

**CONTRIBUTION OF MICRO-ENTERPRISE
DEVELOPMENT PROGRAMME (MEDEP)
UNDP/ IN HORTICULTURE ENTERPRISE
DEVELOPMENT OF NEPAL: A JOINTLY
IMPLEMENTED PROGRAMME OF MINISTRY
OF INDUSTRY (MOI), GOVERNMENT
OF NEPAL AND UNITED NATIONS
DEVELOPMENT PROGRAMME (UNDP)**

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Presentation Outlines

- MEDEP at a glance
- Interventions
- Achievements
- Issues and recommendations

MEDEP at a Glance

MEDEP- initiated in 1998 with the goal of poverty alleviation through micro-enterprise development and employment generation targeting poor and excluded groups.

- **First Phase:** June 1998 – January 2004 UNDP TRAC Fund - Piloting Phase – 10 Districts (Successful)
- **Second Phase:** February 2004 – March 2008, DFID, the then AusAID, UNDP and NZAID - 25 Districts
- **Third Phase:** April 2008 – July 2013 UNDP, the then AusAID and CIDA - 38 districts
- **Fourth Phase:** August 2013- July 2018 – UNDP, DFAT, Government of Nepal - Capacity development for MEDPA implementation

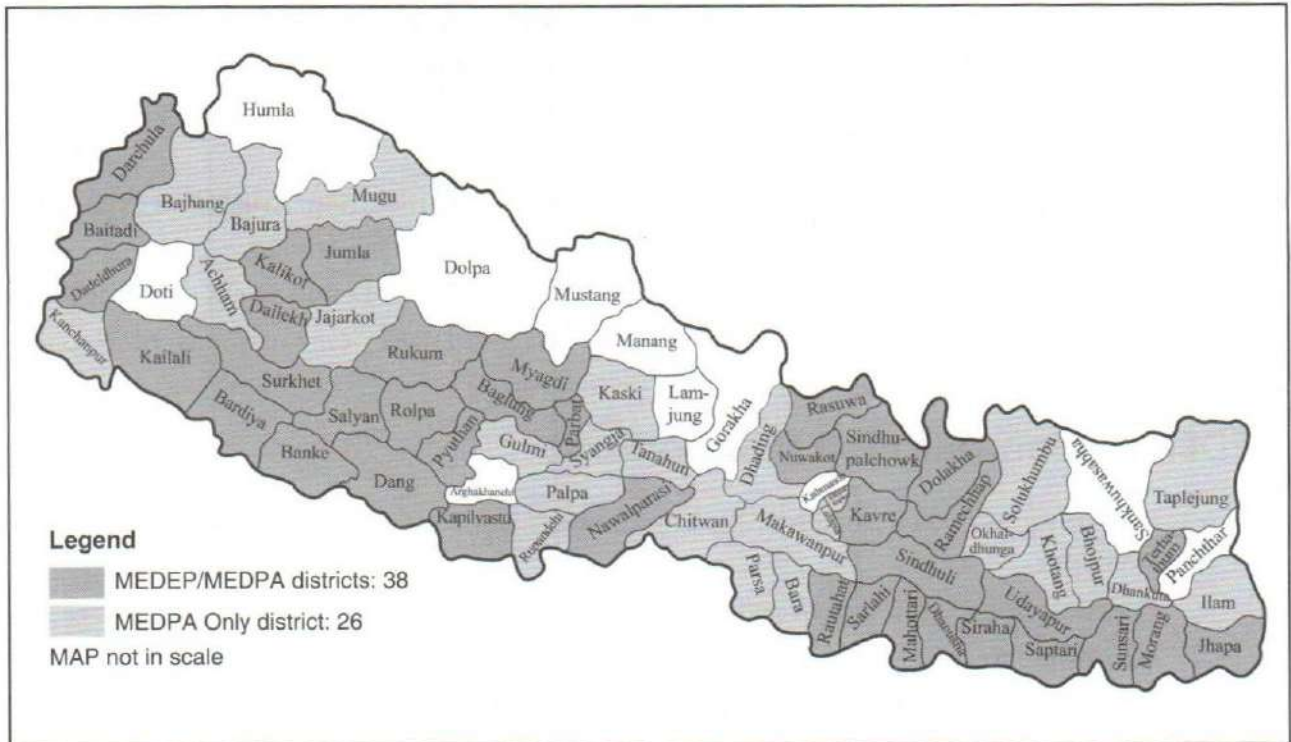
MEDEP Implementation Mechanisms

- A. Implementing Agencies at Central Level – Project Board (PB) for policy decision under NEX system
1. Lead Agency: Ministry of Industry (MoI)
Co-implementing Agencies:
 2. Ministry of Forest and Soil Conservation (MoFSC)
 3. Ministry of Federal Affairs and Local Development (MoFALD)
 4. Ministry of Agriculture Development (MoAD)
 5. Association of Youth Organization Nepal (AYoN)
 6. Nepal Rastra Bank (NRB)
 7. Federation of Chamber of Commerce Industries (FNCCI)
 8. Federation of Nepal Cottage and Small Industries (FNCSI)
 9. UNDP
 10. DFAT
- B. Implementing Agencies at District Level
- District Development Committees (DDCs)/District Enterprise Development Committees (DEDC) – 18 Member Organizations

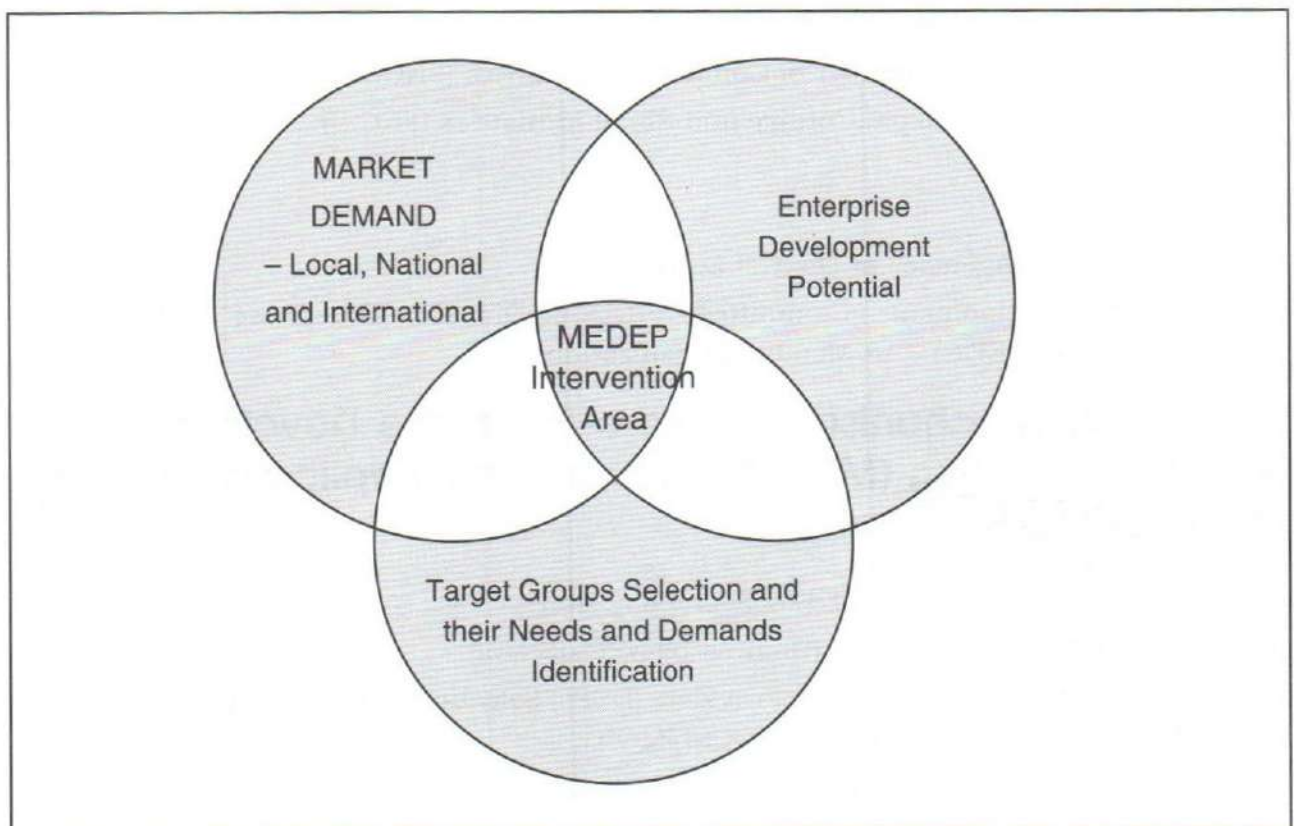
Institutional Mechanism for Micro-Enterprise Development for Poverty Alleviation (MEDPA): Government Replica Programme of MEDEP Model

