

**Exploring Local and District Level Organizations/ Firms
Providing Business Development Services
Required for MSMEs**

Final Report

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**Submitted By: Aastha Network Pvt. Ltd
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List of Abbreviations

AEPC	Alternative Energy Promotion Center
BDS	Business Development Services
CCI	Chamber of Commerce and Industries
CFUG	Community Forest User Group
CSIDB	Cottage and Small Industries Development Board
CTEVT	Council for Technical Education and Vocational Training
DAO	District Agriculture Office
DDC	District Development Committee
DFO	District Forestry Office
DLSO	District Livestock Service Office
DCCI	District Chamber of Commerce and Industries
DCEM	Dhaulagiri Civil Electrical Mechanical Engineering
DCRDC	Dhaulagiri Community Resource and Development Centre
DCSI	Department of Cottage and Small Industries
DDC	District Development Committee
DEEU	District Energy and Environment Unit
DFO	District Forest Office
DLSO	District Livestock Support Office
EDF	Enterprise Development Facilitator
FECOFUN	Federation of Community Forest Users Nepal
FM	Frequency Modulation
GoN	Government of Nepal
GOs	Government Organization
HBTL	Himalayan Bio-trade Limited
HH	Household
Hq.	Headquarter
ICT	Information and Communications Technology
INGO	International Non-Government Institutions

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ISP	Internet Service Provider
kW	Kilo watt
LGCDP	Local Governance and Community Development Project
LI-BIRD	Local Initiatives for Biodiversity, Research and Development
MEDEP	Micro-enterprise Development Program
MFI	Micro-Finance Institutions
MHP	Micro Hydro Projects
MSFP	Multi Stakeholder Forestry Program
MSME	Micro Small and Medium Enterprise
NGO	Non-Government Organization
No.	Number
NRREP	National Rural and Renewable Energy Program
NTC	Nepal Telecom
OLE Nepal	Open Learning Nepal
PC	Percentage
PEU	Productive Energy use
RE	Renewable Energy
RET	Renewable Energy Technology
RSC	Regional Service Centre
S.N	Serial Number
VDC	Village Development Committee
Vs	Versus

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Executive Summary

The study of Business Development services providers' assessment has been carried out by Aastha Network Pvt. Ltd. Field visit has been carried out in the districts: Myagdi, Baglung, Kaski and Gorkha.

The research has been carried out to identify business service providers in three districts. The service providers had been identified in terms of:

AIM 1: Business Development?? Service providers for enterprises

AIM 2: Single window business service provision through growth enterprises closely linked with MHPs

The study assessed 36 enterprises in MHPs catchment area to identify constraints of the enterprises. There are total 596 enterprises in 4 districts in catchment area of 156 MHPs. The study team segmented each enterprise and selected those enterprises which have high number in each districts. The detail constraints analysis of these enterprises were carried out. The specific constraints of enterprises were assessed mainly for Poultry, Agro processing (huller, grinder), furniture, stone cutting and hotel and lodge. Generic business services were also assessed for all the enterprises visited. The major services required by enterprises are a. Maintenance services, input supply, technical knowledge, registration services (forest based enterprises) and tools and machineries. The specific service required by each enterprises are mentioned and assessed in detail in the report.

The study also assessed 9 MHPs by visiting them and discussing in detail what are the business services required by MHPs as an enterprise. The most pertaining business services required by MHPs are: Repair and Maintenance, Management Services, operator skills development and access to finance service.

Stakeholders meetings were carried out then after to identify business services for Specific Enterprise/ Sector wise constraints and Generic business constraints. 29 BDS providers were visited to discuss about the service delivery mechanism. 20 other BDS were contacted through telephone conversation. BDS providers of Butwal and Kathmandu were also contacted for discussion.

The study analyzed the BDS situation for enterprises by two processes. First was to identify prioritized enterprises in each district based on number of enterprises and energy consumption. Secondly, the assessment of enterprises was carried out based on different scenario of energy use, viz: Energy surplus, energy balance and energy deficit.

The recommendations are as follows¹

- a. Individual recommendation for each business services required by enterprises
- b. Model for annual maintenance contract for enterprises that has pertaining constraints on maintenance
- c. Model for Single window service provision
- d. Leverage strategies for AEPC/ PEU to work with stakeholders

¹ Recommendations are elaborated further in the report

1. Introduction

AEPC is an apex body under the hood of GON working on promotion of the Renewable Energy with the objective of developing and promoting alternative / renewable energy technologies (RETs) with focus in rural area of Nepal. Currently, AEPC is executing a five years National Rural and Renewable Energy Program (NRREP) which is a single program modality for all energy related activities in Nepal. It is envisaged that no other program or project related to RE promotion in Nepal will be supported or executed outside the NRREP's framework. These 5 years lasting NRREP aims to create 1300 MSMEs along with the development of the Renewable Energy. AEPC has been implementing/executing renewable energy (RE) program/activities in Nepal and has been actively promoting the use of these energy technologies through implementing number of program and projects.

Experience has shown that electrification in rural areas does not automatically induce local economic development. This is primarily due to lack of local business development support services available to micro and small businesses, low orientation towards enterprise creation as well as fragmented capacity of existing small businesses to capitalize on increased energy access.

Business Development for Renewable Energy and Productive Energy Use (PEU) is one of the major components of NRREP. This component seeks to promote productive energy use of RE in order to generate employment and income of the rural men and women by establishing Micro, Small and Medium Enterprises (MSMEs).

1.1 Background

AEPC as the public partner has been working for formulating business friendly policies to allow the private sector to foster its business in one hand and in protecting the interest of end users on the other hand. In addition, AEPC also works in the demand side to create awareness in the use and benefits of the technology for the users and other stakeholders.

Playing the private partner's role, Business Development Services (BDS) providers are working to make profitable business, quality assured products/services available, developing a reliable marketing network and linkage of the product/services, establishment of the after sales, repair and maintenance facilities for the users of RETs and entrepreneurs.

The term BDS providers in this assessment stand for all enterprises and organizations whose services are necessary to run a MSME. In this relation, AEPC/NRREP is also assumed to require services of BDS providers, both at local and regional level to provide various business services to enterprises in sustainable way. Since these service providers may be based on the urban areas along with wide network, it become necessary to map that service provider's

vis-a- vis the existence of the renewable energy technologies such as micro-hydro. Hence, the idea was to explore such business service providers which are useful for the end-use enterprises for making better services readily available.

1.2 Objective

The main objective of this assessment is to explore local and district level organizations/firms providing BDS services required to MSMEs for growth and competitiveness.

The specific objectives of the assignments are as follows:

- To explore/identify of existing BDS providers as well as other new potential service providers in study districts.
- To conduct a detail survey and analyze BDS providers based on their strengths and weaknesses considering the key opportunities and constraints to deliver required services for MSMEs.
- To formulate a comprehensive strategy (within the parameters of project's resources) for the development and implementation of key activities of the BDS providers (supply strengthening) and increase the demand of such services (demand stimulation) as well as outreach of BDS providers.
- To categorize BDS providers based on their specialized services for productive energy use promotion at local, district and regional level.

1.3 Understanding TOR

AIM1: Assessing BDS providers for productive energy use?

AIM2: Multiple business provision centers at vicinity of MHPs

AIM1 deals with Business service providers for Productive energy use strengthening, support and even management.

AIM 2 is really important as team believes that there will be demand of multiple services for MSMEs. The provision of this might not be available at MHP catchment, the study team is looking for Growth oriented private and community led MHP to act as Multiple Service providers along with building networks with various BDS.

2. Methodology

The following methodology has been adapted in this consulting:

- A. Understanding of TOR and in depth discussion with AEPC team to finalize what types of business services has to be assessed

Business service provision is required for the growth of the enterprises. It has been found that in the weaker market there is less possibility of business service provision at remote areas. The discussion with AEPC also articulated that there is less possibility of capacity building of business service providers. The agreed methodology was to:

- a. Assess the MHP catchment area and understand business services required by enterprises currently in operation
- b. List business service providers to cater to the constraints of enterprises. The project document indicates to expand the services of existing service providers rather than strengthening potential business services providers
- c. Discussion in depth with business service providers on demand side which includes
 - Market Size
 - Pricing
 - Awareness and Access
 - Potential/new thought on business service provision if any
- d. Supply side assessment of Enterprise for business services were assessed in terms of
 - Awareness
 - Pricing
 - Outreach

- B. Field visit for finding out business service strengths, weaknesses, constraints,

- C. business service providers and demand and supply side assessment of business services

The field visit to four districts was carried out for assessing the business service requirement. This was carried out with wide discussion with enterprises being operated. The business services requirements in general has been found as:

AIM 1: Business Service Provision for enterprise

- A. Entrepreneurship training
- B. Access to Market
- C. Technical Knowledge
- D. Access to finance
- E. Skill training
- F. Input supply
- G. Technology Transfer
- H. Information services
- I. Legal and Policy advocacy

AIM 2: Single window service provision

This has been assessed for the possibilities of various enterprises which can act as single window service provision. Assessment has been carried out for

- a. MHPs as single window service provider
- b. Enterprise as single window service provider

D. Identifying major interventions for business services strengthening

The field visit has revealed that there are three important pertaining business services

- a. Annual Maintenance contract system between Enterprises and service providers in Butwal or regional centers
- b. Enterprises as a business service providers – providing single window business service provision
- c. Access to financial services for current enterprises to grow

3. Field research findings

The field research was carried out in following ways

- a. Listing of MHPs and enterprises in the districts
- b. Identification of Key enterprises in the district (3-5) for whom specific business services are sought after
- c. Assessing case specific MHPs (Case I- energy balance, Case II: Energy surplus, Case III: Energy deficit)
- d. Visiting in sample (one each) of these key enterprises and assessing the business service constraints
- e. Assessing generic business constraints of other enterprise (other than key enterprises)
- f. Assessing possibilities of enterprises as a business service provider(single window business service provider)

The above assessments were carried out in each four districts. Information of Butwal and Kathmandu were sought from telephone conversation.

3.1 Overview of the findings from the Study areas- Myagdi, Baglung, Kaski and Gorkha

District	No. of MHP	Total Enterprises in MHP catchment	MH Capacity(kW)	Total type of enterprises	No. of MHP having enterprise in catchment	Total Installed Capacity of Enterprises (kW)
Baglung	91	288	2784	29	77	1487
Myagdi	17	38	361	19	10	201
Kaski	23	185	665.3	7	16	255
Gorkha	25	85	600.6	20	16	497.5
Total	156	596	4410.9	39	119	2440.5

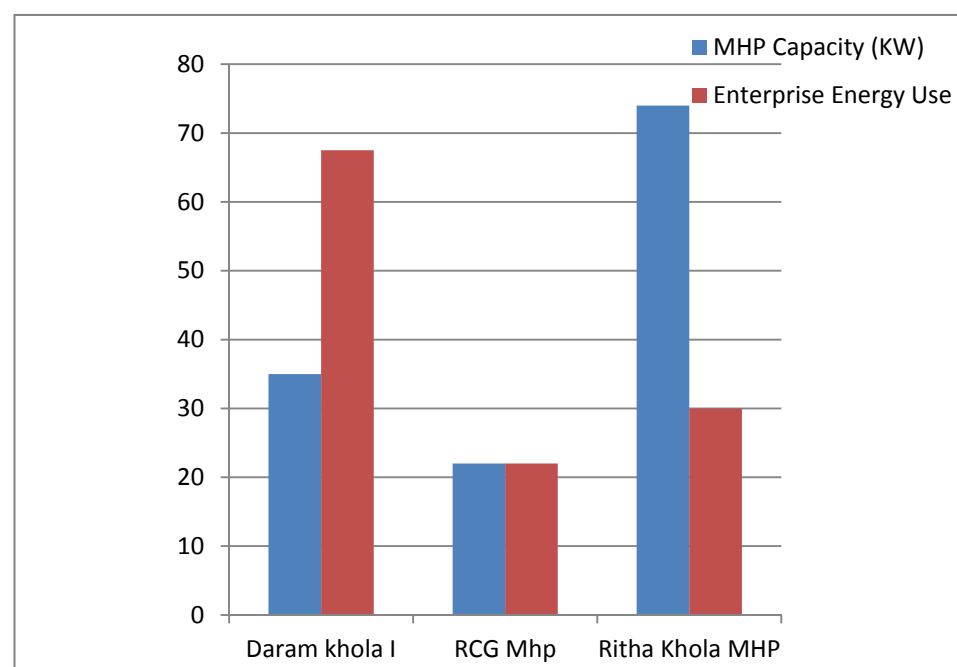
The above table gives a brief overview of area-wise number of micro-hydro powers, total enterprise number, capacity of micro-hydro power, type of enterprises existing in the area, number of MH having enterprise in its catchment and average energy consumed by the existing enterprises.

Through the field study, altogether 156 number of MHPs has been listed from the four districts- Myagdi, Baglung, Kaski and Gorkha. The capacity of MHP has been observed 4410.9 kW and the total installed capacity of the enterprises was 2440.5 kW. There were 119 MHPs having enterprises in its catchment while other 37 MHPs did not have any enterprises as of October 2013.

The data (MHPs capacity Vs Installed Capacity of Enterprises in above table) shows that further more enterprise promotion potential has been observed so as to utilize the power generated within the existing MHP.

3.2 Overview of Capacity (Power): Production Vs Consumption

S.N.	Name of MHP	MHP Capacity (kW)	Enterprise Installed Capacity (kW)	Remarks	HHs	Energy Status
1	Daram khola I	35	67.5	Over-Capacity	306	Energy Deficit
2	Ratna Chitra Gunja (RCG) MHP	22	22	Balanced	220	Energy Balance
3	Ritha Khola MHP	74	30	Under Capacity	620	Energy Surplus



In selective above chart we compare MHPs Capacity Vs. Installed Capacity of Productive Energy Use Enterprises.

Here the comparison can be done in three different terms:

Case I: Energy Deficit

Daram Khola I MHP whose production capacity is 35 kW is supporting enterprises whose total installed capacity is 67.5 kW. The household number which is also significantly high (306 HHs) is not taken into account. In such situation, all Enterprises cannot run at a time. This is Energy Deficit Situation. Presently, these enterprises run in different shifts. Creating a mini-grid could be one possible solution to run all enterprises at a time, otherwise power has to be borrowed from other nearest MHP to compensate the energy deficit.

Case II: Energy Balance

RCG MHP has plant capacity of 22 kW and installed capacity of enterprises set up within the coverage region is also 22 kW. Given that, enterprises run at day time and HHs appliances at morning and evening, the MHP needs to run smoothly all round the year to facilitate the enterprises and HHs.

Case III: Energy Surplus

Ritha Khola MHP with installed capacity of 74 kW has only 30 kW of Energy Use Enterprises, leaving large chunk of daytime energy (44kWh) unused, various stakeholders have opportunity to work on establishing new enterprises to make the optimum utilization on available energy.

For the detail analysis of the energy status of the study areas, the energy balance situation was calculated for the study areas. First of all, the energy consumed by the enterprises existing in the MHP catchments was calculated. The total energy balance scenario in each MHP catchment of the study areas- Myagdi, Baglung, Kaski and Gorkha were carried out. Based on the observation the scenarios were divided into status as per the range as follows.

