

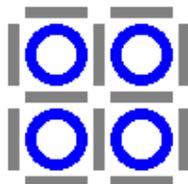


Incubator Initiative in Nepal
Planning Grant (IIP-007)



Final Consolidated Report

December 31, 2006



IT Professional Forum

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Table of ContentsPage No.

1.0	Introduction	7
1.1	GENERAL	7
1.2	PROJECT LEAD ORGANIZATION, TEAM AND PROCESS	8
1.3	PLANNED AND ACTUAL PROJECT PROCESS	11
2.0	Brief Description Of Project Components	11
2.1	GENERAL	11
2.2	REPORTS	12
	2.2.1 Inception Report.....	12
	2.2.2 Incubation Environment & Needs Assessment Report.....	12
	2.2.3 Training Reports	12
	2.2.4 Stakeholders Consultation Reports	13
	2.2.5 Business Plan.....	13
	2.2.6 Final Report	13
2.3	STAKEHOLDERS CONSULTATIONS	13
	2.3.1 Partners Agencies	15
	2.3.2 Wider Stakeholders.....	16
	2.3.3 Seminar/Workshops.....	16
2.4	AWARENESS / TRAINING.....	18
	2.4.1 Awareness Building And Focused Group Discussions	18
	2.4.2 Specific Targeted Trainings	19
2.5	KNOWLEDGE DISSEMINATION	20
	2.5.1 Web Site	20
	2.5.2 Print And Electronic Media.....	20
	2.5.3 Multimedia Cd Rom	20
	2.5.4 Institution / Individual Knowledge Dissemination.....	20
	2.5.5 Incubation Process Documentary Film.....	21
2.6	PROJECT ADMINISTRATION	21
3.0	Outline Of Need And Environment Assessment.....	22
4.0	Outline Of Business Plan And Related Findings	26
5.0	Key Achievements, Lessons Learned And Practices	30
6.0	Project Evaluation (Outcome From M&E Committee)	32
7.0	Long-Term Strategy For Business Incubation In Nepal.....	34
8.0	Summary Of Findings, Conclusion And Recommendations.....	35

Foreword

First of all, IT Professional Forum (ITPF) was privileged by the responsibility provided by Nepalese government, academia and private sector to put up a project proposal to infoDev, The World Bank for the planning of IT incubators in Nepal. It was more challenging as well as encouraging as IT professionals when our proposal was awarded the grant and that too by widening our area of study covering all types of incubation services based on innovation and supported by ICT.

When this study was initiated in Nepal, incubation was not completely new to Nepal as some of the INGOs like Helvetas and UN had been trying a wall-less incubation experiment towards poverty alleviation and one private organization (Lotus group) had already dipped its hand with the concept of wealth creation. Some of the government personnel, academicians & private sector people had it seen working in other countries contributing to their national economies. Helvetas had done a pre-feasibility study on the concept. However there had been no prior proper detailed study on the subject like this one.

This project has been successful in accomplishing the study of "Need and Environment Assessment of Business Incubation"; creating a more widespread awareness in incubation through stakeholder consultations, training, information dissemination through paper and electronic media (FM radio, TV, CD ROM and web). During the course of the project, 23 different individuals received incubation managers training and 13 Nepalese persons from government, academia and private sector got international exposure on incubation through global forum, conferences, workshops in India and Philippines. Finally the project also developed a business plan for an incubator (namely Business Incubation Centre, Kathmandu). Department of Cottage and Small Industry (DoCSI) is the owner of this business plan. Lately, Economy Policy Network from Ministry of Finance has reconsidered the concept of Business Incubation for a policy framework.

The project had a steering committee headed by Member Secretary of High Level Commission for Information Technology (HLCIT) and supported by various representatives from the partnering organizations. The committee provided policy level directions to the project. ITPF had a permanent working team as well as resource persons and private sector companies to work on the project time to time in a professional manner. ITPF also had its own monitoring and evaluation committee for the project and the executive committee of ITPF who guided the project for its effective completion.

IT Professional Forum extends her appreciation to IBRD, The World Bank Group for considering Nepal as a potential country for the promotion of business incubation services.

In completing this project, ITPF has received their respective contributions from government, academia, private sector and international and national resource persons. Foremost, ITPF would like to thank HLCIT, Kathmandu Engineering College (KEC), Nepal Chamber of Commerce (NCC) for working together to put up a proposal to infoDev and providing time to time input and interactions to the working team. Later DoCSI took the concept more seriously by offering its venue/resources for a possible incubation centre. HLCIT also had offered part of its venue for a possible ICT incubator but unfortunately due to political disturbances during the time of preparing the business plan, the process had to be aborted. Kathmandu University (KU) and Institute of Engineering (IOE) had also actively played a constructive role in the whole process.

On behalf of the ITPF IIN project team and my personal behalf, I would like to thank all organizations, professionals, individuals and media persons who were actively involved and contributed towards the successful completion of the project. My special thanks go also to Mr Julian Webb and Prof. Bong Jin Cho who had made voluntary contribution towards this project. I thank Mr Pushkar Wagley and Mr Shashi Bhattarai who made special contribution towards the preparation of this report. Lastly I would like to thank all my team members for their hard works and efforts in making this project a success.

Suresh Kumar Regmi
Team Leader
Incubator Initiative in Nepal Project

Acronym

BICK	- Business Incubation Centre, Kathmandu
BIIN	- Business Incubation Initiative in Nepal
BIST	- Birla Institution of Science and Technology
CAN	- Computer Association of Nepal
CIT	- Centre for Information Technology
CSIDB	- Cottage and Small Industries Development Board
CSITC	- Cottage and Small Industry Training Centre
CTEVT	- Council for Technical Education and Vocational Training
DDC	- District Development Committee
DOCSI	- Department of Cottage and Small Industry
DOI	- Department of Industry
EDP	- Enterprise Development Programme
F.Y.	- Fiscal Year
FNCCI	- Federation of Nepal Chamber of Commerce & Industries
FNCSI	- Federation of Nepal Cottage and Small Industries
FWEAN	- Federation of Women Entrepreneurs Association of Nepal
GDP	- Gross Domestic Product
GON	- Government of Nepal
GTZ	- German Technical Cooperation,
HLCIT	- High Level Commission for Information Technology
HMG/N	- His Majesty's Government of Nepal
ICT	- Information Communication Technology
IIN	- Incubator Initiative Nepal
IOE	- Institute of Engineering
IT	- Information Technology
ITPF	- IT Professional Forum
KU	- Kathmandu University
KUBIC	- Kathmandu University Business Incubation Centre
LBIC	- Lotus Business Incubation Centre
MAN	- Management Association of Nepal
MBA	- Master of Business Administration
ME	- Micro Enterprise
MEDEP	- Micro Enterprise Development Program
MOEST	- Ministry of Environment, Science & Technology
MOICS	- Ministry of Industry, Commerce & Supply
NARC	- National Agriculture Research Centre
NBIA	- National Business Incubation Association
NCC	- Nepal Chamber of Commerce
NDCL	- Nepal Doorsanchar Company Limited
NIDC	- Nepal Industrial Development Corporation
NPC	- National Planning Commission
NRB	- Nepal Rastra Bank
NRs./Rs.	- Nepalese Rupees
NTFP	- Non-Timber Forest Products
PAF	- Poverty Alleviation Fund
PRSP	- Poverty Reduction Strategy Paper
R&D	- Research and Development
RECAST	- Research Centre for Applied Science & Technology
RMFDC	- Rural Micro Finance Development Corporation
RONAST	- Royal Nepal Academy for Science and Technology
RRC	- Research and Resource Centre (Pvt.) Ltd.
SEZP	- Special Economic Zone Project
SMEDP	- Small and Micro Enterprise Development Project
SME	- Small & Medium Enterprise
SNV	- Netherlands Development Organization

SWOT	- Strength, Weakness, Opportunity & Threat
TBI	- Technology Business Incubator
TOR	- Terms of References
TOT	- Trainings of Trainers
TPC	- Trade Promotion Centre
TU	- Tribhuvan University
UN	- United Nations
UNDP	- United Nations Development Programme
USA	- United State of America
USAID	- United State Agency for International Development
VDC	- Village Development Committee
VSAT	- Very Small Aperture Terminal
WB-WDI	- World Bank - World Development Index
WEAN	- Women Entrepreneurs Association of Nepal

1.0 Introduction

IT Professional Forum had awarded a grant of US\$ 100,000/- by the *infoDev*, The World Bank Group for the planning phase of Business Incubation in Nepal. The project 'Incubator Initiative Nepal' covered a period of two years and the agreement for the cause was signed on July 7, 2004. The project was extended for a period of one year and the letter of amendment was signed on June 23, 2006.

IT Professional Forum in cooperation and support of stakeholders like High Level Commission for Information Technology and Department of Cottage and Small Industries, Government of Nepal, Nepal Chamber of Commerce, Kathmandu Engineering College, Kathmandu University and others conducted the in-depth research and analysis of need assessment for incubators, and planning for the provision of business incubation to promote business innovation and private sector development in the country.

The two year Incubation Initiative Nepal project components consisted consultations, advocacy, international networking, training, knowledge dissemination, research and planning. The project involved six key institutions from government, business, academia and professional society. The project resulted environment and need assessment report, business plan for Business Incubation Centre at Kathmandu, Web portal, Animation and Documentary CD. During the project process, consultation is made with more than 60 institutions, met with around 260 people, workshop and discussion participated by 120 persons. Three key international resource person delivered trainings and lecture in Nepal. Thirteen persons participated in various international and regional events. Seventeen experts and support staffs were involved in the process of initiative project. The project also mobilized financial and infrastructure resources from the Government of Nepal, mainly at Department of Cottage and Small Industry for setup of Business Incubation Centre, Kathmandu. Attention on business incubation and its potential on socio-economic uplifting of the country is drawn on to key policy makers in Nepal, especially at the line ministry and departments related to ICT, science, technology and industry. Ultimately, the initiative has paved a way to road ahead in the area of business incubation, innovation and SMEs promotion in Nepal.

