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Report on

**Identification of Potential Enterprises in Banke,
Bardiya, Surkhet & Dang Districts**

Prepared for:

**Education for Income Generation in Nepal Program
Winrock International
Sanepa, Lalitpur**

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August 2009

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Acknowledgement

Federation of Nepalese Chambers of Commerce and Industry (FNCCI) as a sub-contractor to Education for Income Generation Program/Winrock International was assigned to undertake a study on “Identification of Potential Enterprises in Banke, Bardiya, Surkhet & Dang Districts”.

The study was conducted by short term consultant and his team by visiting the area. Findings and recommendation contained in this report are based on interview and discussion with many stakeholders, representatives from Chambers/Associations and the Development agencies in the area in both private and public sector. The finding and suggestion included in this report is based on focus group discussion, observation and feedback acquired during approximately 9 days of field study and observation in each location. We are hopeful that this report will provide the EIG Program in Nepal an overview on Potential Enterprises in Rural Areas of Banke, Bardiya, Surkhet & Dang Districts and action required to promote them.

The study was undertaken by Dr. Pitamber Rawal and his associates, under the guidance and backstopping by Govind Dev Pandey, Member/Program Coordinator, Yukta N. Shrestha, Employment Coordinator and the EIG Project team at FNCCI.

EXECUTIVE SUMMARY

This is a micro level study directed towards selected districts and communities. This study addresses a very important issue of identifying potential enterprises for employment creation and thereby contributing to income generation and socio economic upliftment of the area.

The present study covers the four districts of Mid-Western Development Region, namely, Banke, Bardia, Dang and Surkhet.

The main objective of the study is to promote employment of youth in the four districts. The methodology uses both the secondary and primary information. Considering the level of development based on the HDI ranking, all the four survey districts fall within 25 to 35 range out of 75 districts. However, the industrial development in all these districts is yet to pick up. Agriculture is the mainstay of the population. Even small scale enterprises are mostly limited to the areas in and around the urban centers. Household level cottage industries fare no better. The household level enterprises mostly cater to the limited number of clients within the periphery of their establishments.

Local natural resources and stage of infrastructure development in the study area is limited and so is the prospect for large scale enterprises development in the immediate future. During the FGDs a broad indication about the feasible and promotable enterprises was arrived. This is provided in the Annex V herewith. There are also possibility of some larger enterprises and mega construction, hydro power projects, and which throws open opportunity for ancillary small and micro enterprises once they get materialized or go into construction.

The informal enterprises are rampant in the districts under reference and are found to survive as livelihood activities. More popular among them are farm and agro-based, tailoring, handicrafts and household utilitarian goods.

The present analysis shows a general picture of the potential enterprises in the respective districts visited at present. Once the availability of infrastructure, general environment and facilities are pro-enterprising, or a bigger construction and infrastructure project is implemented, the scope for enterprises gets enlarged.

Promotion of micro and small enterprises would need support and assistance for providing technical skill, management know how, access to finance and market in an around the location.

Some organizations/institutions in the districts are providing assistance and support activities towards promoting small enterprises. These are district based Government's Cottage Industry Offices, local Chambers/Business Associations and program/projects undertaking activities in promoting the overall development of the enterprises and

industries. Information in Annex III gives an insight to the broad involvement of different stakeholders for development of these potential enterprises.

There are enterprises and/or skills have been identified which call for introduction of new technology and skill training arrangements. Stone cutting skill and herb processing technology are two of the cases of interest. The Indian stone cutters hired for cutting stones in different shapes and sizes have not been found to be transferring their skills to the local workers. Therefore, the local entrepreneurs engaged in precious stone business have no alternative other than hiring Indian labor at a high cost. Similarly, the herb processing technology has not caught up in the herb producing areas leading to export of unprocessed herb. Much seems to have been said about this but no effective effort seems to have been directed toward introducing herb processing technology into the area to promote these botanical herb based enterprises.

The different enterprises identified by the study primarily focus on local agro and livestock based enterprises, forest based enterprises, construction materials (brick, pre-stressed concrete tiles and products etc.) based micro household enterprises. The EIG program should focus on these micro and smaller ones which has potentiality to involve the targeted groups of the program.

For promoting these micro and smaller scale and informal enterprises certain basic elements need to be looked into prior to implementation. The potential entrepreneur need to be adequately exposed and trained about elementary managerial tools, provide assistance for business plan development, support for access to finance, technological and marketing assistance and post start up counseling in coordination and facilitation with local chambers/FNCCI and local government and non-government support agencies.

From the broad array of identified enterprises it is evident that not all can be done at the same time. An implementation plan should be developed in coordination and collaboration of different stakeholders.

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ACRONYMS

FNCCI	Federation of Nepalese Chambers of Commerce and Industry
GNI	Gross National Income
GNP	Gross National Product
HDI	Human Development Index
MT	Metric Ton
SAARC	South Asian Association for Regional Cooperation
TYIP	Three Year Interim Plan
VDC	Village Development Committee

Identification of Potential Enterprises in Banke, Bardiya, Dang & Surkhet

1. Introduction

This study is the outcome of the task assigned for conducting a Short Investigation on the Identification of Potential Enterprises in Rural Areas of Banke, Bardiya, Surkhet and Dang Districts. All of these districts are located in the Mid-Western Region of Nepal. This is a micro level study directed towards selected districts and communities. This study addresses a very important issue in a small way and will shed light to the important issue of identifying potential enterprises for employment creation and thereby reducing poverty in the country.

1.1. Background

Although this study emphasises on the micro-level situation of the concerned districts, it is difficult to obtain data at district level without resorting to a comprehensive field survey of the subject matter. However, the information available at the macro-level gives an indication of the extent of the issues faced by individual districts. Information on Nepal reveals that the overall development of the mid-western region is lower than that of the other parts of the country. Thus we can conclude that these regions have problems of far greater magnitude than that observed for the whole country.

Employment generation can be achieved only if the economy is growing. For a growing economy, quality manpower is necessary. Providing more jobs has been the objective of any government, more so, in the context of the poverty level of the people of the country. The Nepal Labour Force Survey 2008 just completed reveals very low unemployment, only 2.1 percent in 2008. This is because the majority of households are found to be self employed specifically in the agricultural sector. However, the problem of disguised unemployment is still prevailing. The Nepal Labor Force Survey indicates that the number of people employed with agricultural occupations was at its highest in the rainy season in 2008. The Survey reveals that 30.0 percent of the total current economically active population was underutilized.

The key characteristic of the economy is that it remains largely rural and agriculture based and the difficult terrain of much of the country restricts communications and inhibits development in many difficult to reach areas. More than 80% of the population lives in rural areas and the agricultural sector accounted for almost 35% of the economy in 2007. Nepal remains one of the poorest countries in south Asia and the 12th poorest country in the world, with a per capita GNI in 2006 of \$320. Nepal also has a low Human Development Index (HDI) and is placed 142 out of 177 countries. Between 1995/96 and 2003/04 Nepal made considerable progress in reducing poverty, with a fall in the headcount poverty rate from 42% to 31%. In urban areas poverty declined from 22% to 10% of the population, while in rural areas it declined from 43% to 35%. During this period, poverty rates declined in all development regions and across all ecological belts. This decline in poverty has been accompanied by an increase in

inequality, with the Gini co-efficient increasing from 34.2 to 41.1, although the largest part of the increase in inequality occurred because of the growth of the gap between the “middle class” and the “rich”.

The creation of employment and reduction of poverty largely depends upon the performance of the economy in terms of growth of national income. The performance of the economy in recent years has varied, as may be seen from Table 2.1. Variation in growth in the agricultural sector is largely a matter of susceptibility to weather variability from year to year. Although average growth is higher for non-agriculture there is still considerable variation from year to year among the various subsectors. The subsectors with the most consistent growth in recent years have been transport, construction, storage and communications.

Table 2.1: Key Indicators (2003/04 - 2007/08)

	2003/04	2004/05	2005/06	2006/07	2007/08 ¹⁾
GDP growth (%)	4.4	2.9	4.1	2.6	5.6
GNI growth per capita (%)	2.3	1.7	2.3	1.5	2.8
Population (million)	24.7	25.3	25.9	26.4	27.0
Agriculture sector growth (%)	4.7	3.4	1.7	0.9	5.7
Non-agriculture growth (%)	5.4	2.7	6.0	4.1	5.6

Source: MOF Economic Survey 2007/08

Notes: 1) Estimates

Nepal generally lags behind its south Asian neighbours in most indicators of economic development. Nepal had the lowest average GDP growth rate among SAARC members during the period 2000 to 2007 and its HDI ranking is lower than any other south Asian country except Afghanistan.

The current Three Year Interim Plan (2007/08 – 2009/10) (TYIP) seeks to promote employment oriented, pro-poor and broad based economic growth as well as good governance and effective service delivery. Increasing investment in physical infrastructure is a priority. The target for GDP growth is 5.5% per year, with 3.6% for the agricultural sector and an average of 6.5% for the non-agricultural sectors. The plan also aims to reduce the proportion of the population living below the poverty line to 24%, down from the 31% recorded for 2006/07.

Nepal typically has a trade deficit, with merchandise imports being about two to two and a half times the value of merchandise exports in recent years. This deficit is made up by earnings from tourism, workers’ remittances and inflows of capital and development assistance. The importance of workers’ remittances in the external sector may be noted from

Table 1.2.

Remittances are about 10 times the level of tourism receipts (although these have been depressed by the civil disturbances and have been increasing again in the last year or two) and 4 to 5 times the level of development aid receipts. Remittances are also important at

the local level in communities: the World Bank has estimated that remittances have been the main factor in reducing the poverty rate over the last decade (although exporting labor also has social costs and possibly negative impacts on long term development).

Table 1.2: Balance of Payments (% GDP)

	2003/04	2004/05	2005/06	2006/07	2007/08 ¹⁾
Exports	10.0	10.0	9.2	8.4	7.3
Imports	25.4	25.4	26.6	26.4	27.3
Trade deficit	-15.3	-15.4	-17.4	-18.0	-22.6
Tourism	3.4	1.8	1.5	1.4	2.2
Workers' remittances	10.9	11.1	14.9	13.8	16.5
Foreign loans and grants	3.5	4.0	2.7	3.8	4.1
Current Account Surplus	2.7	2.0	2.2	0.5	0.2

Source: MOF Economic Survey 2007/08

Notes: 1) Estimated

In the given scenario of performance of the economy, creating employment opportunities for the rapidly increasing population is a major problem for a small country like Nepal. Overwhelming majority of the population is still self-employed in the agriculture sector. Employment in other sectors is not very promising. Employment is provided in formal, informal sectors and in recent years foreign employment sector is becoming a major absorber of Nepalese youth. The formal sector is not very developed and consequently employment creation in this sector is very limited.

