

Synopsis of
Impact Study on Empowerment of Women, Dalits, Indigenous Nationalities
and Other Hardcore Poor through Micro-Enterprise Development Programme

July 2015

Micro-Enterprise Development Programme (MEDEP IV)

Government of Nepal-Ministry of Industry/United Nations Development Programme

Published by:

Micro Enterprise Development Programme (MEDEP IV)

Government of Nepal-Ministry of Industry/United Nations Development Programme

July 2015

Copyright © Micro Enterprise Development Programme (MEDEP IV)

2015 All rights reserved.

Research Team: Chhaya Jha (Team Leader),

No part of this document may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the written permission of the publisher.

ISBN:

Printed in Nepal at:

BACKGROUND

The Government of Nepal (GoN) has adopted the Micro-Enterprise Development Programme (MEDEP) model for poverty alleviation and has been replicating it within its Micro-Enterprise Development for Poverty Alleviation (MEDPA) programme currently covering 50 districts. MEDEP has been contributing to the GoN's efforts on poverty reduction in rural areas through the development of micro-entrepreneurs and employment generation since 1998. The programme, implemented by UNDP through Ministry of Industry (MoI), targets people below the nationally defined poverty line, with special focus on women and socially excluded groups, such as Dalits, Indigenous Nationalities and unemployed youths. MEDEP was started as a pilot programme in June 1998 in ten districts and by end of third phase (July 2013), it had covered 38 districts representing, mountains, mid hills, Terai, across all five regions of the country. The GoN has a plan to replicate it in all the 75 districts.

With MEDEP in its fourth phase (2013-2018), it was considered imperative by the donors, the Australian Department of Foreign Affairs and Trade (DFAT), and United Nations Development Program (UNDP), to analyse its contribution to addressing gender equality and social inclusion (GESI) issues and for empowering women and excluded groups. The findings and the lessons learned from this impact study will contribute and guide the interventions of MEDEP Phase IV and MEDPA.

OBJECTIVES

The objectives of the study included:

- a. To assess the impact of the programme on the social, economic and political empowerment of Women, Dalits, Indigenous Nationalities and other Hardcore poor in decision-making processes at household and community level, entrepreneurs and institutional levels.
- b. To identify the challenges faced by entrepreneurs (Women, Dalits, Indigenous Nationalities and other Hardcore groups) to expand their enterprises and recommend measures to address these challenges.
- c. To assess whether the deprived groups particularly the Dalits are equally able/unable to benefit from the range of services being provided by MEDEP and recommend measures to strengthen their participation.
- d. To analyse the policy level and structural changes due to the MEDEP intervention to promote Gender and Social Inclusion.
- e. To recommend how gender and social inclusion interventions can be strengthened in MEDEP and MEDPA.

THE THEORY OF CHANGE AND CONCEPTUAL FRAMEWORK

The theory of change of the GESI impact study built up on MEDEP's vision, goal and objectives. The Theory of Change was that the problem of unequal power relations and existing discriminatory practices create different levels of barriers for women, Dalits, Indigenous Nationalities and the Hardcore poor in building assets and capacities to access resources and opportunities and in having a voice to influence service providers and make them accountable. The existing formal and informal policies and social practices create institutional barriers that determine who will have access to what resources and enjoy

what benefits. If interventions address these constraints i.e. build up assets and services, enhance voice and ability to influence and make informal and formal policies and practices more equitable, there will be improved GESI mainstreaming in micro-enterprise development programmes, leading to empowerment of women, Dalits, Indigenous Nationalities and the Hardcore poor and resulting in their empowerment and reduction of inequality in society and state structures.

Thus the framework for the study focused on identifying the contribution of MEDEP: i. to improve the access of women, Dalits, Indigenous Nationalities and Hardcore poor to assets, opportunities and services; ii. to building up the ability of the target group to claim their rights and influence decisions that affect their lives; iii. to changing the “rules of the game”, both formal and informal.

METHODOLOGY

The study administered a survey in 10 districts covering 583 (programme group) and 288 (non-programme) respondents. It conducted around 20 focus group discussions covering the 10 districts and key informant interviews at both district and central levels. It used the GESI analysis framework to analyse policies, institutions, programmes and budgets of MEDEP, BDSPO, DMEGAs, NMEFEN and NEDC.