The ultimate goal of the Incubation Initiative Nepal project is to build local capacity in the target business communities, raise awareness and promote the appropriation and utilization of ICT by local entrepreneurs and small businesses as tools to address their short and long-term development goals, and facilitating the creation of a global incubator network for exchanging ideas and formulating best practices and lessons learned for designing and implementing business incubators in developing countries.

1.1 General

The concept of business incubation is new and at infancy stage in Nepal, as such comprehensive effort was made to build to widen its utility and value for the growth of SMEs and MEs. The business incubation process is targeted to integrate the use of information and communication technologies into the development of small and medium enterprises (SMEs) and micro enterprises (MEs). The objective of the project was to raise awareness, build local capacity in the target communities and promote the appropriation and utilization of ICT by local entrepreneurs and small businesses as tools to address their short and long terms development goals.

1.2 Project Lead Organization, Team and Process

IT Professional Forum is the leading organization and the organizations which are instrumental for the advocacy of the incubation initiative program within the country and fostering the concept as well as planning to establish business incubation centre in Nepal are given below.

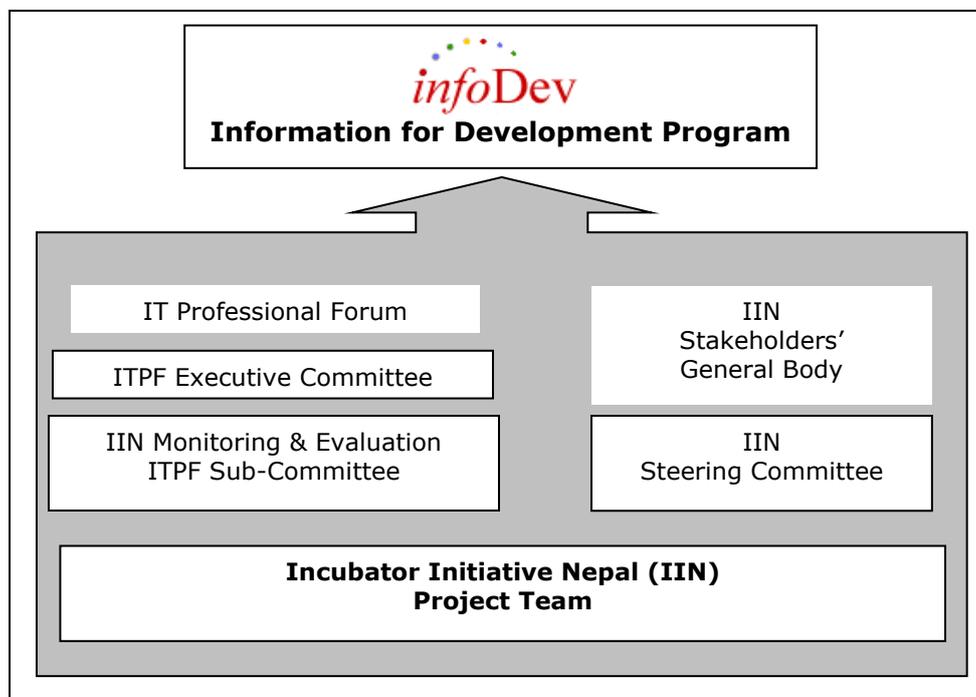
Project Lead Organization	Partners focused area
IT Professional Forum	National professional not for profit organization, involving mainly members from Government, Public Enterprises, Donor Agencies, Banks, IT and Development Consulting companies and Academia Development and assessment of ICT sector in Nepal, Policy and other support for best utilization of ICT for overall economic upliftment in the country, Project management, ICT based business development, Project analysis
High Level Commission for Information Technology, Government of Nepal	Governments authority for ICT sector -Facilitation and Policy Support in ICT sector development in Nepal, IT Park utilization
Department of Cottage & Small Industry, Government of Nepal	Governments authority for S/MEs development - Pioneer and leading institution for promoting small and micro enterprises, delivering business development services, skill development in the areas of cottage and small industry
Kathmandu University	Academia - Leading producer of Technology and Business Graduates in Nepal situated in Dhulikhel in close proximity of IT Park, Kavre
Kathmandu Engineering College, Tribhuvan University	Academia -Producer of Technology Graduates in Nepal in the private sector
Nepal Chamber of Commerce	Business Community - Trade Association

The following members of the Incubation Initiative Nepal Project working team are driving force for the advocacy, education and promotion of concept, philosophy, process, principle and identification of business incubation sector in the Nepal.

Name of Team Members	Title/Designation
Suresh Kumar Regmi	Team Leader and IT Expert
Khusbu Sarkar Shrestha	Project Analyst
K. K. Singh	Financial/Accounting Expert
Shashi Bhattarai	Project Analyst
Govind Dev Pandey	SME / Business Incubator Expert
Dr Kim Houghton	Incubation Expert, Australia
Prof. Dr. Bong Jin Cho	Professor of Marketing, Keimyung University & Hon. President Korean Business Incubation Association
Jie Tae-Hong (James) PhD	Visiting Speaker and Professor, Management of Technology, Asian Institute of Technology, Thailand, Professor, Korea Polytechnic University
Satish Krishna Kharel	Legal Expert
Rajesh Kumar Shakya	e-Commerce Expert
Kedar Prasad Badu	Institutional Expert

Mohan Mardan Thapa	Financial Expert
Rajesh K. Lamichanne	Marketing Expert
Ritu Raj Subedi	Communication Expert
Pushkar Wagley	Project Manager
Dinesh Pokharel	Research Assistant
Anant Regmi	Office Assistant

The project overall processes and functioning are shown in the following chart. The stakeholders' general body comprising of the representatives from the following institutions guided the project, analyzed the progress, draw strategy and disseminated incubation concept in their hierarchies.



Stakeholders General Body

<p>Government of Nepal National Planning Commission Ministry of Industry, Commerce & Supplies Department of Cottage & Small Industry Ministry of Environment, Science & Technology National Information Technology Centre Industrial Enterprise Development Institute Trade Promotion Centre Industrial Management Centre Royal Nepal Academy for Science & Technology</p> <p>Financial Institutions Small Farmer Development Bank Finance Companies</p> <p>Academic Institutions University Grant Commission Tribhuvan University Institute of Engineering Council for Technical Education & Vocational Training Butwal Technical Institute</p>	<p>Business Associations Federation of Nepalese Chamber of Commerce & Industry Federation of Nepalese Cottage & Small Industry Computer Association of Nepal Women Entrepreneur Association of Nepal</p> <p>Venture Capital Investors Ace Group Lotus Group Soaltee Group</p> <p>Multilateral / Bilateral / NGOs/INGOs Department for International Development Danish Development Agency Swiss Development Corporation/Helvetas Japan International Cooperation Agency Netherlands Development Agency (SNV)</p> <p>Subcontracting Partners Yomari Lotus Group eMotion Pvt. Ltd.</p>
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A steering committee composed of the representatives from among the lead organizations and stakeholders was formed to supervise, monitor, guide the progress and provide policy guidelines, and directives to the project team to comply with the plans and programs and achieve the result in time.

Steering Committee

Member Secretary, High Level Commission for Information Technology	Chairperson
Director General, Department of Cottage & Small Industry	Member
Representative - National Planning Commission	Member
Representative - Tribhuvan University	Member
Prof. Bhadra Man Tuladhar, Kathmandu University	Member
Executive Director, National Information Technology Centre	Member
Kishor Agrawal, Nepal Chamber of Commerce	Member
Govind Dev Pandey, SME / Business Incubator Expert	Member
Team Leader, Incubator Initiative Project	Member
General Secretary, ITPF	Member
Project Manager, Incubator Initiative Project	Member Secretary

Besides the Steering Committee, the Monitoring and Evaluation subcommittee of IT Professional Forum carried out the evaluation of the project. The committee had performed the internal evaluation of the work progress and completed the necessary quality checking of the outputs to be delivered to the infoDev. The Monitoring & Evaluation Subcommittee was constituted by the executive committee of IT professional Forum consisting of the following:

Monitoring & Evaluation Committee

Lochan Lal Amatya	Coordinator
Shiv Bhushan Lal	Member
Prashanta Lal Shrestha	Member

The Department of Cottage and Small Industry showed their eagerness to establish business incubator in Kathmandu, the IIN project team constituted five Business Plan preparation Subcommittees under the main Business Plan Committee to bring in the inputs, identify areas of cooperation and suggest a workable business plan. The composition of Business Plan Committee and Sub-committees are given below.

Business Plan Main Committee and Sub-committees

Main Committee Members	Sub-Committee DOCSI
Suresh Kumar Regmi	Binod Kumar Upadhyay - Coordinator
Shashi Bhattarai	Gopal Lal Amatya
Shatish Krishna Kharel	Surendra Shashi
Kedar Prasad Badu	Sub-Committee KU
Mohan Mardan Thapa	Dr Panna Thapa - Coordinator
Rajesh Chandra Lamichanne	Binod Siwakoti
Khusbu Sarkar Shrestha	Sanat Bista
Rajesh Kumar Shakya	Sub-Committee KEC
Pushkar Wagley	Chand S. Rana - Coordinator
Dinesh Pokharel	Shiv Prasad Koirala
Sub-Committee HLCIT	Ramesh Shrestha
Arni Raj Manandhar - Coordinator	Sub-Committee IOE
Bobby Swar	Prof. Jagan Nath Shrestha - Coordinator
Deepak Gopaju	Dr. Subarna Shakya
	Arun Ranjitkar

1.3 Planned and Actual Project Process

The timescale planned for conducting ' Incubation Environment and Needs Assessment study' could not be followed because of the reasons beyond our control. Two major factors pushed the study back; one of them was looking for experienced and active partners to conduct the study, mobilizing partner institution for setting up business incubation centre and second was conflict, political disturbance and absence of local government in the country.

The Business Plan preparation took little longer time than planned because of the line agency Department of Cottage and Small Industry was not prepared themselves. ITPF conducted series of learning exercise on business plan to DOCSI officials and were able to interact and provide required information.

The Final Consolidation Report (this one) is delayed due to subsequent factor and further by extension of the project closure period by one year, the extended period is further utilized in advocacy and promotional activities.