1. Steering Committee (Chaired by Secretary, MoI)
2. Implementation Committee (Chaired by NPD, JS MoI)
3. Business Development Service Providers (DSPs) Selection Committee (For Department of Cottage and Small Industry – DCSI/MOI)
4. BDSP Selection Committee (For Cottage and Small Industry Development Board – CSIDB/MOI)
5. District Enterprise Development Committee (DEDC)
6. District Monitoring Sub-Committee (DMSC)
7. Village and Municipality Enterprise Development Committee (M/VEDP)

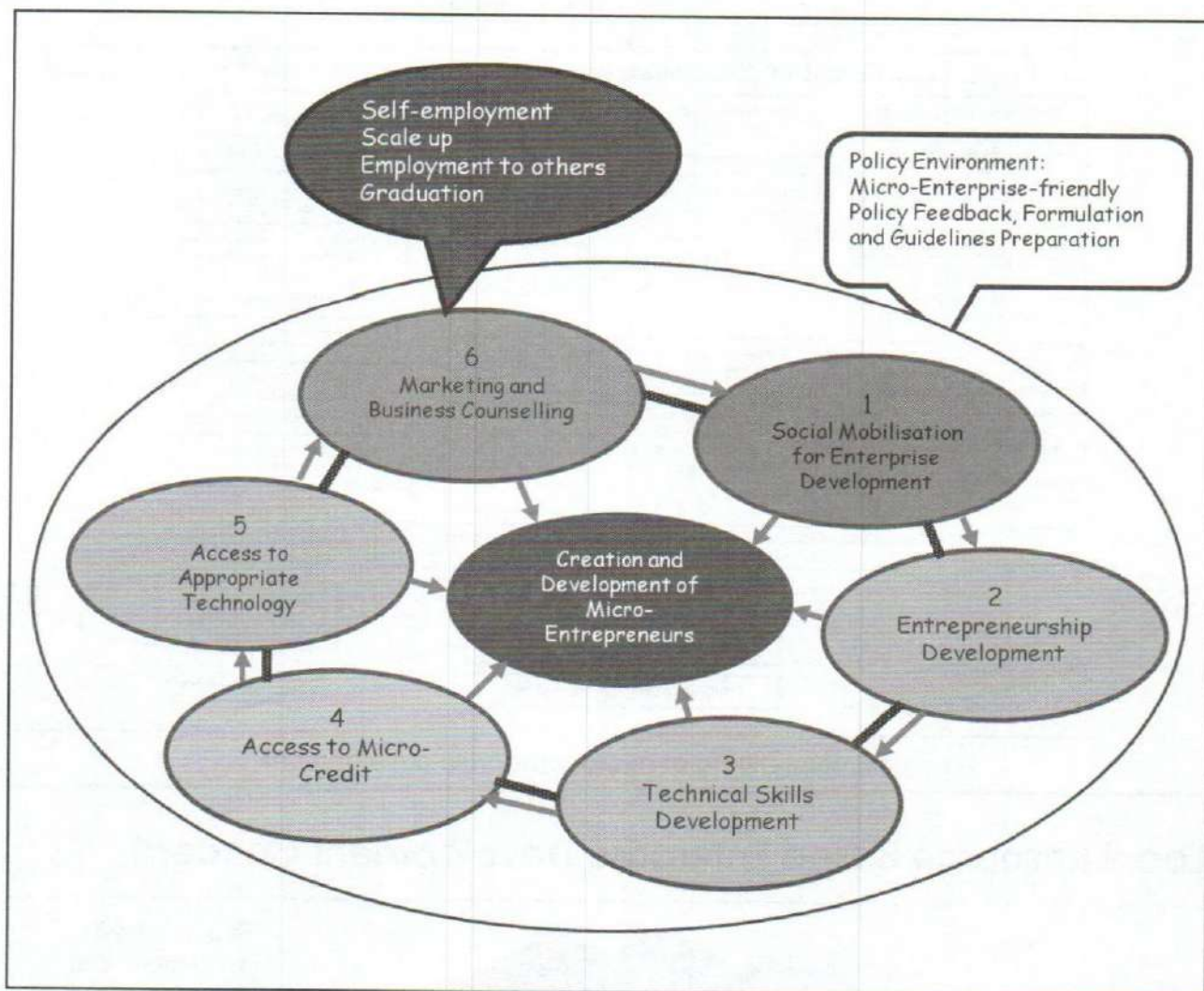
Geographical Coverage of MEDEP and MEDPA (FY 2072/73)