The informal sector plays a dominant role in the Nepalese economy. Agriculture, which provides employment to the majority of the population, is seasonal in character. Along with agriculture, non-agricultural activities like trading, services, and cottage industries are organized in the informal sector, thus creating a culture to work in the informal sector in the form of self-employment. In many rural areas informal finance has also been introduced in the form of savings and credit groups and chit funds (Dhikuti) in order to cater to the financial needs of the increasing number of entrants to the informal sector.

It is in this background that the present study was conducted for seeking ways and methods of creating employment through promotion of small enterprises conducive to local environment. It is hoped that the outcome of this study will contribute to generate interest for promoting enterprises and thus support to the local population in improving their livelihood.

1.2. Scope of Study

The present study covers enterprises located in the four districts of Mid-Western Nepal. The study is linked to the assessment of the availability of local resources and markets for finished products.

The study covers a target population comprising of business organizations, local entrepreneurs, vocational schools and other stakeholders.

1.3. Objectives

The main objective of the study is to promote employment of youth in the four districts. The specific objectives are to identify:

- local level enterprises;
- problems associated with local level enterprises;
- Potential enterprises.

1.4. Methodology

The methodology consists of identification/collection of both secondary and primary sources of information/data.

1.5. Collection of Secondary information

A review of important studies, reports, and district level information was carried out in order to understand the existing situation of the target areas. The review of secondary information was used for designing the field survey. The review consisted of digging into the district profiles of the respective districts, obtaining information from different and relevant organizations. In the process of review, the “Rapid market Assessment in Selected Districts” prepared by FNCCI, EIG-CM Project Office, July 2008 was also consulted.

1.6. Collection of Primary data

Information and data have been collected from the Field. A survey using appropriate field instruments like check lists for interviews with the stakeholders (business organizations, vocational schools and other business related persons/organizations) and guidelines for Focus Group Discussions were administered. (See Annex 1). The names of the participants of the Focus Group Discussions are provided in Annex 4.

2. The Survey Areas

The survey areas of the present study cover four districts namely Banke, Bardiya, Surkhet and Dang. While Banke and Bardiya lie in the Terai of the mid-west, Surkhet and Dang are located in the mid-mountain and the Siwalik range. These two are sometimes referred to as being located in the inner Terai.

In the following paragraphs a description of the four districts has been presented.

2.1. Banke

The district with a total area of 3235 sq. km is a land mass comprising of the terai (49.2%), inner terai (48.2%) and mid-mountain (2.6%). The district borders with Dang in the east, Salyan in the north, Bardiya in the west and Uttar Pradesh of India in the south. Administratively, Banke district is divided into 46 VDCs and one municipality.

A brief Profile of the district is given in Annex 2.

The total population of the district as per the 2001 census has been estimated to be 287689 people consisting of 49.97 percent male with a household size of about 6. The population growth rate of the district is 3.01.

Table 2.1 Employment of Economically Active Population - Banke

Occupation Groups	No. of Persons	%
Agriculture & Forestry	58387	39.57
Fishery	91	0.06
Minining & Quarrying	230	0.16
Manufacturing & Recycling	18575	12.59
Electricity, Gas & Water Supply	3137	2.13
Construction	11020	7.47
Wholesale & Retail Trade	26464	17.94
Hotels & Restaurants	3661	2.48
Transport, Storage & Communications	4448	3.01
Financial Intermediation	1963	1.33
Real Estate, Renting, & Business Activities	1080	0.73
Public Administration & Social Secutity	8609	5.83
Education	3362	2.28
Health & Social Work	1900	1.29
Other Community, Social & Personal Service	1605	1.09
Private HHs with Employed Persons	1871	1.27
Extra Territorial Organizations & Bodies	517	0.35
Not Stated	627	0.42
Total	147547	100.00

Source: District Profile, CBS, 2009

Of the total population 56 percent is economically active. Of the economically active population about 40 percent are engaged in agriculture and related activities followed by wholesale and retail trade (17.94%). In all the other kinds of jobs the involvement of the local people is low. This is mainly because of the underdeveloped nature of the economy on the one hand and the predominance of Indian skilled labor in jobs seeking specialized workforce like in manufacturing and recycling, electricity, gas and water supply, carpentry, and so on.

The literacy rate for the district is about 58 percent. The schooling level of the population which can read and write, a majority of about 70 percent had only up to secondary level of education. A significant 39 percent had only primary education. Only about 22 percent had higher secondary to post graduate level education. Post graduate level was completed by only 1.2 percent. Skill training institutions virtually do not exist. Skills are generally acquired by working as apprentices.

Table 2.2: Education Status of the Population: Banke

Details	No.	%
Total Population (6 yrs. & above)	323512	100.00
Can Read & Write	187561	57.98
Completed Level of Education		
No Schooling	15656	8.35
Primary (1 - 5)	73599	39.24
Lower Secondary (6 - 7)	34735	18.52
Secondary (8 - 10)	22831	12.17
Sub-total	146821	69.93
SLC & Equivalent	15240	8.13
Certificate Level & Equivalent	15030	8.01
Graduate & Equivalent	8210	4.38
Post Graduate & Equivalent	2260	1.20
Sub-total	40740	21.72
Total	187561	100.00

Source: District Profile, CBS, 2009

2.1.1 Resources

The district is predominantly agriculture based. The land use of the district is given in table 2.3 below.

Table 2.3: Land Use in Banke

	Area (ha)	%	Percent of Land					Total
			Cultivated	Non-cultivate	Grazing	Forest	Others	
Mid Mountain	6137	2.60	15.68	12.30	2.25	69.77	-	100.00
Siwalik	113697	48.18	2.55	0.91	0.04	94.57	1.92	100.00

Terai	116148	49.22	40.92	4.99	2.10	47.69	4.31	100.00
Total	235982	100.00	21.78	3.21	1.11	70.85	3.05	100.00

Source: District Profile, CBS, 2009

Of the total land only 21.78 percent is cultivated with 70.85 percent covered by forest. Apart from the land resources, livestock population in the district is also important. Table 2.4 shows that about 38 percent of the households own land as well as livestock. However, 27 percent of the households are landless and do not own any livestock as well.

Table 2.4: Ownership of Land and Livestock by Households

HHs With	No. of HHs	%
Agricultural Land Only	9142	13.59
Livestock Only	2762	4.11
Poultry Only	389	0.58
Land & Livestock	25550	37.98
Land & Poultry	626	0.93
Livestock & Poultry	724	1.08
Land, Livestock & Poultry	10211	15.18
None	17865	26.56
Total	67269	100.00

Source: District Profile, CBS, 2009

The landless population generally works as hired labor in the agricultural sector and other manual jobs, mainly because

2.1.2 Road and communication links

The East-West Highway passes through the district. At present the road length in the district is 381.41 km. Of the total road length 170.31 km or 44.65 percent is black topped, 23.65 percent (90.2 km) gravel and the remaining 31.7 percent (120.9 km) is earthen. However, most of the villages in the plains of the district can be reached by vehicles during the dry season.

There are currently 8595 telephone connections in the district provided by Nepal Telecommunications through land lines. The telephone line distribution, however, is limited to four market centers of the district, namely, Nepalganj (6449 lines), Kohalpur (1002 lines), Karkando (829 lines) and Khajura (315 lines). However, 39 of the 47 Village Development Committees and Municipalities are connected with telephones of one type or another.

Besides the telephone facility there are other means of communication such as internet and cable television. Two internet providers and 4 cable providers are involved in serving 1848 and 1535 connections respectively in the market centers of the district.

2.1.3 Main market centers

The main market centers of the district are Nepalganj, Kohalpur, Khaskarkando, Khajura, Narainapur, Khaskusma and Chisapani Bazar. The market areas are located between 3 and 62 kilometers from Nepalganj. The nearest being Khaskarkando situated 3 kilometers and the farthest Khaskusma at 62 kilometers from Nepalganj. All the market centers with the exception of Narainapur are connected to Nepalganj by bitumen roads. Kohalpur and Chisapani located in the East-West Highway are rapidly growing in importance.

The market centers are served by 15 banks and cooperatives. Of the 15, four are Development Banks, 8 Commercial Banks, 2 Cooperatives and one Rural Development Bank and three commercial banks are operating in the district.

2.1.4 Level of Development

The district has remained predominantly an agricultural one. The district produces cereal and cash crops. The district produces surplus food availability of which is about 4055 MT.

The Gross Domestic Product of the district was NRs. 7,152 ml. at market prices in 2003 according to the Nepal Human Development Report, 2004. The share of agriculture in the GDP of the district was 36.81 percent which therefore by far the single most contributor. With a population of 385840, the per capita income was about NRs. 18,537 which is slightly higher than the national level of NRs. 17, 722.

Manufacturing, which is an indicator of the level of development of an economy, contributed a meager 7.83 percent to the GDP. Service sectors are relatively more developed in terms of contribution to the total income.

Table 2.5: GDP contribution by Sector

Sector	NRs. In Mln.	% Share
Ag., Fishery & Forestry	2633	36.81
Mining & Quarrying	20	0.28
Manufacturing	560	7.83
Electricity Gas & Water	141	1.97
Construction	472	6.60
Trade Restaurants and Hotel	888	12.42
Transport Communication & Storage	860	12.02
Finance & Real Estate	771	10.78

Community & Social Services	516	7.21
Other	291	4.07
Total	7152	100.00

Source: District Profile, NIDI, 2006

A further comparison of Banke with other districts of the country reveals that in terms of the Human Development Index (HDI) ranking the district is ranked 29 out of 75 districts. And in terms of poverty the district ranks 14.

Hence, it can be concluded that the district is comparatively well developed as compared to other parts of the country. This may be mainly because of its location in the Terai and adjoining India. This provides future prospects of the development of micro-enterprises to increase employment both in the formal and the informal sector. The district has also a fairly large urban and semi-urban population. This provides abundant opportunities for the young population to initiate small business ventures.

2.1.5 Export and Import

It is difficult to estimate qualitatively the export and import of commodities for Banke district. From the information provided by the local sources, a rough picture of export/import pattern of the goods and services for the district can be drawn.

The export from the district consists almost exclusively of primary and non-processed goods. Cereals take up the bulk of the exports of Banke. Rice, maize and wheat are exported to adjoining food deficit districts.

Nepalgunj is the main trading center for the hill and mountain districts of the region. The exports of these districts mostly are transported to Nepalgunj and sold here.

Many consumer items are imported into Banke district from Kathmandu and India. Mostly, consumer items including processed food items, spices, household utensils and accessories, electrical goods, motor vehicles and parts, petroleum products, clothing materials, industrial equipment including rice mills are imported into the district. Hence the consumer items include a wide variety of goods ranging from clothing to electronic manufactures. Fossil fuels are imported for mainly household use and transportation.