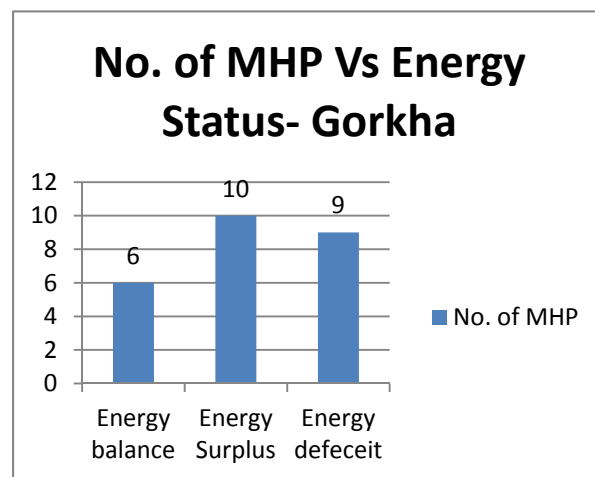
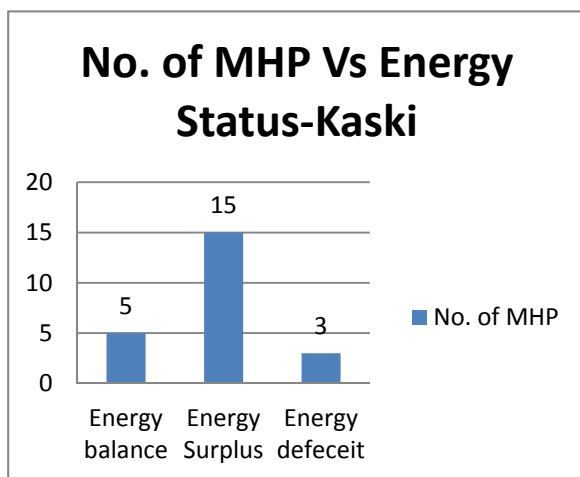
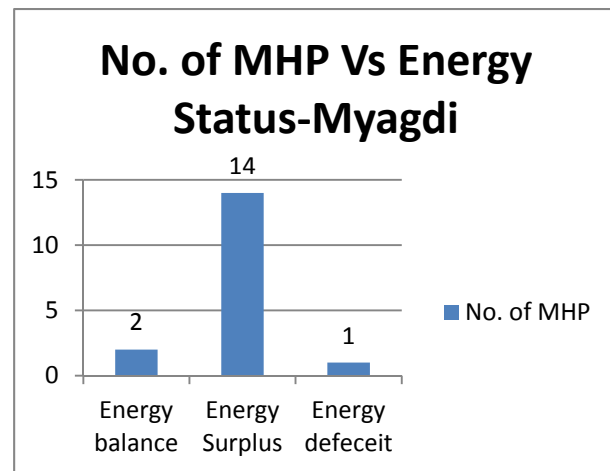
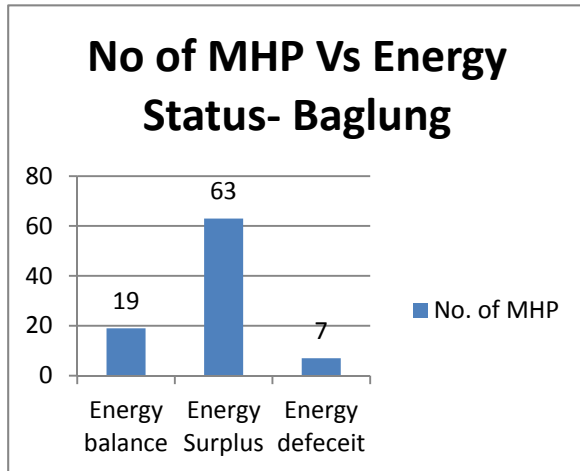
Range² (kW)	Status
between-5 and +5	Energy balance

² Basis of classifying the status of MHPs in three categories for comparison among MHPs capacity

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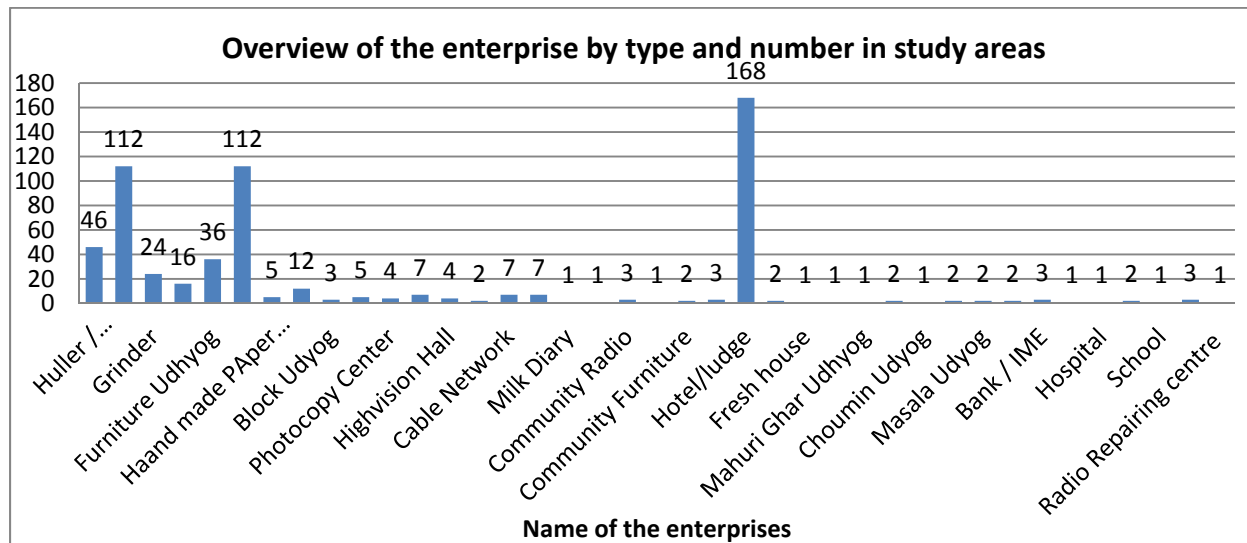
more than +5	Energy Surplus
Less than -5	Energy deficit

The value between -5 and +5 (kW) were regarded as energy balance, the value above + 5 were given with the energy surplus and the value less than -5 are regarded as energy deficit scenarios.

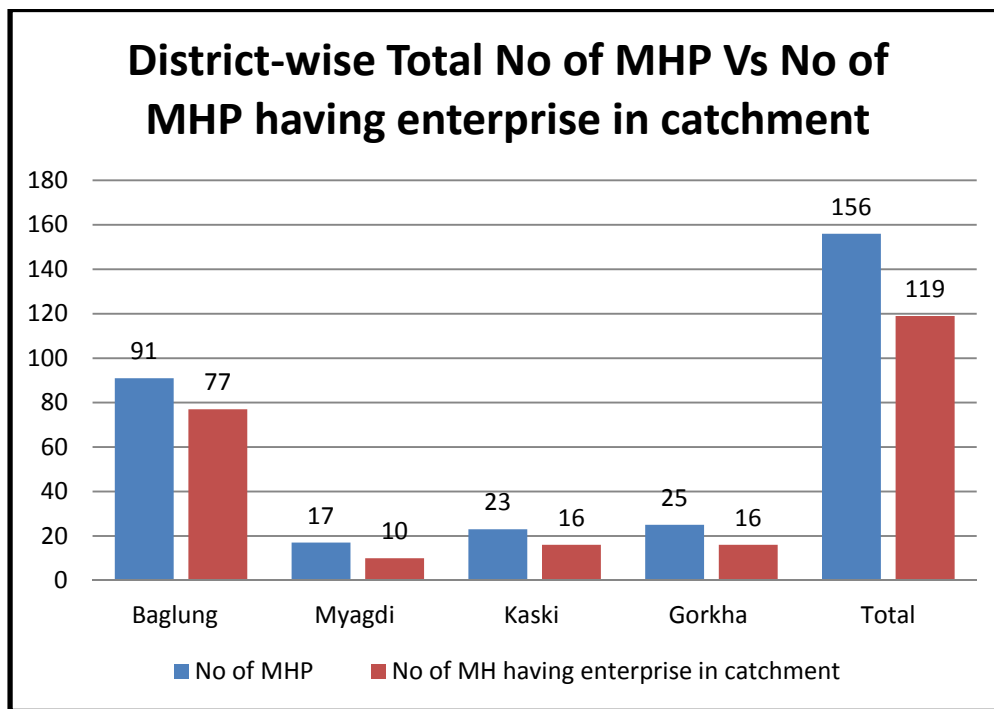


The above graph shows the energy status of the study areas. The energy balance scenario reveals that the energy produced by the MHPs is consumed by the existing enterprises of those areas. The energy surplus scenario reveals that there are still gaps in energy use. The energy deficit scenario reveals that the energy available in those areas is not able to meet the energy requirement of the existing enterprises.

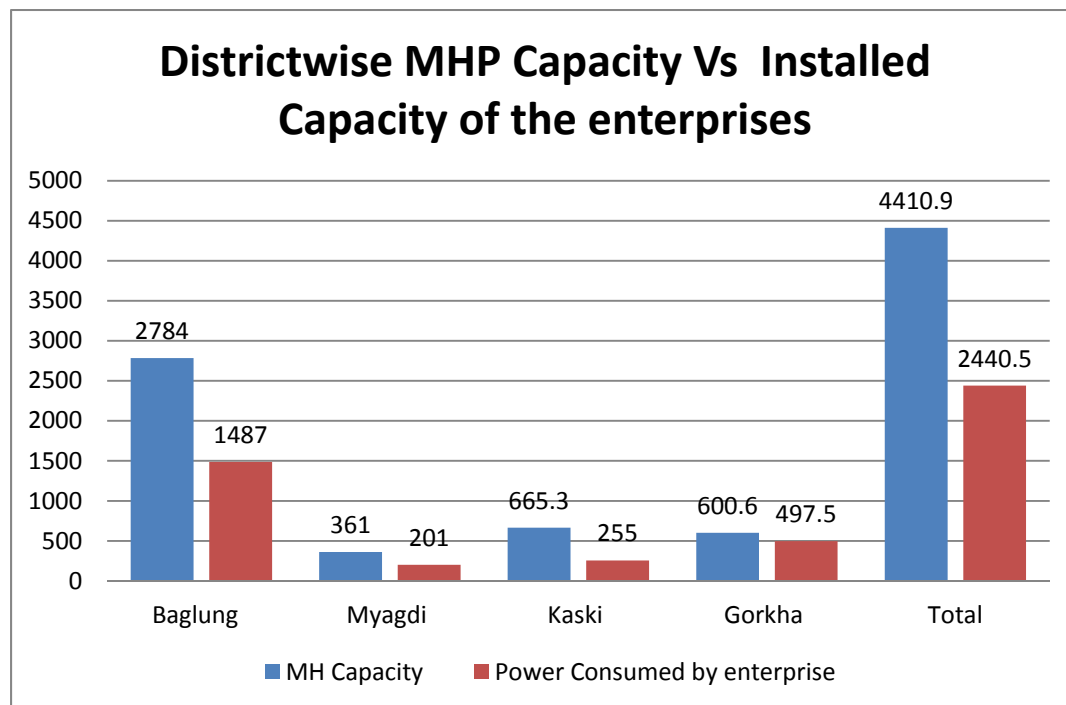
3.3 Overview of the enterprise listed from the Study areas:



The above graph shows the overview of the enterprise and its number from the study areas, in which 39 types of enterprises and 596 numbers of enterprises has been listed. The listing shows that the major four enterprises in maximum number were found to be Huller/Grinder/seller/expeller/mechanical, hotel/lodge, poultry farm, furniture udhyog and computer training centre.



The above graph depicts the scenario on total number of MHPs and number of MHPs having enterprise in its catchment. In case of Baglung, out of total 91 MHPs, 77 MHPs catchment were found to have different enterprises and Myagdi there are 17 MHPs out of which 10 MHPs were found to have enterprise in its catchment. Similarly the cases of Kaski and Gorkha are also shown in the graph. It shows the gap/potential for enterprise promotion in the districts.



The above graph shows the scenario of MH capacity (in kW) Vs. installed capacity of the enterprise (in kW) in the study areas. This graph also shows that enterprise promotion needs to be done in those areas with a major focus, to utilize the energy generated.

3.4 Brief Overview of the prioritized enterprises

District	Number of enterprises	Power Consumption ³	Prioritized enterprise	Remarks
Baglung	Huller/Grinder (135) Poultry (92) Furniture (18)	Huller/grinder (65 %) Poultry (12.4 %) Telephone tower ⁴ (8.4 %)	Huller/Grinder Poultry Furniture	Huller/Grinder, furniture and poultry enterprises outnumbered other enterprises in the catchment areas
Myagdi	Huller/grinder (16) Handmade paper (4) Furniture (3)	Huller/grinder (59.70%) Furniture (11.44%) Block Udhyog (9.95%) Telephone tower (4.98%) Computer Training Institute (1.99%)	Huller/grinder Furniture Computer	Computer: as it provides opportunities to large number of youths in area (skill development)
Kaski	Hotel/Lodge (168) Huller/grinder (10) Poultry (4)	Hotel/lodge (66 %) Furniture (22.71%) Grill Udhyog (3.02%)	Hotel/lodge	Maximum number of enterprises as Hotel/lodge contribute to energy consumption
Gorkha	Huller/grinder (37) Furniture (15) Poultry (15)	Huller/grinder (55.78%) Furniture (22.71%) Grill (3.02%)	Stone Cutting	Stone Cutting being innovative enterprise with high growth potential besides other business

³ Huller/Grinder typically has capacity of 7.5 kW while a poultry enterprise has average capacity of 2 kW

⁴ A single tower was found to be of capacity of 10 kW which was comparatively higher than other enterprises

The above table shows a brief overview of the enterprises prioritized from the study areas for the detail study. The prioritization is done on the basis of following criteria:

- Number of Enterprises in maximum number
- Enterprises consuming maximum energy
- Enterprise employing more number of people or having more number of beneficiaries
- Innovativeness/Growth potential of the enterprise

Taking into considerations on the project's main focus on promoting productive energy use, employing more number of people and securing the livelihoods of maximum number of people the selection of enterprises were done. Some enterprise with innovative idea or good growth potentials were also taken for the detail study which are highlighted in the table.

3.5 List of Services required for the enterprises

Name of the selected Enterprise	Specific Services
Huller/Grinder	<ul style="list-style-type: none"> ➤ Machinery Supply and machine operation ➤ Maintenance
Hotel/lodge	<ul style="list-style-type: none"> ➤ Skill on front desk management, food and beverage, housekeeping, hospitality ➤ Regular and timely input supplies (food products) ➤ Laundry ➤ Internet facility
Poultry	<ul style="list-style-type: none"> ➤ Feed, medicine, technical advice, breed supply timely and regular basis ➤ Timely veterinary services
Furniture	<ul style="list-style-type: none"> ➤ Machinery, coloring ➤ Technical knowledge on handling machine, sketching, cutting, slitting and design making ➤ Timely machinery maintenance service
Computer training	<ul style="list-style-type: none"> ➤ Computer and accessories supplies ➤ Maintenance Service ➤ Skills on computer related various programs
Stone Cutting	<ul style="list-style-type: none"> ➤ Tools and machineries ➤ Skills on cutting stones, making designs and preparing diverse products possessing high market value

Generic Services

- Regular supply of energy
- Trainings and skill development
- Communication and Transportation

➤ Access to Finance

Regular supply of Power

For the regular operation of energy based enterprises, regular supply of power must be ensured. The major focus should be on providing quality power supply. Operators should have knowledge on fixing minor/general problems arise and contract with the service provider should be done to arrange during the problems occurred.

Training and Skill Development

Training and skill development is required for an entrepreneur to operate their business. Trainings are required for handling of machineries, keeping management records of the company and planning for up-scaling their businesses.

Communication and Transportation

Means of Communication is essential to get informed about the market information and communicate to exchange the information. Facility of mobile telephone has provided services and access to communication to every class of people residing in every corner of Nepal. Transportation access provides the timely, cost-effective interaction between producers and market actors.

Access to Finance

Access to finance is a key for the start-up of the new enterprise and scale-up of the existing enterprises towards the next level. Banks, co-operatives, micro-finance provide financial services to the enterprises.

3.6 Demand Assessment of the services

Service Assessment Parameters	Present status
Market Size	Enterprises have been prioritized based on the number of enterprises and energy use. This depicts the no. of enterprises in each district so that service provision can be made for them (in case of Huller/grinder, poultry, furniture, hotel business) Eg- Huller/grinder- 135, Poultry- 92 number in Baglung, Hotel business- 168 in Kaski, Furniture- 15 in Gorkha). There exists a market size where BDS can cater to them.
Pricing	Enterprises are seeking services from district Headquarter which is costlier in one hand and time consuming in other hand. The service assessment has shown that enterprises are seeking services from district Hq. and regional services like in Butwal .
Availability and Appropriateness	The service provision are available in district Hq. and Butwal but is not appropriate for remote enterprises due to time consumption for service acquaintance and costlier service delivery
Awareness and Access	Enterprises have knowledge on service provision in district Hq. and Butwal but accessing those services are costlier and time taking (as mentioned earlier)
Satisfaction	Enterprises are not satisfied with present service delivery mechanism. Enterprises are asking for access to business services at their vicinity. They are not satisfied due to high service cost and longtime taken for service delivery by service providers residing in district headquarters.
Impact and Sustainability	Enterprises are being closed for more than one month due to lack of service delivery at local level. The business services at present are not sustainable as enterprises are not satisfied with them.

