



Micro-Enterprise Development Program (MEDEP) Independent Evaluation 2012

Management response

December 2012

Prepared by: South Asia Bilateral
Approved by: ADG South Asia, Paul Nichols
Date Approved: 6 November 2012

1.1 Aid Activity Summary

The Micro Enterprise Development Programme (MEDEP) is a government initiative with the support from the United Nations Development Programme, which started in 1998 covering 20 districts to alleviate poverty and promote economic activities in the country. The programme adopted a comprehensive business development services approach to micro-enterprises, targeting families living below the poverty line. MEDEP starts with entrepreneurship development, followed by market study, skills development, micro-credit, access to appropriate technology and business counselling, linkages to market, and development of the subcontracting system.

Aid Activity Name	MEDEP		
AidWorks initiative number	ING833		
Commencement date	October 2006	Completion date	31 December 2012
Total Australian \$	\$9.7 million		
Delivery organisation(s)	UNDP		
Implementing Partner(s)	UNDP		
Country/Region	Nepal		
Primary Sector	Livelihoods		

Aid Activity Objective:

The key objective of MEDEP III is to have “policies designed and initiative developed to expand employment opportunities for poor, youths, women, and individuals from socially excluded groups in selected districts”.

1.2 Independent Evaluation Summary

Evaluation Objective:

The basic objective was to evaluate MEDEP in-depth for sustainability and value adding on behalf of CIDA and AusAID. Despite the completion of a comprehensive impact study, there was deemed to be a need for understanding in detail about outcomes and impacts as well as sustainability perspectives.

The evaluation was undertaken adopting the following approaches:

- Review of past studies, progress reports, and other relevant studies,
- Analysis of the appropriate secondary data,
- Field reconnaissance at Dadeldhura, Kailali, Dhanusha and Sidhupalchok districts, and
- Discussion with relevant stakeholders.

Based on these approaches, the data and information were collected, and the evaluation was carried out.

Evaluation Completion Date: April 2012

Evaluation Team: Prof. Pushkar Bajracharya; Dr Neeraj N. Joshi;

With Incorporation of Inputs from Ms. Fareeha Ibrahim, AusAID, Australia

1.3 Management Response

The Nepal Program worked with UNDP through 2012 to assist as appropriate to implement the recommendations of the CIDA-AusAID Focused Evaluation. This involved working with the UNDP to write a pro-doc for MEDEP Phase IV that incorporated action against all seven recommendations. As part of the quality process of assessing the pro-doc, a desk top independent evaluation recommended that AusAID and UNDP reconsider the aptness of MEDEP taking up value chain work additional to their core micro-enterprise work when other operators in Nepal are probably better placed to take it on. The pro-doc was found to be wanting in a range of details. As a result, the Nepal Program will commission an international design consultant to improve the pro-doc and to consider possibilities for including or excluding work suggested by the recommendations below.

The recommendations will remain relevant to effective implementation of MEDEP but may be implemented by other providers with greater comparative advantage.

Recommendation One

Proper identification of market demand and people's requirements and supply lines must be ensured at local, regional and national markets to initiate any activities.

Response

To be implemented in MEDEP Phase IV, may be partly owned by other implementers such as Govt of Nepal, DfID, GIZ.

Recommendation Two

Basic marketing strategies and practices must be imparted adequately including salesmanship, market identification, market positioning, branding, labeling and packaging.	To be implemented in MEDEP Phase IV, may be partly owned by other implementers such as Govt of Nepal, DfID, GIZ.
---	--

Recommendation Three

MEDEP must continue to do where it has comparative advantage meaning successful promotion of income generating activities and micro enterprise development. In feasible areas, it must focus towards growth strategies and engage on the path of growth, upscaling and development. For this value chain activities will have to be adopted in feasible clusters and product ranges.	To be implemented in MEDEP Phase IV, may be partly owned by other implementers such as Govt of Nepal, DfID, GIZ.
--	--

Recommendation Four

Quality benchmarking and upgrading should adopt development of quality benchmarks to products with higher market potential, development of code of conducts, dissemination of code of conducts, quality benchmarks and standards and integration in skill training, training up gradation or reorientation.	To be implemented in MEDEP Phase IV, may be partly owned by other implementers such as Govt of Nepal, DfID, GIZ.
---	--

Recommendation Five

Access to finance must be improved by availing various existing sources by improving collaboration and enhancing contracts and contacts.	UNDP working with UN Capital Development Fund; exploring other options.
--	---

Recommendation Six

There is a need to motivate local governments, particularly VDCs, to support micro-enterprise development for poverty reduction, social inclusion and employment generation leading to sustainable economic growth at local level.	To be implemented in MEDEP Phase IV. Some functions, such as local level grants programs, will be incorporated as MEDEP and MEDPA merge.
--	--

Recommendation Seven

There is a need to motivate the beneficiaries towards environmental protection (such as soil erosion control, disposal of used plastics) and proper attention to human/consumers' health (wise/safe use and handling of chemicals) issues.	To be implemented in MEDEP Phase IV.
--	--------------------------------------