFA) to both organisation.	2010	MEDEP, NEDC, NMEGA
High turnover of EDFs due to low remuneration rate	10-Oct	Inadequate number of EDFs with BDSPOs that directly affects the implementation of the field activities and follow up services to MIEs	BDSPOs are advised to recruit new EDFs and provide required trainings that increased input level investment (budget, time).	2010	APSO

Type	Date Identified	Description and Comments	Status	Status Change Date	Author
Technical support to DCSI and CSIDB	10-Feb	Government Fund for implementing MED model through CSIO and CSIDB release according to the Nepali fiscal year	New team are oriented and trained on MEDEP model they have Just Started the programme in field level		CSIO/CSIDB
Voice of Ex-Combatants	Apr-10	Ex- Combatants raised voice for insufficient support for start up capital and raised voice regarding VAT issues. In fact, they are not ready to deduct VAT from what they are receiving from UNIRP.	Try to convince and facilitate		UNIRP/MEDEP policy level

Annex 3: M&E

M&E Matrix

Project Title: Micro-enterprise Development Programme Phase III (NEP 08/006)
Award ID: 00049631
Year: 2010

Type of Action	Stakeholders	Due By	Completed On	Status
Regular Monitoring and field visits	MEDEP staffs from NPSO and APSOs, DEDC and representatives of local political parties, members of NMEGA and NEDC and representatives of strategic local stakeholder in all 36 districts of MEDEP	Regularly	During the first, second, third and fourth quarters of 2010	
In-depth Monitoring field visits	UN Field Monitors, Regional Office/ UNDP	Regularly	2010	The staff of field office Biratnagar UNDP visited districts as per their visit plan. The field monitors provided support by members staff of BDSPOs of the concerning districts like Dadelhura, Banke, Bardiya, Dhanusha, Sarlahi, Terhathum, Udayapur, Sindhupalchowk, Nawalparasi, Dang & Pyuthan districts.
Programme Monitoring	Mr. Dhundi Raj Pokhrel, National Programme Director of MEDEP and Joint Secretary of Mol and Dr. Lakshman Pun, National Programme Manager of MEDEP and Mr. Narendra K. Rasaily, Marketing and Appropriate,	First quarter	Jan-10	Visited various enterprises in Kailali, Banke, Dang, Kapilvastu, Kavre, Sindhukpalch, Dolakha and Ramechhap

Type of Action	Stakeholders	Due By	Completed On	Status
Programme Monitoring from National Planning Commission (NPC)	Technology Support Specialist. Dr. R. D. Singh, Honorable Member of National Planning Commission/Nepal	Quarterly	Jan-10	visited the Parbat district and observed the Micro-enterprise on
Programme Monitoring from Policy Level/ MOI	Mr. Pratap Kumar Patahak, Secretary of Ministry of Industry, Mr. Dhundi Raj Pokhrel, National Programme Director of MEDEP/ Joint secretary of Ministry of Industry, Mr. Narendra K. Rasaily, Marketing and Appropriate, Technology Support Specialist and Ms. Sabita Dhakhwa, HR Consultant of Micro-Enterprise Development Programme	First quarter	Feb-10	Parbat, Myagdi and Baglung
Programme Monitoring from National Planning Commission (Policy Level)	The officials of National Planning Commission, Mr. Khom Raj Koirala, Under Secretary and Mr. Bharat Subedi, Section Officer visited the Parbat, Myagdi and Baglung districts and observed the Micro-enterprises	First Quarter	Mar-10	Completed
Monitoring field visit from Australian Embassy, Policy Level	The Deputy Director General of AusAID Canberra along with the Country Director of UNDP, Country Manager of AusAID Nepal and NPM of the MEDEP jointly visited the MEDEP activities in Sindhupalchok	First Quarter	February 2010.	Completed
Policy Level Field Monitoring from NPC, Nepal	NPC lead by Joint Secretary Mr. Pushpa Lal Shakya including under secretary Dr. Laba Prasad KC and two officers of NPC		March 2010.	Visited Lapsi and ginger processing enterprises of Shreechhap VDC in Sindhupalchowk and Dairy Product of Banepa, Gents Shoe Making enterprises of Bhyangdhunga and Metal workshop of Ghimiregaun in