3.7 Analysis of constraints of the enterprises and business service providers

The table below gives a brief overview of the constraints gathered from the prioritized enterprises and their service providers.

Enterprise constraints	Service Provider constraints
<p>MHP:</p> <ul style="list-style-type: none"> • Frequent damage of equipments • Frequent problem in AVR (Automatic Voltage Regulator) • Lack of skilled operators • Lack of Information management on energy use • Electric meters not installed at all areas • Canal damages due to landslides problems (in Gurja VDC) • Low Investment capacity of users • Installers do not provide detail specification of machineries • Lack of Provision of spares tools and equipment in stock • Provision of maintenance service 	<p>MHP:</p> <ul style="list-style-type: none"> • Transaction cost is high • Lack of local level service providers • Training provided as per the project activities only • Lack of capacity building mechanism between MHPs, operators and Service providers • Lack of community ownership on paying as per the uses • Canal maintenance plan not formulated in annual plan
<p>Huller/grinder:</p> <ul style="list-style-type: none"> • Maintenance problem for motors • Machineries are not operated throughout the year 	<p>Huller/grinder:</p> <ul style="list-style-type: none"> • Lack of knowledge about business service providers on business planning and product diversification (demand side) • High business management Cost

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<p>Poultry:</p> <ul style="list-style-type: none"> • Timely access to feed delivery services • Access to technical services for disease control 	<p>Poultry</p> <ul style="list-style-type: none"> • Lack of transportation for delivering feed during all seasons • Agro-vet located mainly in district HQs and limited service delivery capacity • DLSO has limited staffs to address the problem to diverse areas
<p>Furniture:</p> <ul style="list-style-type: none"> • Enterprises experience that the registration process is complicated • Frequent breakage of tools of saw mills (saw tooth, motor belt, motor etc.) and maintenance problems • No proper mechanism to access forest based resources (wood) from community forests available at the areas • Enterprise lack skills on quality wood products. They have to hire technicians from India for the operation of machineries 	<p>Furniture</p> <ul style="list-style-type: none"> • Lack of provision of registration of furniture within 5 Kms radial distance from the community forest in Terai and 3 Kms radial distance in Hills • Service providers lack manpower and higher transaction cost to cater maintenance service to enterprises • Lack of government policy to commercialize the forest based resources. Community forests are bound to provide forest based resources to their members first. • Lack of service providers to train quality wood furniture production in district
<p>Computer Institute/ICT Centre</p> <ul style="list-style-type: none"> • Lack of skilled manpower at local level • Lack of access to Low cost internet services and access to system for of-line information (wiki pedia, E-pustakalaya, Midas E- Class etc.) 	<p>Computer</p> <ul style="list-style-type: none"> • Computer providers only provide partial training during purchase and follow up is not carried out • Lack of mechanism for continuous capacity building of ICT related enterprises • Service provider do not follow up with constraints of enterprises

<p>Hotels</p> <ul style="list-style-type: none"> Hotels are using electricity for lighting as well as heating and lack of information about other electric equipment. 	<p>Hotels</p> <ul style="list-style-type: none"> Service providers are not able to understand energy demand of hotels and do counseling accordingly
<p>Stone Cutting</p> <ul style="list-style-type: none"> Enterprise are not aware about registration process Enterprise lack knowledge on different types of stones found in river beds. Enterprise lack knowledge on different types of technology to produce final products 	<p>Stone Cutting</p> <ul style="list-style-type: none"> Service providers do not know about the stone cutting activities in the district Minimal presence of service providers and service providers are not aware of stone cutting initiative

3.8 Generic Constraints of the enterprises

The generic constraints of the enterprises existing in the MHP catchment of the study areas are listed as follows:

- **Migration:** Due to the migration of skilled operators in search of opportunities outside the district or country, there is a problem of skilled manpower for the regular operation of enterprises and MHPs.
- **Road access problem:** Most of the areas having enterprises do not have proper access to road during the rainy season, due to which the enterprises has to be stopped due to difficulties in input supplies and delivering products to the market.
- **Marketing:** Enterprise lack skill to upgrade quality and lack access to market. Enterprises lack ideas about the value addition of the products.
- **Legal Services:** Most of the enterprises are not registered to the government authority, feeling that the registration process is complicated, time-consuming. Also they want to register their business only after building confidence that they are now able to operate their businesses smoothly.
- **Technical Knowledge:** Technical knowledge is required for the start-up of the new ventures and scale-up on different aspects- like handling machineries, on the spot fixing the small problems by themselves.

- Lack of knowledge about the stakeholders working in different sub-sectors in their areas (government, non-government, tools and machinery suppliers, maintenance service providers)
- Input Supply: Due to the lack of input supply service provision at local level they have been stopping their businesses during the rainy season when the transportation access is not available, eg- poultry businesses are not operated during the rainy season.
- Technology Transfer: Enterprises lack knowledge and information on improved and innovative technologies, due to which the production cost is very high in some products, e.g.- to produce 250 gm of Allo thread which are sold at Rs 250 they were taking 2-3 days time.
- Management services: Enterprises are not operating by analysis of cash flow management and accounting. Therefore, they have been facing problem of cash management at the peak time.
- Financial Services: Enterprises are not interested to undergo financial activities with banks and co-operatives as they think that the banking procedures are lengthy and time consuming. They are comfortable with local lenders by paying high interest rate (up to 60 %) thinking that there is not risk of their collateral.

3.9 SWOT Analysis

The SWOT analysis of various services is carried out as:

Service Providers	Strength	Weakness	Opportunities	Threats
Technology service providers	Good linkages with technology and other service providers at national and international level	Lack of innovativeness in service delivery mechanism in remote areas	Increasing market size of enterprises	Road access problem Market price fluctuation of products
Technical Training Providers	Skilled trainer at district hq. level	Lack of skilled trainer at local level and lack of sustainable mechanism for follow up of enterprises	Budget allocated for agriculture and forestry related business through VDC, CFUG etc.	Market distortion and lack of awareness on pay for service mechanism

Exploring Local and District level Organizations/ Firms providing Business Development Services required by MSMEs

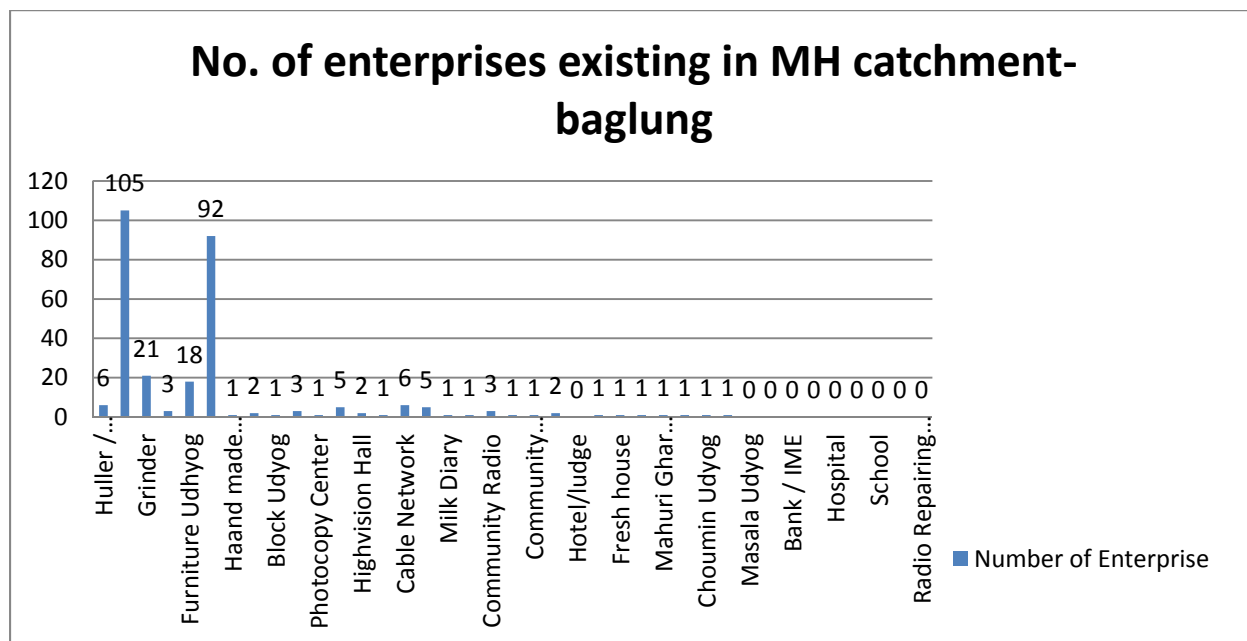
		Lack of training manuals		
Market Actors	Service providers are capable of marketing products at district and local level	Lack of knowledge about regional and national market	National buyers showing interest on sub contracting and partnership	Lack of market access increases the closure of business
Financial Institutions	Large number of groups, cooperative present	Enterprises need loans ranging from Nrs. 60,000 to Nrs. 5 Lakh which is not dealt by cooperative or banks	Increased investment in rural areas through wholesale lending, deprived sector loans	Lack of loan mix (Nrs. 60,000 to 5 Lakhs) at present system might hinder enterprise growth

For the detail study, listing of existing enterprises, prioritization of the enterprises for study, assessment of existing and potential BDS providers for those enterprises, opportunities and constraints their strength and weakness to provide services to MSMEs has been analyzed.

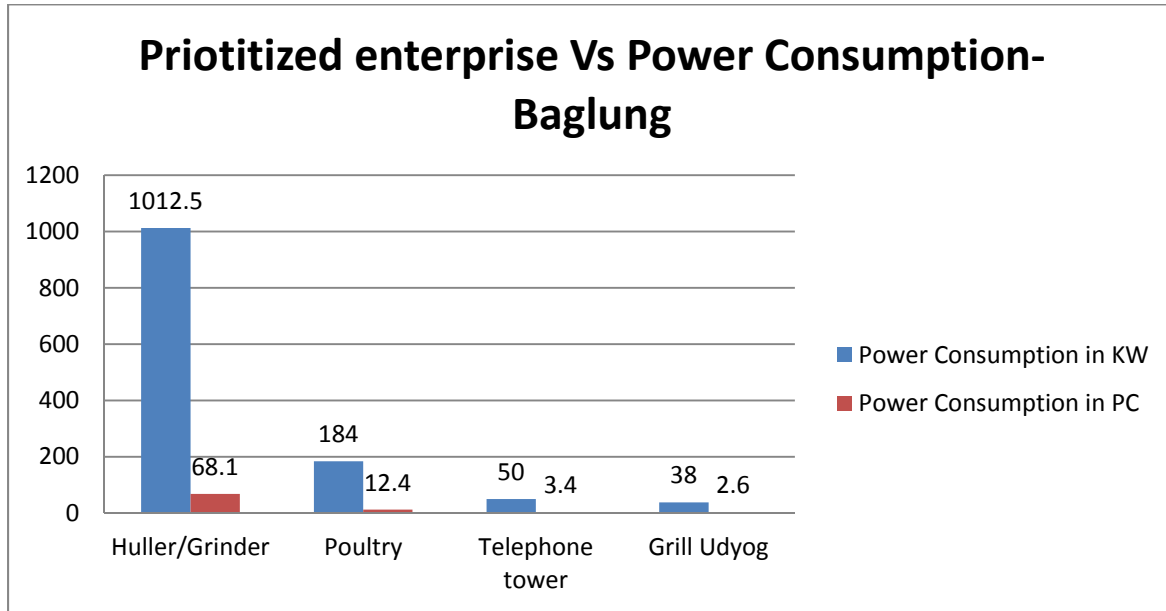
4. District wise Analysis

4.1 Baglung District

Among altogether 29 types of enterprises and 288 numbers of enterprises were listed in the catchments of 77 MHPs in Baglung. This shows that Baglung is found to be rich in terms of having maximum enterprises by number and types.



Huller/grinder/seller/expeller/mechanical was found to be in maximum number. Similarly, poultry and furniture falls under the second and third priority in terms of number of enterprises. Then the total energy consumed by the enterprises was calculated to identify the enterprises to be prioritized for the study.



The prioritized enterprises in Balgung were Huller/grinder/seller/expeller/mechanical, poultry, telephone tower and grill udhyog. Furniture udhyog is found to be providing employment and services to large number of people. For the detail study- huller/grinder/seller/expeller/mechanical, poultry, furniture udhyog are prioritized for detail study.

As all the enterprises need BDS services, we are focusing on the BDS requirement of Key enterprises. The key enterprises are selected based on higher number of these enterprises in the districts.

4.1.1 Subsector Specific Business Service Assessment

Specific Sub-Sector	Constraints	Service	Service Provider ⁵	Demand Side Constraint	Supply Side Constraint
Huller /Grinder/Expeller	Maintenance is a major issue for these enterprises as there is requirement for greasing, dysfunctional motors etc.	Access to Maintenance Service	Pangali Machineries and Tools	Cost of maintenance is high Have to wait a long for maintenance	Transaction cost is high for service provision
	These machines are not operated throughout the year, and there has been demand for full functional of these machineries	Access to business information on how these machineries can be operation throughout the year	SANGAM, DCDRC, DCSI/ CSIDB, EDFs	Enterprise lack knowledge on business service providers who can provide knowledge on business planning and product diversification Enterprises are not able to pay for the services of business management due to high cost	Service provider are unable to provide business management services due to remoteness and inability to pay for the services

⁵ Business Service Providers of Baglung is listed in Annex I

Poultry	Diseases like Coccydiosis are prevalent in this areas	Access to technical services	District live-stock support office Baral Veterinary and Agrovet Suppliers Local Resource Persons	Timely services are not available during the threat of disease	DLSO Have to provide services to many farms with limited staffs Agrovets are based in District Hq. Costs are high due to the cost incurred during the long transportation route, road situation being worse, mainly in the monsoon seas
	Poultry enterprises are not able to get sufficient quantity of feed	Access to feed services	Baral Veterinary and Agrovet Suppliers	Feed is not timely available	Lack of agent to supply feed to enterprises as this is available at district Hq. Lack of road transportation (all weather) hinders transportation of feed
Furniture (Sawmill, Wood Furniture)	Furniture enterprise is subjected to be registered in CSIDB/ DCSI after getting recommendation from District Forest Office	Access to information of registration	FECOFUN, DFO, DCSI/ CSIDB, Lawyers	Enterprises are not registered and lack of information about the process of registration Government policy in forest base enterprise establishment is very	Service providers lack the support for orienting enterprise on registration process.

				strict for establishment of furniture mill There is not clear provision to	
	Frequent breakage of tools of saw mills (saw tooth, motor belt, motor etc.) and maintenance problems	Access to engineering service providers	Dhaulagiri Civil Engineering Mechanical Workshop Shankar Electric Works	Enterprises have to stop due to saw tooth, motor belt, motor etc. and they do not have nearby service providers	Service providers lack manpower and higher transaction cost to cater maintenance service to enterprises
	Enterprises lack information on making quality wood furniture products	Access to quality wood furniture production training	Malla Furniture, Pokhara	Enterprise lack skills on quality production	Lack of service providers to train quality wood furniture production in district

4.1.2 Generic Service Provision:

In Baglung there are 29 different sectors where 288 enterprises are established. In this report only specific service provision for 3 key subsectors are provided. The discussion also revealed that following generic service provision are required to deal with various generic constraints faced by the enterprises