MEDEP Demand Driven Strategy

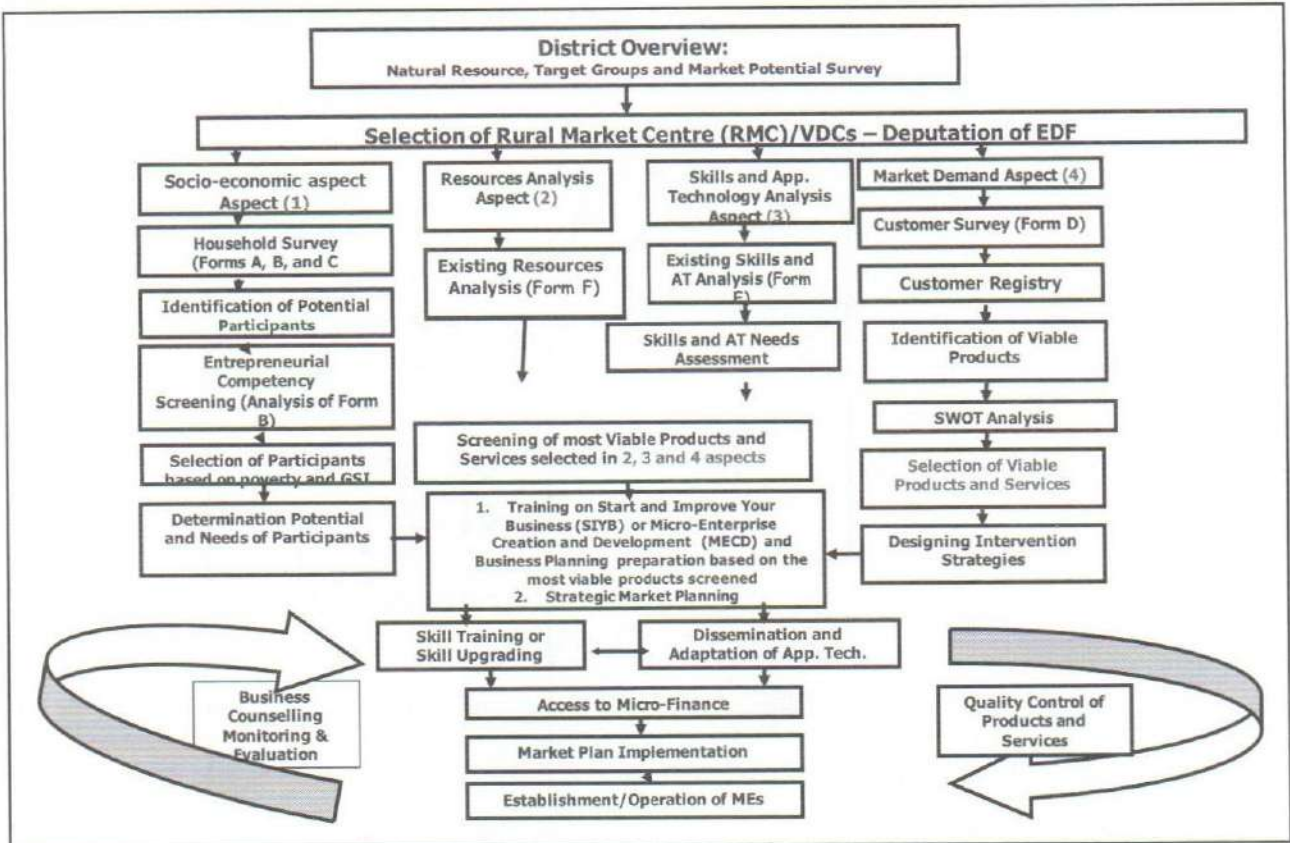


Integrated Support Package of MED model



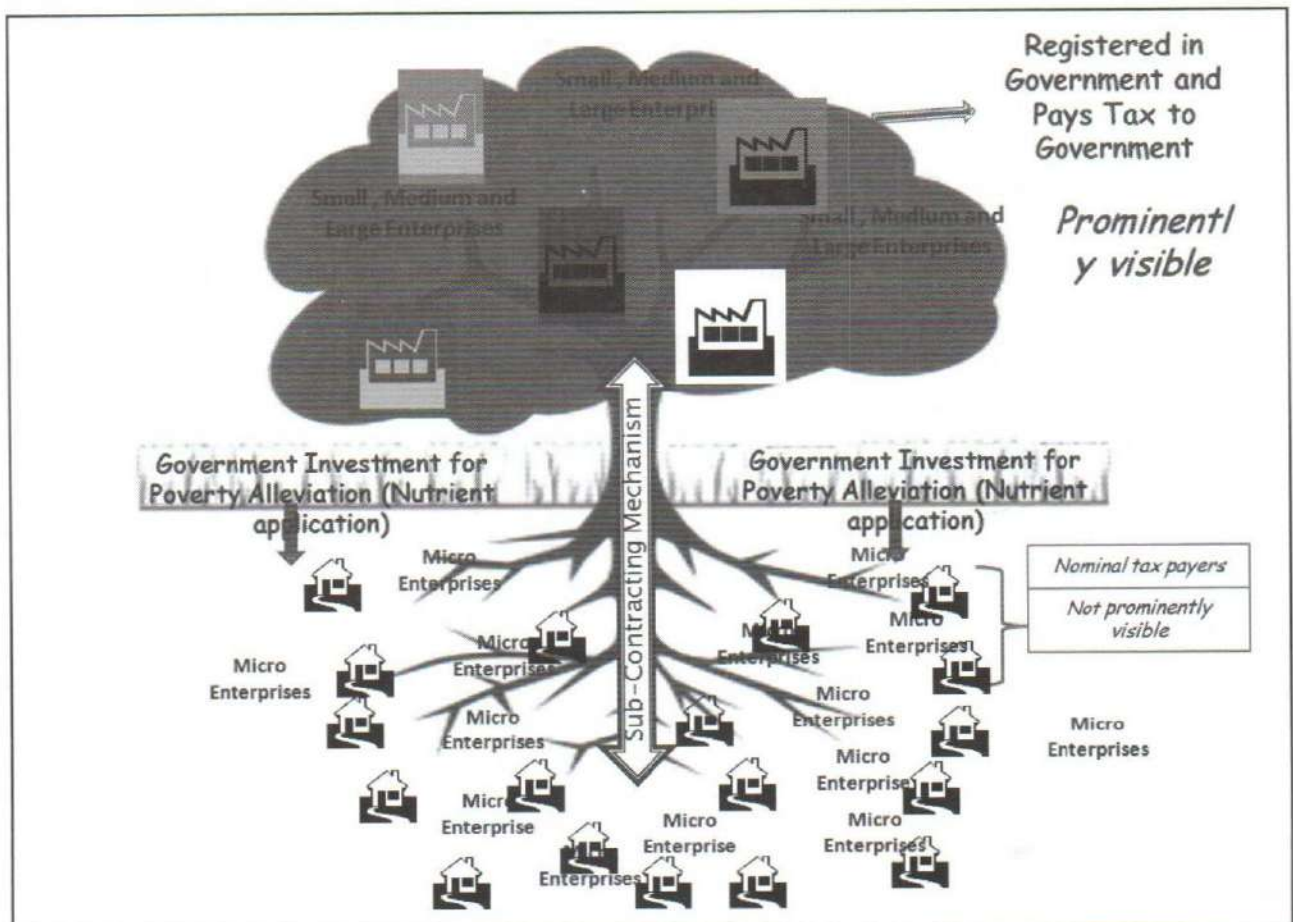
Targeting of MEDEP Beneficiaries

- A. Based on Income Poverty (Basic and non-negotiable criteria applicable to all others mentioned below)
 1. Low income families: income poverty having per capita income below nationally defined poverty line.
 2. Hardcore Poor having PCI less than 60% of national poverty line required to meet cost of food items to provide 2,226 calorie energy
- B. Based on Age: Unemployed youths representing low income families (age between 16-40 years) – 60 percent
- C. Based on Social Exclusion: Women – 70 percent, Dalits – 30 percent, Indigenous Nationalities – 40 percent and Others – 30 Percent