Type of Action	Stakeholders	Due By	Completed On	Status
Policy Level Field Monitoring from UNDP	Programme Advisor/Deputy head of UNDP South West Asia Division Ms. Razina Bilgram and ACD Dr. Lazima Onta Bhatta		March 2010.	Kavrepalanchowk district. visited Metal workshop and Biobriquette enterprises of Ghimiregaun and Ladies Sandal Making enterprises of Nala in Kavrepalanchowk district
Monitoring of existing monitoring system operation of MEDEP	Drafting of M&E Guideline team – Subarna Lal Shrestha, former NPC acting Secretary and Bijay Singh, Forest Base expert.		March to July 2010.	Visited MEDEP Districts, attended meeting with APSO, DDC/DEDC, BDSPO, DMEGA/MEGA and micro-entrepreneurs and visited various enterprises, sales outlets.
Field Visit	A team of two persons from Canadian Cooperation Office and MEDEP Team		30th March	Observed income generation activities of women micro-entrepreneurs in Sindhupalchowk
Monitoring and Evaluation Field Visit	Board of Directors of CSIDB, DCSI and MEDEP Team		May	Observed micro-enterprise development process and entrepreneurs creation in Sindhupalchowk
Value Chain workshop and Field Visit	Value Chain Expert and Marketing Team from NPSO		May	Observed impact of Lapsi Candy Enterprise in Sindhupalchowk
Monitoring field visit from Australian Embassy, Policy Level	HE Australian Ambassador, Country Manager/Australian Embassy, UNDP team and MEDEP/NPSO team		Jun-10	Visited Janakpur Women Development Centre with APSO MEDEP Staff to implement capacity enhancement programme for their centre's sustainability
Programme Monitoring	Marketing Specialist & Value Chain Consultant visited herbal soap making entrepreneurs in Pyuthan district		June	Completed
Policy level Monitoring Visit from Ministry of Industry (MOI)	State Minister of MOI and MOI team visited micro-entrepreneurs and stakeholder of Banke.		June	Visited the micro-entrepreneurs of Samshergunj RMC Banke and discussed in detail with

Type of Action	Stakeholders	Due By	Completed On	Status
Monitoring field Visit of potential donors	FINIS politicians		June	implementing partner. Visited to haryali Matsya Group Dhangadhi Gaun
Monitoring, Interviewing and Shooting	National and Local Media Crew, and UN Radio Team and other special Media team from KTV to cover detail interviews of the micro-entrepreneurs.	Third Quarters	Jul, Aug, Sept	Produced stories, audio visual documents.
To facilitate product design training by heiddi	Selected tailoring Entrepreneurs of APSO Kailali in Dadelidhuta		29 June -5 July 2010	Training completed
Monitoring Visit	Yam Kumari Khtiwoda, Joint secretary of MO and her team		1-7 July 2010	BDSPO,DMEGA,MEG and ME of Darchula, Baitadi, Dadelidhur and Kailali
MEDEP's Impact study visit	Consultants of NORMA Consultancy/APSO/BDSPOs/MEGs and individual MEs/members of DEDC Udayapur		Started	The team of MEDEP's Impact study consultants started the field visit and survey in Udayapur district since 14 September 2010
Monitoring visits	Impact Assessment Team along with Dr. Smita Pimchander		Aug, Sept, Oct	Kabhre, Sindhupalchowk, Nawalloarasim ...
Monitoring visits	Project Formulation Team visit (Annete Ittig , Rajan K.C., Bhimendra Katuwal, Kiran Paudyal)		19-Sep-10	Kabhre and Sindhupalchowk
Internal Audit monitoring visit	Pandey and Associate		Occasional	The Pandey and associate visited APSO, Udayapur and Sapatari districts and audit done
Field visit for regular monitoring, meeting and collecting of Data/ information from MEG and MEGAs	EDFs attended meeting with MEGAs and collected information from each individual MEs for GSIMIS update	Monthly	Regular	EDFs of BDSPOs attended in the MEGAs monthly meeting to collect information/data of MEs to update GSIMIS of all 36 districts.