2.1.6 Large Projects and existing level of workforce

In most of the under developed countries including Nepal, investment in large projects by the private sector has not been forthcoming as desired. Almost all large projects currently being implemented now or being planned for the future are the result of the public sector efforts.

The situation is not at all different in the district as well. Therefore, it has been expedient to look at the projects that are being conducted through budgetary allocations in the district.

The government in its budgetary allocations covers a wide range of activities and projects to be carried out through the district level offices. The benefits of all the projects or activities do necessarily benefit the population directly. Some of the project types which generate employment are concerned with road construction, road repair and maintenance, irrigation, water supply and sanitation etc. projects. Some specific bigger projects in the district are Fultegra-Belhani-Hulia Road, bridge over the Rapti on Nepalganj-Gauda Rorad, Sikta Irrigation Project, Dillichaur Water Supply and Sanitation Project, Bankatua Water Supply and Sanitation Project, Karkando Water Supply and Sanitation Project, Education for all and other projects and activities.

2.2. Bardiya

The district with a total area of 2025 sq. km is a land mass comprising of the terai (68.76%) and inner terai (31.24%). The district borders with Banke in the east, Surkhet and Salyan in the north, Kailali in the west and Uttar Pradesh of India in the south. Administratively, Bardiya district is divided into 31 VDCs and one municipality. A brief Profile of the district is given in Annex 2.

The total population of the district as per the 2001 census has been estimated to be 382649 people consisting of 50.35 percent male with a household size of about 6.42. The population growth rate of the district is 2.76.

Table 2.6: Employment of Economically Active Population - Bardiya

Occupation Groups	No. of Persons	%
Agriculture & Forestry	104358	65.72
Fishery	80	0.05
Minining & Quarrying	139	0.09
Manufacturing & Recycling	11607	7.31
Electricity, Gas & Water Supply	2185	1.38
Construction	9231	5.81
Wholesale & Retail Trade	14030	8.84
Hotels & Restaurants	936	0.59
Transport, Storage & Communications	1275	0.80
Financial Intermediation	357	0.22
Real Estate, Renting, & Business Activities	470	0.30
Public Administration & Social Security	3741	2.36
Education	1985	1.25
Health & Social Work	644	0.41
Other Community, Social & Personal Service	1081	0.68
Private HHs with Employed Persons	5470	3.44
Extra Territorial Organizations & Bodies	1060	0.67

Not Stated	140	0.09
Total	158789	100.00

Source: District Profile, CBS, 2009

Of the total population, 45 percent is economically active. Of the economically active population about 66 percent are engaged in agriculture and related activities followed by wholesale and retail trade (8.84 %). In all the other kinds of jobs the involvement of the local people is low. This is mainly because of the underdeveloped nature of the economy on the one hand and the predominance of Indian skilled labor in jobs seeking specialized workforce like in manufacturing and recycling.

The literacy rate for the district is about 44 percent. The schooling level of the population which can read and write, a majority of about 80 percent had only up to secondary level of education. A significant 51 percent had only primary education. Only about 9 percent had higher secondary to post graduate level education. Post graduate level was completed by only 0.21 percent.

Table 2.7: Education Status of the Population: Banke

Details	No.	%
Total Population (6 yrs. & above)	321693	100.00
Can Read & Write	141872	44.10
Completed Level of Education		
No Schooling	15918	11.22
Primary (1 - 5)	72464	51.08
Lower Secondary (6 - 7)	26630	18.77
Secondary (8 - 10)	13753	9.69
Sub-total	128765	79.54
SLC & Equivalent	7073	4.99
Certificate Level & Equivalent	3943	2.78
Graduate & Equivalent	1793	1.26
Post Graduate & Equivalent	298	0.21
Sub-total	13107	9.24
Total	141872	100.00

Source: District Profile, CBS, 2009

2.2.1 Resources

The district is predominantly agriculture based. The land use of the district is given in table 2.8 below.

Table 2.8: Land use: Bardiya

	Area (ha)	%	Percent of Land					Total
			Cultivated	Non-cultivate	Grazing	Forest	Others	
Mid Mountain	-	-	-	-	-	-	-	-
Siwalik	63580	31.24	2.55	0.91	0.04	94.57	1.92	100.00
Terai	139973	68.76	40.92	4.99	2.10	47.69	4.31	100.00
Total	203553	100.00	27.00	3.42	1.42	62.73	5.42	100.00

Source: District Profile, CBS, 2009

Of the total land only 27 percent is cultivated with 62.73 percent covered by forest. Apart from the land resources, livestock population in the district is also important. The table 2.9 shows that about 21 percent of the households own land as well as livestock. However, 11.31 percent of the households are landless and do not own any livestock as well.

Table 2.9: Ownership of Land and Livestock by Households

HHs With	No. of HHs	%
Agricultural Land Only	5345	8.97
Livestock Only	1616	2.71
Poultry Only	1110	1.86
Land & Livestock	12618	21.18
Land & Poultry	1619	2.72
Livestock & Poultry	3073	5.16
Land, Livestock & Poultry	27448	46.08
None	6740	11.31
Total	59569	100.00

Source: District Profile, CBS, 2009

2.2.2 Road and communication links

The East-West Highway passes through the district. At present the road length in the district is 304.02 km. Of the total road length 115.71 km or 38.06 percent is black topped, 31.45 percent (95.61 km) gravel and the remaining 30.49 percent (92.7 km) is earthen. However, most of the villages in the plains of the district can be reached by vehicles during the dry season.

There are currently 8595 telephone connections in the district provided by Nepal Telecommunications through land lines. The telephone line distribution, however, is limited to four market centers of the district, namely, Guleria (990 lines), Taratal (175 lines) and Rajapur (147 lines). However, 29 of the 32 Village Development Committees

and Municipalities which are connected to electricity are connected with telephones of one type or another.

Besides the telephone facility there are other means of communication such as internet and cable television.

2.2.3 Main market centers

The main market centers of the district are Guleria, Taratal, Rajapur, Bangaha, Thakurdwara etc. The market areas are located between 13 and 40 kilometers from Guleria. The nearest being Taratal situated 13 kilometers and the farthest Thakurdwara at 40 kilometers from Guleria. All the market centers to Guleria by roads. Guleria, Taratal and Rajapur are rapidly growing in importance.

The market centers are served by 7 banks and cooperatives. Of the 7, one is a Development Banks, 4 Commercial Banks, 1 Cooperative and one Rural Development Bank.

2.2.4 Level of Development

The district has remained predominantly an agricultural one. The district produces cereal and cash crops. The surplus food availability is about 33019 MT.

The Gross Domestic Product of the district was NRs. 5,019 ml. at market prices in 2003 according to the Nepal Human Development Report, 2004. The share of agriculture in the GDP of the district was 55.87 percent which therefore is by far the single most contributor. With a population of 382649, the per capita income was about NRs. 13,115 which is lower than the national level of NRs. 17, 722.

Manufacturing, which is an indicator of the level of development of an economy, contributed a meager 1.47 percent to the GDP. Service sectors are relatively more developed in terms of contribution to the total income.

Table 2.10: GDP contribution by Sector

Sector	NRs. In Mln.	% Share
Ag., Fishery & Forestry	2804	55.87
Mining & Quarrying	11	0.22
Manufacturing	74	1.47
Electricity Gas & Water	23	0.46
Construction	265	5.28
Trade Restaurants and Hotel	615	12.25
Transport Communication & Storage	238	4.74
Finance & Real Estate	526	10.48
Community & Social Services	260	5.18
Other	203	4.04
	5019	100.00

Source: District Profile, NIDI, 2006

A further comparison of Banke with other districts of the country reveals that in terms of the Human Development Index (HDI) ranking the district is ranked 50 out of 75 districts. And in terms of poverty the district ranks 38.

Hence, it can be concluded that the district is comparatively less developed. This situation, thus, provides future prospects of the development of micro-enterprises to increase employment both in the formal and the informal sector. The district has also a fairly large semi-urban population. This provides abundant opportunities for the young population to initiate small business ventures.

2.2.5 Export and Import

It is difficult to estimate qualitatively the export and import of commodities for Bardiya district. From the information provided by the local sources, a rough picture of export/import pattern of the goods and services for the district can be drawn.

The export from the district consists almost exclusively of primary and non-processed goods. The surplus cereals are exported to the adjoining food deficit districts and other parts of Nepal. Rice constitutes the major export of the district. Along with cereals livestock (goats and buffaloes) is also exported to other districts.

Many consumer items are imported into Bardiya district from Nepalganj, Kathmandu and from Indian towns bordering the district. Mostly, consumer items including processed food, spices, electrical appliances, household utensils and accessories, vehicles, petroleum products, clothing materials and other goods are imported into the district. Hence, the consumer items include a wide variety of goods ranging from clothing to electronic manufactures. Fossil fuels for mainly household and transportation use, and rice mills are also imported into the district.

2.2.6 Large Projects and existing level of workforce

In most of underdeveloped countries including Nepal, investment in large projects by the private sector has not been forthcoming as desired. Almost all large projects currently being implemented now or being planned for the future are the result of the public sector efforts.

The situation is not at all different in the district as well. Therefore, it has been expedient to look at the projects that are being conducted through budgetary allocations in the district.

The government in its budgetary allocations covers a wide range of activities and projects to be carried out through the district level offices. The benefits of all the projects or activities do necessarily benefit the population directly. Some of the project types which generate employment are concerned with road construction, road repair and maintenance, irrigation, water supply and sanitation etc. projects. In terms of government allocations for the district only Kusumba Bazar Water Supply and Sanitation Project and Education for All Project are worth mentioning.

2.3. Dang

The district with a total area of 2955 sq. km is a land mass comprising of the terai (0.09%), inner terai (42.61%) and mid-mountain (57.30%). The district borders with Pyuthan, Arghakhanchi and Kapilvastu in the east, Salyan, Pyuthan and Rolpa in the north, Banke and Surkhet in the west and Uttar Pradesh of India in the south.

Administratively, Banke district is divided into 41 VDCs and one municipality. A brief Profile of the district is given in Annex 2.

The total population of the district as per the 2001 census has been estimated to be 462380 people consisting of 49.52 percent male with a household size of about 6. The population growth rate of the district is estimated at 2.66.