KEY FINDINGS

The key findings of the study, aligned with the study objectives are presented below.

Economic, social and political empowerment

Economic empowerment

Increase in income: There has been strong evidence of increase in income of women and men entrepreneurs. MEDEP has provided opportunities for independent earning to very disadvantaged women. Sixty-nine per cent of women stated that there has been an increase in their income. Women, who were dependent on their husbands even for their own pocket money, have now been able to share the household expenses. While there have been gender and caste/ethnic disparities, all across the board have enhanced their earnings.

Gender and social differentials: Men have a higher level of earning than women. The Hardcore have expectedly the lowest net earning. Comparatively non-hardcore poor have higher participation in training, access to budget, access to finance than the Hardcore poor.

Per capita income (PCI). The PCI of the treatment group is higher by 55.5 percent from the PCI of the control group. But within the PCI of the treatment group there are social and ecological disparities. The average PCI of MEDEP project beneficiaries is NRs 44253. The (hill) Brahman/Chhetri, hill Indigenous groups and the non Hardcore have a PCI higher than this average while the groups with PCI lower than this average include the Madhesi Dalits, Muslims, Other Madhesi Caste and the Terai Indigenous - all groups of the Terai. Of the 30 percent households below the poverty line of Rs 21,168, 56 percent are Other Madhesi groups. The mean difference between treatment and control groups is found to be statistically significant at five percent level of significance.

Stronger role of women in enterprise related decision making: Women are actively participating in decision making with respect to activities from the selection of enterprise to use of profit from micro enterprise.

Improved Savings: “MEDEP’s active role to encourage savings from group members has contributed to increased capacity at the local level to mobilise savings”. Fifty-eight percent of respondents reported that they initiated savings habits after becoming a member of MEDEP.

Improved food security: MEDEP has contributed to increased food self sufficiency both in terms of increased production from own land and with increased capacity to purchase food grains to meet household food requirements. Differences existed between social groups with the Dalits experiencing this benefit the least.

Increased value of assets: On an average the value of assets per household of treatment group was 115 percent higher than that of control group. The value of assets of non Hardcore group of the project beneficiaries was higher than of the Hardcore. Average value of assets owned by households of treatment group was NRs 1,562,000 while that of the control group was NRs 726,000 only. Value of assets owned by hill Dalits was the lowest at NRs 745000 while the households with higher value of assets were of terai Janajati, hill Brahman/Chhetri, Muslims, Other Madhesi Caste group and of men.

Social empowerment

Increased confidence: Access to information and exposure to various issues enhanced the confidence of the target group, esp women and they became members of other community based organizations (CBOs) in the area. 57 percent treatment group responses compared to 39 percent control group women became group members. Of these Hill Dalit women were the highest.

Increase in status: Increase in women’s income, financial contribution to household expenses and ability to work with outsiders (e.g. suppliers) has made a great difference in their status and has led to increased value for their opinions and views within families. Janajati and Dalit women experienced this less compared to other social groups. Male members of non Hardcore poor groups listen more to their women. Non Hardcore poor have gained higher respect from family and community.

Strengthened women's voice: Above 90 percent of women reported that they are able to influence household decisions with husbands and family gatekeepers listening to their voice. Seventy-five percent of women stated that their participation in decisions regarding use of income was high. Male Members of the Family Listen and Implement Women’s Suggestions.

Enhanced ability to influence decisions: Women have a major say in decisions both at family and community levels after MEDEP.

Increased awareness of health and education: Increased understanding about health care and significance of education enabled the micro-entrepreneurs to spend their increased income on children’s health and education. This was true across all social groups.

Changing social norms and discriminatory practices: Due to the overall change in Nepal's context, there has been lessening of discriminatory practices such as child marriage, menstrual exclusion and veiling.

Change has also enabled women to become more mobile and a few Dalit project beneficiaries to attempt food and beverage related enterprises. Some forms of gender based violence have decreased across social groups, though other forms still exist. The practice of dowry was perceived to have increased by all the Terai groups.

Decrease in caste-based discrimination: There has been some slight change in this form of discrimination after Dalits joined MEDEP. 6 percent respondents shared that they are permitted to enter households. Amongst Dalits, Hill Dalits experienced better change compared to Madhesi Dalits.

