

**“Study on Analysis of Natural Resource Potential, Market Demand
and Target Groups”**

**(A Case Study of Micro- Enterprises Development Program (MEDEP) in Kalikot
District)**

**A Thesis Submitted to
Faculty of Humanities and social Sciences
Center Department of Rural Development in partial fulfillment of the
Requirement for the Degree of
Master of Arts in Rural Development**

**by
Prabin K. C.**

**Exam Roll.No: 293
Reg No : 6-1-999-22-2001**

**Centre Department of Rural Development
Kathmandu
2011**

Recommendation Letter

This thesis entitled “Study on Analysis of Natural Resource Potential, Market Demand and Target Groups (MEDEP) in Kalikot district” has been prepared by Prabin K.C. under my direct supervision. This is his own innovative work and I hereby recommend this report for the evaluation and acceptance by the evaluation committee.

Mr. Ramesh Nupane
Research Supervisor

Approval Letter

This is to certify that the Thesis report entitled “Study on Analysis of Natural Resource Potential,Market Demand and Target Groups :A case Study of Micro- Enterprises Develoment Program (MEDEP) in Kalikot district ” has been approved by the Department in the prescribed format of the Faculty of Humanities and Social Sciences of Tribhuvan University.

Evaluation Committee:

Prof. Dr. Pradeep Kumar Khadka
Head of the Department

Mr. Ramesh Neupne
Research Supervisor

Prof. Dr. Pradeep Kumar Khadka
External Examiner

Acknowledgements

First and foremost, I wish to express my sincere gratitude to Prof. Dr. Pradeep Kumar Khadka, Head of the Central Department of Rural Development, Tribhuvan University, Kirtipur, for his encouragement and support to provide me the golden opportunities and facilities for the completion of this research paper. I would also like to express sincere thanks to the respected teachers and staff of this department for their suggestions, help and co-operation.

I am extremely grateful to Mr. Ramesh Naupane for his valuable suggestions, encouragements and guidance while supervising my research work. I would like to extend my sincere thanks to Mr. Khusal Budhathoki for providing me with a good opportunity and staff members of MEDEP in Kalikot for their valuable suggestion and support. I also like to extend my sincere thanks to Mr. Ishwori Gautam EDO of MEDEP and Mr. Rajendra Rayamajhi, Senior Consultant, Kalikota district for their kind support in providing me the various valuable information and secondary data for this study.

I am highly indebted to all the respondents of the study area for their kind assistance in providing valuable information during the field study. I am grateful to Mr. Min Bahadur Bam Retired Teacher.

I would like to gratefully acknowledge to my parents for their support, encouragement and affection since my childhood and for enabling me for this accomplishment. My grateful thanks are due to all my friends also.

Last but not least, I would like to thank all those individuals and institutions who helped me directly or indirectly in the preparation of this paper.

Prabin K.C.

Abstract

The study was carried out with the objective to find out the natural resource potential, market demand and target groups and by entrepreneurs for the sustainable development of micro-enterprises. This study is conducted on micro level and has focused on the present market situation of the micro- enterprise. The study actually tries to deal about the natural resource potential, market demand and target groups by entrepreneurs. For this study Kalikot district was taken as the study area where MEDEP has conducted Micro-enterprise development program since 2008 A.D.

On the basis of simple random sampling method altogether 55 entrepreneurs were selected as the respondents of this study who have involved in micro-enterprises development program conducted by MEDEP. Out of 55 entrepreneurs 45.45 percent were male and 54.55 percent were female entrepreneurs. Majority of the respondents found in disadvantaged and marginalized groups. Either they are land less or small land holders. Traditionally their major source of income is agriculture and wage labour. Before launching the Micro Enterprises Development Program in Kalikot district by MEDEP, only few person do such type of entrepreneurial work (Bamboo Nanglo Making, Bamboo Tokary Making and Pottery) by seasonal. After launching the program and financial support from ADB/N they manufacture these goods in large scale as a main source of income. MEDEP also provide different training for those possible entrepreneurs.