2.0 Brief Description of Project Components

2.1 General

The project component were divided into twelve work packages (WP) as per the nature of the activities right from the inception phase as indicated in the following table:

Work Package	Work Package Title	Lead Partner	Deliverable No
WP 1	Inception study	ITPF	D 1
WP 2	Incubation Environment and Needs Assessment study	Sub-Contract	D 2
WP 3	Seminar / Workshop / Meetings	ITPF	D 3A
WP 4	Stakeholders Consultation	ITPF	D 3B
WP 5	Progress Reporting	ITPF	D 6
WP 6	Business Plan	ITPF	D 4
WP 7	Final Planning Consolidation	ITPF	D 5
WP 8	Monitoring and Evaluation	ITPF	D 5
WP 9	Project Management	ITPF	D 5
WP10	Knowledge Dissemination	Yomari	D 7
WP 11	Trainings	ITPF	D 3C
WP 12	Publication of CD ROM, Documentary and Booklet	Sub-Contract	D 8

Each work package deals with the planned activities to be completed in the stipulated time frame. The progress made on the activities during the period under which they have been completed is also explained in them separately. Breaking the total project into small identifiable and manageable sub-programs helped IIN to clearly understand the role of each professional. The project management task becomes quite easier, simple and controllable from administrative as well as financial aspects.

The reporting on the packages was done as scheduled except in the case of WP2 - Incubation Environment and Need Assessment Study where it took more time due to many factors beyond the control of IIN project. The project already submitted the reasons for the delay in her quarterly progress reports under package WP5.

2.2 Reports

2.2.1 Inception Report

The inception report first deliverable mentioned in the contract agreement and provides details of the activities ahead of the Business Incubator Planning in Nepal. The report also presented preliminary consultations and studies conducted for the purpose of best utilization of the grant. The inception report consists of eight sections and six annexure.

2.2.2 Incubation Environment & Needs Assessment Report

The broad objective of the incubation environment and need assessment survey was to study and analyse local conditions and context of business incubation in Nepal with best utilisation of ICT. The study is designed to focus on business incubation with best utilization of ICT in three broad areas:

- Technology (including ICT) based with innovation focusing on fresh graduates,
- Small, medium and micro enterprises (SMEs and MEs) focusing to enhance efficiency, productivity and market reach, and
- Facilitating entrepreneurs in rural sector.

The study has used both quantitative and qualitative data collected from primary and secondary sources. The source of primary information comprised structured questionnaire survey with 270 students and 110 SMEs & MEs covering different development regions along with opinion survey, interviews and group discussions with key informants in the government, private sector, professional organisations, academia, banks & financial institutions, development agencies and INGOs. Secondary information from previous studies, workshop, seminar and recommendations on business incubation was collected, reviewed and assessed

2.2.3 Training Reports

Without proper awareness and knowledge on the subject matter, it is not possible to convince from planners to bureaucrats, entrepreneurs to young graduates, academia to S/MEs and bank to venture capitalist to adapt the principles of the incubation. The main objectives of training are as follows:

- Awareness building of prospective tenants, business and social organizations and general stakeholders
- Basic management awareness building to prospective business incubator operators

Our training activities have been therefore has been divided into two types based on the need and requirement of the participants. There is significant number of stakeholders who are unaware of the incubation and they need an orientation on incubation concepts and philosophy, benefits & possibilities and the value it adds on the employment, economic development & poverty alleviation. Thus building awareness on the incubation is the primary area of focus of the training.

At the same time, the potential stakeholders need to be prepared as managers who will take up the operation, implementation and management of the future incubation centres in the country. This category of training is also important as some of the stakeholders are already providing business development services for quite a long time and are planning to setup technology based incubation centre in Kathmandu.

2.2.4 Stakeholders Consultation Reports

The report includes stakeholder consultation from inception to the completion of environment and need assessment study. The reporting includes two general stakeholder seminars, participation in Global Forum on Business Incubation from Nepal, focused group meetings and institution wide one to one consultations.

The Objectives of stakeholder consultation were set as follows:

- Advocating and sharing information on the need of business incubation to multi-stakeholders
- Participating wider stakeholders in the planning process of Business Incubation in Nepal
- Consultative and informed decision making in planning process
- Participation of Nepal planning team in international seminar on business incubation and sharing / using knowledge in the Nepalese context

2.2.5 Business Plan

The Business Plan for Business Incubation Centre (BIC), Kathmandu is a collaborative effort between the Department of Cottage and Small Industry, and the Incubation Initiative in Nepal. The objective of this document is to draw a business plan for the BIC, Kathmandu. Besides becoming a guideline for the early operations of the first non-private incubation centre in Nepal, the document will be the basis for soliciting funds from the government and donor agencies. This document will also help in clarifying BIC's status, direction, goals and vision among its stakeholders and partners so that all of them work together as a cohesive force towards the attainment of a common objective.

The DOCSI had initiated the establishment of techno-business incubation by calling for proposals from prospective clients. It also advertised and organized a competition for the selection of an appropriate name and logo for the incubation centre. The DOCSI, in accordance with GON decision at the level of Secretary of Ministry of Industry, Commerce and Supplies, has already formed an Incubation Centre Board comprising seven members with representation from GON, private sector, research and academic institutions and a business confederation.

2.2.6 Final Report

The final consolidation report is a compilation of the synopsis of all the above reports so that a comprehensive document can be created. This report also covers those activities which took place after the completion of the respecting work packages.

2.3 Stakeholders Consultations

The following activities were carried out to achieve the objectives.

- Meetings and consultations with partners and stakeholders, briefing the IIN project activity
- Making stakeholders aware with business incubation concept, process, establishment, implementation, operation and support
- Making informed decisions
- Preparation of agenda, participants, distribution materials for seminar and workshop
- Participation in international events by Nepalese planning team, sharing and application of knowledge (locally as well as internationally).

- Generation of summary of the activities and results of meetings and consultations with partners and stakeholders
- Preparation of outcomes of meeting.
- Focused group meetings with target groups of specific interest

The series of consultations from inception to the completion of environment and need assessment study were concluded with stakeholders.

Overview of Stakeholder Consultation

S. No.	Activity	No. of Participant	Description
1.	National Level Seminar / General Body of Stakeholders		
	Inception Seminar	42	Dissemination and consultation on Inception Study & collection of comments
	Environment and Need Assessment Study Workshop	59	Consultation & deliberation on the findings of Environment and Need Assessment Study and compilation of recommendations.
2.	International Seminar	All together 13 Nepalese delegates to four events	<ul style="list-style-type: none"> • First Global Forum (October 2004) on Business Incubation, New Delhi – 5 delegates • Asian Regional Network Meeting, Manila (February 2006) – 5 delegates • EU-India Conference: Incubating NEXT Ventures, Trichi 27-29 June 2006 - 1 delegate • Second Global Forum on Business Incubation, Hyderabad (November 2006) – 2 delegates Acquiring the regional & international networking, experience sharing.
3.	Focused Group Meetings		
	Government Organizations	17	One to one meeting and awareness building program.
	Academic Institutions	16	One to one interaction with TU, KU, KEC and organising awareness creation program
	Women Entrepreneurs	39	Awareness building program to FWEAN
	Media	12	Awareness building program and let them present the incubation concepts in their own way through their medias.
	Finance & Venture Capital Related	5	One to one meeting and identifying the possibility of venture capital funding in the country
	Business/Professional Association	60	Awareness building program to NCC, CAN, MAN.
	I/NGOs	8	One to one meeting and understanding their initiatives in developing S/MEs.

The stakeholders can be grouped under the following heads

Group/Sector	Number of Institutions
Government Organization	11
Academic Organization	11
Research Institution	02
Business Association	11
Corporate House	03
Financial Institution	10
Multilateral/Bilateral/NGO/INGO	10

2.3.1 Partners Agencies

Project Partner	Partners focused area
ITPF IT Professional Forum	Development and assessment of ICT sector in Nepal, Policy and other support for best utilization of ICT for overall economic upliftment in the country, Project management, ICT based business development, Project analysis
HLCIT High Level Commission for Information Technology	Facilitation and Policy Support in ICT sector development in Nepal including overall management of IT Park Kavre
DoCSI Department of Cottage and Small Industry	Governments authority for executing policies, financial incentives and legislations for Cottage and Small Industry sector development in the country
TU Tribhuvan University	Leading and oldest university of Nepal, the leading technical institute the Institute of Engineering (IOE)
KU Kathmandu University	Emerging Leader in producing Technology and Business Graduates in Nepal situated in Dhulikhel in close proximity to the IT Park, Kavre
KEC Kathmandu Engineering College, Tribhuvan University	Producer of Technology Graduates in Nepal from the private sector
NCC Nepal Chamber of Commerce	Oldest Trade Association of Nepal