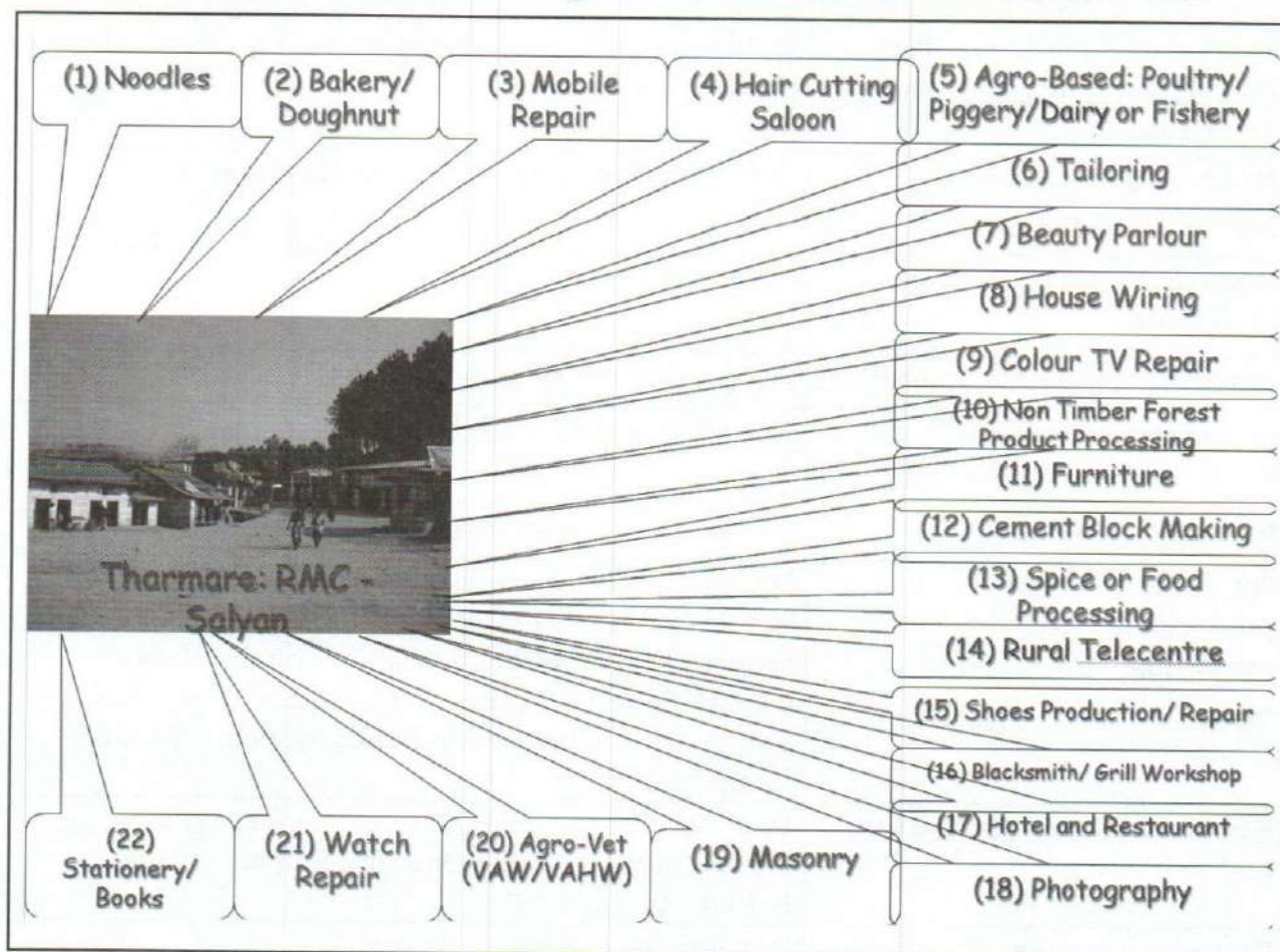


Logical sequencing of micro-enterprise development

Local Resource Based Enterprise Development Concept



Rural Market Centres as Engine of Local Economic Growth



MEDEP Interventions

Horticulture Based Enterprises: Primary Product and Processing

- Off/seasonal vegetable Production
- Vegetable Seed
- Sweet orange/Mandarin
- Honey
- Mushroom
- Strawberry
- Ground Apple
- Green Pea
- Banana
- Kiwi
- Chyuri Fruits
- Bael Fruits

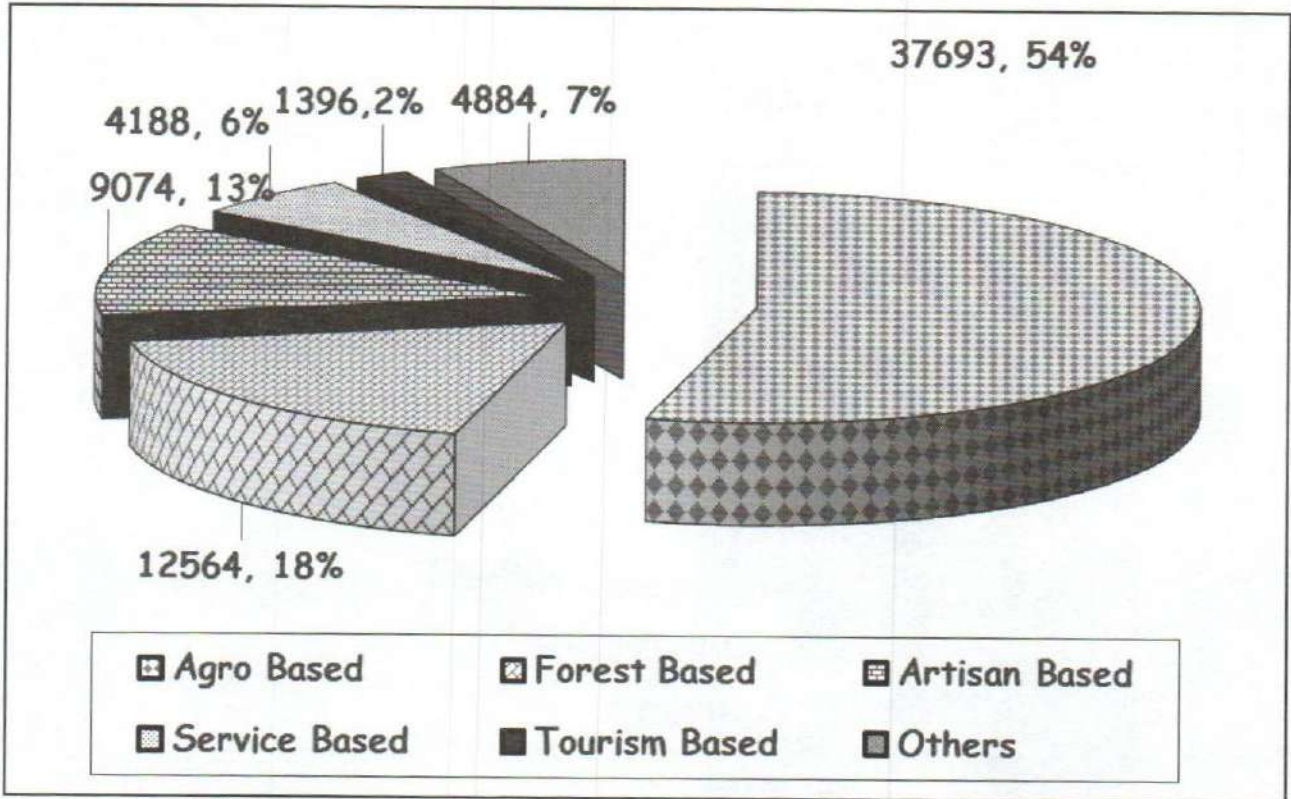
| Crops | Districts |
|---|--|
| Sweet and Madarin Oranges Production, processing and marketing | Sindhuli, Ramechhap, Parbat, Dailekh, Dadeldhura, Rukum and Biatadi |
| Mushroom Production, processing and marketing | Dang, Pyuthan, Jhapa, Myagdi, Nawalparasi, Parbat |
| Green Peas productiona and marketing | Nuwakot, Kavre |
| Apple Processing and marketing | Jumla, Rukum, Baglung, Kalikot. |
| Strawberry production, processing and marketing | Nuwakot, Myagdi, Surkhet |
| Riverbed Farming | Siraha, Dhanusha, Jhapa, Kailali, Bardiya, Rautahat |
| Off - Season Vegetable prodection, processing and marketing | Dolakha, Kavre, Nuwakot, Rasuwa, Sindhupalchowk, Sarlahi, Jhapa, Morang, Sunsari, Tehrathum, Myagdi, Parbat, Dailekh, Kalikot, Jumla, Banke, Salyan, Baitadi, Bardiya, Dadeldhura, Darchula, Kailali, Dang, Kapilbastu, Pyuthan, Rolpa, Rukum, Ramechhap |
| Honey production, processing and marketing | Darchula, Baitadi, Dadeldhura, Kailali, Bardiya, Banke, Surkhet, Dang, Rukum, Rolpa, Pyuthan, Parbat, Nawalparasi |
| Ginger Producing, processing and marketing | Pyuthan, Nawalparasi, Salyan |
| Vegetable Seeds Production, processing and Marketing | Rukum, Jumla, Pyuthan, Myagdi |
| Ground Apple | Myagdi, Parbat |
| Banana production, processing and marketing (banana fibre processing) | Nawalparasi, Kailali |