Political empowerment

Increased network: Women, especially those who were the first beneficiaries of MEDEP, have been able to increase their network and become members of different groups.

Improved participation: Project beneficiaries participate more in VDC/DDC meetings after joining MEDEP. Responses of before and after joining MEDEP demonstrate high differences: from 2 percent to 43 percent women and from 12 percent to 64 percent men.

Strengthened capacity to claim services: Almost eighty percent of women respondents reported that their ability to demand services and claim their rights from government offices was high.

Inputs in rules and regulations of micro-enterprise organisations in districts/VDC: 34 percent men and 17 percent women were consulted. Those who were not consulted were the Other Madhesi caste group, Muslim and Terai Janajati women and men.

Challenges faced by entrepreneurs

The challenges experienced by women, Dalits, Indigenous Nationalities and other Hardcore groups to expand their enterprises is summarised below:

Limited access to finance: Inadequate working capital is a major challenge and had affected business expansion of the micro-entrepreneurs across groups. Dalits and women faced relatively higher constraint on expansion due to inadequate working capital. Gender based constraints limits women's access to finance and hence constrains them in their choice of businesses.

Inadequate product development and marketing mechanisms: The different constraints of the target group of MEDEP in terms of finance, experience, access to information, credit, training opportunities, business partners and new market entry impact their ability to have vibrant micro-enterprises. Weak backward and forward linkages affect the growth of enterprises of all, more specifically women and the Hardcore poor due to their additional vulnerabilities. MEDEP's efforts to address these kinds of structural barriers have been insufficient to propel the micro-enterprises into high profit.

Gender biased division of labour: The household work burden results in women having limited opportunities to become full time entrepreneurs. Traditional division of labour with women being responsible for the private and men for the public domain is still widely prevalent. Household work is

primarily women's responsibility and becoming an entrepreneur has not necessarily changed that, even though there has been an increase in the support of men for such tasks in some social groups.

Time poverty: Women's time poverty is a major challenge for their growth as entrepreneurs. Time pressure has increased by more than double for treatment group (34 percent) compared to control group (12.5 percent). The kind of enterprise which can yield higher results may require more time and undisturbed, dedicated attention or time away from home. These are not possible for women, especially younger women due to their multiple responsibilities. With high male migration, women experience time shortages to work on both on-farm and off -farm. Reproductive tasks like child care, cooking, cleaning are time consuming and community management of such tasks have not been accepted or support provided. This time poverty leaves women with less time for learning and/or exploring business prospects.

Tension in family and break-up: 14 percent respondents of treatment group reported of family break-up while only 9 percent respondents of control group said so.

Ability of Dalits to benefit from MEDEP services

Dalits benefited from training and services as much as others: Dalits were able to benefit from the services and training that MEDEP provided as much as the other target groups. Hill Dalits had more opportunities for training compared to Madhesi Dalits. Dalit men had higher participation in training and development of TOPE, TOSE and technical skill development training than the women.

Dalits have not had comparable income benefits as others: There was a higher dependency of Dalits on village money lenders and a higher percent of Dalits had not experienced an increase in income from enterprises.

Policy level and structural changes for GESI

Policy influencing of MEDEP has resulted in micro-enterprise becoming a part of the industrial policy framework in Nepal. Gender responsive provisions in the Industrial policy such as 35 percent exemption for women in the registration fee, special fund for women and other such directives have created a positive policy environment for women entrepreneurs.

MEDEP has succeeded in establishing that a targeted approach is necessary in micro-enterprise. Specifying that a certain percentage of women, Dalits, Indigenous Nationalities and Hardcore poor are to be the project beneficiaries, it demonstrated that directives for inclusion of such groups was essential. It has additionally demonstrated that structures and mechanism need to ensure that the voice of the excluded is included e.g. by establishing a structure such as the DMEGA which is composed of the target group itself. Its modality of service provision through local service providers has shown how women, the poor and the excluded can access services.

Human resource and personnel policies are not evenly GESI responsive across institutions. Very rarely are gender (beyond maternity leave) and caste specific aspects addressed in human resource arrangements.

Skills and competencies on GESI are inadequate of staff of concerned organisations and need further attention and investment.