2.3.2 Wider Stakeholders

The stakeholders are list Sector wide in the following table

<p>HMG/N Institutions</p> <ul style="list-style-type: none"> ❖ National Planning Commission ❖ Ministry of Industry, Commerce & Supplies ❖ Department of Industry ❖ Ministry of Environment, Science & Technology ❖ National IT Centre ❖ Industrial Enterprise Development Institute ❖ Trade Promotion Centre ❖ Poverty Alleviation Fund Commission ❖ Nepal Academy for Science & Technology ❖ Department of Commerce ❖ Cottage & Small Industry Development Board ❖ National Productivity & Economic Development Centre ❖ Industrial District Management Ltd., <p>Financial Institutions</p> <ul style="list-style-type: none"> ❖ Nepal Rastra Bank ❖ Agriculture Development Bank ❖ Himalayan Bank Ltd. ❖ Nepal Investment Bank ❖ Nepal Development Bank ❖ Nepal Industrial Development Corporation ❖ Eastern Rural Development Bank, Biratnagar <p>Academic Institutions</p> <ul style="list-style-type: none"> ❖ University Grant Commission ❖ Tribhuvan University ❖ Institute of Engineering ❖ Kathmandu University ❖ Council for Technical Education and Vocational Training ❖ Kathmandu Engineering College ❖ Purbanchal University ❖ Kathmandu College of Management ❖ Ace Institute of Management ❖ Butwal Technical Institute, Butwal 	<p>Enterprise Clusters</p> <ul style="list-style-type: none"> ❖ Balaju Industrial District, Kathmandu ❖ Patan Industrial District, Lalitpur ❖ Bhaktapur Industrial District, Bhaktapur ❖ Nepalgunj Industrial District, Nepalgunj ❖ Butwal Industrial District, Butwal ❖ Dharan Industrial District, Dharan <p>Business Associations</p> <ul style="list-style-type: none"> ❖ Nepal Chamber of Commerce ❖ Federation of Nepalese Chamber of Commerce & Industry ❖ Federation of Nepalese Cottage & Small Industry ❖ Industrial Promotion Environment & Committee, FNCCI ❖ Federation of Women Entrepreneurs Association of Nepal ❖ Morang Chamber of Commerce & Industry ❖ Pokhara Chamber of Commerce & Industry ❖ Birgunj, Chamber of Commerce & Industry ❖ Computer Association of Nepal ❖ Women Entrepreneur Association of Nepal <p>Venture Capital Investors</p> <ul style="list-style-type: none"> ❖ Vibor Investments ❖ Lotus Group ❖ Soaltee Group <p>Multilateral / Bilateral / NGOs/INGOs</p> <ul style="list-style-type: none"> ❖ Asian Development Bank ❖ United States Development Agency ❖ Danish Development Agency / Private Sector Development Program ❖ Swiss Development Corporation / Helvetas ❖ Netherlands Development Agency / Private Sector Development ❖ SME Development Project / FNCCI ❖ Micro-Enterprise Development Programme / UNDP ❖ Private Sector Project / GTZ ❖ Rural Urban Partnership Project / UNDP ❖ Elam Project, Birgunjg
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2.3.3 Seminar/Workshops

Stakeholder consultation took various forms such as one-to-one meetings; participation in forums, workshops, seminars and conferences; networking through forums, chats, web portal, user groups & talk program in electronic media including internet and publication of newsletters, journals etc. The stakeholders' acceptance of business incubation as the need of nation was expressed during their consultations is listed below.

National Planning Commission

Vice-chairman, National Planning Commission Dr Shankar Prasad Sharma said that the small and medium enterprises that have been developed through business incubation

can provide employment to a person by investing Rs 1,000. Dr Sharma added that those SMEs and MEs that are not developed via business incubation need to invest Rs. 15,000 to create a single job. He further stressed that the SMEs contributes 60 per cent in value addition and 90 per cent to create jobs and this is why the government is considering allocating fund in the upcoming budget to open business incubation centres.

In an interaction with the media persons during the budget formulation Dr. Sharma said that the government was planning to allocate budget for the development of business incubation in order to gear up developmental and business activities. He said that the government has taken business incubation as a positive initiative, as world experiences have shown, although the country's economic condition was passing through difficult times due to the conflict and political instability, it was necessary to establish incubator centres because they help generate employment and reduce poverty

Ministry of Environment, Science & Technology

Dr. Swoyambhu Man Amatya, Secretary, Ministry of Environment, Science and Technology confirmed the need for IT based business incubation centre. He hoped that IT Park that is constructed in Banepa of Kavre district, adjoining Kathmandu is an appropriate place to establish IT business incubator. Dr. Amatya reiterated that we should move ahead with the Public-Private-Partnership approach in operation and management of business incubation in the country.

Ministry of Industry, Commerce & Supply

Mr. Bharat Bahadur Thapa, Secretary, Ministry of Industry, Commerce & Supplies stressed the importance of business incubation and value to the nation. He said that it is imperative to launch business incubation in Nepal as it helps run enterprises successfully. It provides information to the entrepreneurs about basic elements and environment about development and sustainability of business. Once the entrepreneurs are trained in incubators, he or she does not invest in the areas that lack sustainability and viability. It also helps stopping the prevalent trend in which businesses and companies are established and closed down immediately because of the lack of their sustainability. Generally only about 30 per cent of such companies continue to operate. If the entrepreneurs establish the industry by acquiring full knowledge about them, there remains little chance to shut down the enterprises at the earlier stage.

Mr. Thapa expressed that the ministry is working out to set up a fund aimed at promoting small enterprises and the business incubation will be one of the components in this regard while talking with the working team of IIN Project. There is a need to make amendments in the Industrial Policy of Nepal and the ministry is working in it. The ministry is ready to introduce provisions in Income Tax Act and Industrial Enterprises Act that pave the way for the development of incubation centre.

High Level Commission for Information Technology

Mr Sharad Chandra Shah, then Vice Chairman of HLCIT has offered the IT Park to be used for IT based business incubators. HLCIT has already shown strong commitment towards the implementation of IT based business incubation in IT Park. Mr. Atma Ram Ghimire, Member Secretary HLCIT has confirmed that HLCIT is ready to use one block of IT Park for implementing the concept of IT business incubation. The Park will provide, building space, computers, networking facility, meeting hall, furniture and other facilities free of cost to IT Incubation Centre. Mr. Ghimire said that the government would like to promote the concept of Public-Private-Partnership (PPP) in developing IT based incubation centre. A macro level Steering Committee should be constituted consisting of a maximum of seven member representatives from various sector including education, industry, finance, commerce, to promote, guide, drive, and monitor upcoming business incubation centres in the country.

Nepal Academy for Science and Technology

Prof. Dr. Dayananda Bajracharya, Vice Chancellor, RONAST expressed that they have the required human resource, laboratory, infrastructure, physical facilities and technology to facilitate clients for conducting technology based incubation. At present research is in progress in the areas of Bio-fertilizer, Taxol, Biomass conversion to bricks, Solar energy and Medicinal mushroom.

Department of Cottage & Small Industry

GON allocated Rs 2.5 Million (Approximately USD 33,000 in FY 2004/05) for the implementation of technology based business incubation in Nepal. Mr Tej Raj Shakya, Director General, DoCSI, expressed the idea that there are many questions such as what should be the aim of this service, how to provide incubation service, where should it be located, what environment is needed, what incubatee selection criteria should be adopted, what support program should be provided, what post incubation program should be provided. DoCSI has plans to start the service at least for 5 incubatees for this fiscal year. He hoped the current project will help in providing answers to these questions. Mr Shakya, expressed the commitment while addressing the stakeholders. The time has come to invest by stakeholders in the business incubation in any form from this fiscal year. We have to begin incubation from a place with one umbrella and one door policy. The business plan of incubation should be for three years.

2.4 Awareness / Training

One of the prime needs of the planning grant is to educate and disseminate the information on incubation and its benefits to the people, society and economy. Without proper awareness and knowledge on the subject matter, it is not possible to convince from planners to bureaucrats, entrepreneurs to young graduates, academia to S/MEs and bank to venture capitalist to adapt the principles of the incubation. Copying the methods and models adopted by the developed nation on incubation; will not yield the desired results. Instead the stakeholders should be provided with the information and knowledge on incubation and the success stories of developed nations through awareness creation thereby helping them to draw their incubation methods, models and environment best suited to Nepal

2.4.1 Awareness building and Focused Group Discussions

The IIN project primary focus was to extend orientation and awareness building on the incubation to as many members of stakeholders as possible. To meet this objective the project initiated the awareness building activities from the beginning of planning grant to Nepal, starting right from the inception phase.

The training duration was between two to four hours depending upon the curiosity of the stakeholders. The methodology used for training was distribution of materials, theme presentation followed by open discussion and interaction. Therefore the training schedule was made flexible and the program was conducted as and when the stakeholders were available. However the content was mostly similar with little alteration depending upon the area of interest of the stakeholders. The awareness building program was organized from July 19 2004 to June 10 2005 covers a period of almost one year. It was a regular phenomenon and the local print as well as electronic media covered mostly all events.

The program was successful in disseminating and sharing the information and knowledge of incubation that is going around the countries of Asia, Europe, USA and Australia. The participants seemed to be satisfied with the depth of knowledge they developed about business incubation.

2.4.2 Specific Targeted Trainings

In order to meet the requirements of business incubation manager in the country, the IIN project conducted manager's training which was participated by 22 persons representing from 15 institutions forming a good mix of organizations. From the trainer's perspective the content seemed to be appropriate, and was at the right level for the participants. The audience was mixed in terms of knowledge of incubation, and there was extensive discussion on some points in order to clarify for different audience members.

There were high levels of interaction and involvement from participants, with vibrant open discussions of if and how incubator concepts and principles presented by the trainer could be applied to Nepal. There were at least four sessions each day to allow time for these discussions. The sessions were structured by giving either whole-group discussion topics or separate discussion topics for each of three smaller groups. When separate topics were allocated, there was time for each group to feedback its conclusion to the whole group at the end of the discussion session

Kathmandu University	Mr. Binod Raj Shiwakoti
Kathmandu Engineering College, Tribhuvan University	Mr. Ramesh Shrestha Mr. Aadit Shrestha
Department of Cottage and Small Industries	Mr. Krishna Pd. Kharel Mr. Binod Kumar Upadhyay Mr. Keshav Raj Ghimire Mr. Krishna Pd. Acharya
High Level Commission for Information Technology	Mr. Bobby Swar Mr. Deepak Kaji Gopaju
Ministry of Industry Commerce and Supplies	Mr. Liladhar Adhikari
Computer Association of Nepal	Mr. Prashant Lal Shrestha
Federation of Nepalese Cottage and Small Industries	Mr. Manoj Bhattarai
Industrial District Management Ltd.	Mr. Rohit Man Maskey
Nepal Bureau Standard	Mr. Prakash Mani Adhikari
Elam/Helvetas	Mr. Deepak P. Gautam
National Information & Technology Centre	Mr. Mahesh Singh Kathayat
Industrial Enterprise Development Institute	Mr. Tara Nath Dhakal
HitechValley iNet	Mr. Rajesh Kumar Shakya
Research & Resource Centre	Mr. Rajesh C. Lamichhane
Incubation Initiative in Nepal Project, ITPF	Mr Suresh K. Regmi Mr Shashi Bhattarai
Institute of Engineering, Tribhuvan University	Mr. Daya Sagar Baral Mr. Arun Ranjitkar

2.5 Knowledge Dissemination

It is the focused aim of ITPF to publicly aware about the concept, process, objective and outcome of incubator to the prospective incubates, government, private, academia, civil society, I/NGO, business association etc in the country. In order to achieve this objective ITPF utilized all form of media - print, electronic (TV, Radio, FM) and Internet.