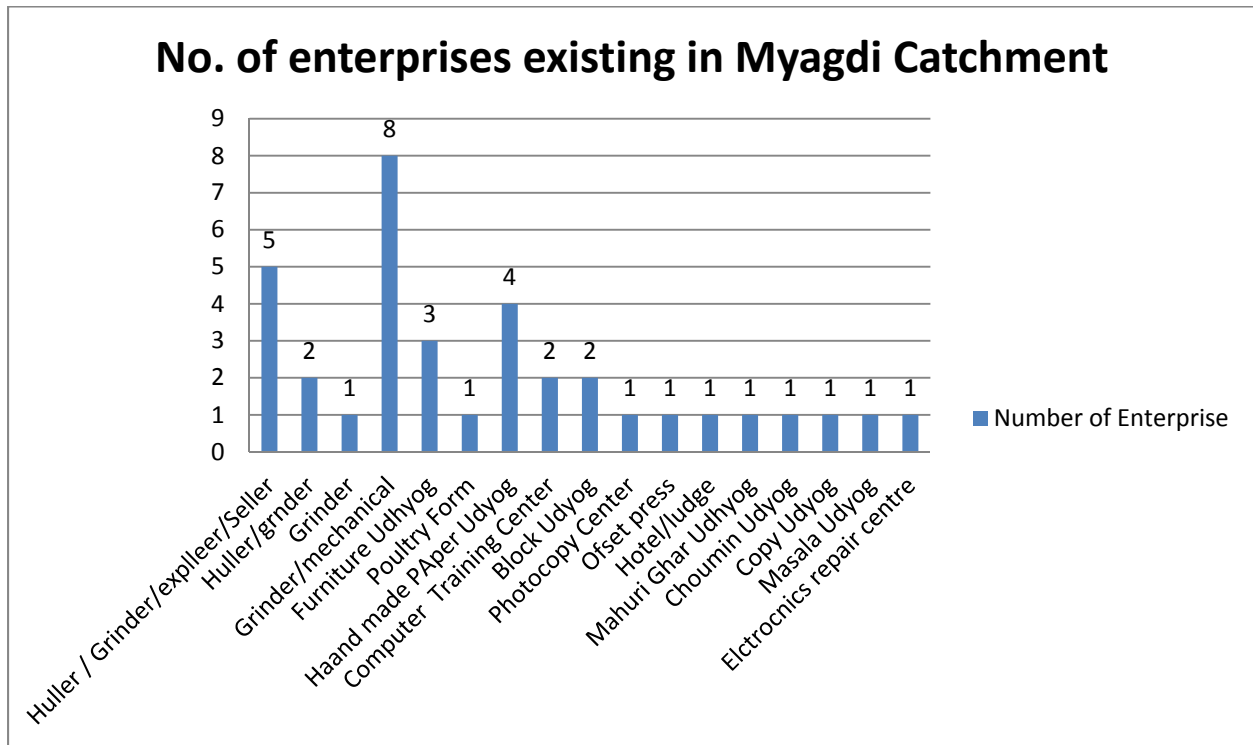
Generic Constraints	Subsector affected	Service Provision	BDS	Demand Side Assessment	Service Side Assessment
Marketing: Enterprise lack skill to upgrade quality and lack access to market	Product specific (E.g. Lokta, furniture, Soap Making, Allo)	Provision of training for quality production and access to market	Private sectors working in these areas (E.g., Herbal Soap: Asmi Herbal, Lokta Paper: HBTL, Furniture: Malla furniture etc.)	Enterprise lack marketing knowledge on quality, packaging etc.	Private companies are interested to procure from community organization but lack networks with them
Legal Services : All enterprise are not registered	All , Special focus to Forest based enterprises	Access to Legal services on Registration	DCSI/ CSIDB, FECOFUN	Enterprises are not registered due to lack of awareness or lengthy registration process	Service providers do not aware enterprises for registration

Generic Constraints	Subsector affected	Service Provision	BDS	Demand Side Assessment	Service Side Assessment
Technical Knowledge Lack of technical manpower in each subsectors at local level	Forestry and Agriculture related	Access to Lead technical service providers at least in MHPs clusters for key subsectors	District level and national service providers	Local Lead farmers, Local resource persons can be technical service providers but lack capacity	Service providers are not able to build capacity of local resource person due to lack of fund
Input Supply: Lack of input supply service provision at local level	Manufacturing related	Provision of Agent for Input supply at local level	Koseli Ghar, CCI, MHPs, Enterprise at local level	Enterprises need various input supply and they need to go to district hq. and regional centers (Pokhara) for input supply	CCI led Koseli Ghar are interested for input supply but lack availability of business agent at local level
Technology Transfer: Enterprise lack knowledge and information on improved and innovative technologies	All	Provision of mechanism of technology transfer information and knowledge at local level	MHPs, Enterprise at local level , FM	Entrepreneurs are less aware about improved and innovative technologies available	Technology service providers, NGOs and Government organizations are not able to articulate improved and innovative technologies at local level
Management services: Enterprises are not	All	Provision of accounting and cash	Account Management committee	Enterprise are not able to do proper	Accounting committee members has less

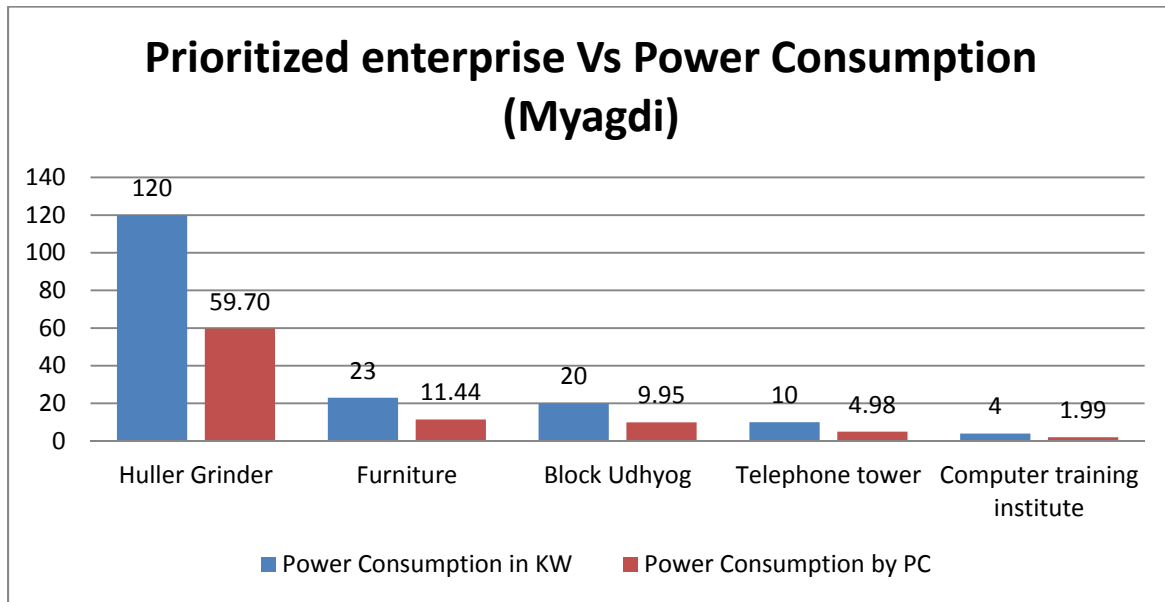
Generic Constraints	Subsector affected	Service Provision	BDS	Demand Side Assessment	Service Side Assessment
operating by analysis of cash flow management and accounting		flow management of enterprise to account management committee member of MHPs	member of MHPs, Treasurer of CFUG, Account teacher	accounting and analysis business cash flow	capacity and knowledge on business accounting and cash flow management
Financial Services: Enterprise are not interested to avail to financial services of cooperatives etc. due to lack of collateral and lengthily procedures	All	Provision of Enterprise Fund Legal status of MHPs to utilize this fund Provision of linkages to fund of DDC, VDC, CFUG, LGCDO/ CAC etc for enterprise investment	MHPs, DDC, VDC, LGCDP/ CAC, CFUG, Community Organizations	Enterprises are not able to upscale or establish business from grant and loan from AEPC Pro poor people are not able to start business due to lack of working capital	Supporting organization are not able to match fund in business planning due to lack of interest Co-operatives are not able to release loan in competitive rate due to the low capital investment

4.2 Myagdi District

Among 39 types of enterprises listed (Section 3.1), altogether 19 types of enterprises were listed in the study areas and total of 38 enterprises. Huller/grinder/seller/expeller/mechanical was found to be in maximum number. Similarly, furniture udhyog and handmade paper falls under the second and third priority in terms of number of enterprises.



Then the total energy consumed by the enterprises was calculated to identify the enterprises to be prioritized for the study. Enterprise on preparing handmade paper are not found to be utilizing energy, therefore they are not taken into consideration for detail study.



The above chart shows the details of the prioritized enterprises. The enterprises were prioritized in terms of the energy being used in KW and calculated for percentage of energy used. The enterprises prioritized for the study were huller/grinder/seller/ mechanical, furniture and computer training. Computer training was prioritized as it was found to be in greater number than block udhyog and provides services to large number of people.

The detail BDS assessments of these three specific enterprises are carried out as under. Please note that constraints of Baglung and Myagdi for Huller/ Grinder/ Expeller and Furniture subsector looks similar but difference will be service providers and their constraints.

4.2.1 Specific Business service assessment in Myagdi

Specific Sub-Sector	Constraints	Service	Service Provider ⁶	Demand Side Constraint	Supply Side Constraint
Huller/Grinder/Expeller	Bearing problem, Grinding tooth breaking and wearing, Motor damage	Access to Maintenance Service	Dhaulagiri Hardware and Suppliers Khatri Electric and Electronics workshop	Lack of skill manpower at local level for maintenance	Transaction cost is high for service provision
	These machine are focus on grind seasonal crops and is not operated throughout the year (Rice, Wheat, Maize, Millet)	Access to business information on how these machineries can be operation throughout the year (Eg. Masala)	SANGAM, DCDRC, DCSI/CSIDB, EDFs, Milan Myagdi, Sahamati Myagdi	Farmers near enterprise lack cultivation and processing of other varieties like masala related agriculture products	Service providers are yet to understand the importance of year around operation of Huller etc. and has not carried out detail analysis on how these machines can be used throughout the year

⁶ Business Service Providers of Mygadi is listed in Annex II

Specific Sub-Sector	Constraints	Service	Service Provider ⁶	Demand Side Constraint	Supply Side Constraint
Computer Institute/ ICT Center	There is existence of ICT centers at local level (including schools), and they are facing problems of hardware and software. Timely repair and maintenance	Access to hardware and software services	Global Computer Point Graphics Computer Center B TECH Computer House	Lack of skilled manpower at local level	Computer providers only provide partial training during purchase and follow up is not carried out
	Lack of skilled computer professional	Access to skill development training	Global Computer Point Graphics Computer Center B TECH Computer House	Technology upgrading in short span need increase knowledge on computer hardware and software	Lack of follow up of service providers Lack of mechanism for continuous capacity building of ICT related enterprises
	Lack of internet access to ISPs, ICT centers and Computer Institute	Access to Low cost internet services and access to system for offline information (wiki pedia, E-pustakalaya, Mida E- Class etc.)	Myagdi Kali Sanchar Sahakari Sanstha, Nepal Wireless, MIDAS Technology, OLE Nepal, NTC, NCELL	Stability of Internet (during rainy season and extreme cold) Slow internet connection	Service provider do not follow up with constraints of enterprises

Specific Sub-Sector	Constraints	Service	Service Provider ⁶	Demand Side Constraint	Supply Side Constraint
Furniture (Sawmill, Wood Furniture)	Lack of registration of furniture enterprise in CSIDB/ DCSI	Access to information of registration	FECOFUN, DFO, DCSI/ CSIDB, Lawyers	Similar to Baglung	Similar to Baglung
	Frequent breakage of tools of saw mills (saw tooth, motor belt, motor etc.) and maintenance problems	Access to engineering service providers	Khatri Electric and Electronic Workshop Shrestha Grill and Steel Furniture Tridev Metal Udyog	Similar to Baglung	Similar to Baglung
	Enterprises lack information on making quality wood furniture products	Access to quality wood furniture production training	Malla Furniture, Pokhara	Enterprise lack skills on quality production	Lack of service providers to train quality wood furniture production in district

4.2.2 Generic Service Provision:

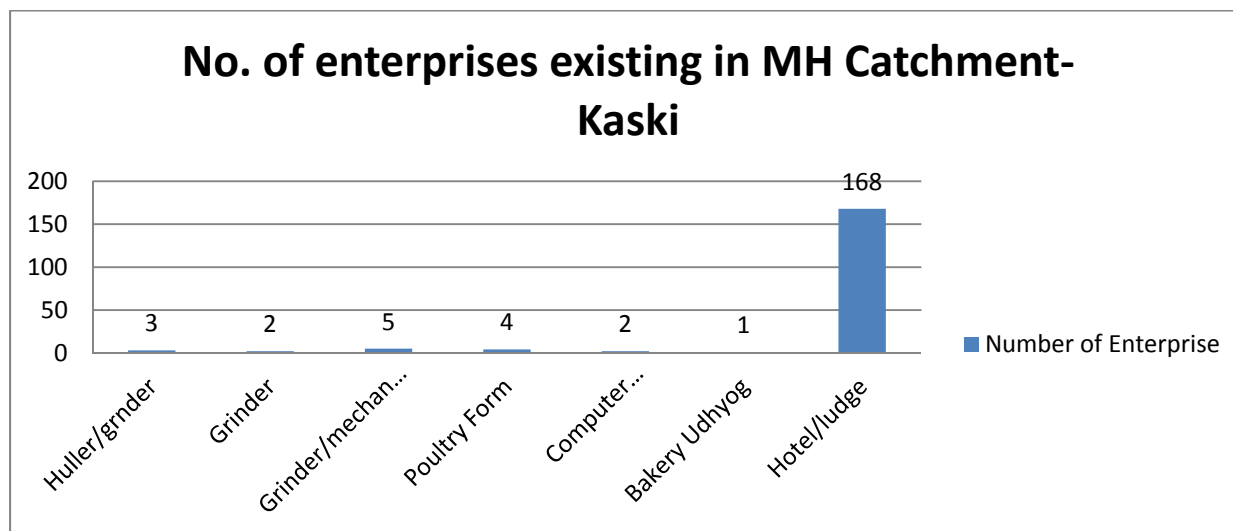
In Myagdi there are 19 different sectors where 38 enterprises are established. In this report only specific service provision for 3 key subsectors are provided. The discussion also revealed that following generic service provision are required to deal with various generic constraints faced by the enterprises

Generic Constraints	Subsector affected	Service Provision	BDS	Demand Side Assessment	Service Side Assessment
Marketing: Enterprise lack skill to upgrade quality and lack access to market	Product specific (Eg. Chowmein, Dairy, Block etc.)	Provision of training for quality production and access to local market	DCSI/CSIDB, Technical person, CCI	Enterprise lack marketing knowledge on quality, packaging etc.	Lack of program on marketing skills Lack of knowledge about marketing constraints by CCI as they support their members only
Legal Services : All enterprises are not registered	All , Special focus to Forest based enterprises	Access to Legal services on Registration	DCSI/ CSIDB, FECOFUN	Similar to Baglung	Similar to Baglung
Technical Knowledge Lack of technical manpower in each subsectors at local level	Forestry and Agriculture related	Similar to Baglung	Similar to Baglung	Similar to Baglung	Similar to Baglung
Input Supply: Lack of input supply service provision at local level	Manufacturing related	Provision of Agent for Input supply at local level	Koseli Ghar, CCI, MHPs, Enterprise at local level	Similar to Baglung	Similar to Baglung

Technology Transfer: Enterprise lack knowledge and information on improved and innovative technologies	All	Provision of mechanism of technology transfer information and knowledge at local level	MHPs, Enterprise at local level , FM	Similar to Baglung	Similar to Baglung
Management services: Enterprises are not operating by analysis of cash flow management and accounting	All	Provision of accounting and cash flow management of enterprise to Accounting committee member of MHPs	Accounting committee member of MHPs, Treasurer of CFUG, Account teacher	Similar to Baglung	Similar to Baglung
Financial Services: Enterprise are not interested to avail to financial services of cooperatives etc. due to lack of collateral and lengthy procedures	All	Provision of Enterprise Fund In MHPs Legal status of MHPs to utilize this fund Provision of linkages to fund of DDC, VDC, CFUG, LGCCDO/ CAC etc for enterprise investment	DDC, VDC, LGCCDP/ CAC, CFUG, Community Organizations	Similar to Baglung	Similar to Baglung

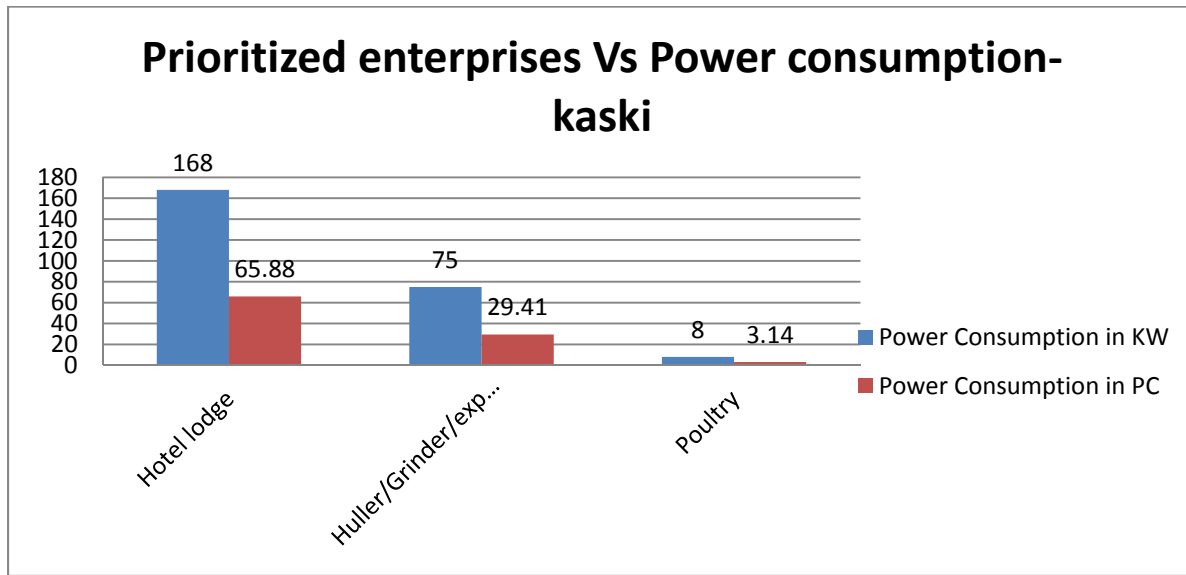
4.3 Kaski District

Among 39 types of enterprises listed (Section 3.1), Kaski is found to have 7 types of enterprises and 185 enterprises in number. This graph reveals that there are lesser number of enterprise by type and greater number of the particular enterprise. Hotel/lodge is found to be in the maximum number in Kaski.