Table 2.11: Employment of Economically Active Population - Dang

Occupation Groups	No. of Persons	%
Agriculture & Forestry	116590	58.68
Fishery	70	0.04
Minining & Quarrying	911	0.46
Manufacturing & Recycling	22309	11.23
Electricity, Gas & Water Supply	4870	2.45
Construction	8005	4.03
Wholesale & Retail Trade	17545	8.83
Hotels & Restaurants	3794	1.91
Transport, Storage & Communications	4327	2.18
Financial Intermediation	1038	0.52
Real Estate, Renting, & Business Activities	697	0.35
Public Administration & Social Security	4885	2.46
Education	4745	2.39
Health & Social Work	1072	0.54
Other Community, Social & Personal Service	1182	0.59
Private HHs with Employed Persons	5976	3.01
Extra Territorial Organizations & Bodies	358	0.18
Not Stated	321	0.16
Total	198695	100.00

Source: District Profile, CBS, 2009

Of the total population 44.39 percent is economically active. Of the economically active population about 59 percent are engaged in agriculture and related activities followed by manufacturing and recycling (11.23 %). In all the other kinds of jobs the involvement of the local people is low. This is mainly because of the underdeveloped nature of the economy on the one hand and the predominance of Indian skilled labor in jobs seeking specialized workforce like in manufacturing and recycling.

The literacy rate for the district is about 58 percent. The schooling level of the population which can read and write, a majority of about 76 percent had only up to secondary level of education. A significant 46 percent had only primary education. Only about 16 percent had higher secondary to post graduate level education. Post graduate level was completed by only 0.48 percent.

Table 2.12: Education Status of the Population: Dang

Details	No.	%
Total Population (6 yrs. & above)	387731	100.00
Can Read & Write	223726	57.70
Completed Level of Education		
No Schooling	19195	8.58
Primary (1 - 5)	101882	45.54
Lower Secondary (6 - 7)	45423	20.30
Secondary (8 - 10)	22217	9.93
Sub-total	188717	75.77
SLC & Equivalent	18755	8.38
Certificate Level & Equivalent	10395	4.65
Graduate & Equivalent	4780	2.14
Post Graduate & Equivalent	1079	0.48
Sub-total	35009	15.65
Total	223726	57.70

Source: District Profile, CBS, 2009

2.3.1 Resources

The district is predominantly agriculture based. The land use of the district is given in table 2.13 below.

	Area (ha)	%	Percent of Land					Total
			Cultivated	Non-cultivate	Grazing	Forest	Others	
Mid Mountain	336540	57.3	1.93	1.45	1.49	95.14	-	100
Siwalik	250249	42.61	24.69	3.02	1.56	66.59	4.15	100
Terai	550	0.09	16.55	1.45	-	82	-	100
Total	587339	100	11.64	2.12	1.52	82.96	1.77	100

Source: District Profile, CBS, 2009

Of the total land only 12 percent is cultivated with 82.96 percent covered by forest. Apart from the land resources, livestock population in the district is also important. The table 2.14 shows that about 21 percent of the households own land as well as livestock. However, 13.31 percent of the households are landless and do not own any livestock as well.

Table 2.14: Ownership of Land and Livestock by Households

HHs With	No. of HHs	%
Agricultural Land Only	6086	7.38
Livestock Only	1532	1.86
Poultry Only	411	0.50
Land & Livestock	17277	20.94
Land & Poultry	1382	1.68
Livestock & Poultry	1429	1.73
Land, Livestock & Poultry	43400	52.61
None	10978	13.31
Total	82495	100.00

Source: District Profile, CBS, 2009

Besides, the land resources, the coal deposits in Dang district are believed to be of economic significance. Currently, 10 companies are involved in mining of coal in the district. However, the coal output is quite insignificant and insignificant in terms of energy demand. As such, national coal production is a meager 100 to 200 tons per day.

2.3.2 Road and communication links

At present the road length in the district is 4346.5 km. Of the total road length only 131.5 km or 3.03 percent is black topped, 4.72 percent (205 km) gravel and the remaining 92.26 percent (4010 km) is earthen. 38 Village Development Committees and two Municipalities are connected by road links.

There are currently 4050 telephone connections in the district provided by Nepal Telecommunications through land lines. The telephone line distribution, however, is limited to five main market centers of the district, namely, Tulsipur (1725 lines), Lalmatiya (169 lines), Narayanpur (87 lines), Lamahi (184) and Ghorahi (184 lines). However, 32 of 41 Village Development Committees and Municipalities are connected with telephones of one type or another.

Besides the telephone facility there are other means of communication such as internet and cable television. There are two internet service providers and 8 cable operators in the district.

2.3.3 Main market centers

The main market centers of the district are Ghorahi, Tulsipur, Lamahi, Bhalubang, Narayanpur etc. The market areas are connected by road transport. These market centers rapidly growing in importance.

The market centers are served by 17 commercial banks and financial institutions.

2.3.4 Level of Development

The district has remained predominantly an agricultural one. The district produces cereal and cash crops. The surplus food availability is about 30891 MT.

The Gross Domestic Product of the district was NRs. 6,645 ml. at market prices in 2003 according to the Nepal Human Development Report, 2004. The share of agriculture in the GDP of the district was 42.92 percent which therefore is by far the single most contributors. With a population of 462380, the per capita income was about NRs. 14,371 which is lower than the national level of NRs. 17, 722.

Manufacturing, which is an indicator of the level of development of an economy, contributed a meager 2.98 percent to the GDP. Service sectors are relatively more developed in terms of contribution to the total income.

Table 2.15: GDP contribution by Sector

Sector	NRs. In Mln.	% Share
Ag., Fishery & Forestry	2852	42.92
Mining & Quarrying	34	0.51
Manufacturing	198	2.98
Electricity Gas & Water	42	0.63
Construction	432	6.50
Trade Restaurants and Hotel	871	13.11
Transport Communication & Storage	774	11.65
Finance & Real Estate	692	10.41
Community & Social Services	478	7.19
Other	272	4.09
	6645	100.00

Source: District Profile, NIDI, 2006

A further comparison of Banke with other districts of the country reveals that in terms of the Human Development Index (HDI) ranking the district is ranked 57 out of 75 districts. And in terms of poverty the district ranks 32.

Hence, it can be concluded that the district is comparatively less developed. This situation, thus, provides future prospects of the development of micro-enterprises to increase employment both in the formal and the informal sector. The district has also a fairly large urban and semi-urban population. This provides abundant opportunities for the young population to initiate small business ventures.

2.3.5 Export and Import

It is difficult to estimate qualitatively the export and import of commodities for Dang district. From the information provided by the local sources, a rough picture of export/import pattern of the goods and services for the district can be drawn.

The export from the district consists almost exclusively of primary and non-processed goods. Mainly cereals, of which the district has a surplus is exported. A certain quantity of rice, maize and wheat is exported to adjoining food deficit districts. Oil seeds (mustard) and potatoes are among the other important items exported to other Terai towns like Nepalganj, Bhairahawa, Butwal and even hill towns like Pokhara and Palpa at times of good harvests. Moreover, ghee and honey produced in Rukum, Rolpa, Pyuthan and Salyan are also exported through Dang district.

Most of the consumer items are imported into Dang district from Butwal, Nepalganj, Bhairahawa and other parts of the country. Mostly, consumer items include processed food, spices, clothing materials, electronic manufactures, vehicles and parts, fossil fuel for household use and transportation, industrial equipment including rice mills etc are imported into the district.

2.3.6 Large Projects and existing level of workforce

In most of under-developed countries including Nepal, investment in large projects by the private sector has not been forthcoming as desired. Almost all large projects currently being implemented now or being planned for the future are the result of the public sector efforts.

The situation is not at all different in the district as well. Therefore, it has been expedient to look at the projects that are being conducted through budgetary allocations in the district.

The government in its budgetary allocations covers a wide range of activities and projects to be carried out through the district level offices. The benefits of all the projects or activities do necessarily benefit the population directly. Some of the project types which generate employment are concerned with road construction, road repair and maintenance, irrigation, water supply and sanitation etc. projects. In terms of government allocations for the district Rapti Bridge, Patu Khola Bridge, Katuwa Khola Bridge, Malbare Irrigation, Rajpur Shallow Tubewell Irrigation, Praganna Irrigation, Rampur Irrigation, West Rapti Control, Tribhuvan Nagar Nagarpalika Water Supply and Sanitation, Narayanpur Water Supply and Sanitation, Bhalubang Water Supply and Sanitation, Hapure Purandhara Water Supply, and Sanitation and Education for All Project are worth mentioning. There are other village level water supply projects being implemented in the district.

2.4. Surkhet

The district with a total area of 2451 sq. km is a land mass comprising of the terai (0.09%), inner terai (38.68%) and mid-mountain (61.32%). The district borders with Salyan in the east, Dailekh, Achham and Jajarkot in the north, Doti in the west and Bardiya and Kailali in the south. Administratively, Surkhet district is divided into 50 VDCs and one municipality.

A brief Profile of the district is given in Annex 2.

The total population of the district as per the 2001 census has been estimated to be 288527 people consisting of 49.5 percent male with a household size of about 5. The population growth rate of the district is estimated at 2.45.

Table 2.16: Employment of Economically Active Population - Surkhet

Occupation Groups	No. of Persons	%
Agriculture & Forestry	58331	53.72
Fishery	56	0.05
Mining & Quarrying	659	0.61
Manufacturing & Recycling	9699	8.93
Electricity, Gas & Water Supply	2643	2.43
Construction	6288	5.79
Wholesale & Retail Trade	13907	12.81
Hotels & Restaurants	2005	1.85
Transport, Storage & Communications	1652	1.52
Financial Intermediation	405	0.37
Real Estate, Renting, & Business Activities	326	0.30
Public Administration & Social Security	4550	4.19
Education	3183	2.93
Health & Social Work	1294	1.19
Other Community, Social & Personal Service	744	0.69
Private HHs with Employed Persons	1229	1.13
Extra Territorial Organizations & Bodies	1333	1.23
Not Stated	287	0.26
Total	108591	100.00

Source: District Profile, CBS, 2009

Of the total population 41.36 percent is economically active. Of the economically active population about 54 percent are engaged in agriculture and related activities followed by

wholesale and retail trade (12.81 %). In all the other kinds of jobs the involvement of the local people is low. This is mainly because of the underdeveloped nature of the economy on the one hand and the predominance of Indian skilled labor in jobs seeking specialized workforce like in manufacturing and recycling.

The literacy rate for the district is about 62 percent. The schooling level of the population which can read and write, a majority of about 76 percent had only up to secondary level of education. A significant 46 percent had only primary education. Only about 16 percent had higher secondary to post graduate level education. Post graduate level was completed by only 0.48 percent.