2.5.1 Web Site

In order to introduce and continuously make available Business Incubation information, activities and progress to the wider public both within and outside Nepal, ITPF had made a developed a comprehensive Website (www.incubation.org.np). It is a dynamic portal of information generated within and outside country. The website will have necessary information, data and resources and tools like discussion forum beneficial to entrepreneurs and firms for the growth and development of business enterprise.

Development of such a comprehensive Internet site is expected to facilitate greatly in sharing information with the project's stakeholders, project partners and the Nepali business community and other interested users. The news, events, views and articles published in Nepali and English in the newspapers are saved in the web site. The international papers published in InfoDev site were translated in Nepali and published in our web site.

2.5.2 Print and Electronic Media

The print and electronic media were used and helpful in disseminating the events outcome and making people aware of the progress made in the conceptual development of incubator. At the same time it is helpful in gathering people's reactions and aspiration of incubation.

2.5.3 Multimedia CD ROM

A multimedia CR ROM was designed, developed, published and distributed in domestic as well as international conferences to acquaint with the development work and progress in the field of incubation in Nepal. The CD ROM contains detail information on the works and progresses made by Incubation Initiative Nepal projects and an animation which depicts the process of selecting incubates, what incubates will get from incubator and how graduation happens and incubates comes out of incubator.

The CD ROM is in English as well as in Nepali for both types of readers.

2.5.4 Institution / Individual Knowledge Dissemination

Prof Dr. Bong Jin Cho, Professor International Marketing and Hon. President Korean Business Incubation Association, Korea. The objective of inviting Prof Cho from July 11-25 2006, to Nepal was as below:

- Reassessment of Business Plan
- Advocating and Consulting with Stakeholders - government, academia and business
- Sharing Knowledge and Experience
- Creating atmosphere for Networking with Korean Incubators

Prof Cho shared his knowledge and experience on starting business incubator with:

- a. Secretary and other officials of Ministry of Industry, Commerce and Supply
- b. Secretary and other officials of Ministry of Environment, Science & Technology
- c. Director General and other officials of Department of Cottage and Small Industry

- d. President and Executive members of IT Professional Forum
- e. Chairman and Board members of Business Incubation Centre Development Board
- f. Prof. Jagan Nath Shrestha and other faculty members of Institute of Engineering
- g. Students and faculty members of Institute of Engineering
- h. Students and faculty members of White House Graduate School of Management
- i. Officials of High Level Commission for Information Technology and IT Park
- j. District President and executive members of Pokhara Chamber of Commerce and Industry
- k. ICT Business Entrepreneurs and executive members of Computer Association of Nepal

2.5.5 Incubation Process Documentary film

In order to build the awareness on the incubation and search for the talent, the IIN project created a feature documentary film of about 15 minutes which try to depict the process (real life) incubation and its benefits. This is telecast in national television channels and copies are distributing through the outlets of DOCSI, FNCCI, and FNSCI.

2.6 Project Administration

The IIN Project is managed by a Project Team, consisting of a Team Leader, a Project Manager, a Project Analyst and supporting staff to execute the project activities. The Project Team had ultimate responsibility for successfully completing the project by hiring companies and individual consultants to accomplish the works according to the plan envisaged in the Inception Report. The project management activity will ensure the primary deliverables, the achievement of the desired results, and the success of the project. The management process shall monitor the organizing procedures, sub-contracts and outsourcing of activities with the project partners, responsible for coordinating the work of the partners and stakeholders and the synergy of the partners' efforts on the project according to the project plan. The project management will make certain the financial and technical aspects of the project as well.

IITPF executive had formed a sub-committee for the monitoring and evaluation of the progress made by the IIN project. The committee will check the quality of the deliverables prepared by the Project Team before sending it out and directly interacts with the Project Team.

A General Body comprising of all the stakeholders, partners and participants of business incubator initiative in Nepal was formed. The General Body acted as a guide and directed the team by providing policy, direction and guidelines to the IIN Project.

An IIN Steering Committee comprising representatives of the General Body was formed to regularly monitor, evaluate progress, provide directives and escalate the matter with higher echelon in the bureaucracy.

The administrative arrangement ensured periodic monitoring; reporting of activities and progress; performance evaluation; and risk mitigation. The project management complied the responsibilities of communication, reporting procedures, payment procedures and the contractual relation with the infoDev and the World Bank Country representatives.

Following major administrative activities were completed by the Project Team:

- Organizing the project procedures and staff responsibilities;
- Organizing the flow of information and reports;
- Organizing the decision tree;

- Organizing the evidence of activities recording;
- Communication with partners;
- Communication with the donors;
- Project Public Relations;
- Procurement procedures organizing for the services or goods acquisition;
- Recruiting of experts for the project purposes;
- Making payments for suppliers and for partners;
- Providing logistics;
- Preparing project audits;
- Preparing reports; and
- Other problem solving.

3.0 Outline of Need and Environment Assessment

Both quantitative and qualitative techniques were utilized to collect data from primary and secondary sources. The source of primary information comprised structured questionnaire survey with 270 students and 110 SMEs & MEs covering different development regions along with opinion survey, interviews and group discussions with key informants in the government, private sector, professional organizations, academia, banks & financial institutions, development agencies and INGOs. Secondary information from previous studies, workshop, seminar and recommendations on business incubation was collected, reviewed and assessed

Followings are the finding of Environment & Need Assessment of business incubation in Nepal.

Graduates with innovative commercial ideas

- Facilitation of innovative thinking into commercial ideas
- Financial assistance for setting-up and operation
- Marketing assistance to sell product/services
- Space to establish business close to the market
- An organization providing complete range of services to an entrepreneur to successfully start-up, sustain and grow to be ideally located in the commercial area of the city

MEs/SMEs

- Majority of the industries have problem during their start –up period.
- Obtaining adequate financial support, difficulties in finding competent human resource and marketing problem were the major problems faced
- Lack of marketing information, inability to frame proper marketing plan, not having proper technical know how, inability to adapt to the changes in the business environment and lack of adequate financial management skill are the primary reasons why most of the business fail during their start-ups of their establishment.
- Marketing and product distribution assistance are the most helpful services for the success of new business during their initial years.

Target Group/clients: The target group for the above incubator centre will be, but not limited to, the following:

- Resourceful graduates and/or start-up entrepreneurs with innovative commercial ideas wanting to take up business as their career
- Ex-trainees of the DOCSI who have innovative ideas that can be commercialized.
- SMEs in the growth trap specifically for BDS services

The reason behind targeting this group is to commercialize their creative and innovative ideas into product/services.

The major issues of target group are presented hereunder.

<u>Graduates</u>	<u>SMEs</u>
<p>Types of support required to the successful operation and management of a business venture in order of priority:</p> <ul style="list-style-type: none"> • Financing • Provision of business space & infrastructure • Marketing assistance & market linkage • Education & training support • Technical and management assistance 	<p>Major problems faced during start-up:</p> <ul style="list-style-type: none"> • Obtaining adequate financial support • Difficulties in finding competent human resource • Marketing linkages

The findings of an independent survey during the Environment & Need Assessment Study on Business Incubation targeting 270 final year under graduates and post graduates along with 110 number of SMEs & MEs in the various industrial districts and business areas of the country revealed the following:

Young Innovative Graduates

- A large critical mass of graduates, 41.5%, is interested in taking up business as their career after the completion of their studies.
- Management students had high attraction towards the business sector with about 50% of them preferring to take up business as their career followed by the students in engineering and vocational discipline.
- Over 35% of the engineering students also showed interest in pursuing business after the completion of their studies.
- 25% of the vocational students also preferred to go in business later on.
- Out of the 112 respondents who opted for a business career after their studies, 97 of them identified the IT business as the prospective business.
- Amongst the management students, trading and industry/manufacturing were the most preferred business area while IT and consultancy services were popular choices.
- 91% expressed their interest to pay for the service of an organization that advice and assist them to start-up, sustain and grow.

SMEs/ MEs

- Majority, about 62% of the MEs and SMEs, have taken up expertise support to improve their performance.
- Assistance in manufacturing or production, marketing assistance & linkage, financial assistance along with education & training are key areas of support needed.
- 69 % of the respondents were willing to pay for the services of organization that would enhance their performance.
- 75 % of the SMEs were willing to expand their business and wanted growth in the future.

A significant portion of students are interested in taking up business as their careers with about 50% of management, 35% of the engineering and 25% of the technical students surveyed preferring to go into business after the completion of their study. For fresh graduates, financial assistance was the most important support required to successfully operate and manage a business venture. Likewise, provision of business space and infrastructure, marketing assistance and market linkage, education training and technical

management assistance were also perceived as important elements to succeed in business. In this regard, a vast majority of the students were interested in paying for the service of an organization that advice and assist them to start-up, sustain and grow.

Lack of marketing information, inability to frame proper marketing plan, not having proper technical know-how, inability to adapt to the changes in the business environment and lack of adequate financial management skill were the primary reasons why most of the businesses fail during the their initial years of establishment. As a significant number of the SMEs & MEs are facing problems, which obstruct their growth, majority of the SMEs/MEs, would prefer to pay for the services of an organization providing them with support to improve their performance.

Though incubators in urban settings have a higher prospect of succeeding in the present context, the need for incubators in rural settings was perceived to be necessary as entrepreneurs in rural settings are mostly devoid of the formal mentoring and other support structures required for enterprise development. They also need to be targeted for successful implementation of the poverty alleviation strategy as 85% of the populations live in rural areas.

Policies & Governance

- A strategy to foster community development by nurturing the development and growth of new enterprises through business incubation with the objective to promote entrepreneurial talent and jobs, revitalize local economies and assist in the development of technology is urgently needed. This calls for a coordinated approach and active participation of a multitude of champions and stakeholders. Incubators need to be developed in close consultation with relevant government organisations, the private sector, the academia and financial sectors along with a combination of sponsors and other stakeholders and champions.
- The Government should frame and announce national level policy to encourage and promote operation and management of business incubation in the country.
- Motivate and encourage private sector to establish, operate and manage the Business Incubations in Nepal.
- A Business Incubation Fund with an objective of converting job seekers to job creators, employment generation and wealth creation on technology and innovation be established under Ministry of Environment, Science & Technology and Ministry of Industry, Commerce & Supply.

