



ECIBON Project
Funded by European Union
Implemented by European Economic Chamber (EEC) - Nepal



Enhancing the Capacity of Intermediary Business Organisations in Nepal (ECIBON)

Technical report presentation on ECIBON Project

PARTNERSHIP CLOSING MEETING

Location:

The Danish Federation of Small and Medium Sized Enterprises (DFSME)
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Date:

31 August – 1 September 2009

Enhancing the Capacity of Intermediary Business Organisations in Nepal (ECIBON)

Institutional Reinforcement: consists of capacity building of Asian -Nepalese- Intermediary Business Organisations (IBOs) and enhanced networking with European counterparts.

Aim: to make Nepalese IBOs better equipped to service local SMEs and European intermediary counterparts to facilitate trade between Europe and Asia (Nepal).

Target group: 15 Nepalese business IBOs (listed below) whose capacity will be strengthened through training, information provision and a strengthened and broadened network.

1. Nepal Carpet Exporters Association
2. Nepal Coffee Producers Association
3. Floriculture Association Nepal
4. Rupandehi Industry Association
5. Lalitpur Handicraft Association
6. Baglung CCI
7. Nepalgunj CCI
8. Itahari CCI
9. Nuwakot CCI
10. Darchula CCI
11. District Committee Kathmandu, FNCSIN
12. District Committee Bhaktapur, FNCSIN
13. District Committee Makwanpur, FNCSIN
14. District Committee Dhading, FNCSIN
15. District Committee Dolkha, FNCSIN

The partnership composition:

1. Federation of National Cottage and Small Industries Nepal (FNCSIN), Nepal
2. London Chamber of Commerce and Industry (LCCI), Great Britain
3. The Danish Federation of Small and Medium-Sized Enterprises (DFSME), Denmark
4. European Economic Chamber of Trade, Commerce and Industry (EEC)-Nepal

Activities:

- Courses / seminars on different subjects related to trade between Nepal and Europe.
- Assessment of sub-sector opportunities
- Assessment of trade related procedures and requirements
- The establishment of a Nepalese and international IBO-network.
- Compilation of Annual EU Trade Reports by EEC-Nepal

Project Duration: 30 months (August 2007- February 2010)

Details:

1.1.1) Seminar on 'Doing Business with the EU and particularly Great Britain'

Four day Seminar conducted in May from 6 till 9, 2008 [First 2 days for Executive Members (May 6 and 7, 2008)] and [Second 2 days for Secretariat Staff (May 8 & 9, 2008)] from 15 IBOs by Peter Bishop, Deputy CEO, London Chamber of Commerce, highlighted: The EU as a trading entity and market, Focus on a single EU market, the United Kingdom, covering: the economic indicators and trading outlook, the business and legal framework including companies, agents, channels of distribution, import regime and tax system, business sectors and characteristics of business community, and trade opportunities.

1.1.2) Seminar on 'Chamber management and Administration' and 'Membership Recruitment'

The seminar was, in fact, two, two-day seminars conducted consecutively by Peter Bishop, Deputy CEO, London Chamber of Commerce, the first 2 days attended by executive members of 15 IBOs (September 3 & 4, 2008), the second 2 days by IBO secretariat staff (September 5 & 6, 2008).

Expert summarised the course objectives in practical terms at the beginning of each seminar as follows:

- We all run or work for organisations – IBOs - whose objective was to help members succeed in their business
- We all wished to run those organisations better so that: we had more members who were better serviced
- By the end of the two days we should understand better what we wanted to achieve, and how we should go about achieving it
- We would have examined all aspects of running an Intermediary Business Organisation, and would take back ideas for enhancing and improving our own operations, and indeed to introduce new ideas to our set-ups.

1.1.3) Seminar on 'How to arrange and carry out Match-Making activities and events' and 'How to prepare and participate in Trade Fairs and Exhibitions'

Two-day seminars conducted consecutively by Annabel Fogden, London Chamber of Commerce, the first 2 days attended by Executive Members of 15 IBOs (17 – 18 November 2008), the second 2 days by 15 IBO secretariat staff (20 – 21 November 2008).