Financial allocation analysis from a GESI perspective indicates that the budget of MEDEP and its local partners are focused on providing services to the target group. A key gap in the financial allocation was for interventions to address deeply embedded discriminatory patriarchal and social practices and for working on addressing these barriers in a systemic and structural manner.

CONCLUSIONS AND RECOMMENDATIONS

Based on the discussions in the previous chapters and the key findings, conclusions and recommendations are presented below. All the six recommendations are relevant for the three key actors: MoI/GoN, UNDP and DFAT but their role is different. MoI/GoN has to ensure that the policy directive for the implementation of these recommendations is in place, UNDP is responsible for the effective implementation of these directives and DFAT for quality assurance and GESI responsive performance.

Conclusion 1: MEDEP has contributed significantly in improving livelihoods - active micro-entrepreneurs across social profiles, have improved income levels and are able to spend on health, education and sanitation but progressing beyond subsistence level enterprises is challenging.

Opportunities for an alternative occupation have been provided to a group which had previously never had this chance. Dalits, women, the hard-core poor had never before been able to raise the required resources, equipment or even the courage to take such risks that a micro-enterprise demands. Support to address different kinds of barriers e.g. space, finance, technology, linkages with market have all facilitated this. "Children, both girls and boys, go to school. All of us have better access to health care as we can now pay for it." (FGD responses).

Due to inadequate resources and other barriers such as limited access to finance, marketing support, gender and caste based discriminatory practices, it has been challenging for women, Dalit, Janajati and Hardcore poor micro-entrepreneurs to move out of subsistence level easily. There is usually no additional assistance from Government organisations and hence there is dependency on MEDEP and its staff for any kind of support.

Recommendation 1: A critical analysis of market and strengthening the range of services based on social realities, should be provided to women, Dalits, Janajatis and Hardcore poor micro-entrepreneurs by MEDEP/MEDPA.

MEDEP is providing or facilitating access to a range of services like access to markets, information about raw material and technology, design inputs and product development. But this has been insufficient till now for developing sustainable and growth oriented MEs. Twenty-one percent enterprises have closed down and many others have generated marginal income.

The three main pillars of micro-enterprises development i) identification of activities ii) nurturing of entrepreneur skills and iii) ensuring access to range of services and inputs (like access to finance and market information; provisions of inputs for design and product development; introduction of marketing linkages etc.) and creating enabling conditions, all need to be further strengthened by MEDEP/MEDPA.

A more thorough analysis of market and ways to reach them for the different social and economic groups of women and men have to be identified and supported.

The MEDPA operational guidelines outline the different steps to be taken to support the programme beneficiaries. At each step specific interventions to address needs and interests of women, Dalits, Janajatis and the Hardcore poor should be taken. The preliminary survey must be informed by a gender and social relations analysis. Based on this, the services to the micro-entrepreneurs must be adjusted and delivered e.g. assessment of raw materials availability must include a disaggregated analysis of access of women, Dalits, Janajatis and Hardcore poor to the available raw materials (Annex 12 provides detailed suggestions for mainstreaming GESI in the MEDPA Operational Guidelines).

Measures to improve access to finance (e.g. through MFIs) have not been adequate enough for this target group to access higher level of finances to enable proper growth. Key issues of access to finance and market require further work and innovative strategies (e.g. the cooperatives being promoted by MEDEP need to be more widespread, the MoUs with the central banks may hopefully lead to improved results). These measures too need to consider the social differences of the micro-entrepreneurs and which group and which gender may experience additional issues. Banks need to become familiar with the obstacles women, poor and excluded micro-entrepreneurs experience and learn how to meet their specific needs.

Conclusion 2: Voice of women, across social and geographic groups, has increased due to their ability to earn an income and contribute to household financial expenses but deeply embedded patriarchal values still persist and impact women's growth as entrepreneurs.

There are various opportunities for women and the excluded now to access information, training, capacity building processes especially through groups and cooperatives. Their views are heard more and opinions respected. "Even my husband sometimes asks for my opinion on different household and agriculture matters. Now I feel that I am being heard and respected" Madhesi women reported the highest increase in the respect they received after joining MEDEP. But deep-seated structural issues are challenging to raise a voice against - hence many traditional practices have to be accepted and followed like gender biased work division, managing the micro-enterprise along with other responsibilities; staying within the frame of responsibilities and tasks set by family and society.