Services Provided

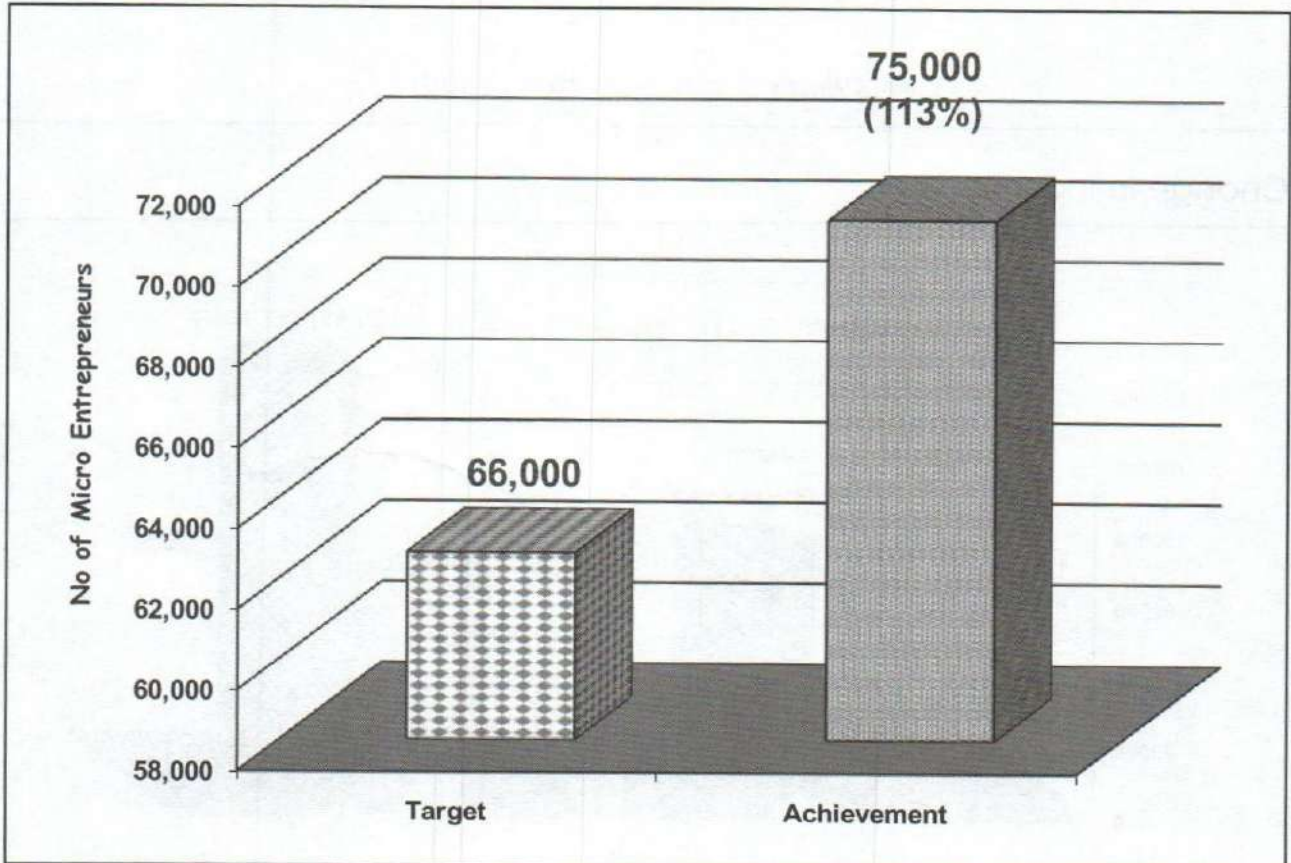
- Entrepreneurship Development
- Technical support in
 - Primary Production
 - Processing
 - Branding and
 - Marketing
- Technological innovation and introduction
- Enabling policy dissemination and formation
- Capacity building of GoN, Pvt Sectors and MEAs.
- Human resources development: Enterprise Development Facilitator (EDF)
- Institutional development