Table 2.17: Education Status of the Population: Surkhet

Details	No.	%
Total Population (6 yrs. & above)	224069	100.00
Can Read & Write	139991	62.48
Completed Level of Education		
No Schooling	13822	8.58
Primary (1 - 5)	61994	45.54
Lower Secondary (6 - 7)	27919	20.30
Secondary (8 - 10)	14744	9.93
Sub-total	118479	75.77
SLC & Equivalent	12342	8.38
Certificate Level & Equivalent	5753	4.65
Graduate & Equivalent	2655	2.14
Post Graduate & Equivalent	762	0.48
Sub-total	21512	15.65
Total	139991	62.48

Source: District Profile, CBS, 2009

2.4.1 Resources

The district is predominantly agriculture based. The land use of the district is given in table 2.18 below. Table 2.18: Land Use – Surkhet

	Area (ha)	%	Percent of Land					Total
			Cultivated	Non-cultivate	Grazing	Forest	Others	
Mid Mountain	218234	61.32	7.87	54.41	6.07	31.02	0.63	100.00
Siwalik	137682	38.68	13.80	3.04	0.84	80.01	2.31	100.00
Terai	-	-	-	-	-	-	-	-
Total	355916	100.00	10.16	34.54	4.05	49.97	1.28	100.00

Source: District Profile, CBS, 2009

Of the total land only 10 percent is cultivated with 50 percent covered by forest. Apart from the land resources, livestock population in the district is also important. The table 2.18 shows that about 20 percent of the households own land as well as livestock. However, 10.62 percent of the households are landless and do not own any livestock as well.

Table 2.18: Ownership of Land and Livestock by Households

HHs With	No. of HHs	%
Agricultural Land Only	4290	8.46
Livestock Only	590	1.16
Poultry Only	200	0.39
Land & Livestock	10070	19.87
Land & Poultry	813	1.60
Livestock & Poultry	464	0.92
Land, Livestock & Poultry	28880	56.97
None	5384	10.62
Total	50691	100.00

Source: District Profile, CBS, 2009

2.4.2 Road and communication links

At present the road length in the district is 453 km. Of the total road length only 95 km or 20.97 percent is black topped, 28.70 percent (130 km) gravel and the remaining 50.33 percent (228 km) is earthen. Out of 50, 27 Village Development Committees and one Municipality are connected by road links.

There are currently 2525 telephone connections in the district provided by Nepal Telecommunications through land lines. The telephone line distribution, however, is limited to 26 Village Development Committees and one municipality. However, CDMA lines and mobile phones are gaining popularity in the district.

Besides the telephone facility there are other means of communication such as internet and cable television. There are one internet service providers and 3 cable operators in the district.

2.4.3 Main market centers

The main market centers of the district are Birendra Nagar Bazar, Chhinchu Bazar, Ramghat Bazar, Baddi Chour Bazar, Babiya Chour Bazar, Guthu Bazar etc.

The market centers are served by 4 commercial banks, 153 Cooperatives and financial institutions.

2.4.4 Level of Development

The district has remained predominantly an agricultural one. The district produces cereal and cash crops. The surplus food produced in the district is about 496 MT.

The Gross Domestic Product of the district was NRs. 4,247 ml at market prices in 2003 according to the Nepal Human Development Report, 2004. The share of agriculture in the GDP of the district was 43.49 percent which therefore is by far the single most contributors. With a population of 288527, the per capita income was about NRs. 14,721 which is lower than the national level of NRs. 17, 722.

Manufacturing, which is an indicator of the level of development of an economy, contributed a meager 2.68 percent to the GDP. Service sectors are relatively more developed in terms of contribution to the total income.

Table 2.19: GDP contribution by Sector

Sector	NRs. In Mln.	% Share
Ag., Fishery & Forestry	1847	43.49
Mining & Quarrying	17	0.40
Manufacturing	114	2.68
Electricity Gas & Water	23	0.54
Construction	403	9.49
Trade Restaurants and Hotel	526	12.39
Transport Communication & Storage	306	7.21
Finance & Real Estate	404	9.51
Community & Social Services	432	10.17
Other	175	4.12
	4247	100.00

Source: District Profile, NIDI, 2006

A further comparison of Surkhet with other districts of the country reveals that in terms of the Human Development Index (HDI) ranking the district is ranked 22 out of 75 districts. And in terms of poverty the district ranks 44.

Hence, it can be concluded that the district is comparatively less developed. This situation, thus, provides future prospects of the development of micro-enterprises to increase employment both in the formal and the informal sector. The district has also a fairly large urban and semi-urban population. This provides abundant opportunities for the young population to initiate small business ventures.

2.4.5 Export and Import

It is difficult to estimate qualitatively the export and import of commodities for Surkhet district. From the information provided by the local sources, a rough picture of export/import pattern of the goods and services for the district can be drawn.

The export from the district consists almost exclusively of primary and non-processed goods. The surplus cereals comprising of rice, maize, potato, ghee, vegetables are exported to the Terai districts.

Consumer items are imported into Surkhet district from Butwal, Nepalganj, Kathmandu and other parts of the country. Mostly, consumer items include processed food; spices are imported into the district. The consumer items include a wide variety of goods consisting of clothing materials, electronic manufactures, vehicles and parts, industrial equipment, fossil fuels for mainly household use and transportation are imported into the district.

For exports from the northern districts of the mid-west, Surkhet is the main transit route. Herbs and precious stones of ornamental value enter the district from the adjoining northern hill and mountain districts. Some precious stones are processed in Surkhet with Indian expertise. Surkhet does not possess its own stone processors. In spite of the involvement of Indian stone cutters for a long period, no technology transfer has taken place. This is because the Indian stone cutters are little interested to impart knowledge on stone cutting to the locals.

2.4.6 Large Projects and existing level of workforce

In most of under-developed countries including Nepal, investment in large projects by the private sector has not been forthcoming as desired. Almost all large projects currently being implemented now or being planned for the future are the result of the public sector efforts.

The situation is not at all different in the district as well. Therefore, it has been expedient to look at the projects that are being conducted through budgetary allocations in the district.

The government in its budgetary allocations covers a wide range of activities and projects to be carried out through the district level offices. The benefits of all the projects or activities do necessarily benefit the population directly. Some of the project types which generate employment are concerned with road construction, road repair and maintenance, irrigation, water supply and sanitation etc. projects. Some specific bigger projects in the district are Gumi-Pati- Halna Chour Road, bridge over Bheri on Chhinchu-Jajarkot Rorad, Gas Khola Bridge on Mehalkuna-Badakhli Road, Badichour-Benighat Road, Thagleni Irrigation Project, Toli Khola Irrigation Project, Ghat Gaon Irrigation Project, Badichour Water Supply and Sanitation Project, Bijaura, Taranga, Mehalkuna Water Supply and Sanitation Projects and Education for All and other projects and activities. These are only the comparatively larger projects. Other water supply projects at the village level are not mentioned here.

3. Status of Existing Enterprises

3.1. Banke

Table 3.1 provides information on the types of enterprises registered with the Municipality and the Department of Cottage industry. There are altogether 818 enterprises employing roughly 14239 people.

Table 3.1: Industrial Enterprises Registered in Banke

Enterprise Type	Number	Number of Estimated Employment	Average Employment per Enterprise
Manufacturing	989	9684	10.00
Agro & Forest based	29	624	22.00
Mining	1	9	9.00
Tourism	103	579	6.00
Service oriented	592	3318	6.00
Construction	4	25	6.00
Total	1718	14239	8.00

source: District Profile, CBS, 2009.

Of the 1718 registered enterprises, it was reported that only 1300 units were in operation during the time of the field survey. The table reveals that on an average an enterprise employs about 8 persons but each manufacturing enterprise alone employs 10. However, the highest employer is seen to be Agro-forestry enterprises.

The table below gives a summary view of the extent of production. The value added by these manufacturing units is estimated to be NRs. 531,122.

Table 3.2: Manufacturing Industries and their Value Addition

Ser. No.	Description	Unit	Quantity
1	No. of Operating Manufacturing Enterprises	No	989
2	Input Value	NRs. in ,,000	1,912,816
3	Output Value	NRs. in ,,000	2,443,938
4	Value Added	NRs. in ,,000	531,122

Source: District Profile, CBS, 2009.

The existing local level enterprises involved in material production generally were found to be employing works from across the border – India. The reasons for such a practice were:

- Unavailability of skilled labor in Nepal;
- No unionization of Indian labor;

Efficiency of Indian labor is higher compared to Nepalese of the same skill type. In addition to the registered enterprises, household level cottage industry is practiced throughout the district either for self consumption and/or sales purposes. The types of non-registered household level enterprises include:

- Furniture
- Earthen pots
- Shoes and slippers
- Tailoring
- Seat making (for vehicles)
- Food products (chow chow, dalmoth, pickles)
- Incense sticks
- Bamboo and bamboo products
- Children's' clothes
- Bag

These unregistered enterprises normally carry out the activities with household and domestic labor.

3.2. Bardiya

Table 3.3 provides information on the types of enterprises registered with the Municipality and the Department of Cottage industry. There are altogether 815 enterprises employing 72160 people.

Table 3.3: Industrial Enterprises Registered in Banke

Type of Enterprise	No. Employed
Manufacturing/Cottage Industry	3113
Trade/Business	21058
Transport	969
Service oriented	23908
Others	23112
Total	72160

Source: District Profile, CBS, 2009.

Apart from the above types of enterprises, there are also larger manufacturing industries in the district. The table below summarizes the number of such industries and the value added by these industries.

Table 3.4: Manufacturing Industries and their Value Addition

Ser. No.	Description	Unit	Quantity
1	No. of Operating Manufacturing Enterprises	No	10
2	Input Value	NRs. in ,,000	20,935,000
3	Output Value	NRs. in ,,000	35,693,000
4	Value Added	NRs. in ,,000	14,758,000

Source: District Profile, CBS, 2009.

In addition to the registered enterprises, household level cottage industry is practiced throughout the district either for self consumption and/or sales purposes. The types of non-registered household level enterprises include:

- Tailoring
- Small tea stalls
- Pickle making
- Dalmoth
- Dolls
- Beauty parlor
- Chips (potato)
- Spice
- Jewellery
- Nursery
- Furniture (small)
- Pickle making
- Incense
- Bicycle repair
- Motor cycle repair

3.3. Dang

Table 3.5 provides information on the types of enterprises registered with the Municipality and the Department of Cottage industry. There are altogether 818 enterprises employing roughly 5475 people.

Table 3.5: Industrial Enterprises Registered in Dang

Enterprise Type	Number	Number of Estimated Employment	Average Employment per Enterprise
Manufacturing	32	2738	86
Small Scale Industries	885	1652	2
Cottage Industries	13	267	21
Service oriented	36	321	9

Enterprise Type	Number	Number of Estimated Employment	Average Employment per Enterprise
Construction	1	283	283
Others	102	214	2
Total	1069	5475	5

Source: District Profile, CBS, 2009.

Table 3.6 reveals that there are 1069 registered enterprises in Dang district. On an average an enterprise employs about 5 persons but each manufacturing enterprise alone employs 86. However, the highest employer is seen to be the construction industry. There is only one such industry and the 283 persons employed by it are mostly stone crushers – a non-skilled job.

The table below gives a summary view of the extent of production. The value added by these manufacturing units is estimated to be NRs. 531,122.