Institutional Arrangements

- The Government should encourage using its available infrastructure and investing in initial operation of at least One Business Incubator in the coming fiscal year 2061/62.
- As a special incentive to promote the establishment of incubators and encourage the participation of the private sector in the establishment of incubators tax and duty exemptions for incubators need to be introduced for an initial period of at least seven years as incubators generally take between five to ten years to become self sustainable.
- The Business Incubation Coordination Committee of not more than seven persons shall be constituted at macro level from among the following institutions.
 - ♣ National Planning Commission
 - ♣ Ministry of Industry, Commerce and Supply
 - ♣ Ministry of Environment, Science & Technology
 - ♣ Ministry of Agriculture & Cooperative
 - ♣ Industrial Enterprise Development Institute
 - ♣ Nepal Productivity and Economic Development Centre

- ♣ Nepal Rastra Bank
- ♣ Bankers Association
- ♣ Royal Nepal Academy for Science & Technology
- ♣ University Grant Commission
- ♣ Tribhuvan University
- ♣ Kathmandu University
- ♣ Nepal Chamber of Commerce
- ♣ Federation of Nepal Chamber of Commerce and Industry
- ♣ Federation of Nepal Cottage and Small Industries
- ♣ Federation of Women Entrepreneurs Association of Nepal
- ♣ Eminent personalities & experts from the private sector

Legislation

- Bank & Financial Institution Ordinance 2061 should incorporate the provision to financial lending through equity and loan to Business Incubation in Nepal
- Nepal Rastra Bank should issue directives to banks and financial institutions to provide finance to incubators and incubates under Priority Sector Financing.

Operational Modality & Institutional Arrangements

- As business incubation is a new concept for Nepal, prospective tenants, businesses, social organisations & stakeholders need to be made aware of the concept, fundamentals, elements, benefits and models of business incubation. Similarly, prospective business incubator operators also need to be trained with regards to the management and operation of an incubator.
- The incubator should be operated under a board comprising members with the ability to provide sound business knowledge and networks to the manger and tenants. Ideally, the board could be seven in number with the government providing one member, private sector organisations two members, academia one member, elected people representative one member, incubator centre manger as general secretary and an imminent personality involved in enterprise development one member.
- The manager, who should be result oriented with excellent interpersonal skill, should be given the power and freedom to manage the operation of the incubator. The incubation centre should be operated with practical business skill emphasizing on marketing and business planning with good understanding of the value and ability to effectively use networks.
- Institutional arrangements and linkages that provide a comprehensive spectrum of business development and enterprise creation services tailor made to the requirements of the MEs and SMEs sector should be developed. In this regard business incubators, integrated with existing entrepreneurship support services, could be an ideal institutional arrangement.

Financial and Financing

- The Government needs to make adequate provisions for establishing "Incubator Initiative Fund" in the forthcoming budget for the establishment of incubators. The application of this fund should fall under the authority of the Business Incubation Coordination National Committee.
- The Government should allocate enough budgetary provision for Business Incubation Fund under the MOEST and MOICS for the establishment and operation of business incubation.
- Provision for financial incentives, tax holidays, exemption and soft financing to Private Sector for setting-up, operation, implementation, management and support of Business Incubation Centre.
- Venture capital is an essential tool to commercialize innovative entrepreneurial ideas that may not be able to raise required funds from the conventional financial sector. Thus, clear-cut laws, regulatory provisions and institutional arrangements

need to be developed for the introduction of venture capital which can be a catalyst for enterprise growth and innovation.

- The Government needs to encourage, facilitate and support the replication of successful programmes such as those conducted by Elam, MEDEP and other institutions, as they are effective in developing informal sector and converting them to micro enterprises.
- Incubator tenants need to be supported by soft-term and prioritised financial assistance, as they will find it very tough to raise capital from the conventional financial sector on account of inadequate collateral back up and associated risk.

4.0 Outline of Business Plan and Related Findings

Background

The Need and Environment Assessment Study revealed the fact that Nepal cannot have only one incubator rather it should have more than one to begin with. After experiencing the success from the beginner incubators it should be replicated in other parts of country on need basis. Therefore IIN project started nurturing two incubators namely BIC Kathmandu to be technology based and BIC Kavre to be IT focused.

Several rounds of talks, awareness programs and interactions were held with the stakeholders (DOCSI, KUSOM, IOE, RONAST and ITPF) of BIC Kathmandu and BIC Kavre. The Government of Nepal, DOCSI has been involved in skill development programs from past 50 years. They have human resources, labs, equipment and other facilities for trainees. IIN Project successfully submitted business plan for BIC Kathmandu which was endorsed by the government.

Similar concept was developed for IT business incubation at BIC Kavre under the proactive leadership of stakeholders (HLCIT, KU, IT Park, Local Government, Municipalities, District Chamber and ITPF). A part of the newly constructed building was allocated for BIC Kavre by the Government of Nepal. But before IIN project started writing business plan, the committee constituted to look after the incubator was non-functional due to changes in the government. It was a transition period in politics and all the members of HLCIT, Local Government and Municipalities were changed by a change in government. This caused a great setback to the BIC Kavre and we were not in a position to write further.

Some of the premises and facilities at DOCSI were underutilized and after renovation and buying office equipments the same was allocated for incubator. The Government had also constituted a board comprising of representative from government, academia, business and association under the principle of Public-Private-Partnership. IIN project completed the business plan for BIC Kathmandu and was accepted by the government. The BIC Kathmandu is in the process of hiring incubation manager and required staffs as suggested in the business plan for operation. The government has also allocated budget to the tune of 1.7 million Nepalese Rupees for the current financial year.

Occupancy projection in the business plan for five years, presented below. The basis for projection is as follows:

- The average incubation period for each client will be 2 years, with the maximum of 3 years
- 20 clients will graduate over five years.
- Arrangement of business Incubation space will be for 14 clients from the 2nd years onwards.
- Occupancy rate is not considered to be hundred percent as there will be possibility to get big fish.

Clients Intake and Graduation Projection

Year 1	Year 2	Year 3	Year 4	Year 5
2 clients				
	2+6=8 clients			
		6+6=12 clients		
			6+6=12 clients	

At the outset, the DOCSI will make available a double storied hexagonal shape building (3,000 sq. ft. built up area), popularly called the Golghar, for the operation of the centre. The building, which needs appropriate renovation and refurbishment for the functional operation of the centre, will accommodate the administrative and support facilities in the ground floor and rentable space for clients on the first floor. The cost estimates for renovation and refurbishment is included in the costing details.

In the second year, an idle L-shaped single storied shed (around 2,000 sq. ft. of built up area) within the DOCSI premises located about 80 meters away south east of the Golghar will also be made available by the DOCSI for the centre to be primarily used as rentable space for clients. The shed to be operational from the second years onwards needs major renovation, as it is quite old and has remained unused for a long time. Two other built up space within a 100 meters distance will also be made available in the second year.

Basic utilities such as water and electricity are available within the DOCSI compound. Separate broadband Internet connection (radio link or cable connection) will be incorporated for the centre.

There is adequate parking facility and security arrangement inside the DOCSI premises, which will also be used by the centre. Thus, no additional cost for parking and security facility has been estimated in the costing details.

The common services will include:

- Incubation Centre Manager's Office
- Accommodation for clients with basic space / cubical / flexible partition
- Executive Secretary's office for Administrative and Accounts services
- Mentors room with two computer terminals
- Shared office facilities and services – telephone with PABX system, fax, photocopying, scanning, internet browsing terminal, shared postal mail services, computer network (LAN) with server and internet access, secretarial and bookkeeping etc.
- Reception services with desk top computer
- Resource centre / Library cum Documentation Centre with two desk top computer
- Common meeting room with multimedia projector and laptop computer
- Networking with pool of mentors, experts and specialized personnel
- Toilet / Bathroom, Cafeteria available within the vicinity, Tea/coffee corner within the BIC building
- General business development support from centre manager and executive secretary

The features for accommodation include:

- Flexible month-to-month terms, facilitating easy in–easy out arrangements and the capacity to expand and contract on a month’s notice. Clients may use resource and information centre and other facilities on, as and when need basis.
- Variety of unit sizes using flexible cubical / partition

- Variety of accommodation types including offices, laboratories and industrial spaces to be used with network partners at other location (to be arranged by centre manager).
- The operation is planned based on clients 24 hours a day 7-days a week accessibility to their incubator units, although the compound is located within government premises, all services will only be available within the standard 6-day working week.

The BIC, Kathmandu will be equipped with all necessary support services, physical as well as human resources available within its network. It will not stick to any specific business and services. It will not invest in any specific equipment to match specific product or service related business. However, client (client) selection criteria will have factor/s to evaluate or select the business idea, which best utilizes physical and human resources available within its network of partners or the BIC, Kathmandu capacity to nurture the innovative idea in to successful business. Target business/service would be technology based including ICT Hardware and Software.