Similarly, huller/grinder/mechanical/expeller/seller, poultry and computer training centers are in the following order.

The specific business constraints of hotels are only mentioned as this is where majority of power from MHPs as enterprise is consumed.



The above chart shows the details of the prioritized enterprises. The enterprises were prioritized in terms of the power being used in KW and calculated for percentage of energy used. The enterprises prioritized for the study were hotel/lodge, huller/grinder and poultry.

The detail BDS assessments of hotel/lodge only were carried out as under, as the findings from the assessment of huller grinder and poultry are similar to that of the others.

4.3.1 Specific service assessment of Kaski District:

Specific Sub-Sector	Constraints/ Opportunities	Service	Service Provider⁷	Demand Side Constraint	Supply Side Constraint
Hotel	Out of total power of 665.3 KW, 168 hotels are using in an average 168 KW of electricity (1 KW per hotel) Hotels are paying Nrs. 10 per unit (Nrs. 7 in one case only). There is huge opportunities for further power consumption by hotels	Provision of information on electric equipments for heating, lightening, cooking, laundry, computer etc.	Global Trading, Biswak arma Electricals	Hotels are using electricity for lighting and heating only. There is lack of information about other electric equipments	Service providers are not able to understand electricity demand of hotels and do counseling accordingly
	Fluctuation of electric power	Continuous supply of electricity	MHPs	Hotels are using more than one MHPs electricity due to lack of certainty of power from one MHPs	MHPs are not responsible for multiple use of electricity from different sources

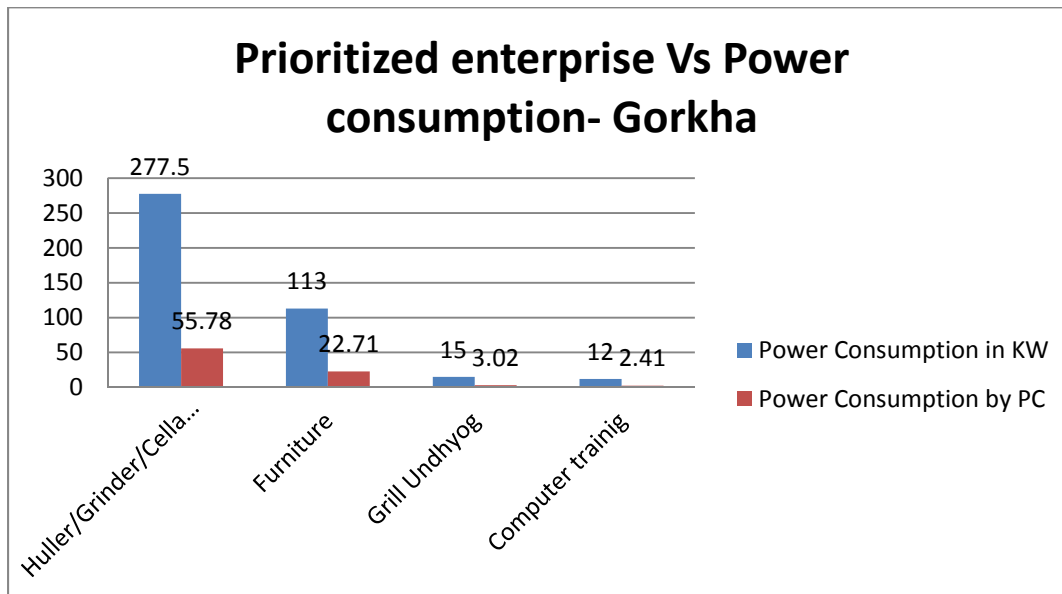
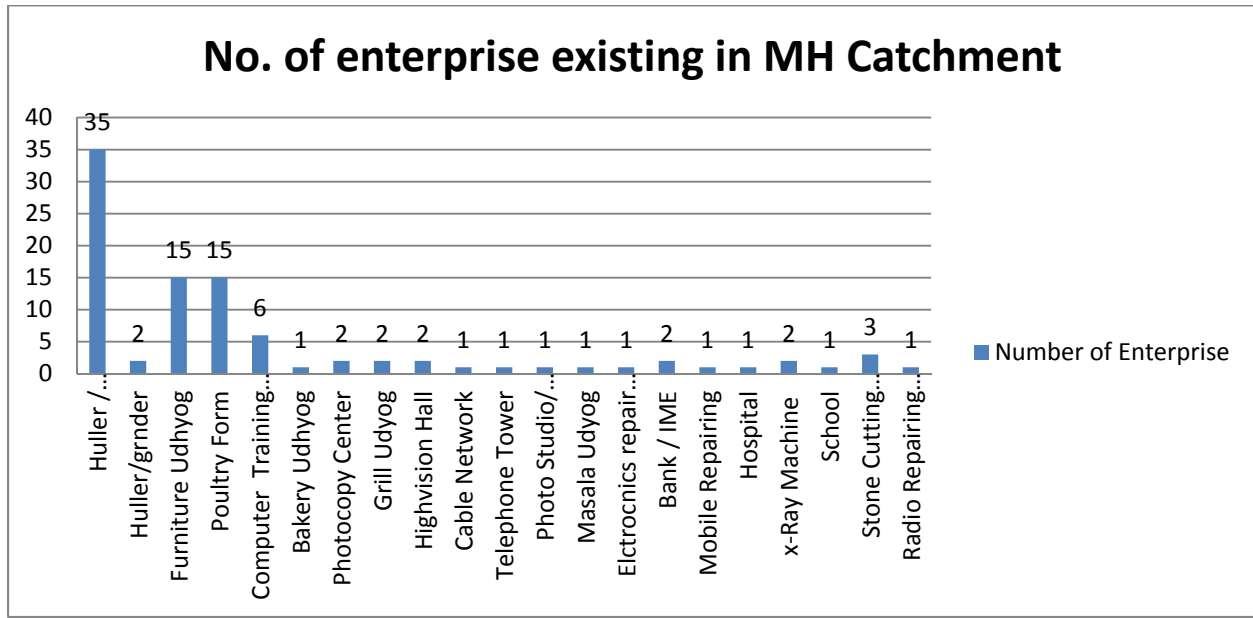
⁷ Detail Business Service Providers listing of Kaski District is in Annex III

4.3.2 Generic Business Services

Generic Constraints	Con-affected	Subsector	af-	Service Provision	BDS	Demand Side Assessment	Service Side Assessment
Marketing: Farmers lack skill for new product development and link it to tourism market (supply side of tourism)		Majority of electricity is consumed by Hotels and there are very less enterprises that need marketing support		Provision of training for quality production and access to local market	DCSI/CSIDB, Hotel Association of Nepal Kaski	People are interested in dried fish, dried potatoes etc. for supplying to hotel	Service provider has not assessed what all product can be developed for selling through hotels
Technology Transfer: Enterprise lack information about the electric appliances		All especially hotels		Provision of information on electric machineries	Global Trading, Biswakarma Electricals	Hotels are using conventional methods and not innovating services as laundry, heating and cooking uses	Service providers has not assessed technology usage possibilities of hotels
Bearing problem, Grinding tooth breaking and wearing, Motor damage		Huller/ Grinder etc.		Access to Maintenance Service	Bhanu Machineries	Lack of skill manpower at local level for maintenance	Transaction cost is high for service provision

4.4 Gorkha District

Among 39 types of enterprises (Section 3.1), 20 types of enterprises and total of 85 enterprises were listed from the MHP catchments of Gorkha. Huller/grinder/mechanical/expeller/seller, furniture, poultry farm and computer training centre are found in the priority list.



The above chart shows the details of the prioritized enterprises. The enterprises were prioritized in terms of the power being used in KW and calculated for percentage of power used.

Exploring Local and District level Organizations/ Firms providing Business Development
Services required by MSMEs

The enterprises prioritized for the study were huller/grinder/seller/ mechanical, furniture, grill udhyog and computer training.

As the findings on the prioritized enterprises from other districts were found similar during the BDS assessment, stone cutting enterprise being found innovative and having potential business opportunity, the detail assessment has been carried out as under.

4.4.1 Specific Business service assessment in Gorkha

Specific Sub-Sector	Service	Service Provider ⁸	Demand Side Constraint	Supply Side Constraint
Stone Cutting	Access to registration of enterprise	Department of Mines and Geology, CSIDB./ DCSI, Nepal Minerals and Research Development Company	Enterprise are not aware about registration process	Service providers do not know about the stone cutting activities in the district
	Access to appropriate technology (Cutting, polishing, grading etc.)	Nepal Minerals and Research Development Company	Enterprise lack knowledge on different types of stones found in river beds along with technology to produce final products	Minimal presence of service providers and service providers are not aware of stone cutting initiative

The constraints of other prioritized enterprises are similar to other districts.

⁸ Detail Business Service Providers listing of Gorkha District is in Annex IV

5. MHPs as Enterprise- An Analysis

There exists structured approach of NRREP to support productive end use of energy will both enable micro hydro power (MHP) plants to become self-sustainable and increase the livelihood and income generating prospects of poor people. NRREP has set its target to produce Mini and Micro Hydro Power: 25 MW by the end of project term. Involvement of the local government system is in particular relevant in relation to community electrification, both from the point of planning and complementary funding of micro hydro power systems. MHP generates electricity which is the primary source of electrical energy for running different kinds of enterprises in its coverage. MHP in itself are not fully subsidized. Depending upon the support programs subsidy is provided up to 40-60 %. Rest 40- 60% occurs to be community obligation which very often is manual work contribution and loan. Payment of loan is not only obligation but also a burden in most cases, since; MHPs are constructed at rural settings and for poor people. Only source of payback is the income generated from the sales/utilization of produced electricity. For this consideration MHP has to be fully operational at peak hours of energy consumptions and reliable source of energy for dependent enterprises.

Transparency, as a method to promote good governance and accountability, will across components penetrate implementation, including the use of a public disclosure system especially where micro-hydro power systems are established. Good management model is necessary to run the MHP efficiently. MHPs do have management committee but, they require good management practice to be implemented for strategic interventions for effective operation and updating with latest technologies and business opportunities.

Basic Requirements of MHP:

1. Timely Repair and maintenance
2. Skillful Operator
3. Good Management System
4. Affordable financial services (interest rate and amount of loan)
5. Good energy balance situation (enterprises and household utility of energy)

5.5.1 MHPs as an enterprise constraints and service provision:

There are 91 MHPs in Baglung (4 MHPs visited), 17 MHPs in Myagdi (2 MHPs were visited), 23 MHPs in Kaski (1 MHP was visited) and 25 MHPs in Gorkha (2 MHPs were visited). These MHPs articulated following constraints.

Constraints	Service Provision	Service provider	Demand Side	Supply Side
Maintenance Constraints				
Installing companies has not provided technical specification of equipment installed for eg. Belt size, Bearing size etc.	Access to specification of equipment from Installing companies	Appropriate Engineering	MHPs user are not aware of what all information are needed for them during installation Lack of Technical know Lack of management committee knowledge on requirement	Easy excuse from the service providers
Frequent damage to equipments (problem of excitation, voltage fluctuation)	Provision of spares tools and equipment in stock Provision of maintenance service	DCEM Pvt. Ltd. Banglung Cream Hydel Pvt. Ltd. GTECH Nepal	MHPs are not able to keep necessary spare tools and equipments in stock	Lack of existence of local level service providers High transaction cost for service providers in district Hq. and Butwal to cater individual MHPs

Constraints	Service Provision	Service provider	Demand Side	Supply Side
		Appropriate Engineering Butwal	<p>MHPs decision making takes time for repair and maintenance</p> <p>MHPs do not have MRP costing of necessary spare tools and equipments</p>	
Lack of skill operator	Provision of continuous skill development to operator	<p>Aastha Network Pvt. Ltd. ,</p> <p>DEL Energy Concern</p> <p>HPR Nepal Pvt. Ltd.</p> <p>EPSOM Engineering Consultancy Pvt. Ltd.</p>	<p>Skill operator wants regular training and interaction with other MHPs operator</p> <p>MHPs operator require additional benefit</p>	<p>Service providers are providing training based on project activities</p> <p>Mechanism of capacity building between MHPs, operator and service provider not developed</p>

Constraints	Service Provision	Service provider	Demand Side	Supply Side
Migration of skill operator	Provision of additional income generation opportunities for operator	Specific district level service providers for skill development	Operators migrate for getting new opportunities	Lack of networks with operator for training
Information management on energy use, MHPs are not able to manage energy use with some of household not having electric meter Users are paying same amount irrespective of electricity usage	Provision of management system for data base entry of each household and enterprise consumption	MHPs	User specially poor households are paying same amount as electric meter are dysfunctional Management committee are not able to update information due to lack of time and meeting	MHPs are thinking of high cost of data management, instead of making data management professional to increase efficiency Lack of community ownership on paying as per use
Investment capacity of users are less	Mechanism of matching fund for enterprise establishment	DDC, VDC, CFUG, MFIs	MHPs user especially pro poor are not able to establish enterprise	Lack of business plan and allocation of fund from different stakeholders in business plan absent

6. Access to finance

Scheme for Agriculture and Energy Sector

As per the policy of Nepal Rastra Bank, there is a provision that it is mandatory for every financial institution to invest at least 12 % of their total investment in Agriculture and Energy sector.

Deprived Sector Loan as a Whole sale lending program

As a replication of the success model of Grameen bank Bangladesh, Nepal Rastra Bank has came up with a policy to support the deprived sector lending program in 1991/92. In the policy, commercial banks are required to flow a certain percentage of their resources to the promotion of the deprived sector. The funds are being channelized through savings and credit co-operatives for the improvement of the socio-economic conditions of the deprived⁹ and economically backward communities. Example- Sana Kisan Bikas Bank (SKBBL) has been extending the wholesale credit through micro-credit development banks.

For the promotion of the deprived sector, any D class financial institution can approach A, B and C class financial institution for the wholesale lending. In this concept, D class financial institution takes guarantee of the amount requested from the bank and invest to the entrepreneurs with small funds for establishing enterprises.

For the current fiscal year 2012/13, commercial banks (Class-A), development banks (Class-B) and finance companies (Class-C) are required to extend deprived sector credit at the rate of 4 percent, 3.5 percent and 3 percent respectively on the basis of their total loans and advances. A provision has already been made to increase such requirement by 0.50 percent-point every year for the next two years.

So, building the capacity and providing information about different schemes of the financial institutions will help for the promotion of enterprises in the MHP catchment areas.