Two important and hands-on activities that facilitate international contacts and trade are international trade fairs and large match-making events, such as EU-partenariats. Events like these take place in various locations all over the world several times each year. Chambers have a lot to gain by taking an active role in increasing the participation of their member companies in these events for the overall development of both their own services as well as to benefit their international companies. In order to secure high-quality participation and satisfactory results, a thorough preparation and procedure is necessary before, during and after the event.

This training module therefore, dealt with a number of issues such as: preparatory routines, presentation material, hand-outs, visitor interviews and evaluation-focused follow-ups.

1.1.4) Seminar on International 'Documents and Payments' and 'Regional Policy in Economy and Infrastructure'

International Documents and Payments: This training-module enabled the Nepalese IBOs, Government Officials, NGOs and INGOs to further enforce their role as a qualified institution active in solving customs problems when entering the EU, answering questions regarding international trade documents and payments. It also made them more competent and efficient in issuing international documents, which would be of benefit for the international trade and the development of the companies in the region.

International trade could not operate successfully without an efficient system of financing and payments in which the banks play a crucial role. Nepalese banks would have an important role to play in trade and investment so he wanted to focus on banks and international trade through a short film he had made in London which has the biggest concentration of banks in any city in the world.

The following components were extensively discussed:

- Contracts and international payments with specific direction to EU
- International delivery terms / Inco-terms 2000 and US delivery terms
- Other international documents needed in import and export activities
- International trade agreements

Regional policy in Economy and Infrastructure: This seminar reinforced the IBOs, Government Officials, NGOs and INGOs to develop and maintain a strong and focused business development policy. Programs further helped promote the Chamber and create a backbone for Chamber priorities as well as strengthen the trade development in the region.

The experts opened with a look back at how regional policy and trade were intrinsically linked, with trade groups being formed as countries explored the world to locate sources of goods not available locally. They spoke of the General Agreement on Tariffs and Trade – GATT (later to become the World Trade Organisation) as a global response to the desire to facilitate and regulate world trade, and the various rounds of negotiations to achieve lower tariff and non-tariff barriers and other obstacles to the movement of goods, services, people and capital, ending with the current Doha Round.

They spoke of the formation of regional groups using the EEC (later the EC and then the European Union) as an example and mentioned the Asian groups in which Nepal participated e.g. ASEAN, SAARC, BIMSTEC and SAPTA. Moving down a level he spoke of regional groups within countries and the practice of assigning less developed regions as 'assisted areas' which received special government assistance.

Overview of Transport Sector Development of Nepal and Regional Infrastructure were also presented by the experts.

The following experts conducted the program:

Mr. Peter Bishop
Deputy Chief
London Chamber of Commerce

Mr. Rajen Sharma
Executive Member
EEC-Nepal

Mr. Dhurba Regmi
Joint Secretary
Ministry of Physical Planning & Works

Mr. Shyam Dahal
Director
Department of Customs
Ministry of Finance

Mr. Dilli Prakash Ghimire
Advisor
Center for Public Policy Dialogue

24 May:

Mr. Peter Bishop: International Documents and Payments

Mr. Rajan Sharma: Int'l Documents and Payments; Nepal's Context

25 May

Mr. Peter Bishop: Regional Policy in Economy and Infrastructure-Lobbying and Advocacy

Mr. Dhurba Regmi: Regional Policy in Economy and Infrastructure-Lobbying and Advocacy: Nepal's Context

26 May

Mr. Shyam Dahal: Int'l Documents and Payments; Nepal's context

Mr. Dilli Prakash Ghimire: Regional Policy in Economy and Infrastructure-Lobbying and Advocacy: Nepal's Context

30 representatives from project beneficiary organizations, government officials, NGOs and INGOs participated at the seminar from 24 May till 26 May 2009.

1.1.5) Training on relevant EU/WTO quality and social standards issues applicable

The aim of this training was to impart knowledge on EU/WTO quality and social standard issues applicable to Nepalese entrepreneurs in relation to EU standards. This training of 2 days was implemented in 4 different locations as mentioned below and conducted by the Nepalese experts.

The participants of this training were representatives from IBOs, who could play a catalytic role to impart knowledge and skills on EU/WTO quality and social standards issues to Nepalese entrepreneurs.