Table 3.6: Manufacturing Industries and their Value Addition

Ser. No.	Description	Unit	Quantity
1	No. of Operating Manufacturing Enterprises	No	32
2	Input Value	NRs. in ,,000	84,374,000
3	Output Value	NRs. in ,,000	114,459,000
4	Value Added	NRs. in ,,000	30,085,000

Source: District Profile, CBS, 2009.

Indian labor use in Dang was found to be overwhelming in brick kilns, repair of agriculture equipment and trades like carpentry, plumbing, masonry. It is thus obvious that for skilled labor the people of Dang rely mainly on the Indian skills. The unavailability of local skilled labor is due mainly due to lack of opportunities for training, lure of more lucrative opportunities outside the district. It was reported that the skilled labor of the district prefers to work elsewhere, especially abroad than in the district itself. In addition to the registered enterprises, household level cottage industry is practiced throughout the district either for self consumption and/or sales purposes. The types of non-registered household level enterprises include:

- Milk products (khuwa)
- Poultry
- Bee-keeping
- Cooking stoves
- Shoes and slippers (from local cobblers)
- Earthen pots
- Tailoring
- Food products (noodles, dalmoth, pickles)
- Incense sticks

- Children’s clothes
- Local musical instruments (Madal, Sarangi)
- Straw mats
- Bamboo and cane products

It was also revealed in the discussion that of the total enterprises in operation nearly 20% is non-registered.

These unregistered enterprises normally carry out the activities with household and domestic labor.

3.4. Surkhet

Table 3.7 provides information on the types of enterprises registered with the Municipality and the Department of Cottage industry. There are altogether 818 enterprises employing roughly 2372 people.

Table 3.7: Industrial Enterprises Registered in Surkhet

S. No.	Type	No.	Total Investment	Annual Capacity	Employment
1	Manufacturing	141	71754500	247548310	1034
2	Ag. & Forest Products	55	22459254	20973471	236
3	Service	366	173387600	69630224	1069
6	Mining	7	2199650	3430000	25
7	Tourism	3	4048000	0	8
		572	273849004	341582005	2372

Source: District Profile, CBS, 2009.

4. Potential Enterprises

It is difficult to identify potential enterprises from the available sources of information located at the centre of the district. The available resources and the difficulties of tapping the resources are specific to the people being targeted by any program with a clear vision of the market potential. However, in general a number of activities have been identified for further exploration. These enterprises could be addressed at household level with the aim of generating employment for the youth of households.

Emergence of new enterprises depends upon the available resources (natural and human), population, which is basic to demand of output, markets, infrastructure which facilitates the input as well as the output market.

4.1. Banke

Only about 22 percent of the land area is under cultivation. Over 70 percent is under forest cover. This reveals there is a potential for both agriculture and forest based

industries in which over 35 percent of the total population is engaged. Besides, due to the extension of road network in the district, urban centers are developing giving rise to trade activities. Based on the resources availability, enterprises such as furniture, bamboo and bamboo products, incense sticks are operating both at the household and organized levels. Moreover, other enterprises catering to the increasing urban population are tailoring, seat making (for vehicles), food products (chow chow, dalmoth, pickles), children's' clothes and children's' bags.

On the basis of the existing resources and the existing trend of enterprises development and the inputs from the FGDs in the district, the following big and small potential ventures have been identified:

- Plywood factory
- Sugar mill
- Paper mill
- Food processing
- Herb processing
- Enterprises with limited investment catering basically to the increasing urban population:
- Repair workshops: watches, bicycles, motorized vehicles, electrical appliances etc
- Tailoring
- Workshops: iron, metal and wood
- Dairy
- Sweets and snacks
- Livestock feed
- Household level Enterprises:
- Haircutting

Food and snacks: Dalmoth, noodles, off season vegetables, livestock and poultry
Non-food items: incense sticks, bamboo, detergent based products

4.2. Bardiya

Only about 27 percent of the land area is under cultivation. Over 60 percent is under forest cover. This reveals there is a potential for both agriculture and forest based industries in which 65 percent of the total population is engaged. Besides, due to the extension of road network in the district, urban centers are developing giving rise to trade activities. Based on the resources availability, enterprises such as furniture, Chips (potato), incense sticks and nursery are the only ones operating both at the household and organized levels. From this it follows that the resource base is considerably underutilized and hence enormous future prospects abound. Moreover, other enterprises catering to the increasing urban population are tailoring, small tea stalls, pickle making, dalmoth, spice, doll making, beauty parlor, Jewelry, bicycle repair, and motorcycle repair.

On the basis of the existing resources and the existing trend of enterprises development as indicated by the FGDs in the district, the following big and small potential ventures have been identified:

Agro and forest based potential enterprises:

- Bee keeping
- Fisheries
- Goats
- Poultry
- Sugar mill
- Wild life resorts
- Off-season vegetables
- Herb cultivation
- Herb processing
- Paper mill

Miscellaneous potential enterprises:

- Brick kiln
- Candle making
- Carpentry
- Local Garments
- Stone quarry
- Sweet shops
- Tile (cement)

4.3. Dang

These enterprises have been identified by considering the existing enterprises operating both in the municipality as well as elsewhere in the district.

The potential enterprises identified relate also to the types already existing. In addition to those existing there are also new ones. The following provides a list of potential enterprises identified.

- Agro based
- Livestock: Poultry, dairy ,piggeries
- Forest based; herb cultivation and processing
- Cement factories
- Off season vegetables
- Paper mill

4.4. Surkhet

These enterprises have been identified by considering the existing enterprises operating both in the municipality as well as elsewhere in the district.

The potential enterprises identified relate also to the types already existing. In addition to those existing there are also new ones. The following provides a list of potential enterprises identified.

- Herb processing
- Dairy
- Ghee processing
- Stone cutting
- Stone quarry and cutting
- Cement factories
- Turpentine
- Brick factory
- Construction
- Automobile workshop
- Furniture
- Livestock raising
- Sweets and snacks
- Hair cutting
- Tailoring
- Stone cutting (precious stones)
- Rafting

At the household level there are potentials for off-season vegetables.

Briquettes and earthen pots are being produced at the household level.

5. Problems Encountered by Existing Enterprises

5.1 Problems at the Local Level

There were numerous problems identified by the existing enterprises. Problems ranged from strikes and frequent closures to finding markets for the finished products as well as access to credit. The following are some major problems identified during the discussions:

- Strikes
- Bandh
- Awareness about markets, network and support services for marketing
- Shortage of Raw materials for the enterprises. One example give was maize as an important input for animal feed industry was not available throughout the year. It has to be obtained from India.
- Nepalese products having difficulties to compete with Indian products.
- Even Indian rice is cheaper than Nepalese
- For company registration one has to travel to Kathmandu. Even in Kathmandu one has to stay for a long time

- Electricity bill has to be paid even when the industry is closed
- Banks and Cooperative although numerous all demand collaterals. Difficult to avail loans easily under such situations
- Banks are not interested to help small enterprises. To obtain loans from banks is difficult. It is time consuming and extra expenditures need to be incurred.
- Many enterprise owners reveal that to register an enterprise is not difficult..But to adhere to the rules and regulations to be adhered to after registration is difficult.

5.2 Related Policy Issues

- Policies governing the enterprises is outdated and needs update
- Give priority to locally produced products and services.
- Basic infrastructure for enterprises development like roads, water, electricity, market linkages should be the top priority of local government.

6. Summary, Conclusion and Recommendations

6.1 Summary and Conclusion

This is a micro level study directed towards selected districts and communities. This study addresses a very important issue in a small way and will shed light to the important issue of identifying potential enterprises for employment creation and thereby reducing poverty in the country.

The main objective of the study is to promote employment of youth in the four districts. The specific objectives are to identify:

- local level enterprises;
- problems associated with local level enterprises;
- potential enterprises.

The methodology uses both the secondary and primary information.

Considering the level of development based on the HDI ranking, all the four survey districts fall within 25 to 35 range out of 75 districts. However, the industrial development in all these districts is yet to pick up. Agriculture is the mainstay of the population. Even small scale enterprises are mostly either limited to the areas in and around the urban centers. Household level cottage industries fare no better. The household level enterprises mostly cater to the limited number of clients within the periphery of their establishments.

In the case of the existing “large” and small scale enterprises, the employment situation is not favorable to the local population. This is partly due to the unavailability of Nepalese skilled labor. There are other reasons as well for the preference of Indian labor. The reasons are concerned with the politicization of the labor force in the country.

The informal enterprises are rampant in the districts under reference and are found to survive as livelihood activities. More popular among them are farm and agro-based, tailoring, handicrafts and household utilitarian goods.

Local natural resources and stage of infrastructure development in the study area is limited and so is the prospect for large scale enterprises development in all the four districts in the immediate future. There are also possibility of some larger enterprises and mega construction, hydro power projects, which throws open opportunity for small ancillary and micro enterprises once they get materialized or go into construction. The study has resulted in identifying a limited number of potential enterprises in all the four districts.

Banke (HDI ranking 30 out of 75): This district is fairly developed. It has a big urban center and thus has a large consumer base; therefore production from both organized sector as well as the informal sector will not have a problem in finding markets. Some potential enterprises identified by FGD are:

Large scale

- Plywood factory
- Sugar mill
- Paper mill
- Food processing
- Herb processing

Micro and small scale enterprises with low investment catering basically to the increasing urban population:

- Repair workshops: watches, bicycles, motorized vehicles, electrical appliances etc
- Tailoring
- Workshops: iron, metal and wood
- Dairy
- Sweets and snacks
- Livestock feed

Household level Enterprises:

- Haircutting
- Food and snacks: Dalmoth, noodles, off season vegetables, livestock and poultry
- Non-food items: incense sticks, bamboo, detergent based products

The above list consists of enterprises also include those that already exist. This shows that there is still a demand for more of such enterprises.

Bardiya: is a less developed district with an HDI ranking of 34 out of 75. The district is still agricultural. With an exception to the areas around the Bardiya national park which still has potential for small hotels and restaurants which are clean and hygienic all areas

have potential for farm and non-farm activities. The list provided gives an indication of new enterprises which are agro related.

Agro and forest based potential enterprises:

- Bee keeping
- Fisheries
- Goats
- Poultry
- Mini sugar mill
- Wild life resorts
- Off-season vegetables
- Herb cultivation
- Herb processing
- Paper mill(large)

Miscellaneous potential enterprises:

- Brick kiln
- Candle making
- Carpentry
- Local Garments
- Stone quarry
- Sweet shops
- Tiles(cement)

Dang is a fairly more developed district in terms HDI ranking (21 out of 75). There are two urban centers in Dang. The existing enterprises range from service provision to small manufacturing. The potential enterprises consist of off season vegetables which could be carried out at household levels. The critical input for such enterprises is water. Therefore for its promotion good irrigation system is a must. Apart from it bee keeping is another enterprise at household level. Livestock related enterprises and other potentials are with herb cultivation, collection center and a processing unit.