Recommendation 2: Identify GESI barriers of women, including of different social groups, and develop activities into each step of programme implementation of MEDEP/MEDPA to address them.

Social mobilisation component of MEDEP's cycle requires improved integration of GESI aspects. Micro-level initiatives for the awareness and sensitisation of women, Hardcore poor and Dalits is specially necessary. Advocacy activities with family members and husbands will support women to dedicate time to their enterprises as a professional. At the moment, for many, it is a work to be done in times snatched after all caring/cooking responsibilities are completed.

This has to be changed as without working professionally women will not be able to ensure the growth of their enterprises. This will also provide wider options as choice of enterprises many times are limited for women by the amount of time they can work on it, how can they manage work and caring responsibilities and what is typically accepted as women's work.

GESI demands a very systematic analysis of barriers as this informs the strategies and activities to be adopted by the programme. While MEDEP has been doing some assessment during its social mobilisation stage, the depth and coverage is inadequate. To understand the barriers these groups experience, it is necessary to look at and think through several aspects a. barriers at household,/community level caused by practices, beliefs, values, traditions at family and community levels which constrain women, the poor and excluded from accessing resources, opportunities and services for micro-enterprise development; b. substantive evidence reflecting status of women, poor and the excluded to illustrate the situation of the target group to inform strategies and activities; c. policy analysis to identify the impact of existing policies on women, poor and the excluded and the potential to transform existing relations of inequality; d. review of formal institutional structures and processes to understand how responsive these are to the needs and issues of the excluded; e. analysis of programming and budgeting to identify how much of the budget allocation and expenditure is on activities to address the three domains of change; and f. assess informal institutions and the barriers caused by income, social and welfare characteristics of the target group. Recommendation 2 in the main report provides in detail the required level of analysis, what to do and suggestions on how to do it.

Conclusion 3: There have been changes in the formal and informal rules of the game but MEDEP/MEDPA policies and interventions do not address such issues explicitly and do not provide directives for systematic work on changing the informal rules of the game i.e. the existing gender and social norms.

Women's mobility is much higher, women being engaged in micro-enterprises and dealing with male suppliers is accepted, Dalits making and selling ice-cream, Madhesi Dalit women baking bread is being promoted. Social practices like menstrual exclusion, dowry, early marriage, untouchability and other such discriminatory issues which constrain MEDEP's target group from participating and benefitting fully from MEDEP's interventions have decreased.

While MEDEP has had an impact and made progress in shifting social norms, there still exist discriminatory practices which constrain women, Dalits and other excluded groups from working fully and with dedication on their enterprises. Gender equality and social inclusion is always a work-in-progress as while some issues are addressed, others arise which block the development and growth of women and the excluded. Hence a keen eye has to be always maintained and a continuous effort to assess, analyse and revise strategies are necessary.

Recommendation 3: Social issues need to be addressed systematically by formal and informal policies, institutions and interventions as part of the regular activities and process of MEDEP and MEDPA's service delivery.

Directives for gender specific support and for provision of measures to address gender and caste-based discrimination are necessary. Institutional arrangements, budget allocations and expenditures and monitoring/reporting all need to be GESI responsive for which policies and guidelines are required. The training of staff including the courses run by CTEVT need to be GESI responsive and practical. SIYB modules require to be implemented with GESI inputs. Tax incentives by Government of Nepal to organisations working on such issues and to micro-enterprises led by women or Dalits are needed.

MEDEP/MEDPA, to address the socio-cultural barriers and the weaknesses in the policy framework or delivery system, need to revise/strengthen policies, programme activities, resource allocations, institutional arrangements and staff incentives, as well as the monitoring and reporting systems. Key steps at policy, institutions, planning and budgeting, monitoring and reporting are required.