The implementation roadmap to achieve the following milestones for the establishment of the BIC, Kathmandu will be as follows:

Implementation Schedule

Activity	Milestone	Expected Time	Responsibility
Preparation Phase			
Communication of Business Plans to Target Audience education about the proposed BIC.	Target audience understanding	Two months	Board Members, in particular DOCSI
Ensure the BIC becomes a part of broader development strategies	Formal inclusion of the incubator in national industrial development plan, policy, strategies and programmes	One Year	Current Board and in particular DOCSI
Formalize the alliance between Academic institutions IOE, KUSOM, RONAST and other partner institutions	Incorporation of the BIC development Board involving key stakeholders / Signing of MOU	Two months	Current Board and in particular DOCSI
Formalise arrangement for the BIC, Kathmandu	Written agreement	Three months	Board and in particular DOCSI, IOE, KUSOM, RONAST
Secure Initial Funding required	In principal agreements with government for initial capital funding	Four months	DOCSI
Finalise Performance Criteria	Incorporation and approval operation manual	Four months	BIC Board
BIC Business Plan Approval	Business Plan Approval	Four months	BIC Board and endorsement by the government, MoCSI Industry
Establishment of Revolving Seed Fund	Seed fund for operation of BIC available	Five months	DOCSI and Board
Establishment Phase			
Recruitment of Manager	Contract with Manager	Six months	BIC Board
Appointment of members of the selection committee	Terms of reference agreed by selection panel members	Six months	BIC Board
Set up part of DOCSI building as incubator	First building ready for occupation	Seven months	BIC Manager
Adaptation of policies and	Approval of policies by the	Eight months	BIC Manager and

Activity	Milestone	Expected Time	Responsibility
procedures & development of new polices and procedures	Board and Seed Fund to operate Board		Board
Recruitment of Administration/Accounts and Reception officer (Executive sectary)	Contract signed	Eighth month	Manager
Initial Incubation marketing campaign / Call for business ideas	Number of proposal / business ideas	Ninth month	Manager
Client selection	Core screening completed	Tenth month	Manager, Selection committee
Agreements with Client	Agreements finalised	Eleventh month	Manager
Formal Opening	Grand Inauguration	Twelfth month When first team of incubarees are at the BIC	Manager, Board and All Stakeholders
Established Operations			
Performance indicators	Two business client (clients) in place	Day 1 of operation	Manager
	Eight clients are in place	After 12 months of operation	Manager
	Twelve clients in place 2 Clients graduating	After 24 months of operation	Manager
	Twelve business clients in place 6 more Clients graduating	After 36 months of operation	Manager
Future Development			
Extending the incubator awareness throughout Nepal and Networking with other BIC	Development of plans to extend the reach of the incubator throughout Nepal, considering nodal facilities working from the central hub in Nepal	Five Years of operation	Manager and Board

Current Situation of KBIC

The government under the initiative of DOCSI constituted a board comprising of representative from the various institutions.

Institution Represented	Position in the board	Sector
Director General, DOCSI	Chairperson	Government
Ministry of Environment, Science & Technology	Member	Government
Federation of Chamber of Commerce and Industry	Member	Business Association
Kathmandu University, School of Management	Member	Academia
Nepal Academy of Science & Technology	Member	Research
IT Professional Forum	Member	NGO
Director, Cottage & Small Industry Training Centre	Member-secretary	Government

The government under the recommendation of ITPF assigned underutilized building in the first phase and will allocated additional building in future as and when needed within the same complex. The government allocated 1.3 million Nepalese rupees for building

renovation, equipping it with the modern furniture, fixture, office equipments, computers and Internet connection. This year the government has allocated 1.7 million Nepalese rupees to refurbish remaining areas, promotional programs, advertisements, remuneration for incubation manager and others staffs.

The government plans to operate BIC Kathmandu in business like manner. For which she is hiring the best manager available in the country under two year contract. The remuneration and facilities for managers and other staffs will as per the private business houses. As the country does not have experienced human resource in incubation the BIC Kathmandu will be operated under government in supervision of the board.

5.0 Key achievements, lessons learned and practices

- The BIC Kathmandu is expected to be operated under the PPP model. This is the first incubator in the country which will have stakeholders comprising from government, academia, business and NGO in the board under the World Bank InfoDev initiative.
- The role of the government line agency DOCSI will be more on providing physical facilities, operation and promotional funding and facilitator in the case of BIC Kathmandu. As a chairperson in the board the DOCSI would like to frame strategic policy for incubator and guiding government to replicate similar establishment in other required region of the Nepal.
- The HLCIT, KU, Local Government, Municipalities of Kavre have high interest and hope to promote and operate IT incubation in the IT Park of Nepal. This was made possible with the help of leading personalities of Kavre like Dr. Suresndra Prasad Shrestha Bade and Mr. Bel Prasad Shrestha.
- The key universities and academic institutions like KU, TU, IOE, and KEC etc are aware of the importance of incubator and interested in setting up incubator within the academic facility and also committed to help other national incubator.
- The research institution, business and professional institutions like NAST, FNCCI, FNSCI, CAN and MAN are convinced that the country needs incubator for enterprise development.
- Within a very short span of time ITPF launched incubation portal www.incubation.org.np , developed the business plan, prepared working manual for BIC Kathmandu and build awareness among stakeholders. BIC Kathmandu was successful in building pool of resources for its operation.
- Nepalese participated in various international and regional seminars on incubation, developed relations with resource persons and established a network with incubator operators as well. Nepal is recognized and its presence can be seen at the international incubator network.

Nepal Chamber of Commerce

Mr. Rajesh Kaji Shrestha, President, NCC felt that business incubation can be a useful mechanism for agriculture, information technology and industries in which people with innovative ideas can convert opportunities into profit. Business incubation is a mechanism to generate new companies for entrepreneurs with ideas and innovation. Business incubation would add further value to business sector development. Business incubation can help attract more Nepalese Diaspora and foreign investment in the country. It can also work as a corruption-free strategy in the country. He explored the idea of business incubation promotion to create wealth, explore employment

opportunities, encourage young entrepreneurs in business operations, effectively utilise skills and new ideas for business advancement.

Computer Association of Nepal

Mr. Biplav Man Singh, President, Computer Association of Nepal put his belief that implementation of business incubation would be started from a specific sector and once it is proven successful, it should be replicated in other areas of comparative advantages. The IT Park can be a model to better apply the concept. Banks have stopped funding in priority sectors such as agriculture after they failed to make profit. But now they can utilize this liquid money in incubation in which they need not fear of losing investment. The management of business incubation centre should focus on plan, consultancy and marketing of business incubation.

SNV/Nepal

Ms. Srijana Rana, Private Sector Development Manager and Ms. Jamuna Ulak, Rural Enterprise Development Consultant, expressed the idea that SNV/N is working in rural sector and will be interested in doing action research for business incubation in rural sectors. SNV has plans to start business service centres in Ilam and Nepalgunj.

Helvetas

Mr. Georg Weber, Resident Representative and Mr. Ram Risal, Consultant showed their interest in the development of Business Incubators in Nepal as they were the first to do a study on Business Incubator Pre-conditions and Potential in Nepal. They want to be a discussion partner in this initiative and would be interested in doing piloting at a smaller scale especially in rural areas and want to learn the lessons at a higher level too.

Kathmandu University

Prof. Dr. Suresh Raj Sharma Vice-chancellor, Kathmandu University envisaged that Dhulikhel is one of the good locations for Business Incubation Centre and it has the value additions - i) HMG has setup IT Park , ii) Kavre District is one of the key agriculture supply centre to Kathmandu valley. It has good agro base and iii) Transport (especially body building industry) industry is thriving. Dr. Sharma said that in recent times many business opportunities had emerged in the country. "So we need the kind of education that helps the fresh graduates grasp these opportunities." "The youths need to maintain patience in order to be successful and a professional." He called on the entrepreneurs to be professional and competitive. He also said that there was a tendency to depend on donors for every thing ranging from ideas, planning and money. "But the time has come to make ourselves independence. Donors should also extend support in the manner that will help us become productive, not a mere recipient."

Institute of Engineering, Tribhuvan University

Prof. Dr. Ram Krishna Poudel, Dean, IOE is confident that they have sufficient infrastructure, technology, expertise, laboratory and other physical facilities which can be used by clients for incubation. The institute is fully ready to support activities related with technology based incubation at their premise. Prof. Jagannath Shrestha is keen in incubation concept and supports to start technology incubation in IOE.

6.0 Project Evaluation (Outcome from M&E Committee)

General

The evaluation of the project is carried out at two levels. The Monitoring and Evaluation subcommittee of ITPF performed internal evaluation of the work progress and did the necessary quality assurances of the outputs to be delivered to the infoDev. As indicated earlier, ITPF has constituted Monitoring & Evaluation Subcommittee as provisioned in the inception report and they had numbers of meetings to access and advice project team on various matters.

The IIN Steering Committee also keen in monitoring and evaluating the progress made by the project and provided policy guidelines and directives to the Project Team.

Planned and Actual Outcomes and Outputs

The following table presents actual and planned outputs of the IIN project period. The project achieved all the set outcomes and outputs set in the inception report. On top of the set target on the inception phase the project was successful in mobilising government and other stakeholders. Contribution of government on allocation of physical infrastructure as well as facilitation on partnership is highly motivating step towards Business Incubation Imitative in Nepal.

	Planned	
Target Outcomes	Measurable Outputs	Actual
Deliverables	Inception Report Incubation Environment & Needs Assessment Report Training Reports & Stakeholders Consultation Reports Business Plan Final Report	All achieved
Stakeholders Consultations Seminar/Workshops Target Agencies	Stakeholders Consultation Report Four seminar/workshops Agencies (30 – 40) covering major sectors in each seminar / workshop	All achieved
Trainings Awareness building Training program Participation	Awareness/Training programs Report Five programs on focused groups (20 – 30 participants in each group)	All achieved
Knowledge Dissemination Content in Web Site Web Site Institution/Individual	Knowledge Dissemination Complete information on IIN project through Nepal Incubation Portal / Nepal gateway SMEs/MEs, Academic, Govt., Corporate Houses	All achieved

Recommendations form M & E Committee

Various initiatives should be started at different levels in order to propagate the concept and practice of new creation and incubation for poverty alleviation and wealth creation.

- BICK should take leadership in raising awareness and promote the concept of innovation among youths, and start-ups businesses throughout the country.
- The BICK should launch pre-innovation activities at various levels so that the prospecting incubatees can refine their ideas and plan.
- The Government of Nepal should build require legislation, policy and programs for the promotion of innovation and development of incubators in universities, colleges and private establishments.
- Incubators to join the fraternity of a global incubator network for exchanging ideas and formulating best practices and lessons learned for designing and implementing business incubators.
- The Government, Private, Academia as well as incubators should mobilize resources and build capacity of incubators within the country.