The following provides a list of potential enterprises identified.

- Livestock: Poultry, dairy ,piggeries
- Forest based; herb processing, handicrafts, utilitarian goods
- Construction and construction materials(bricks, tiles, pre-stressed products)
- Agro-products processing
- Tailoring
- Wooden furniture
- Restaurants and eateries
- Cement (large)
- Vegetables drying and packaging
- Paper mill(large)

Surkhet (HDI ranking 28 Out of 75) is unique in terms of location and land use. It also has some areas which is elevated. It serves as a center for the adjoining hill and mountain districts. It is linked with a road to the south and to Banke district. It has a north south link and also market complementarities. Surkhet has potential for both small as well as big enterprises. The FGD has identified the following potential enterprises:

- Herb processing
- Dairy
- Ghee processing
- Stone quarry and cutting
- Cement(large)
- Turpentine
- Brick factory
- Construction enterprises
- Automobile workshop
- Wooden furniture
- Livestock raising
- Sweets and snacks
- Hair cutting
- Tailoring
- Rafting

7. Recommendations

The present study outlines the potential enterprises in the respective districts visited. Initiating any new enterprise needs motivation and confidence. It needs

entrepreneurship as well as sound technical and managerial knowledge about the products and the market. Although this study gives a broad list of potential enterprises, the implementation hinges on the favorable business environment and well coordinated collaboration with different stakeholders and partners to promote those.

There are few organizations/institutions in the districts extending a variety of support services towards promoting small enterprises. Besides NGOs, Chambers, network of Government agencies, the local district development committees and the municipalities are engaged in promoting the overall development of the areas.

The report provides a general picture of the potential enterprises in the respective districts visited at present. Once the availability of infrastructure, general environment and facilities are pro-enterprising, or bigger construction and infrastructure projects is implemented, the scope for enterprises get enlarged.

Promotion of micro and small enterprises would need support and assistance for providing technical skill, management know how, access to finance and market in an around the location.

The different enterprises identified by the study primarily focus on local agro and livestock based enterprises, forest based enterprises, construction materials (brick, pre-stressed concrete tiles and products etc.)-based micro household enterprises. The EIG program should focus on these micro and smaller enterprises, which have potentiality to involve the targeted groups of the program.

The identified enterprises need to be at first prioritized in coordination with the local stakeholders including the potential entrepreneur amongst the target group. For promotion of these micro and smaller scale enterprises, certain basic elements need to be looked into prior to implementation. A coordinated business/enterprise development plan needs to be formulated in collaboration and partnership with the agencies such as local chambers/ private and public agencies in the area. The plan needs to focus on the following:

- Identification of potential entrepreneurs amongst the target group
- Development of a business plan/schemes based on potential enterprises identified
- Identification of needs of the potential entrepreneurs like training, technical support, counseling, market linkage, access to credit etc
- Implementation with continuous support and monitoring

From the broad array of identified enterprises, it is evident that not all can be done at the same time. Information in Annex III gives an insight to the broad involvement of different stakeholders for development of these potential enterprises.

There are enterprises and/or skills have been identified which call for introduction of new technology and skill training arrangements. Stone cutting skill and herb processing technology are two cases of interest. The Indian stone cutters hired for cutting stones in different shapes and sizes have not been found to be transferring their skills to the local workers. In the situation the local entrepreneurs engaged in

precious stone business have no alternative to hiring Indian labor at a high cost. Similarly, the herb processing technology has not caught up in the herb producing areas leading to export of unprocessed herb. Much seems to have been said about this but no effective effort seems to have been directed toward introducing herb processing technology into the area to promote these botanical herb based enterprises.

For promoting these micro and smaller scale and informal enterprises certain basic elements need to be looked into prior to implementation. The potential entrepreneur need to be adequately exposed and made aware about elementary managerial tools, provide assistance for business plan development, support for access to finance, technological and marketing assistance in coordination and facilitation of local chambers/FNCCI and local government and non-government promotional agencies.

From the broad array of identified enterprises it is evident that not all can be done at the same time. An implementation plan should be developed in coordination and collaboration with different stakeholders.

8. Annex

8.1. Annex 1: Identification of Potential Enterprises in Rural Areas of Banke, Bardia, Surkhet and Dang Districts

Questionnaire/Check list for study:

- identify local level enterprises
 - i. Existing local level enterprises by type and number
Source: Latest District Profiles of the concerned Districts.
 - ii. Existing local level enterprises: labor employment by skill level.
Source: Local chapter of FNCCI, Municipality Office, local entrepreneurs.
 - iii. Existing local level enterprises: labor employment – local/Indian
Source: Local chapter of FNCCI, Municipality Office, local entrepreneurs.
 - iv. Information on registered cottage industries (type and number, labor skill and employment – local/Indian)
Source: District Office of the Department of Cottage Industries
 - v. Information on unregistered cottage (household) enterprises (type and approx. number, skill, if outside labor employed – local or Indian)
Source: District Office of the Department of Cottage Industries, local entrepreneurs.
- identify problems associated with local level enterprises
 - i) Problems of enterprise development
 - ii) Problems with registration – administrative problems
 - iii) Resource availability
 - Agricultural products (of commercial value)
 - Livestock/horticulture (of commercial value)
 - Forest & herbal products
 - Mines & mineral products
 - Hydropower & alternate energy potentialities

- Tourist & adventure travel places
- Major infrastructure projects & potentialities
- Others not included above
- iv) Availability of infrastructure
- v) Raw material availability problems
- vi) Availability of skilled labor
- vii) Labor problem
- viii) Credit and market accessibility
- ix) Number of financial institutions by type

Source: Local chapter of FNCCI, Municipality Office, local entrepreneurs – Focus Group Discussion

- identify potential enterprises
 - i. Types of enterprises with potential in the survey districts
 - ii. Location of identified enterprises
 - iii. Reasons for their not being developed yet.
 - iv. What are the specific programs, action required at the district level for the promotion and development of enterprises such as:
 - Entrepreneurship development
 - Skill training
 - B 2 B
 - Technical & market networking
 - Credit access
 - De-regulation
 - Rule of law
 - Security
 - Any other (please specify)

Source: Local chapter of FNCCI, Municipality Office, local entrepreneurs – Focus Group Discussion.

8.2. Annex 2: District profile Banke, Bardiya, Dang & Surkhet

Description	Unit	Bheri	Bheri	Rapti	Bheri
		Mid-West	Mid-West	Mid-West	Mid-West
		Nepalganj	Gulariya	Tribhuvan nagar	Birendranagar
		Banke	Bardiya	Dang	Surkhet
Area	sq.km	2337	2025	2337	2451
Area	ha	235982	203553	587339	355916
Mid Mountain	ha	6137	0	336540	218234
Cultivated	ha	962	0	6480	17177
Non-cultivate	ha	755	0	4874	118737
Grazing	ha	138	0	5005	13246
Forest	ha	4282	0	320181	67698
Others	ha	0	0	0	1376
Siwalik	ha	113697	63580	250249	137682
Cultivated	ha	2903	2063	61775	18998
Non-cultivate	ha	1032	485	7556	4188
Grazing	ha	49	0	3900	1152
Forest	ha	107528	59153	166641	110157
Others	ha	2185	1879	10377	3187
Terai	ha	116148	139973	550	-
Cultivated	ha	47527	52915	91	-
Non-cultivate	ha	5797	6473	8	-
Grazing	ha	2434	2894	0	-
Forest	ha	55389	68529	451	-
Others	ha	5001	9162	0	-
Pop 2001					-
HHs		51603	59569	82495	54047
Population		287689	382649	462380	288527
Male		143756	192655	228958	142817
		Banke	Bardiya	Dang	Surkhet
Female		143933	189994	233422	145710
HH Size		5.58	6.42	5.6	5.34
Pop. Density	/sq. km	139	189	156	118
Pop. Area	sq.km	2063	2025	2955	2451
HHs With					
Agricultural Land Only		9142	5345	6086	4290
Livestock Only		2762	1616	1532	590
Poultry Only		389	1110	411	200
Land & Livestock		25550	12618	17277	10070
Land & Poultry		626	1619	1382	813
Livestock & Poultry		724	3073	1429	464
Land, Livestock & Poultry		10211	27448	43400	28880
None		17865	6740	10978	5384
HHs Operating Small Scale Non-Ag Activities					
Having Economic Activities		23255	11240	13846	8732
Not Having Economic Activities		44014	48329	68649	41959
Manufacturing		917	485	1367	794
Trade/Business		5736	3280	4257	2483

Description	Unit	Bheri	Bheri	Rapti	Bheri
		Mid-West	Mid-West	Mid-West	Mid-West
		Nepalganj	Gulariya	Tribhuvan nagar	Birendranagar
		Banke	Bardiya	Dang	Surkhet
Transport		737	151	398	97
Services		7657	3724	5119	2666
Others		8208	3600	2705	2692
Literacy (6 yrs. & above)					
Total (6 yrs. & above)		323512	321693	387731	224069
		Banke	Bardiya	Dang	Surkhet
Male (6 yrs. & above)		166400	161900	191287	110675
Female (6 yrs. & above)		157112	159793	196444	113394
Cannot Read & Write		116691	152650	138683	69590
Male		47270	61579	47287	22216
Female		69421	91071	91396	47374
Can Read Only		18534	20736	23413	13743
Male		8696	9980	11079	6542
Female		9838	10756	12334	7201
Read & Write		185555	146073	223726	139993
Male		108664	89123	131955	81610
Female		76891	56950	91771	58383
Not Stated		2733	2235	1910	743
Male		1771	1218	966	307
Female		962	1017	944	436
Completed Level of Education					
No Schooling		10716	16922	17858	12721
Primary (1 - 5)		73599	72464	101882	61994
Lower Secondary (6 - 7)		34735	26630	45423	27919
Secondary (8 - 10)		22831	13753	22217	14744
SLC & Equivalent		15240	7073	18755	12342
Certificate Level & Equivalent		15030	3943	10395	5753
Graduate & Equivalent		8210	1793	4780	2655
Post Graduate & Equivalent		2260	298	1079	762
		Banke	Bardiya	Dang	Surkhet
Others		538	245	162	195
Not Stated		2397	2952	1175	906
Population (10 yrs. & over)		280621	275985	334737	0
Male		144664	138739	164395	
Female		135957	137246	170342	
Economically Active Population		161154	172648	205232	119334
Male		105128	101288	114099	65775
Female		56026	71360	91133	53559
Economically Inactive Population		119467	103337	581505	74747
Male		39536	37451	502296	29679
Female		79931	65886	79209	45068
Economically Active Population - Major Occupation Groups					
Legislators, Senior Officials & Managers		1724	246	1156	659
Professionals		4151	2263	4307	3278
Technicians & Associate Professionals		4878	1973	4190	3206
Clerks or Office Assistants		4573	2240	2855	2966
Service Workers, Shop & Market Sales Workers		24161	10581	18583	9983