The enterprises in the district are depends on Nepalese natural resources available in the district within the country. Some productive entrepreneurs have partially used foreign raw material purchased at Utar pardesh State India. Entrepreneurs are still unable to use local resource in local market. . They congested only within local area and also inside the district. Only few entrepreneurs reached outside the district and Rupahidiya (India) near Nepalgunj. also but their number is negligible.

The marketing component in any business or enterprises is perhaps the most important element but most of the micro enterprises development program are only focused credit and skill development training or entrepreneurship development training programme They are not eligible to focus marketing components such as identifying buyers and their daily needs,. Due to the lack of necessary information about their customer capacity and willingness to pay for

products and services entrepreneurs, they are suffered from marketing problem. Promotion is another activity that entrepreneurs should undertake and there is a need to introduce of the production and the services is the ultimate customers which is still missing by the entrepreneurs.

The natural resource potential and market demand by entrepreneurs are not so good and not bad. Due to information gap all entrepreneurs congested with the district. The natural resource potential are almost low. Entrepreneurs face some problems to raw material sale their products like, breakdown of the goods at the time of transportation, credit sale, low price etc Due to the lack of their own brand name they also face some difficulties in the markets. They can not compete with large industrial products, although their quality is high. They have also some problems to bring raw material from outside the district. The concept of advertisement was not introduced in the study area.

The study reveals that there exist the positive change in the life of entrepreneurs after involving the micro enterprises development program from MEDEP. They were aware an entrepreneurship development. The change of occupation pattern wage labour to commercialization of micro-business is increasing. The trend of involving into direct income generating activities like micro-business are increasing significantly within deprived and ethnic groups.

Glossary

Allo	Plant fiber used in cloth and bag making.
Amala	Fruit used in juice, candy and pickle making.
Basket	Dalo and Naglo made from Bamboo/Nigalo
Beans	Used as a vegetable and pulse
Chiraito	Herb used as medicinal plant
Chutro	Fruits used to extract juice and in making jam
Chyuri	Fruits used to extract oil to make soap
Citrus	Orange and lemon to be used directly and to extract juice and in making jam
Dalchini	...from Tejpat tree used as spice
Devdar	Timber used in furniture and extracting oil
Dhatelo	Fruits used to extract oil used in cooking
Dlechuck	Small fruits used to extract juice and in making squash
Fresh vegetables	Cauli, Cabbage, Onions and Garlic are produced
Fruits	Besides Apples and Oranges Okhar, Aru, Haluwabed are found
Furniture	Furniture made from Devadar, Sallo and Bamboo/Nigalo are popular
Ghatta	Small traditional water mills are popular
Hides	Hides of goat exported
Ketuki	Fiber used to make ropes cloths and bags
Kinetic	A valuable shining stone found in Bharta VDC and used in ornaments
Kurilo	A herb found in many VDCs
Kutki	A herbal root used as medicine
Lokta	Used in making Nepali Paper.
Padamchal	Medicinal herb.
Rittha	Fruits used in soap making
Satuwa	Medicinal root
Slate	Stone slate found in Bharta and Sukatiya used in roofing and as tiles
Sugandhawal	Medicinal root
Tejpat	Leaf used as spice and medicine
Timmur	Fruits used as medicine and spice

TABLE OF CONTENTS

	Page No.
CHAPTER 1	
INTRODUCTION	
	1-5
1.1. Background of the Study	1
1.2. Statement of the Problem	2
1.3. Objectives of the Study	3
1.4. Rational of study	4
1.5. Importance of the Study	4
1.6. Organization of the Study	5
1.7. Limitations of the Study	5
CHAPTER 2	
LITERATURE REVIEW	
	6-8
2.1. Conceptual Review	6
2.2. Micro Enterprises Development program	7
2.2.1 Concept of the program	7
2.2.2 Goals and objectives	8
Chapter 3	
RESEARCH METHODOLOGY	
	9-14
3.1. Research Design	9
3.2. Type and Nature of Data	9
3.3. Sampling Procedure	9
3.4. Data Collection Techniques and Tools	10
3.4.1. Data Collection Techniques	10
3.4.1.1. Household Survey	10
3.4.1.2. Key Informant Interview	10
3.4.1.3. Field Visit and Observation	10
3.4.1.4. Focus Group Discussion	11
3.4.2. Data Collection Tools	11
3.4.2.1. Structure Questionnaire	11
3.4.2.2. Observation Checklist	11
3.5. Methods of Data Analysis and Presentation	11
3.6 Tools of Study	11
CHAPTER 4	
INTRODUCTION OF THE STUDY AREA	
	12-16
4.1 Background	12
4.1.1 Area and location	12
4.1. River and Water Resource	12
4.1.3 Topography	13
4.1.4 Climate, Temperature, Soil and Surface	13
4.1.5 Land Use	14