Activity held from 18 March to 19 March 2009 in Nepalgunj
Representatives from 21 IBOs

Activity held from 21 March to 22 March 2009 in Butwal
Representatives from 22 IBOs

Activity held from 28 March to 29 March 2009 in Dharan
Representatives from 23 IBOs

Activity held from 16 April to 17 April 2009 in Lalitpur
Representatives from 35 IBOs

This Activities is conducted by Dr. Badri Pokhrel (Joint Secretary-Ministry of Commerce & Consultant-Management Dynamics) and Mr. Jayandra Rimal (Consultant-Management Dynamics)

1.1.6) Marketing / international business training for Nepalese IBOs

The aim of this training was to impart knowledge on marketing and international business for Nepalese IBOs. Nepalese entrepreneurs are quite competent in production but lack behind in marketing and international business transaction. This training of 2 days was implemented in 4 different locations as mentioned below and conducted by the Nepalese experts.

Activity held from 10 September to 11 September 2008 in Butwal
Representatives from 28 IBOs

Activity held from 14 September to 15 September 2008 in Nepalgunj
Representatives from 24 IBOs

Activity held from 05 November to 06 November 2008 in Itahari
Representatives from 22 IBOs

Activity held from 10 November to 11 November 2008 in Kathmandu
Representatives from 34 IBOs

This Activity is conducted by Mr. Rajan Sharma (Executive Member-EEC-Nepal & Coordinator - Export Promotion Forum – FNCCI and Mr. Jayendra Rimal (Consultant-Management Dynamics)

1.1.7) Transfer of Technology course on trade promotion services aimed at the EU market.

With an intention of familiarizing the Nepalese Business Service Organizations (BSOs) and Intermediary Business Organizations (IBOs) with the EU market and their marketing and selling techniques the ECIBORN project under activity 1.1.7 organized 5 day study / market information / networking tour for a seven member delegation from Nepal to the city of London, UK from 19 -23 January 2009. This training was given by LCCI in Great Britain. Participants of this seminar were 6 representatives ECIBON Project beneficiary organizations.

Transfer of Technology (TOT) by British experts to EEC-Nepal and FNCSIN on trade promotion services aimed at EU market

Trade promotion is one of LCCI of Commerce specializes. An effective way of achieving TOT is through the selection of key in-country staff and the funding of a program for them in a partner market.

The program was intensive and comparatively short and included an induction in trade promotion activities and techniques, the shadowing of appropriate executives, attendance at trade promotion events, and the augmentation of individual's knowledge of trade opportunities in the host country.

Participants

Sn	Name	Designation	Organization
1	Mr. Binayak Shah	Secretary General	EEC-Nepal
2	Mr. Rajan Sharma	Executive Member	EEC-Nepal
3	Mr. Bekha Man Dongol	Treasurer	FNCSIN
4	Ms. Sulochana Rajbhandari	Secretary / Program Coordinator	FNCSIN - Kathmandu
5	Mr. Azaj Alam	President	RIA
6	Mr. Ramesh Adhikari	Administrative / Program Officer	FNCSIN - Dhading
7	Ms. Kamini Chand	Project Officer	ECIBON

The achievement from 5 day study / market information / networking tour is as follows:

1. The group got the chance to see the business dealing and aware them on how they need to achieve to comply with the requirement of the market.
2. They learnt about the way of life in Europe and the multi cultured people having their own specific requirement and how to meet their demand.
3. Acquainted them self on the transportation system of London city and the city management system.
4. Learnt on the sector of improvement they need to bring to their product and marketing.
5. Learnt of the pricing system and aware them on why the products were priced at high cost in Europe taking into consideration the transportation, marketing, tax and other overhead costs.
6. Better knowledge on Trade Mission and its importance.
7. Importance of participating at Exhibition and Trade fares and how to participate or organize.
8. Use of effective sights in the web to acquire knowledge of partner country.
9. Opportunity Governments provide and what to seek for with Government.
10. How to manage the chamber effectively?
11. Where to look for information?
12. How to impart the knowledge to BSOs and IBOs to facilitate their member organizations?
13. The meeting with British investors / Nepalese residing in London and their desire to invest in Nepal was one of the high lights of the visit.