⁹ deprived means low income and especially socially backward women, tribal people, *Dalit*, blind, hearing impaired and physically incapacitated persons, marginalized and small farmers, craft-men, labour and landless squatter family

7. Recommendation

7.1 Subsector related recommendation

Subsector	Services in Subsectors	District	Intervention
Huller Grinder	Maintenance	BaglungMyagdi-Gorkha	Annual Maintenance contract between service providers and enterprises Capacity building of local personnel (electricians/ electronics) for maintenance services
	Access to information for all year operation of machine	BaglungMyagdi-Gorkha	Business counseling and follow up between enterprises and service providers Research on how these machines can be commercially used throughout the year
Poultry	Access to technical services for disease control	BaglungGorkha	Strengthening of lead famers as service providers through linkages with DLSO and Agrovets
	Access to feed services	BaglungGorkha	Provision of agent for feed supply to enterprises (as an enterprise itself) by linking with business service providers in district Hq.
Furniture	Access to information about registration	BaglungMyagdiGorkha	Interaction between DFO, DCSI/ CSIDB, FECOFUN on process of registration of furniture enterprise
	Access to engineering services for frequent breakage	BaglungMyagdi-Gorkha	Annual maintenance contract between enterprises and service providers Capacity building of local electric/ electronics shop on maintenance
	Access to forest resources from the community forests nearby	MyagdiBaglungGorkha	It provides easy access of raw materials for the enterprises within their areas

Exploring Local and District level Organizations/ Firms providing Business Development
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	Access to quality wood furniture production training	Baglung Myag-di-Gorkha	On the job training for enterprises in wood furniture based in regional centers (like Pokhara) for quality furniture production
Computer Institute/ ICT Center	Access to hardware and software services	Myag-di-Gorkha	Annual maintenance contract between enterprises and service providers Capacity building of computer trainer at local level Computer literacy program through FM Provision of computer support hotline numbers through partnership with service providers
	Access to skill development training	Myag-di-Gorkha	Product diversification and inclusion of E-Class, E- Pustakalaya Capacity development of computer related manpower at local level
	Access to low cost internet services and access to offline information system platforms	Myagdi	Provision of group internet service from NTC, NCELL for continuous and low cost supply of internet Provision of linkages with MiDAS, OLE Nepal for offline information platforms
Hotel	Provision of information on electric equipments for heating, cooking, lightening, laundry, computer etc.	Kaski	Increase electricity usage by hotels through information sharing about electric appliances for cooking, laundry, heating etc.
	Provision of training on front desk management, food and beverage, housekeeping, hospitality management	Kaski	Enhances the quality of service provision by the hotels for the guests
	Continuous supply of electricity	Kaski	Provision of synchronization along with Mini Grid for growing tourism based industries

Exploring Local and District level Organizations/ Firms providing Business Development Services required by MSMEs

Stone Cutting	Access to registration of enterprises	Gorkha	Facilitation on registration of stone enterprises with support of Nepal Minerals and Research Development company, CSIDB/DCSI, Department of Mines and Geology
	Access to appropriate technology (cutting, polishing, grading etc)	Gorkha	Appropriate technology transfer through service providers like Nepal Minerals and Research Development Company Training on stones (CTEVT has already formulated training on stones)

7.2 Generic Business Services Recommendation

Services	Subsector Affected	Districts	Intervention
Provision of training for quality production and access to market	Lokta, Furniture, Soap, Allo, Chowmien, Dairy, Block	Baglung, Myagdi, Gorkha	Subcontracting or partnership between private sectors like HBTL, Mahaguthi, Asmi Herbals, Malla Furnitures etc. for market linkages and quality upgrading training Facilitate partnership with CSIDB/DCSI for marketing training Provision of enterprise to become members of CCI to avail marketing support services Rapid Market Appraisal (RMA) training to local person to support enterprise in marketing
Legal Services	Forest based, stone based, informal businesses	Baglung, Myagdi, Gorkha	Facilitate registration of enterprises in DCSI/ CSIDB in coordination with related government line agencies and provision of raw materials for the enterprises
Access to lead technical services providers	Forestry and Agriculture related	Baglung, Myagdi, Gorkha	Facilitate capacity development of local resource person in cluster of prioritized enterprises on technical knowledge

Exploring Local and District level Organizations/ Firms providing Business Development
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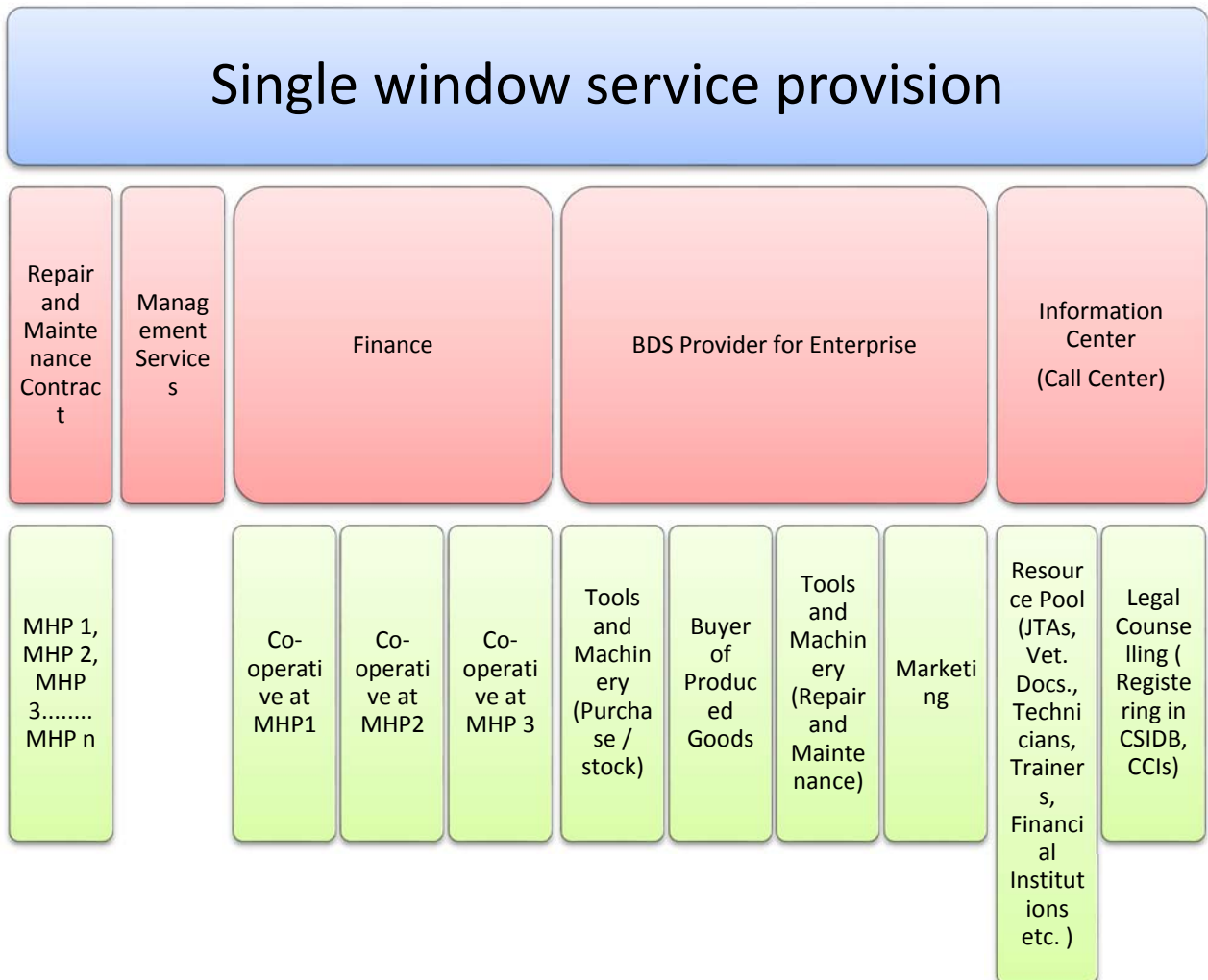
Provision of agent for Input supply at local level	Manufacturing related	Baglung, Myagdi, Gorkha	Strengthen input supply enterprises at local level as per the demand of the enterprises
Provision of mechanism of technology transfer information and knowledge at local level	All	Baglung, Myagdi, Gorkha	Facilitate information hub at enterprise level to provide information on improved and innovative technologies and linkages with technology providers at district Hq. and national level Provision of end use catalogue for users of MHPs Additional promotion of innovative technologies and enterprises through FM
Provision of enterprise development fund in MHPs	Expansion oriented enterprises	Baglung, Myagdi, Gorkha, Kaski	Facilitate more funding from local organizations as per business planning of enterprises
Provision of accounting and cash flow management of enterprises to accounting resources person (of MHPs, CFUGs, Schools)	All	Baglung, Myagdi, Gorkha, Kaski	Capacity building and linkages of accounting personnel at local level with enterprises (pay for service mechanism)
Provision of products development for strengthening supply side of tourism (E.g. Dried vegetables, potatoes, fish etc.)	Enterprises where there is growth in tourism	Kaski	Facilitate research and development on product development to be made by local enterprise and marketed through/ by hotels

7.3 Recommendation for Business Service provision for MHPs as enterprise

Service Provision	Interventions
Access to specification of equipment from installing companies	Facilitate punctual handover document with equipment ratings
Provision of spare tools and equipment in stock	<p>Facilitate for financial allocation for keeping necessary spares or Strong MHPs keeping spares</p> <p>Easy procurement design to assigned to personnel (eg. Operator) based on earlier trends</p> <p>MRP costing catalogue of spare parts to be provided to all MHPs</p> <p>Annual Maintenance contract between MHPs and service providers</p>
Provision of continuous skill development to operator	Capacity building of at least 5 operators as professional operators and opportunities for them to train other operator as on the job training
Provision of additional income generation opportunities for operator	Provide additional income generation for family of operators for negating migration
Provision of management system for data base entry of each household and enterprise consumption	<p>Monitoring and capacity building of committee as per present management guideline</p> <p>Improvement of management guideline as per feedback and constraints faced by management committee</p> <p>Establishment of pay for use to distinct high and low energy consuming households</p>
Mechanism of matching fund for enterprise establishment	Provision of business planning and interaction/linkages with supporting organizations for additional support apart from AEPC loan and grant

7.4 Centralized BDS provider (Single window business service provision)

- a. As Repair and Maintenance Services for Other surrounding MHPs. (**Repair and Maintenance**)
- b. As Co-operatives for disseminating / guarantee for Enterprise Development loans (**Finance**)
- c. As Localized Call center (Information and Data Center for all kinds of BDS existing in the Region (**Information**))
- d. Providing Management Services (**Accounting** and other Record keeping)



Concept of Regional Service Centre has been widely practiced all over. There are latest innovative ideas like **Practical Answers**, where one-stop-multiple solutions are provided ranging from technical to financial, psychological and social support. It is recommended to create one-stop solution centre, which could be:

- a. Existing enterprises (like electric shops etc.)
- b. Centrally located MHP supporting other MHPs in vicinity.
- c. Creating independent Single window service provider.
- d. Creating Franchises of BDS provider of District Headquarters to Semi-Urban places (for. Eg. Darbang, Kharbang)

During stakeholder meeting with the installation company, it was revealed that MHPs asked help over the simple repair and maintenance issues. Reaching the MHP site, fixing the problem and coming back to the company would generally require a week time. If this would happen to 4-MHPs in a month, this would require a team of Skilled Technician for the R & M work only. This service would be costlier given the difficult road conditions throughout the MHP sites. (For example in Baglung: an Engineering Consultancy Firm would charge Rs 2000 –Rs 3000 / day per person for R & M task)

A solution model to this kind of problem can be the creation of a basket fund such that each MHP would deposit certain amount of fund assumes Rs 10000/ year, if there are 10 MHPs in proximity that could create a collective fund of Rs 100000/ year. An AMC can be created with ABC Company which would visit all 10 MHPs at a time in certain interval and keep update on status of the system. The system that comes in trouble would contact the AMC Company and get the service; payment can be done from the fund.

7.5 Recommendation based on demand side assessment of services

For the enterprises having good market size, it is recommended to identify potential business service provider located at the district headquarters through annual contract or creating a platform to establish a service centre at the local level either by the business independently or in collaboration with potential enterprise at the local level. This approach will make the service less costly and thus affordable for the demand side enterprises. Further, the service availability and sustainability concern of the enterprises will be solved for the regular operation and scale-up of the businesses.

7.6 Recommendation based on overall energy balance scenario:

The energy balance scenarios of MHPs from the study were categorized and discussed into three cases- energy surplus, energy balance and energy deficit scenarios and the recommendations are made as:

Energy Surplus: In the areas having the energy surplus, looking into the market potentials enterprises needs to be promoted for the consumption of energy generated by the MHPs.

Energy Deficit: In the energy deficit scenario, the energy needs to be generated by promoting new MHPs and increasing the efficiency and capacity of the existing MHPs.

Overall Scenarios: In the energy balance scenario, energy surplus and energy deficit cases as well, quality on MHPs efficiency needs to be ensured. This could be done by through the provision for regular operation of MHPs by ensuring that the operators are capable of fixing the small technical problems associated with it and contracting with maintenance service provider for regular service provision. Further, installation of electric meter in the households consuming energy from the MHPs and payment should be collected based on the energy use.

7.7 Partnership for access to finance

Most of the MSMEs require medium level funding for the regular operation and scale-up of their businesses. Through co-operatives and MFIs they could access amount upto 60,000 for the operation of their businesses. Commercial banks are interested in funding the amount above 5 lakhs upon property collatre. As the enterprises in most of the areas were found to be seeking amount between 60,000-5 lakhs, they were seeking for financing from banks showing their business operated. Therefore, for the scale-up of the existing businesses, a clear and simple provision of funding them with needs to be facilitated through the interested financial institutions.

7.8 Partnership with the N/GOs for training and skill development

Different government and non-government institutions have various programs on trainings and skill development, which is demand, based or planned looking into the potentials of those areas. Therefore, the proposed centralized BDS provider can work as a coordinating agency with the relevant institutions in different programs. District Livestock Services Office, District Agriculture Office, District Forest Office, District Cottage and Small Industry office, District Development Committee have on demand and yearly planned activities in promoting enterprises. Similarly, different non-government agencies also have different programs in promoting enterprises.

7.9 Sample Action Plan

The Action Plan is prepared for facilitating Regional Service Centers and AEPC team to carry out BDS linkages activities in coming times. This action plan is just a sample which is derived from the recommendation provided in this report. AEPC/ NRREP/ PEU can dissect the recommendation provided in report and come out with similar action plan for further implementation.

S.No	Activities	Main objective	Time Line ¹⁰	Responsible organization ¹¹
1.	Participatory Market Chain Appraisal between stakeholders involved in specific Business Service Provision	To formulate a model for business service delivery through AMC or LRP approach		
2.	Capacity development training of identified LRP in specific business service delivery	To develop LRP as service providers at local level in partnership with BDS providers at district Hq.		
3.	Networking event between government service providers and enterprises at local level	To establish network between government service providers (DoA, DLSO etc.)		
4.	Interaction between stakeholders for registration of furniture (forest based) and other enterprise	To ensure registration of enterprises through common understanding of enterprises		
5.	Provide on the job training to enterprises focusing on quality improvement	To ensure quality standards and improved technology transfer for enterprises		
6.	Activity planning and MoU with organization like MiDAS and OLE Nepal for product diversification	To ensure education related business opportunities at remote level		

¹⁰ To be based on AEPC/ NRREP/ PEU time schedule planning

¹¹ To be based on AEPC/ NRREP/ PEU and stakeholders priority

Exploring Local and District level Organizations/ Firms providing Business Development
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7.	Facilitate interaction program for group internet service from NTC, NCELL etc.	To ensure ICT service provider with continuous and low cost supply of internet		
8.	Support in making electric appliance manuals for power consumption sector wise	To inform and convince hotel enterprises for more usage of electrical appliances		
9.	Action research on single window business service provision	To devise appropriate model for single window business service provision		
	Etc.			

8. Conclusion

The study concludes that there is existing service provision mechanism at district Hq. but these services are not able to reach local level. Innovation has to be carried out by business service providers at district hq. to reach remote areas. There has been increasing market size of enterprises which can summon private sectors for using local resource persons and AMC methods to reach remotes areas. Business delivery should be based on all possible mode of payment and recommendation wise mode of payment is depicted as:

Recommendation	Mode of payment
AMC	Pay for services
Single Window service provision	ALL
Specific services	As per demand
Partnership with Govt. Services	Subsidized
Partnership with INGOs/ NGOs	Subsidized and pay for services
Access to finance	Pay for services

Finally, study concludes further assessment mainly regarding possibility of Single window business service provision at vicinity of MHPs.