4.1.6 Croppin Pattern	14
4.1.7 Live Stock	14
4.1.8 Forest	14
4.2 Pre Survey Consultation Meeting	15
4.3 Observation Sites selection	16
4.4 Review of Relevant Documents	16
4.5 Discussions with Stakeholders at District Level	17

Chapter 5

PRESENTATION AND ANALYSIS OF THE DATA	18-33
5.1 Demographic structure	18
5.2 Approach of analysis	18
5.3 Availability of natural resources	19
5.3.1 Resources of specific to caste	19
5.3.2 Potential for tourism	19
5.3.3 Water resources	19
5.3.4 Agriculture & livestock based resources	19
5.4 Availability of natural resources in 20 selected VDCs	19
5.5 Identification of market center (MCs)	21
5.6 Service centers	23
5.7 Identification of target groups	23
5.7.1 Land holding size of population	23
5.7.2 Occupational structure of Dalit population	23
5.7.3 Scope of Forest groups involving in MEs	24
5.8 Harvesting & preservation of resources	24
5.9 Marketing linkage of natural resources & ME product	24
5.9.1 Domesting marketing links	24
5.9.2 Linkage of local products to export in international	25
5.10 Channels of supply	25
5.11 Information collected from individual intrepeneurs	25
5.12 Issues , Constraints and informations	27
5.13 General Situation	28
5.14 Major Natural Resources of Kalikot	28
5.15 Tourism Potentials	29
5.16 Harvesting & Conervation of Resource	29
5.17 Market Demand	30
5.18 Policy Constraints and Interventions	30
5.19 Enterpreneur's Perceptions	30
5.20 Potential Enterprises	31
5.21 Marketing of Resources and Products	32
5.22 Problems and Probable Solutions of MEs	32
5.23 Alliance and Market Linkage	33

5.24 Support Services

33

CHAPTER 6

SUMMARY, CONCLUSION and RECOMMENDATIONS

34-36

6.1 SUMMARY

34

6.2 CONCLUSION

37

6.3 RECOMMENDATIONS

37

References

List of Tables

	Page
Table 1 :	The respondents selected from different VDCs are given below. 10
Table 2	River and water resources 12
Table 3:	The status of Land use 14
Table 4:	Production of Selected Livestock Products 14
Table 5:	Observed Market Centres and VDCs 16
Table 6:	Availability of Natural Resource in 04 VDCs 20
Table 7:	Availability of exportable resources in 4 V.D.C 21
Table 8:	<i>Market Centers</i> of Kalikot 22
Table 9:	Households earning levels, and living below poverty line 28
Table 10:	Problems and Solution of the Enterprises 32
Table 11.	Availability of Support Services

ABBREVIATION

AFW	Analytical Frame Work
CBOs	Community Based Organizations
CFUG	Community Forest User Group
DADO	District Agricultural Office
DCIB	District Cottage Industry Development Board
DDC	District Development Committee
DFO	District Forest office
DOC	Department of Commerce
DOCSI	Department of Cottage and Small Industries
DOI	Department of Industry
FGD	Focus Group Discussion
FNCCI	Federation of Nepalese Chamber of Commerce and Industry
FNCSI	Federation of Nepal Cottage and Small Industry
GoN	Government of Nepal
HH	House Holds
KIF	Key information format
MAPS	Medicinal and Aromatic Plants
MCs	Market Centers
ME	Micro Enterprise
MEDEP	Micro Enterprise Development Program
MOF	Ministry of Finance
MOICS	Ministry of Industry, Commerce, and Supply
NGOs	Non-Government Organizations
NPSO	National Program Support Office
NTFR	Non Timber Forest Resources
ToR	Terms of Reference
TPC	Trade Promotion Center
VDC	Village Development Committee