Existing **policies** like the Micro-Enterprise Policy, Technology Fund Guidelines need to explicitly address the constraints of women and the excluded, and mandate action to address them. They should cover the three domains of change and aim to improve the assets, capabilities and voice of women, the poor and excluded. The constitution, policies, rules, procedures of NEDC, NMEFEN, BDSPOs and DMEGA should mainstream GESI and bring changes in all three domains for women, poor and the excluded. **Institutionally**, desks/units/sections/ departments with specific responsibility on gender equality and social inclusion should be located within the MOI, Departments, MEDEP/MEDPA, NEDC, NMEFEN, BDSPOs, and DMEGAs. This should be adequately resourced and mandated to provide technical support for addressing GESI issues. There should be **programmatic activities and budget** allocations that specifically address the issues experienced by women and people of excluded groups. Activities (e.g. sustained dialogue and advocacy) must also be developed and implemented to address the informal institutions that violate the human rights of women, the poor and the excluded and negatively impact micro-enterprises. Strategies to work with the advantaged, men and boys for changing of values and attitudes should be included. The existing **monitoring and reporting** system of MEDEP needs to be improved to include disaggregated data on outputs, outcomes and development results linked to the three domains of change. The disaggregation level should also be revised to reflect the population diversity and government definitions regarding excluded social groups. Reporting should reflect progress against the three domains of change and analyse with disaggregation so that informed decisions can be made by the policy makers. Recommendation 4 in the main report provides details on the above.

Conclusion 4: MEDEP has not recognised that sexual and gender minorities, persons living with disability or even women headed households are sub-groups of the existing project beneficiaries and hence there are no special measures for these disadvantaged groups.

None of the policy or implementation directives or practical processes of MEDEP address the issues of social groups such as sexual and gender minorities, persons with disability and women headed households. There is a missing recognition that these groups are also sub-groups of the existing project beneficiaries. These social groups require special attention due to the nature of their exclusion. For sexual and gender minorities, using opportunities to work as micro-entrepreneurs in itself could be a challenge. Market biases could result in inability to secure supplies or sell produce at correct prices. For persons living with disability, assistive devices, appropriate micro-enterprises, adapted training methodologies would be necessary but there was no evidence that such measures were being taken by MEDEP/MEDPA. Specific issues of women headed households, unfortunately could not be identified in this study but the heavy work burden, the control over distance by husbands and the limited abilities to make informed choices about micro-enterprises and its management, are aspects which were not explicitly dealt with in MEDEP/MEDPA's guidelines and strategies.

Recommendation 4: MEDPA Operational Guidelines should integrate issues of sexual and gender minorities, persons living with disability and of women headed households.

MEDPA Operational Guidelines should integrate issues of sexual and gender minorities, persons living with disability and of women headed households so that the regular activities of the programme can identify the specific issues of these groups and address them. Part 2 of the Operational Guidelines about the target group should include these groups and define them clearly. The skills of staff need to be appropriately enhanced to work with such diverse groups of clients.

Conclusion 5: Relevant service providing institutions need deeper understanding and high levels of responsive skills to address deeply complex issues of GESI impact on micro-entrepreneurs of different social profiles.

The related institutions from Ministry of Industry, relevant Departments to DMEGA, have been working on gender and inclusion issues without proper training or capacity strengthening. Due to its targeting, MEDEP/MEDPA ensures participation of women, Dalits, Janajatis and the Hardcore poor. What was found inadequate were the tools, competencies, skills and systems which would ensure that a mapping of the existing status of women, the poor and socially excluded, based on disaggregated qualitative and quantitative data would be done along with an assessment of the available evidence. A systematic analysis of existing policies, formal institutional structures and processes, and informal institutions to understand how exactly social inequities based on gender, caste, religion, ethnicity and location impact the micro-enterprises, was not an integral part of the process. This impacts different aspects of the programme functioning.

Recommendation 5: Develop a GESI capacity strengthening plan, including GESI mainstreaming implementation guidelines, covering different levels and audiences.

A capacity strengthening plan to enhance skills and competencies of staff and to strengthen the organisational systems of the different organisations linked with MEDEP/MEDPA is required. This will need to be part of the MEDPA Operational Guidelines so that it is not treated in isolation and is accepted as a mandatory part of the working process.

Capacity strengthening should address aspects of tools, skills, staff and infrastructure, structures, systems and roles.¹ Work at all these four levels will ensure a systematic integration of GESI in the full MEDEP/MEDPA cycle. The points made for recommendations 2 and 3 also contribute to capacity strengthening with improved systems, specific location of GESI responsibility and use of GESI responsive tools.