Description	Unit	Bheri	Bheri	Rapti	Bheri
		Mid-West	Mid-West	Mid-West	Mid-West
		Nepalganj	Gulariya	Tribhuvan nagar	Birendranagar
		Banke	Bardiya	Dang	Surkhet
Skilled & Semi-skilled Ag., Forestry & Fishery Workers		51708	91874	106039	54161
Craft & Related Trade Workers		19802	11864	26717	11673
Plant & Machine Operators & Assemblers		2854	1156	3781	1383
Elementary Occupations		33562	36345	30971	21170
Not Stated		136	247	100	110
		Banke	Bardiya	Dang	Surkhet
Economically Active Population - Major Industry Division					
Agriculture & Forestry		58387	104358	116590	58331
Fishery		91	80	70	56
Minining & Quarrying		230	139	911	659
Manufacturing & Recycling		18575	11607	22309	9699
Electricity, Gas & Water Supply		3137	2185	4870	2643
Construction		11020	9231	8005	6288
Wholesale & Retail Trade		26464	14030	17545	13907
Hotels & Restaurants		3661	936	3794	2005
Transport, Storage & Communications		4448	1275	4327	1652
Financial Intermediation		1963	357	1038	405
Real Estate, Renting, & Business Activities		1080	470	697	326
Public Administration & Social Security		8609	3741	4885	4550
Education		3362	1985	4745	3183
Health & Social Work		1900	644	1072	1294
Other Community, Social & Personal Service		1605	1081	1182	744
Private HHs with Employed Persons		1871	5470	5976	1229
Extra Territorial Organizations & Bodies		517	1060	358	1333
Not Stated		627	140	321	287
Economically Active Population - Employment Status					
	Banke	Bardiya	Dang	Surkhet	
Employer		3788	5942	4314	4241
Employee		47480	41767	47913	28913
Self Employed		77782	92947	122574	61425
Unpaid Family Worker		18499	18133	23898	14010

8.3. Annex 3: Potential enterprise and Recommended Action

	Potential Enterprises	Recommended Actions	Possible Responsible Agencies
Banke District			
S No.	Enterprise Type		
	Plywood factory	Feasibility	Line Agencies
	Sugar mill	Feasibility	Line Agencies
	Paper mill	Feasibility	Line Agencies
	Food processing	Feasibility	Line Agencies
	Workshops:		
	watches		Training schools + NGO/INGO initiation + credit
	bicycles		Training schools + NGO/INGO initiation + credit
	motorized vehicles		Training schools + NGO/INGO initiation + credit
	electrical appliances		Training schools + NGO/INGO initiation + credit
	iron		Training schools + NGO/INGO initiation + credit
	metal		Training schools + NGO/INGO initiation + credit
	wood		Training schools + NGO/INGO initiation + credit
	Tailoring	Office of Cottage Industry	Office of Cottage Industry
	Dairy		Agriculture & Cooperative Ministry
	Sweets and snacks	Training + credit+extension service	Office of Cottage Industry
	Herb processing	Feasibility study	Line Agencies
	Livestock feed	Feasibility study	Line Agencies
	Household level Enterprises:		
	Haircutting	Training + credit+extension service	Office of Cottage Industry
	Food and snacks:		
	Dalmoth	Training + credit+extension service	Office of Cottage Industry
	noodles	Training + credit+extension service	Office of Cottage Industry
	off season vegetables	Training + credit+extension service	Office of Cottage Industry
	livestock	Training + credit+extension service	Office of Cottage Industry
	poultry	Training + credit+extension service	Office of Cottage Industry
	Non-food items:		
	incense sticks	Training + credit+extension service	Office of Cottage Industry
	bamboo	Training + credit+extension service	Office of Cottage Industry
	detergent	Training + credit+extension service	Office of Cottage Industry
Bardiya District			
1	Agro & Livestock -Based Enterprises		
	Fisheries	Training + credit+extension service	Line Agencies
	Goats	Training + credit+extension service	Line Agencies
	Local Variety Poultry	Training + credit+extension service	Line Agencies
	Off-season vegetables	Feasibility study	Line Agencies
	Bee keeping	Training + credit+extension service	Line Agencies
	Sugar mill	Feasibility study	Line Agencies
2	Forest Based Enterprises		
	Herb cultivation	Feasibility study	Line Agencies
	Herb processing	Feasibility study	Line Agencies
	Furniture	Feasibility study	Line Agencies
3	Tourism		

	Potential Enterprises	Recommended Actions	Possible Responsible Agencies
	Wild life Tourism	Feasibility study	District Development Committee + Tourism Board
4	Textile Enterprises		
	Readymade Garments - Local Consumption	Training + credit+extension service	Office of Cottage Industry
5	Natural Resource Base		
	Paper mill	Feasibility study	Potential entrepreneur+Line agency+FNCCI with subsidy
	Stone quarry	Feasibility study	Potential entrepreneur+Line agency+FNCCI with subsidy
	Tile	Feasibility study	Potential entrepreneur+Line agency+FNCCI with subsidy
	Cement	Feasibility study	Potential entrepreneur+Line agency+FNCCI with subsidy
	Brick kiln	Feasibility study	Potential entrepreneur+Line agency+FNCCI with subsidy
6	Micro Household Enterprises		
	Candle making	Training + credit+extension service	Office of Cottage Industry
	Sweet shops	Training + credit+extension service	Office of Cottage Industry
Dang District			
S No.			
1	Agro based		
	Local Variety Poultry	Training + credit+extension service	Line Agencies
	Dairy	Feasibility study	Line Agencies
	Piggery	Training + credit+extension service	Line Agencies
	Off season vegetables	Feasibility study	Line Agencies
2	Forest based		
	herb cultivation	Feasibility study	Line Agencies
	herb processing	Feasibility study	Line Agencies
3	Natural resource based		
	Cement	Feasibility study	Line Agencies
	Paper mill	Feasibility study	Line Agencies
Surkhet District			
S No.			
1	Agro & Livestock -Based Enterprises		
	Dairy	Feasibility	Potential entrepreneur+Line agency+FNCCI with subsidy
	Ghee processing	Feasibility	Potential entrepreneur+Line agency+FNCCI with subsidy
2	Forest Based Enterprises		
	Furniture	Feasibility	Potential entrepreneur+Line agency+FNCCI with subsidy
	Herb processing	Feasibility	Potential entrepreneur+Line agency+FNCCI with subsidy
	Turpentine	Feasibility	Potential entrepreneur+Line agency+FNCCI with subsidy
3	Natural Resource Base		
	Rafting	Feasibility	Potential entrepreneur+Line agency+FNCCI with subsidy
	Cement	Feasibility	Potential entrepreneur+Line agency+FNCCI with subsidy
	Brick	Feasibility	Potential entrepreneur+Line agency+FNCCI with subsidy
4	Micro Household Enterprises		
	Sweets and snacks	Training + credit+extension service	Office of Cottage Industry
	Tailoring	Training + credit+extension service	Office of Cottage Industry
	Haircutting	Training + credit+extension service	Office of Cottage Industry
5	Larger Ventures		
	Precious Stone cutting	Training	Entrepreneur+Line agency+FNCCI
	Construction	Feasibility	Potential entrepreneur+Line agency+FNCCI

	Potential Enterprises	Recommended Actions	Possible Responsible Agencies
			with subsidy
	Automobile workshop	Feasibility	Potential entrepreneur+Line agency+FNCCI with subsidy

8.4. Annex IV

List of individuals present during the Focus Group Discussion

The Focus Group Discussions were carried out in the respective Chamber of Commerce and Industry offices of the districts concerned.

Banke

Asok Kumar Karmacharya	NG, CCI, General Secretary
Jeeb Nath Sapkota	FNCCI, Vice President
Krishna Shrestha	NG, CCI
Ravi Devkota	NG, CCI
Chitra Bahadur KC	CA Member

Bardia

Mr. Rajendra Prasad Kadel	President, GCCI
Mr. Atek Ahmadh Iraki,	Joint Treasurer FNCCI
Ms. Rupa Sharma Bajagai	Small Entrepreneur
Ms. Krishna Devi Pandey	Small Entrepreneur
Mr. Bal Krishna Lamichanne	Entrepreneur
Mr. Puspa Raj Baral	Vice President, DCCI
Mr. Naseem Ahmad	Entrepreneur

Dang

Mr. Madav Sharma	Proprietor of Ghorai Dana Udyog
Madhusudan Baidya	General Secretary FNCCI
Mr. Surya Poudyal	Owner, Garment factory
And Office Bearers	FNCCI office

Surkhet

Mr. Bishnu Bahadur Shahi	President, SCCI
Mr. Padam Bahadur Shahi	Secretary General, SCCI
Mr. Moti Prasad Kadel	Entrepreneur
Mr. Ganesh Kumar Basnet	Entrepreneur
Mr. Mitra Raj Pyakuryal	Entrepreneur

8.5. Annex V

List of identified Enterprises in the studied districts:

Banke

Large scale

Plywood factory

Sugar mill

Paper mill

Food processing

Herb processing

Micro and small enterprises:

Repair workshops: watches, bicycles, motorized vehicles, electrical appliances etc

Tailoring

Workshops: iron, metal and wood

Dairy

Sweets and snacks

Livestock feed

Household level Enterprises:

Haircutting

Food and snacks: Dalmoth, noodles, off season vegetables, livestock and poultry

Non-food items: incense sticks, bamboo, detergent based products

Bardiya

Agro and forest based potential enterprises:

Bee keeping

Fisheries

Goats

Poultry

Mini sugar mill

Wild life resorts

Off-season vegetables

Herb cultivation

Herb processing

Paper mill(large)

Miscellaneous potential enterprises:

Brick kiln

Candle making

Carpentry

Local Garments

Stone quarry

Sweet shops

Tiles(cement,pre-stressed)

Dang.

Livestock: Poultry, dairy ,piggeries
Forest based; herb processing, handicrafts, utilitarian goods
Construction and construction materials(bricks, tiles, pre-stressed products)
Agro-products processing
Tailoring
Wooden furniture
Restaurants and eateries
Cement (large)
Vegetables drying and packaging
Paper mill(large)

Surkhet:

Herb processing
Dairy
Ghee processing
Stone quarry and cutting
Cement(large)
Turpentine
Brick factory
Construction enterprises
Automobile workshop
Wooden furniture
Livestock raising
Sweets and snacks
Hair cutting
Tailoring
Rafting

9. REFERENCES

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