MEDEP Acheivements

No. of Micro Entrepreneurs Based on Enterprise Category

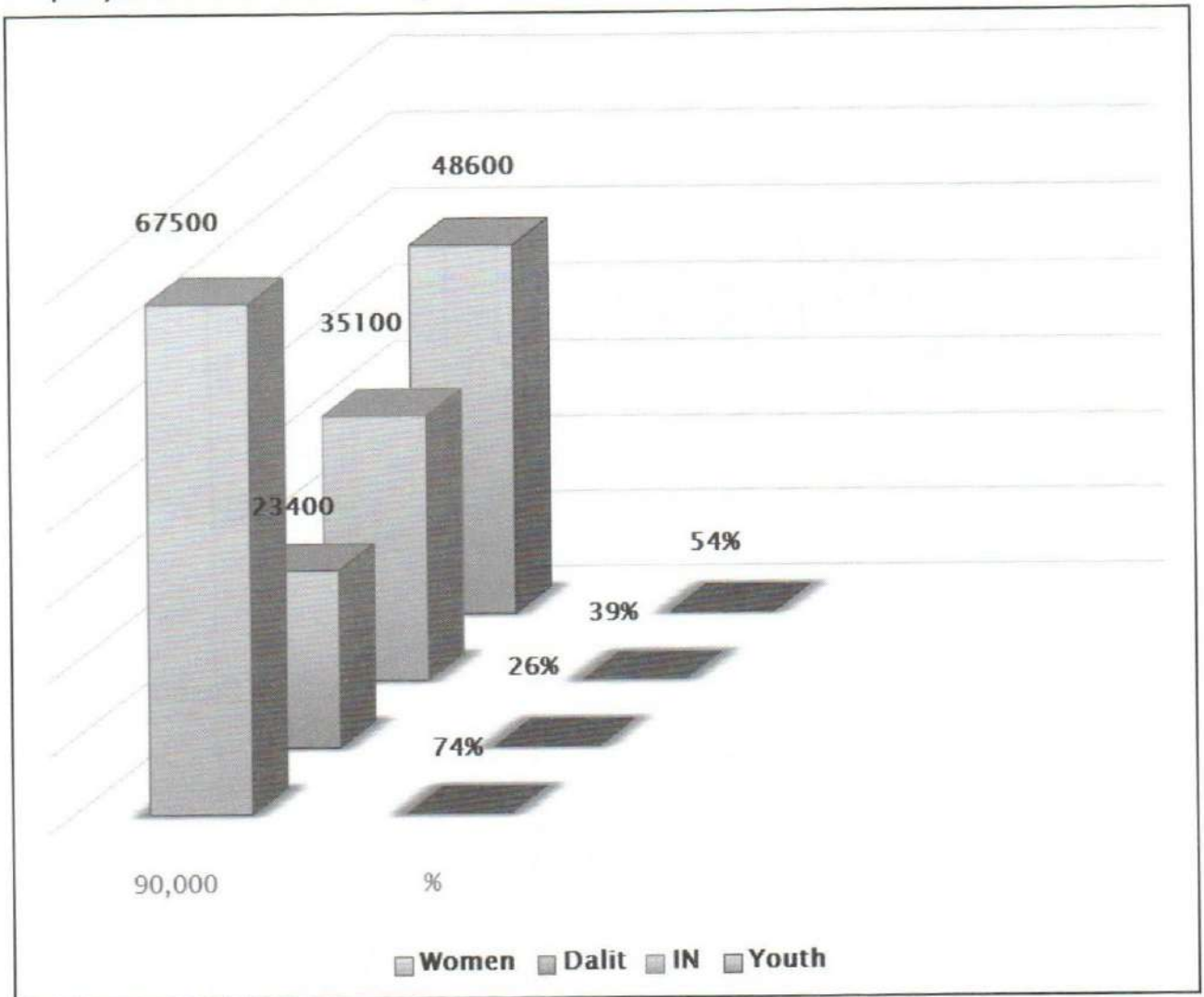


Target versus Achievement of Micro Enterprise Creation

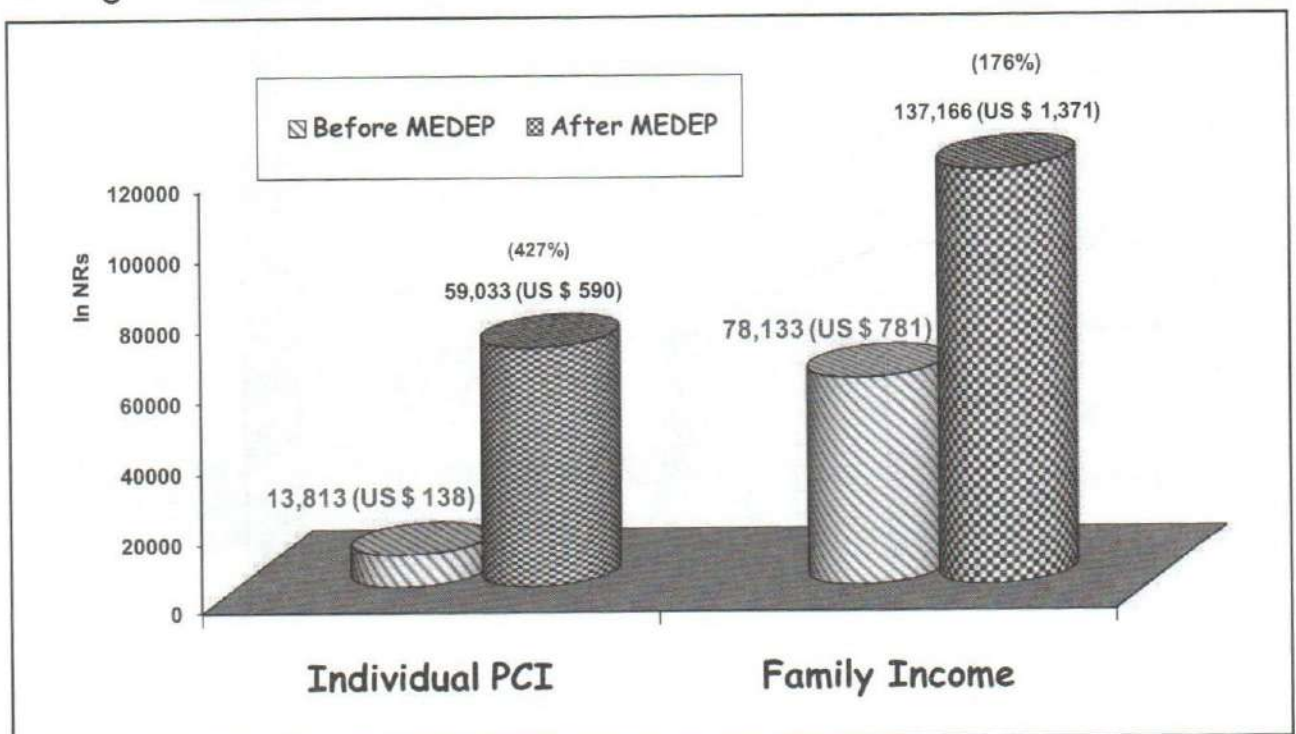


Women 69%, Youth 55%, Dalits 24%, Indigenous Nationalities 37%)

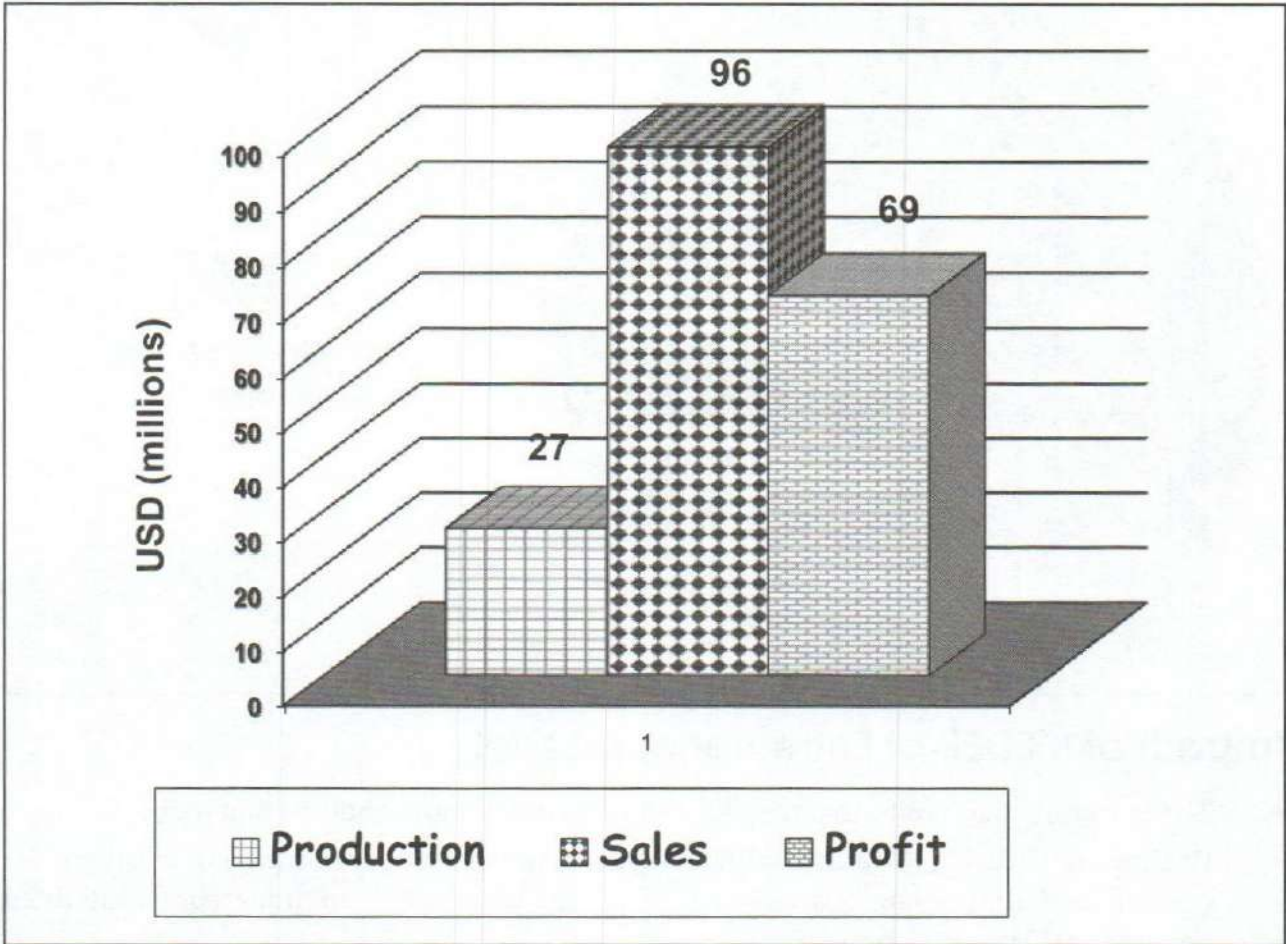
Employment Generation by MEDEP intervention