Decision makers and staff skills need to be enhanced so that a GESI lens can be applied by all to whatever work they are doing. For staff, issues like motivation, values, commitment and also initiative need to be addressed for both technical and personal change. A core group of GESI trainers and resource persons (both from government and non-government organisations) need to be developed at both national and district levels. This trained pool can then act as trainers, facilitators, technical support persons for the entire MEDEP/MEDPA operations at national and district levels.

¹ see Potter and Brough's Conceptual Framework of Capacity Building

With the gradual phasing out of MEDEP and full implementation of MEDPA, it will be all the more essential for skills enhancement at all levels due to the limited capacities of government systems and officers to address process related GESI issues.

Conclusion 6: Gender based norms limit options of women to work on more profitable micro-enterprises and thus MEDEP has had limited impact on substantive transformation of gender and power relations.

Despite the broader shifts in the social context of women and improved gender situation, there are various constraints which inhibit women's growth as a micro-entrepreneur. Many women cannot work because of their family responsibilities, many need to work within a social construct framework which positions them as the primary home maker and family care taker and manage a secondary role as a micro-entrepreneur. This basic constraint in itself limits women's abilities to do well and have a micro-enterprise which can be highly profitable. While examples exist that this can be achieved, as some women micro-entrepreneurs have demonstrated (one has even received an international award), it cannot be done by all, without special support and transformation in approach and thinking.

The findings of this study indicated high participation and decision making power of women. But till now women have usually been limiting themselves to micro-enterprises which were not affecting men or making such high incomes that men would be strongly involved in the management of and decisions about the income. Hence it is essential that a second generation of gender and inclusion issues be identified and addressed.

Recommendation 6: Transformative interventions need to be built into the MEDEP/MEDPA programme for more equitable outcomes for women and other excluded groups.

Interventions that work at the cusp of social and physical space can be transformative.² These are required for women especially due to inherent gender based constraints existing in Nepali society, like inability to travel alone and far due to safety concerns, inability to take higher risks due to lack of means for collateral, limited capacities to take informed decisions regarding complicated enterprises and low literacy capacities to manage leading to lack of confidence and self-esteem.

Inclusion in physical spaces can be deepened through improvements in security and services. Advocacy and formal measures to promote security (e.g. travel and accommodation support for groups of women to travel together, accommodation support for Dalits who are refused accommodation during field work) are required. Strong measures by government to sanction VDCs/DDCs which tolerate abuse of women in any form can gradually improve the situation for women though this would require a multi-sectoral and multi-ministerial intervention.

MEDEP/MEDPA is attempting to weaken gender stereotypes in both the domestic and public spheres by creating micro-entrepreneur role models but this is insufficient for the women to graduate from survival level type of enterprises to growth oriented enterprises. For this the different constraints need to be well handled. Women's "capacity to aspire" as well as the attitudes of others towards them need to be addressed through complementary supportive measures.

² see Inclusion Matters - Advance copy by World Bank, 2014 for more discussion on this

CONCLUSION

MEDEP has positively impacted the lives of its target beneficiaries. Women, Dalits, Indigenous Nationalities and the Hardcore poor have all improved income and the quality of their lives with the support of MEDEP.

MEDEP has made extensive and in-depth efforts to address different issues from policy to providing tools for economic growth to poor women and the excluded. Recognising barriers caused by socio-economic realities, it has adopted a process of social mobilisation and invested in strengthening capacity through training and information about micro-enterprises, working space for the Hardcore poor, promoting different measures for increasing access to finance and other aspects required for enterprise development. With such opportunities and with the changing context in Nepal, women have an improved voice and are able to influence decisions at family and community levels, Dalits are experiencing lower levels of caste-based discrimination. There has been an increase in income which has been invested in improving children's education and health and an increase in the status of the project beneficiaries. These are all very worthwhile contributions of MEDEP.

Structured and systematic interventions to assess and address the deeply embedded patriarchal and social values that create constraints for women, poor and the excluded are necessary as are improved mechanisms to support for the full enterprise chain. Only with such support will the women, Dalits, Indigenous Nationalities and the Hardcore poor will be able to grow beyond subsistence levels to manage growth oriented enterprises. For MEDEP to deliver its intended outcome of poverty reduction for women, poor and the excluded, careful work needs to be done in future to ensure that all policies, strategies and activities are addressing along with the livelihoods, aspects of voice and for changing unequal gender relations and discriminatory social practices constraining the growth of the target group effectively.