ANNEX I BDS providers in Baglung

S.N.	BDS Providers	Contact Person	Address	Contact Number
1	DCRDC	Mr. Balaram Gautam	Upallachaur, Baglung	9857623225
2	Baglung Chamber of Commerce and Industries	Mr Jayaram Bhari	Baglung	9857621197
3	Prabhu Vikas bank	Mr Uttam Raj Bhandary	Baglung	068-522630, 9857620124
4	District Livestock Service Office	Mr Nilkantha Sharma	Baglung	9746700573
5	SANGAM, Balgung	Mr Ram C Subedi	Baglung	9847621625
6	Green Development Bank	Mr. Prakash Shrestha, CEO	Baglung Bazar	068- 522865, 52266
7	Pangali Machineries	Mr. Ram	Baglung Bazar	9857620384
8	Baral Veterinary and Agrovvet Suppliers	Mr. Bhawan Raj Baral	Baglung Bazar	068-520080
9	Baglung Veterinary	Mr. Atma Ram Sharma	Hatiya, Galkot	9747600598
10	Poudel veterinary	Mr. Baburam Poudel	Baglung Bazar	9857622339
11	Dhaulagiri Civil Electrical Mechanical Engineering Pvt. Ltd.	Mr. Bal Bahadur KC	Baglung Bazar	068 – 5202221
12	Shankar Electric Works	Mr. Shankar Shrestha	Baglung bazar	9847671211
13	Department of Cottage and Small Industries	Mr. Pushkar Joshi	Baglung Bazzar	068-520123

Annex II Business Service providers in Myagdi

My-agdi	Tools and Machinery			
S.N	Name of BDS Provider	Address	Contact	Contact Person
1	Myagdi General and Hardware Store	Beni, my-agdi	069-520205	YajjanLal Shakya
2	Dhaulagiri Hardware and Suppliers	Beni, My-agdi	9857640186	Sarita Sherchan
3	Shrestha Grill and Steel Furniture Udhyog	Beni, My-agdi		Sadhana Shrestha
4				
Training and Skill Development				
S.N	Name of BDS Provider	Address	Contact	Contact Person
1				
2	Nilgiri Cow Farming Committee	Shikha, My-agdi	9846102877	Mr Govinda Khadka
3	SANGAM	Beni, My-agdi	9858025256	Mr Ganesh Dhakal
4	New Dhaulagiri Krishi Sewa	Beni, My-agdi	069-520758	Mr Yam Bdr KC
5	Beni Poultry Suppliers	Beni, My-agdi	9857640495	Mr Ramesh Khanal
6	Myagdi Chamber of Commerce and Industries	Beni, My-agdi	9847624446	Mr. Dilip Pun
7	DCRDC	Beni, My-agdi	069-520519	Mr. Yamnath Sharma
8	District Energy and Environment Unit	Beni, My-agdi	9841729913	Mr Ranjan
9	District Livestock Service Office	Beni, My-agdi		Mr Dayadatta Chapagain
11	District Forest Office	Beni, My-agdi	9867609892	Mr Nepali Shah
12	Dhaulagiri Technical School	Lete, Mustang	9846582010	Mr. Arjun Khatri
Repair and Maintenance				

Exploring Local and District level Organizations/ Firms providing Business Development
Services required by MSMEs

S.N	Name of BDS Provider	Address	Contact	Contact Person
1	Khatri Electric and Electronics workshop	Beni, My-agdi	9857640398	Krishna Bahadur Khatri
2	Global Computer Point	Beni, My-agdi		Hari KC
Sector	Poultry and Agrovet			
S.N	Name of BDS Provider	Address	Contact	Contact Person
1	Sapkota Veterinary Medicine Suppliers	Beni, My-agdi	9847642921	Tek Prasad sapkota
2	Myagdi kali Poultry house	Beni, My-agdi	9847642921	Tek Prasad sapkota
3	Beni Poultry Suppliers	Beni, My-agdi	9857640072	Ramhari K.C.
4	Beni Poultry Suppliers (2)	Beni, My-agdi	9857640495	Mr Ramesh Khanal
Sector	Generic			
S.N	Name of BDS Provider	Address	Contact	Contact Person
1	New Narayani Suppliers	Beni, My-agdi	-	Dhirendra Shrestha
2	Myagdi General and Hardware Store	Beni, My-agdi	069-520205	YajjanLal Shakya
3	Dhaulagiri Hardware and Suppliers	Beni, My-agdi	9857640186	Sarita Sherchan
4	Graphics Computer Centre	Beni, My-agdi	069-520433	Mohan Bahadur khatri
5	Chandani Metal Udhyog	Beni, My-agdi	9857640062	Rajkumar Shrestha
6	Mount Dhaulagiri Construction and Crusher Udhyog	Beni, My-agdi	-	
7	B-Tech Computer House Pvt. Ltd.	Beni, My-agdi	069-520726	Dhruba Karki

Exploring Local and District level Organizations/ Firms providing Business Development
Services required by MSMEs

8	Beni Poultry Suppliers	Beni, My- agdi	9857640 072	Ramhari K.C.
9	Sector Computer Centre	Beni, My- agdi	-	Devi Prasad Sharma
10	Dhungana Electronics Centre	Beni, My- agdi	069- 520496	Yam Kumari KC
11	Myagdi Kali Sanchar Sahakari Sanstha Ltd.	Beni, My- agdi	9847651 782	Dhruba Subedi
12	Sangam Electronics	Beni, My- agdi	069- 520232	Suyog Shrestha
13	Tridev Metal Udhyog	Beni, My- agdi	9857640 061	Laxmikumari KC
14	Global Computer Point (repairing too)	Beni, My- agdi	-	Hari KC
15	Balchandra Furniture Udhyog	Beni, My- agdi	069- 520617	Balkrishna Sub- edi
16	Khatri Electric and Electronics workshop	Beni, My- agdi	9857640 398	Krishna Bahadur Khatri
17	Shrestha Grill and Steel Furniture Udhyog	Beni, My- agdi	069- 520255	Sadhana Shrestha
18	CSIDB	Myadgi	9849442 919	Praveen Basnet

Annex III Business Service Providers in Kaski Districts

Sector	Tools and Machinery			
Sn	Name of BDS Provider	Address	Contact	Contact Person
1	Bhanu Machinery	Sabha Griha Chowk	061-551255, 534934	Pushpa Raj Koirala
2	Machhapuchhre Metal and Machinery Pvt. Ltd.	Shrijana Chwok	061-520605, 530606	
3	Shuv Pokhara Machinery Tools	Sabha Griha Chowk	061-530252	
4	Gautam Machinery Tools		061-522245, 525673	
Sector	Training and Skill Development			
Sn	Name of BDS Provider	Address	Contact	Contact Person
1	Cottage and Small Scale Industry	Shahid Chowk	9846050196	Nandalal Paudel, industry Officer
2	Pokhara Chmber of Commerce and Industry	Gaira Patan	061-520264, 522264	Narayan Koirala, sec. gen.
3	LIBIRD	Gaira Patan	061-535357, 526834	Programme Director
4	MEDEP	Prithvi Chowk	9847631165	Ms Dhan Maya Kisan
5	Pokhara Engineering College	Phirke	061-528530	
6	Pokhara Industrial Distict		061-540285	
7	Pokhara Technical Training Center	Rani pauwa	061-527930, 530990	
8	Regional Agricultural Research Center	Lumle, Kaski	061-622174	R.C. Adhikari
9	District Energy and Environment Office, Kaski	Shahid Chowk, Pokhara	9846128094	Mr. Arjun B. Neupane
	Repair and Maintenance			

Exploring Local and District level Organizations/ Firms providing Business Development
Services required by MSMEs

Sn	Name of BDS Provider	Address	Contact	Contact Person
1	Multiservices	Matepani	985603203 6	Narayan Adhikari
2	Bishwakarma Electricals	New Road		
Sector	Poultry and Agrovet			
Sn	Name of BDS Provider	Address	Contact	Contact Person
1	Baral Feed Industries	pardi	061- 521024, 535545	
2	Bhagat Feed Industries and Panchakanya Hatchery		061-525992	
3	Bigyan Feed Industries		061-521664	
4	Sundar Feed and Hatchery		061- 520552, 520553	
Sector	Internet			
S.N	Name of BDS Provider	Address	Contact	Contact Person
1	CyberWorld	Lakeside	061-524618	
2	Fewa Net Pvt. Ltd	Mahendra Pul	061- 536090, 531548	
3	Pokhara Internet Pvt. Ltd.	Gaira Patan	061- 540188	

Annex IV Business Service providers in Gorkha Districts

District: Gorkha				
	Tools and Machinery			
S.N	Name of BDS Provider	Address	Contact	Contact Person
1	Manakamana Motor Parts and Mill Machinery	Haramtari-3	064-420598, 9846158508	Ram Basnet
2	Gorakhnath Metal Works	Haramtari-3	064-420449	Shiva Kumar Shrestha
3	Himali Engineering and Metal Suppliers	Haramtari	064-420265	Ram Swaroop Shrestha
4	District Cooperative Association	Haramtari-3	9846127622	Baburam Koirala
	Agriculture			
S.N	Name of BDS Provider	Address	Contact	Contact Person
1	Shiva Kirana pasal and masala mill	Nayabazar-1	9846475165	Shiva Gupta
	Others			
S.N	Name of BDS Provider	Address	Contact	Contact person
1	Kattel Electronics	Buspark-1	064-420581	Rishiram Kattel
2	Sitaram Bag Factory	Haramtari-3	9846255507	Sitaram Nepali
3	Rubi printing Press	Haramtari-3	9856027375	RusBabu Joshi
4	Solar Pasal	Haramtari-3	9846125900	Shravan Kumar Shrestha

Annex V Enterprise Listing

1. Enterprises Listed by DCRDC office

SN	Enterprise Type	
1	Huller/Grinder/expeller/Seller	6
2	Huller/grinder	115
3	Grinder	25
4	Grinder/mechanical	4
5	Furniture Udhyog	27
6	Poultry Forms	99
7	Hand made Paper Udhyog	2
8	Computer Training Centres	9
9	Block Udhyog	3
10	Bakery Udhyog	6
11	Photocopy Centre	1
12	Grill Udhyog	6
13	Highvision Hall	2
14	Offset Press	1
15	Cable Network	7
16	Telephone Tower	5
17	Milk Diary	2
18	Improving Aaran Udyog	1
19	Community Radio	3
20	Jadibuti Collection	1
21	Photo Studio/Colour Lab	3
22	Hotel/Lodge	66
23	Tile Udhyog	1
24	Fresh house	2
25	Crosser Udhyog	1
26	Herbal chiuri soap Udhyog	1
27	Mahuri Ghar Udhyog	1
28	Chowmein	3
29	Copy Udhyog	1
30	Masala Udhyog	1
31	Electronics repair centre	1
	Total	406

Additional, Gulmi – 8, Palpa – 24, Syangja – 21; Subtotal = 53

Exploring Local and District level Organizations/ Firms providing Business Development
Services required by MSMEs

2. Enterprise Listed in Gorkha by RESDTN, Tanahun Office

S.N	Name of Project	Project Location	Existing Enduse
		VDC	
1	Aarkhet khola II	Aarubang	Agro-processing mill (2)
2	Saha khola	Saurpani	Poultry Farm (2), Agroprocessing mill
3	Helme khola	Simjung	Agroprocessing mill
4	Ghatte khola III	Barpak	Poultry Farm (6), Agroprocessing mill (5), Bakery, saw mill (2), Radio- repairing centre, High vision hall (2), Metal workshop (2), Mobile repairing centre, Photo Studio, stone Cutting Machine (3), Cable network, Telecom Tower, Computer cyber,
5	Hundi REHAB	Takukot	Oil expeller, Agro-processing mill (2), Photocopy machine, Health Centre(X-ray), Poultry farm
6	Sota khola	Muchowk	Agro- processing mill (2), Hospital, IME, Bank (2), Computer Institute (2), Masala Udhog, Furniture
7	Jhyalla khola II	Muchowk	Agro-processing mill (4), Saw-mill
8	Chotte khola	Manbu	Agro-processing mill (3), Furniture (2), Computer
9	Sum khola	Ghyachowk	Furniture, Grinder(2), Agro-processing mill
10	Andhari khola	Kharibot	No end uses
11	Lilli khola	Kharibot	Agro-processing mill(4), Furniture udhyog
12	Sandhi Khola	Ghyachowk	No end uses
13	Jhyalla khola	Muchowk	Furniture udhyog (4), Agro-processing mill (3), Poultry farm (4), School
14	Andheri khola	Hamsapur	Agro-processing mill (2)
15	Kapre khola	Hamsapur	Agro-processing mill (2)

Exploring Local and District level Organizations/ Firms providing Business Development Services required by MSMEs

16	Andhari Khola DD	Simjung	Furniture , Computer institute (2), Poultry farm (2), Electronics shop
17	Kol khola	Aruarban g	No enduses
18	Samdo khola	Sama-gaun	No Enduse
19	Singla khola	Gumda	No Enduse
20	Chha-hare khola	Saurpani	Agro-processing mill, Furniture industry
21	Bairang khola	Lho	Scarcity of power
22	Nanko-hang Khola	Laprak	Interested
23	Andhari Khola I	Hansapur	Agro-processing mill, Furniture industry

*Information received from RESDTN, Tanahun Office.

3. Enterprise Listing in Kaski

1. Micro hydro Installation by Financial Support from ACAP and Community Mobilization, Beneficiaries and Enterprises.

S.N	Location	Nos.	Capacity	Installed Year	Beneficiaries
1	Ghandruk Village Ward No 3	1	50 k Watt	1992	300 Hhs and 30 Hotels
2	Ghandruk Ward No 9 Chhomorng	1	30 k Watt	2000	52 Hhs and 15 Hotels
3	Dangshing VDC Ward no 9 Tikhedunga I Phase	1	40 k Watt	1997	90 Hhs and 12 Hotels
4	Dangshing VDC Ward no 9 Tikhedunga II Phase (ulleri Micro hudro)	1	40 k Watt	2000	142 Hhs and 7 Hotels

Exploring Local and District level Organizations/ Firms providing Business Development
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5	Lumle VDC Ward no 6.Landruk	1	35 k Watt	2001	105 Hhs 12 Ho- tels and 1 huller mill
6	Sardikhola VDC Ward no .. Ghal- ekharka	1	18 k Watt	1996	161 Hhs and 1 Hotels
7	Parche VDC Ward no 9 sikles	1	100 k Watt	1994	55 Hhs , 3 Hotels and 4 Hullers mills
8	Parcha VDC ward no 1 soudha	1	15.3 k Watt	2007	52 Hhs
9	Namarjung VDC ward no -7 Tang- ting	1	27 k Watt	1996	200 Hhs
Total		9	355.3 k Watt		1653 Hhs and 68 Hotels , 5 Mills

2. Micro hydro Installation by Community with Financial Support from ACAP and AEPC,

S.N	Location	No	Capac- ity	In- stalled Year	Beneficiaries
1.	Ghandruk VDC Ward No 9 Chhomorng(Ghatte Khola II)	1	15 k Watt	B.S 059	90 HHs and 5 Ho- tels
2	Ghandruk VDC Ward No 9 Chhomorng(Ghatte Khola III)	1	25 k Watt	B.S 062	110 HHs and 7 Hotels
3	Lumle VDC Ward no7. Bhichuk	1	15 k Watt	B.s 062	115 HHs
4	Rivan VDC ward no Saidighatta	1	44 k Watt	B.s 062	
Total		4	99 k Watt		

3. Micro hydro Installation by Community with Financial Support from ACAP and End Use

S.N	Location	Nos	Capacity	In- stalled Year	Beneficiaries
1.	Ghandruk VDC Ward No 8 melache	1	7 k Watt	B.S 057	115 Hhs and 10 Hotels
2.	Ghandruk VDC Ward No 9 Ghurjung	1	6 k Watt	B.S 058	Not available

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3.	Ghandruk VDC Ward No 1 Tikhyan Chhomorn(Ghatte Khola II)	1	5 k Watt	B.S 059	Not available
Total		3	18 kW		
Grand total		16	472.3KW		2083Hhs,90hotels &5 mills