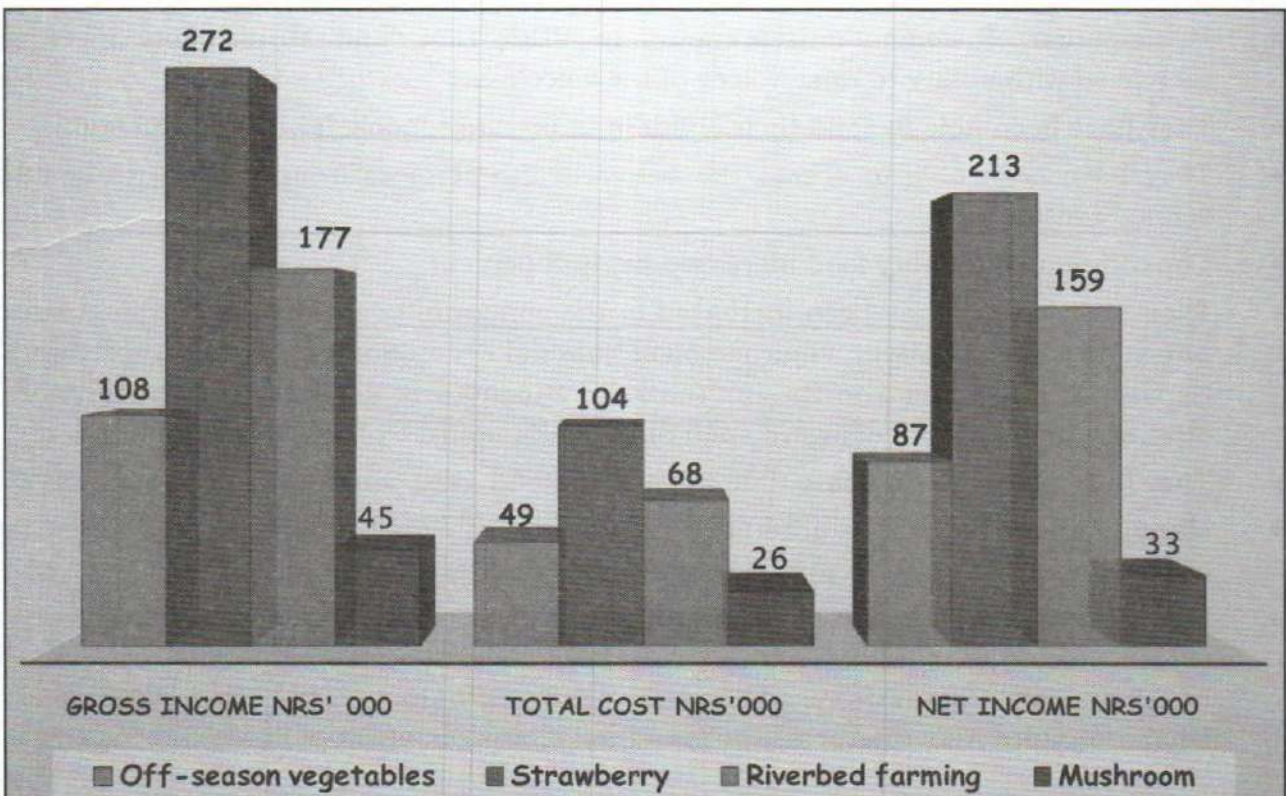
Change in Income



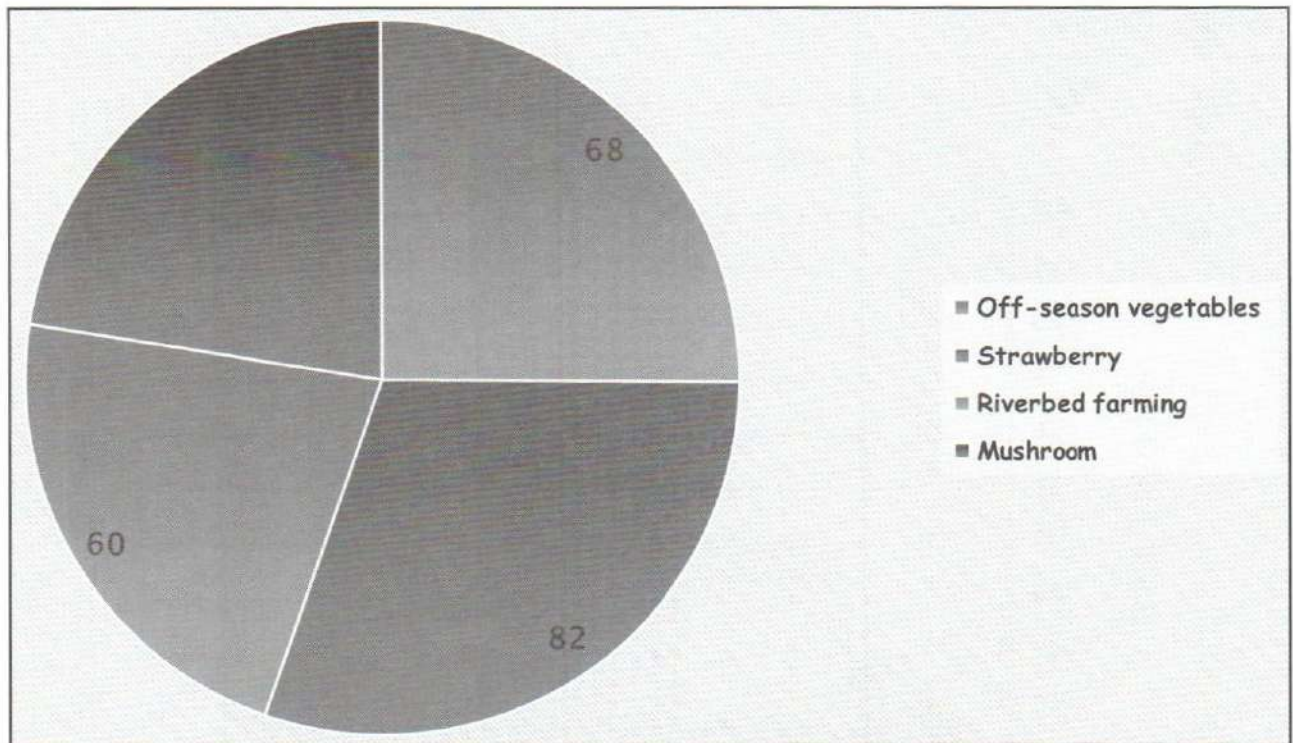
Cumulative Production, Sales and Profit Values by Micro Entrepreneurs
(in NRs. Billion)



Cost and Income of Horticultural Enterprises



Percentage of Entrepreneurs above the poverty line after MEDEP intervention



Impact of MEDEP at Entrepreneurs Level

- Their average per capita incomes have increased by more than 512 percent
- Brahman, Chhetri, Thakuri and Sanyashi Micro-entrepreneurs contributed 10 percent to family income whereas that of Indigenous Nationalities contributed 20 percent and Dalits 26 percent.
- Women micro-entrepreneurs participation in community institution and social work increased and held decision making position in political parties.
- Participation of women entrepreneurs in VDC, DDC and Municipality meeting increased with ability to raise voices of the voiceless.
- They have been able to send their children in private schools for better education.
- They have been able to access the better health services from the private health service centres.
- Consumption of quality food increased by 40.3 percent.
- Their social status has been increased in the community. One of the entrepreneurs named Ms. Kesha Pariyar, chairperson of National Federation of Micro-Entrepreneurs Nepal (NMEFEN) has won the International Business Peace award. Likewise, more others have won national award such Surya Asha award by Ms. Jash Maya Purja, etc.
- They have been able to spare time to participate in local community development
- Many of them have been graduated from Micro to Small enterprise, registered in government organizations and have started paying tax to government.
- Many micro-entrepreneurs products are now being exported such as Strawberry (worth NRs. 14,040,000 annually), Green Peas (NRs. 90 million annually), Processed honey (mostly Chyuri Honey to India), Bamboo Products, Off-season Vegetables, Dhaka Textile, Allo Products, Incense Sticks, Ginger and its Products, Vegetable Seeds, etc.