7.0 Long-term strategy for Business Incubation in Nepal

Long term strategy for Business Incubation in particular and support to start-ups, growth orientation and innovation promotion, the recommended strategy includes but not limited to the followings:

Policy and Facilitation from Government

- National level agency (steering committee) with government to facilitate innovation, entrepreneurship and business incubation
- Innovation promotion / Business Incubation to be in the part of government policy to support via governments key institutions, like Line departments of Government (DOCSI, MOEST, HLCIT), University Grants Commission, Nepal Academic of Science and Technology etc.
- Efforts to build capacity for planning and management of Incubation Centres in Nepal, playing facilitating role on creating Business Incubation Association of Nepal (BIAON)

Academia, Research Institutions, Professional and Societies

- Awareness among academic institutions / students at their earlier stage at university / institutions for establishing innovation promotion and entrepreneurship
- Innovation promotion and entrepreneurship committee at each leading technical and business schools in Nepal
- Generation of critical mass of innovators
- Strategy to link with youth focused NGOs in innovation and entrepreneurship promotion
- Incubation Centre with each of higher technical and business related academic institutions

Arranging financial resources / creating funding mechanism

- Nepal Rastra Bank (NRB) directives to Banks and financial institutions should facilitate funding sources of operation and management of Business Incubation Centers as well as tenant companies.
- Targeted funding mechanism for start-up business enterprise and business incubation centres from other possible sources, international donors, Centre for Micro Finance etc.
- Generation of angel founders
- Strong lobby for establishment of venture capital financing institutions / private equity finding companies etc.

Business communities

- Formation of innovation and competitiveness promotion cell / unit within at commodity / district level among the business communities
- Efforts on aligning SMEs for growth orientation in terms of turnover and number of employment as well as encouraging going for public share offering (Initial Public offerings)
- Operating enterprises on professional corporate culture and innovative management style.
- Enabling and creating potential growth oriented enterprises to operate in multinational level with innovation in its management

8.0 Summary of Findings, Conclusion and recommendations

Findings

The government line agency Ministry of Industry, Commerce and Supplies, Department of Cottage and Small Industries, Ministry of Environment, Science and Technology, High Level Commission for Information Technology are in strong support for business incubation initiatives in Nepal.

Strategy for Promoting Business Incubation Centres in Nepal is also among the policy papers prepared by Economic Policy Network (EPN), Government of Nepal, Ministry of Finance within a joint program with Asian Development Bank, Manila.

There exists enthusiasm among potential agencies to operate incubation centres, mainly with academic institutions, other business associations like FNCCI, FNCSI and NCC also has keen interest on support to the business incubation initiatives in Nepal

Strong policy support is needed to foster start-ups, innovation oriented business and business incubation centres

Start-up supports are in critical need at academic institutions to operate business incubation

There exists pressing need to allocate special fund for academic institutions to be utilized for entrepreneurship development, innovation promotion, establishment and operation of business incubation centres at the academic institutions

There exists critical mass of people who are interested in doing business

There exists need of proportion of innovation activities among youth and SMEs focusing on greater importance on linking innovation and business, growth orientation among operating SMEs.

There exist more efforts to build collaboration among government, industry and academia

Taking action on the initiatives so far developed or recommended by Business Incubation Initiatives Nepal is critical, making plan and leaving it as it is will not result any thing, actions from all key stakeholders are critical.

Recommendations

Following are the key recommendations on the business incubation initiatives in Nepal. The continued efforts which was created by the BIIN project is needed.

- Advocacy and awareness building efforts at the policy level to enhance knowledge, understanding and support for business incubation
- Promotion and advocacy among all stakeholders on crucial role of creation and growth of innovative SMEs for social and/or economic benefit.
- Promotion of innovation system among potential agencies and communities (academic and research institutions, business community, indigenous people at village etc.)
- National level innovation promotion activities focusing on youth

- Building and enhancement of capacity, leadership and management of Business Incubation Centre
- Arrangement of exposure / exchange visit by key personnel at leading academic institution to successful Business Incubation Centres within academic institutions in Asia Pacific region
- Utilization of established means and identification of new solutions to address financial needs to Business Incubators, growth enterprises and SMEs
- Creating opportunities for training, mentoring, exchanges and secondments to all having high potential on involvement with Business Incubation Centres in Nepal

Financial Report for the infoDev Incubator Grant	
Project & Country Name:	Incubator Initiative/Nepal
Submission Date	01/03/2007

Table 1 - AMOUNTS & EXPENDITURES from the infoDev Grant only	US\$
Total Received to date from infoDev	102,845
Total Expenditures to date	79,592
Balance -- surplus or (deficit)	23,253
Projected expenditures	23,196
We hereby request the transfer of next Tranche in the amount of	20000

Signed By:

Authorized Representative

Financial Report for the infoDev Incubator Grant

Project & Country Name: Incubator Initiative/Nepal

Submission Date: 01/03/2007

Grant	
Tranches Per Grant Agreement	Tranches Received
US\$	US\$
1st Installment	39,989
2nd Intallment	19,989
3rd Intallment	19,989
Airfare Reimbursement	2,788
4th Intallment	19,989
Interest earned (on grant funds)	101
Total:	102,845

Table 2 - SUMMARY - ACTUAL AND PROJECTED EXPENDITURES from the infoDev Grant only

Budget Category	Total Budget (as agreed in Grant Agreement)	Total Expenditures to Date from the infoDev Grant only	Total Balance from the infoDev Grant only	Estimated amount to be used from the infoDev Grant only
Please, change/add below budget categories according to your needs and as listed on the "USE OF FUNDS" Table in the Grant Agreement				
	US\$	US\$	US\$	US\$
Budget Category 1 Staff costs	31,200	27,202	3,998	3,998
Budget Category 2 Consultants	36,300	28,504	7,796	7,796
Budget Category 3 Training / Workshops	4,000	2,462	1,538	1,538
Budget Category 4 Travel	16,288	15,904	384	384
Budget Category 5 Equipment (up to 10% of the grant)	10,000	4,907	5,093	5,093
Budget Category 6 Other costs	5,000	613	4,387	4,387
Total	102,788	79,592	23,196	23,196

Financial Report for the infoDev Incubator Grant

Project & Country Name: Incubator Initiative/Nepal

Submission Date: 01/03/2007

Table 3 - DETAIL DESCRIPTION OF EXPENDITURES

Please, give details for each activity according to the categories you defined in Table 2 (Column highlighted in orange color), and make clear:
a) how much money was spent on each detail, and
b) the purpose of the activity

Detailed Description	Total Budget	Total Expenses To date from infoDev Grant Only	Other Funding Sources	Expenses incurred but not paid	Purpose
Budget Category 1 (Staff) - TOTAL	31,200	27,202	0	3,998	<i>(Write-ups below and under Budget Categories in the first column are for illustrative purpose. Please replace them with appropriate references. Additional lines could also be added, if necessary under each Budget Category to itemize expenses not referred</i>
Detail 1: Staff and Professional's Salary					Administrative
1 Team Leader - Suresh Kumar Regmi		9,000		1,500	Management
2 Project Analyst -Shashi Bhattarai		6,000		1,500	
3 Project Manager - Pushkar Wagley		8,000		1,000	
4 Office Assistant - Ananta Regmi		2,202			
5 Research Asst. - Dinesh Pokharel		2,000			
Budget Category 2 (Consultants)	36,300	28,504	1,105	6,691	
Detail 2: Consultants					Tickets to conference location for XXX persons
1 Financial Analyst- Khusbu Sarkar Shrestha		750			
2 Communication Consultant- Ritu Raj Subedi		1,000			
3 SME's Development & BI Expert(Local)-Govind Dev Pandey		750			
4 International Consultant- Dr. Kim Houghton		3,004			
5 Financial/ Economic Analyst- Mohan Mardan Thapa		1,750		500	For XXX Persons in XXX
6 Institutional/Management Analyst-Kedar Pd Badu		650		350	
7 Marketing Analyst -Rajesh Chandra Lamichhane		750		500	
8 Legal Consultants- Satish Krishna Kharel		500		500	
9 E-Commerce Consultant - Rajesh K. Shakya		0		750	
10 Chartered Accountant - Manoj Bhattarai		0		600	
Detail 3: Out Source company					
1 Need Assessment- RRC		10,065			Rent Room in Hotel XXX for Conference
2 Knowledge Dissemination & Exchange-Yomari		8,000		2,000	
3 eMotion Pvt. Ltd.- CD ROM Development		1,000		1,500	Edition of information brochures and presentation material
4 Article Publication & Featured Program on Media		285	1,105		

Budget Category 3 (Training / Workshops)	4,000	2,462	1,484	54	
Detail 4: Workshop					
Stakeholder Seminar/ Focused Group Meeting / Steering Committee Meeting/ M & E Committee		1,576	958		
Detail 5: Training					
Awareness to Students & SMEs / Training to Social/Business Association		886	526		
Budget Category 4 (Travel) - TOTAL	16,288	15,904	376	8	
Detail 6: Tickets					
1 Global Int'l Forum India - Air Ticket		873			
2 Domestic Travel to Birgunj-Elam		113			
3 International Consultant Travel		1,790			
4 International Travel to Manila- Air fare		4,151			
Detail 7: Hotel					
1 Global Int'l Forum India - Suresh Regmi		1,644			
2 Global Int'l Forum India - Jyoti Tandukar		157			
3 Global Int'l Forum India - Shashi Bhattarai		1,429	176		
4 Global Int'l Forum India - Tej Raj Shakya		1,312			
5 Global Int'l Forum India - Atma Ram Ghimire		567			
6 Asian Regional Workshop -5 Person Expenses		3,868			
7 Talk Program at Birjung			200		
Budget Category 5 (Equipment)	10,000	4,907	536	4,557	
Detail 8: Facilities					
1 Personal Computer		495			
2 Internet Conx		648			
3 Notebook Computer		1,608	108		
4 Multimedia Projector		1,458			
Detail 9: Office Supplies					
1 Stationery/Photocopy/Printing & Publication		698	429	3,750	
Budget Category 6 (Other)	5,000	613	1,343	3,044	♣
Detail 10: Micellaneous					
1 Mail, fax, telephone		97	547		
2 Local transportation		203	419		
3 Auditl fees & Expenses		0		1,000	♣
4 Legal fees & Expenses		0		2,000	♣
5 Utilities		312	377		
Total	102,788	79,592	4,845	18,351	

♣ NOTE: 1) US \$ 2000 allocated for audit fee & expenses and
2) US \$ 1000 allocated for Legal fee & expenses