4. Enterprises Listed by DEEU Myagdi

The following Enterprises are running on the Scheme of Myagdi:-							
S.n	MH Scheme	Enterprise name	Entrepreneure	VDC	Total cost	Situation	Remarks
1	Dara Khola II	Photo studio	Gyan Bahadur Paija	Lulang-5,Lamsung	10,000	Not Running	MH is under rehab
2	Dara Khola II	Saw Mill	Som Bahadur BK	Lulang-5,Lamsung	50000	Not Running	MH is under rehab
3	Darjung Khola	General store	Krishna Devi Kandel	Okharbot-9 Losaribang	10000	Running	
4	Darjung Khola	General store	Dadhilal Kandel	Okharbot-9 Losaribang	10000	Running	
5	Darjung Khola	Electric shop	Tam Bdr Gharti Magar	Okharbot-3 Chiuribot	10,000	Running	
6	Darjung Khola	Goat farming	Kabiraj Gharti Magar	Okharbot-3 Chiuribot	10000	Running	
7	Darjung Khola	Bakery Udhyog	Jhakendra Pun	Okharbot-4	65,000	Running	
8	Sanim Khola	Internet for school	Kisani Higher Secen.	Bima		Running	
9	Bagar Khola	Bakery Udhyog	Chini maya Pun	Chimkhola		Running	
10	Bagar Khola	Bamboo craft				Running	

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11	Bagar Khola	Agro-processing mill					Running	
12	Bagar Khola	Photo studio					Running	
13	Dara Khola	Poultry farm	Dhan Bdr Bhandari	Muna-1,Faliyagaun	25000		Running	
14	Dara Khola	Agro-processing mill	Resham Bhandari	Muna-1,Faliyagaun	70000		Running	
15	Dara Khola	Bakery Udyog	Krishna Bdr Pun	Muna-1,Faliyagaun	20,000		Running	

The following Enterprises are running on the Scheme of Ruma Khola MHVEP (51Kw), Myagdi:-

S.n	MH Scheme	Enterprise name	Entrepreneur	VDC	Self invest	Other	Total cost	Situation	Remarks
1	Ruma khola MHVEP	Agro-processing mill	Kul Bd. Buda	Ruma-9 Dada	30,000	50,000	80,000	Running	
2	Ruma khola MHVEP	Shole Herb Pvt.Ltd.(Nepali Paper Udyog)	Hom Lal Pun	Ruma-9 Adhimara		5,000	5,000	Running	Running in Share
3	Ruma khola MHVEP	Furniture Udyog	Bharat Lal Dagami	Okharbot-1 Phulbari		4,000	4,000	Running	Running in Share
4	Ruma khola MHVEP	Kali Cable	Laxmi Dagami	Okharbot-1 Phulbari		3,900	3,900	Running	Running in Share

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5	Rumakhola MHVEP	Poultry farming	Lal man B.K.	Okharbot-1 Phulbari	30,000	5,000	35,000	Running	
6	Rumakhola MHVEP	Agro-processing mill	Bhairav Bd. Pun	Niskot-2 Basbot	1,10,000		1,10,000	Running	
7	Rumakhola MHVEP	Agro-processing mill	Ganga Bd. Pun	Niskot-9 Gaun	70,000		70,000	Running	
8	Rumakhola MHVEP	Furniture Udyog	Yam Bd. Patel	Niskot-2 Basbot	2,00,000	1,00,000	3,00,000	Running	
9	Rumakhola MHVEP	Bakary Udyog	Dev Bd. Buda	Devisthan-9 Thapachaur	60,000		60,000	Running	
10	Rumakhola MHVEP	Bakary Udyog	Om Bd. Pun	Darbang-1 Darbang	1,00,000	50,000	1,50,000	Running	
11	Rumakhola MHVEP	Darbang Cable	Bikal Karki	Darbang-1 Darbang		2,90,000	2,90,000	Running	Running in Share
12	Rumakhola MHVEP	Computer Center	Laxmi Subedi	Darbang-1 Darbang	2,00,000		2,00,000	Running	
13	Rumakhola MHVEP	Milk Dairy	Krishna Acharya	Darbang-1 Darbang	3,00,000		3,00,000	Running	
14	Rumakhola MHVEP	Computer Center	Kisan Buda	Darbang-1 Darbang	1,00,000	50,000	1,50,000	Running	
15	Rumakhola MHVEP	Computer, Phone, Fax	Nilgiri Bikas Bank	Darbang-1 Darbang	90,000		90,000	Running	Running in Share

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16	Rumakhola MHVEP	Computer, Phone, Fax	Western Myagdi Co-operative Institution Ltd.	Darbang-1 Darbang	1,10,000		1,10,000	Running	Running in Share
17	Rumakhola MHVEP	Block Udyog	Kisan B.K.	Darbang-1 Darbang	2,00,000	70,000	2,70,000	Running	
18	Rumakhola MHVEP	Computer, Phone, Fax	Darbang Co-operative Institution Ltd.	Darbang-1 Darbang	90,000		90,000	Running	Running in Share
19	Rumakhola MHVEP	Furniture Udyog	Shom Bd. B.K	Darbang-1 Darbang	3,00,000	1,00,000	4,00,000	Running	
20	Rumakhola MHVEP	Agro-processing mill	Shree Purkha Buda	Darbang-1 Darbang	1,50,000		1,50,000	Running	
21	Rumakhola MHVEP	High Vision Hall	Prem Bd. Buda	Darbang-1 Darbang	2,00,000	3,00,000	5,00,000	Running	
22	Rumakhola MHVEP	Poultry farming	Khim Bd. Khatri	Darbang-2	2,00,000	50,000	2,50,000	Running	
23	Rumakhola MHVEP	Block Udyog	Jayashowar Subedi	Darbang-2	2,00,000	50,000	2,50,000	Running	
24	Rumakhola MHVEP	Grill Udyog	Bil Bd. Gharti	Darbang-1 Darbang	2,00,000	1,50,000	3,50,000	Running	
25	Rumakhola MHVEP	Computer center	K.B. Academy School	Darbang-2	1,60,000		1,60,000	Running	Running in Share
26	Rumakhola MHVEP	Computer center	Darbang Boarding School	Darbang-1 Darbang	90,000		90,000	Running	

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27	Ruma khola MHVEP	Iron for clothes	Iron Tailoring Center	Darbang-1 Darbang	60,000		60,000	Running	
28	Ruma khola MHVEP	Freeze	26 HHs	Darbang-1 and 2	5,20,000		5,20,000	Running	26 in no. and 20,000/ freeze
29	Ruma khola MHVEP	Photo Studio	Khadga Bd. Chantyal	Phulbari-1	70,000		70,000	Running	
30	Ruma khola MHVEP	Computer center	Kisan B.K.	Darbang-2	1,50,000		1,50,000	Running	

ANNEX VI Name of the stakeholders/organizations visited

Name of the stakeholders/organizations visited

S.N	Name of the stakeholders	Contact Person	Address	Contact No
1	Nilgiri Cow Farming Committee	Mr Govinda Khadka	Ghaara, Myagdi	9846102877
2.	SANGAM	Mr Ganesh Dhakal	Myagdi	9858025256
3	New Dhaulagiri Krishi Sewa	Mr Yam Bdr KC	Beni, Myagdi	069-520758
4	Beni Poultry Suppliers	Mr Ramesh Khanal	Beni, Myagdi	9857640495
5	Myagdi Chamber of Commerce and Industries	Mr. Dilip Pun	Beni, Myagdi	9847624446
6	DCRDC office Myagdi	Mr. Yamnath Sharma	Beni, Myagdi	069-520519
7	District Energy and Environment Unit	Mr Ranjan	Beni, Myagdi	9841729913
8	District Livestock Service Office	Mr Dayadatta Chapagain	Beni, Myagdi	
9	District Forest Office	Mr Nepali Shah	Beni, Myagdi	9867609892
10	Sapkota Vet Suppliers	Mr. Ganesh G.C	Beni, Myagdi	9847642921
11	Nilgiri Bikash Bank	Mr. Kamal Dhangana	Beni, Myagdi	9847650306
12	Dhungana Electricals	Mr. Dinesh Dhungana	Beni, Myagdi	9857640084
13	DCRDC office Baglung	Mr. Balaram Gautam	Upallachaur, Baglung	9857623225

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14	Baglung Chamber of Commerce and Industries	Mr Jayaram Bhari	Beni, Baglung	9857621197
15	Prabhu Vikas bank	Mr Uttam Raj Bhandary	Baglung	
16	District Livestock Service Office	Mr Nilkantha Sharma	Baglung	9746700573
17	SANGAM, Balgung	Mr Ram C Subedi	Baglung	9847621625
18	Pokhara Chamber of Commerce and Industries	Narayan Koirala, sec. gen.	Pokhara	061-520264, 522264
19	LI-BIRD	Dr. Pursottam Chaudhary	Pokhara	061-535357, 526834
20	MEDEP, APSO Kaski	Ms Dhan Maya Kisan	Pokhara	9847631165
21	District Energy and Environment Office, Kaski	Mr. Arjun B. Neupane	Pokhara	9846128094
22	Bhanu Machinery	Mr. Pushpa Raj Koirala	Shabhagriha Chowk, Pokhara	061-551255, 534934
23	Cottage and Small Industries Office	Mr. Ramesh Raj Regmi	Mangalaghat, Myagdi	
24	Green Development Bank	Mr. Prakash Shrestha, CEO	Baglung Bazar	068- 522865, 52266
25	Himali Engineering and Metal Suppliers	Mr. Ram Sworup Shrestha	Haramtari-3, Gorkha	064- 420265
26	DEEU Gorkha	Mr. Mahabharat Byas Shrestha	Haramtari, Gorkha	064-421412

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27	Gorkha Ayurvedic Pvt. Ltd.	Mr. Arjun Aryal	Haramtari, Gorkha	064- 420170
28	Manakamana Motor Parts and Mill Machinery	Mr. Ram Basnet	Haramtari-3	064-420598, 9846158508
29	Gorakhnath Metal Works	Mr. Shiva Kumar Shrestha	Haramtari, Gorkha	064-420449

ANNEX VII: Field Visit Details

Field Location: Gorkha District

Travel Details				
Day	From	To	Agency Visited	Remarks
Day 1	Kathmandu	Gorkha	Himali Engineering, Gorkha Ayurved, etc	Travel and field visit
Day 2	Gorkha	Bhaluswara, Chanaute	Travel only	Field Visit
Day 3	Chanaute	Dhodeni	Swara juice mill, rice mill, hydro power	Field Visit
Day 4	Swara	Sourpani	Rice mill, electric shop, and so on	Field Visit
Day 5	Baluwa	Dhodeni, Gorkha	Travel Only	Travel
Day 6	Gorkha	Gorkha	GCCI and others	Field Visit
Day 7	Gorkha	Kathmandu	Travel only	Travel

Field Location: Baglung, Kharbang, Burtibang

Travel Details				
Day	From	To	Agency Visited	Remarks
Day 1	Kathmandu	pokhara	Travel only	Travel only
Day 2	Pokhara	Baglung	DCRDC visit	Field Visit
Day 3	Baglung	kharbang	Travel only	Travel only
Day 4	Kharbang	Kharbang	visit enterprises and BDS provider	Field Visit

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Day 5	Kharbang	Kharbang	Visit enterprises and BDS provider	Field Visit
Day 6	kharbang	Burtibang	BDS provider /enterprises	Field Visit
Day 7	Burtibang	Burtibang	Visit enterprises and BDS provider	Travel
Day 8	Burtibang	Burtibang	visit enterprises and BDS provider	Field Visit
Day 9	Burtibang	Baglung	Gharelu udhyog, BDS provider	Travel
Day 10	Baglung	Kath- mandu	Travel	Travel

Field Location: Myagdi and Pokhara

Day	From	To	Agency Visited	Remarks
Day 1	Baglung	Beni	Gharelu udhyog, BCCI and energy office	Field Visit
Day 2	Beni	Durbang	Travel only	
Day 3	Durbang	Ruma khola mycro Hydro station	visit micro hydro and other enterprises	Field visit
Day 4	Durbang	Beni	BDS provider	Field Visit
Day 5	Beni	Pokhara	Travel	Travel

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Day 6	Pokhara	Pokhara	Gharelu tatha sana udhyog office, Municipality office, Udhyog banigya sang office	Field visit
Day 7	Pokhara	Pokhara	visited various industries in different places in pokhara city	Field Visit
Day 8	Pokhara	Kathmandu	Travel	Travel only

Expert Field Visit: For Stakeholder Meeting

Field Location: Baglung, Myagdi, Pokhara

Day	Travel Date	from	to	Agency Vis-ited	Remarks
1	7/10/2070	ktm	pokhara	Travel	Team Meeting
2	7/11/2070	pokhara	Beni	Travel	Travel
3	7/12/2070	Beni	Baglung	SANGAM, MCCI, and others	BDS provider visit
4	7/13/2070	Baglung	pokhara	DCRDC, and others	BDS Provider visit
5	7/14/2070	pokhara	pokhara	Travel	Travel
6	7/15/2070	pokhara	pokhara	LIBIRD, PCCI and others	BDS provider visit
7	7/16/2070	pokhara	ktm	Travel	Travel

ANNEX VIII Assessment Format (Survey Questionnaire)

General factual information of Business Development Service Providers			
Name of the interviewer:			
Name of the Organization:			
Contact person in the organization:			
Address:			
Telephone number:			
Email:			
Type of organization:	Government <input type="checkbox"/>	Private Sector (including producer organizations)	Civil Society (including NGOs) <input type="checkbox"/>
	Micro <input type="checkbox"/>	Meso <input type="checkbox"/>	Macro <input type="checkbox"/>
	BDS Provider? YES(<input type="checkbox"/>) NO(<input type="checkbox"/>)		
Impact area to which the organization contributes:	AIM 1: BDS for Micro hydro installation, maintenance and mentoring <input type="checkbox"/>	AIM 2: BDS for Productive End Use/ MSMEs (<input type="checkbox"/>)	

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Basic service/value chain	
Previous contacts with AEPC	<i>Mention AEPC team member who have had contact with the organization before and concerning which the subject areas</i>
BDS Assessment Demand Side (Client reference) and Supply Side (BDS Provider reference)	
Demand Assessment / hypothesis: (This provides the information on demand aspect of BDS services that service provider is providing, eg. Response of farmers/ groups/ MSMEs on service delivery etc.)	<p>Generic Questionnaire can be:</p> <ul style="list-style-type: none"> ▪ What services do enterprises demand? ▪ Which types of enterprises demand what kind of services? ▪ What is capacity of service providers to provide the services? ▪ What problems are constraining for various BDS market? ▪ What is the availability of the service providers in market? ▪ How can be the services available in the sustainable/ commercial way? ▪ What is the attitude of the entrepreneurs towards BDS providers/stakeholders (subsidized/ fee based/ embedded)? <p>Along with this questionnaire for discussion with enterprises and farmers groups will also be discussed:</p>
Supply Assessment/ hypothesis (This provides the information on what are the constraints of Business Service providers while providing the services)	<p>Generic questionnaire can be:</p> <ul style="list-style-type: none"> • To whom you provide the services? • What types of services do you provide to your clients? • How often your clients seek your service? • What constraints do you face in providing services?

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	<ul style="list-style-type: none"> • What are the measures needed to mitigate those constraints? • Have you received any trainings/support to upgrade your capacity? • What type of support do you need to develop your capacity? • How do you foresee this business in terms of sustainability? • Do you think more services are needed to be provided for sustainability and also do you think you have to sale products along? • How do you cover your costs of providing services from your clients? • How many other service providers (private, GO/NGOs to provide the services) are there providing similar services? Get contact info • How do you search new clients? • What will you do if the clients is not able to pay for the services? • How do you get information on what clients want?
<p>Ownership and change for Providing Commercial business services</p>	<p><i>Do you get the impression that there is a strong sense of ownership and a potential and willingness to change for providing commercial business services?</i></p>
<p>Commitment</p>	<p><i>Is the organization committed to develop its capacity development in order to contribute to impact? Are they willing to contribute in kind, financially or otherwise?</i></p>
<p>AEPC/ NRREP/ PEU own ability to add value</p>	<p><i>Is AEPC/ NRREP/ PEU in a position and able to make a difference for this organization either through providing capacity Development?</i></p>

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Issues related to capacity development	
Quantitative information: - Approximate annual budget - Approximate number of staff - Approximate number of members	<i>A rough estimate is sufficient. There is no need to embarrass the organization by requiring details of its financial position.</i>
Other development organizations (international and national) supporting the actor:	
Present performance level quality, efficiency and relevance of their most important products/ services)	<i>A general impression</i>
Potential improvement areas Capacities that need to be developed to enhance performance and achieve greater impact)	<i>What are the potential areas for capacity building of BDS Providers</i>
Conclusion	
Feedback	