Policy Level Impact

- Micro-enterprise Policy 2007 - MOI
- Microfinance Policy 2007 and legislation - NRB
- Micro-Enterprise Section of Industrial Policy 2010 - MOI
- Sub-Contracting Policy (draft) 2011 - MOI
- Pine Plantation Thinning Guidelines 2008 - Ministry of Forest and Soil Conservation (MOFSC)
- Second Generation Operational Plan for Community Forest Users Groups (FCUG) 2008 - MOFSC
- Community Forestry Guidelines Revision 2009 (35% of revenue generated by CFUG should be invested on livelihoods improvement of poor members) - MOFSC
- Micro-Enterprise Development Operational Guidelines for DDC 2008 - jointly approved by MOI and Ministry of Federal Affairs and Local Development (MOFALD)
- Micro-Enterprise Development Fund (MEDF) and Directives for DDCs 2008
- District Enterprise Development Strategic Plan (DEDSP) and Municipality/Village Enterprise Development Plan (M/VDC) Preparation Guidelines 2010 - jointly approved by MOI and MOFALD
- Honey policy final draft submitted to Ministry of Agriculture Development (MOAD) - in collaboration with GIZ and Federation of Beekeepers' Associations
- River Bed Farming Policy draft submitted to MoFALD
- Enterprise Development Facilitator (EDF) course developed in collaboration with Council for Technical Education and Vocational Training (CTEVT - 15 months Technical School Leaving Certificate (TSLC) course, EDF Levels 2 and Years Diploma in Entrepreneurship level 3. EDF level 2 and 3 Certification by National Skill Testing Board (NSTB/CTEVT) - about 800 EDFs are available in Nepal
- Academic courses in Micro-Enterprise sector developed and internalized in Central Department of Geography, TU and other colleges running management courses.
- GoN incorporated micro-enterprise development into its both Three Year Interim Plans (2007/08 - 2009/10 and 2010/2011 - 2012/13) as an integral part of its poverty reduction strategy.
- DDCs, VDCs and Municipalities allocated resources for MEDEP model implementation since 2008
- GoN internalized MEDEP model and started allocated own resources. (Allocated 123 M (1.4m US \$) in 2011/2012 to replicate medep model in 45 District in the name of MEDPA
- MEDPA Implementation Guidelines 2010 developed for Government

Present Issues and Challenges

Although horticulture based enterprises have been a high potential sub-sector for poverty alleviation as well as economic growth of the country there are several issues and challenges. A few of them are:

- Fragmented and small land holding that limits farm mechanization

- Difficult terrain making difficult in transportation of agriculture inputs to the production sites and transportation of horticulture products to market
- Poor market network
- Non Tariff Barriers: Middlemen determining the price and cartel system
- Lack of market assurance of the product
- Limitation of technology dissemination
- Lack of economy of scale production of the products
- Because small scale of raw material production establishment of processing industries have limited scope except micro-enterprises.
- Blanket recommendation of technologies and subsidy schemes for marginalized, small and large farmers which is not marginal and small farmers friendly policy

Some Glimpses of Green Peas Farming.....



Recommendations and Suggestions

- Horticultural commodities have high comparative advantage over cereals and other crops. Government policy should address his advantage and private sector should take advantage of this. e.g. Off-season vegetables, Vegetable Seeds, Strawberry, flowers and many other high value fruit crops have export potentials to neighbour countries.
- Technology and subsidy schemes should separate for marginal, small, medium and large farmers. Marginal and small farmers should have better access to subsidy

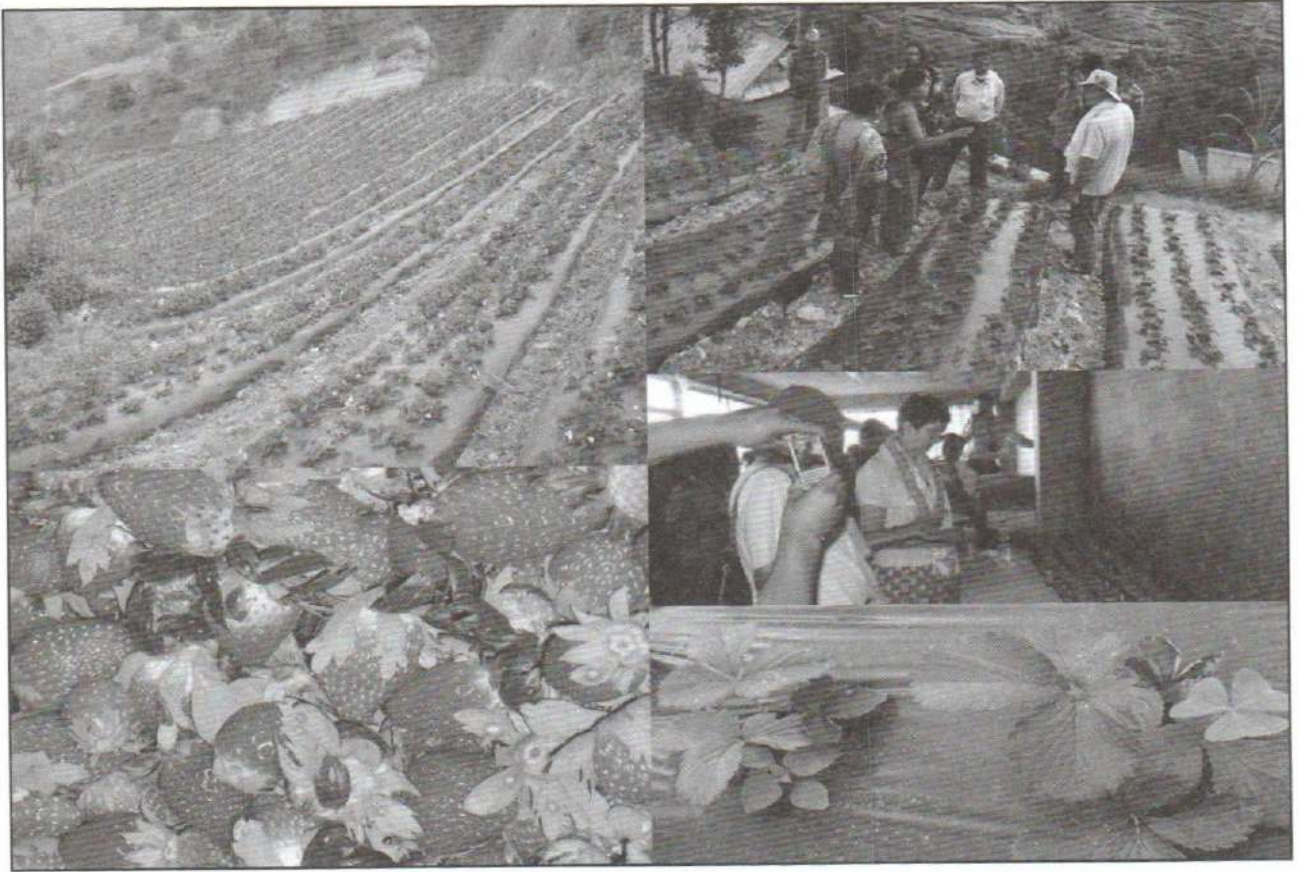
schemes of the government and different package of practices and technologies should be developed for marginal, small, medium and large farmers

- Market infrastructures should be build wherever commercialization of high value crops are possible
- Micro-irrigation and water harvesting technologies available should be made easily available to marginal and small farmers.
- Rural Market Centres should be promoted as engine of local economic growth.
- Micro-enterprise level horticultural crop processing should be promoted in rural areas.
- Non tariff barriers such as exploitation by middlemen, brokers, should be controlled and there should legal base to discourage such practices.

Some Glimpses of Strawberry Farming.....



Strawberry Farming in Nuwakot



First International Horticulture Conference 2016, Nepal

Some Glimpses of Riverbed Farming