2.1.1) Assessment of opportunities in -three- sub-sectors for potential trade

The aim of this assessment is to produce, a study on selected target sub-sectors of trade between Nepal and the EU. This assessment is carried out in Nepal, Scandinavia and the United Kingdom. It seeks to assess the opportunities in selected sub-sectors for potential trade with the European Union (EU) market. It is a compilation of studies and research conducted in Nepal, England and Denmark on three target sub-sectors of trade between Nepal and the EU. In Nepal emphasis was given on the supply-driven side where as in United Kingdom and Denmark the focus was laid on the demand side.

Based on their past experiences in the Small and Medium Enterprise (SME) sub-sectors, the Intermediate Business Organizations (IBOs) – 15 Direct Beneficiaries of the project from five (5) development regions in Nepal have identified the following

sectors that require an increase in exports (for sector that are already exporting) or have relatively higher export potential as compared to other products:

- Tea
- Coffee
- Honey
- Carpets
- Nepali Paper
- Precious Jewellery (Costume)
- Certain Herbs
- Flowers
- Leather
- Water
- Quartz
- Glassware
- Bamboo
- Ginger
- Garments

Furthermore, the Intermediate Business Organizations (IBOs) have narrowed the list to products that maybe deemed as export-oriented. They stated that the following products are being exported from Nepal and may have the potential for export.

- Yarsa Gumba
- Water
- Coffee
- Flowers
- Leather shoes/goods (soles come from Italy/leather goods do not have the capacity to be made here)
- Handicrafts
- Ceramics (Vases and Pots)
- Carpets

Other products that have high export potential would also include:

- Silk
- Cardamom
- Wooden Handicraft
- Mandarin Oranges

While the above-mentioned products produced by Nepali SMEs are being exported to selected countries including the EU market, there was an urgency to further select a few products from these lists that would have higher export potential. The products that were identified for further sub-sectoral analysis were as follows:

- Coffee
- Cut Flower and
- Nepali Handmade Paper

The status of the SMEs that are manufacturing/producing these products has also been studied. It is hoped that information thus obtained, would assist in determining how these SMEs would be able to cater to the export market, especially to the EU market.

100 copies of the assessment have been published for distribution. Rest will be published on a CD-ROM in English language and shared during the seminars of this project in Nepal and via the European partners to the European SMEs.

2.1.2) General assessment of trade related procedures and requirements

General assessment of trade related procedures and requirements with specific reference to trade between Nepal and EU partners - Jointly by Ms. Annabel Fogden & Ms. Tine Bork (17, 18, 19, 20, 21 November 2008), portion of it was covered by Peter Bishop in May 2008. Rest is scheduled for May 2009.

We are collecting the necessary materials to compile the document and the assessment will be ready by September 2009.

This assessment aims to determine all trade related policies, systems and step by step procedures for smooth trade between EU and Nepal. This assessment will be carried out in Nepal, Denmark and the United Kingdom.

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Proposed Table of contents:

Chapter 1-Trade Policies

Import Procedures

- a) Essential steps to Import
- b) Procedures for opening L/C in a commercial bank
- c) Import Licensing, Permits and Shipment (PSI)
- d) Procedures at the seaport of entry
- e) Duty Insurance
- f) Purchases from India
- g) Purchases from Third Countries
- h) Procedures at the Indian Border
- i) Entry to Nepal

Export Procedures

- a) Entry to India
- b) Payment Arrangements
- c) Certificate of Export
- d) Clearance at Nepalese Customs
- e) Procedures at the Port of exit
- f) Export Procedures

Chapter2- Modes of Transport

- a) Land Transport
- b) Railway Transport
- c) Airport Transport
- d) Marine Transport
- e) Multi Modal Transport System
- f) Incoterms 2000

Chapter 3- Labour laws in Nepal

- a) Labour Force
- b) Industrial Relations
- c) Legal Framework
- d) Wages and Salaries
- e) Working Hours/Holidays
- f) Social Security

Chapter 4-Trade, Industry and Tax Policy in Nepal

- a) Trade Policy
- b) Import Policy
- c) Fees on Import
- d) Fees on Export
- e) Industries requiring permission
- f) Foreign investment
- g) Incentives and facilities

Chapter 5-Trade Treaties

- a) SAFTA (SAARC)
- b) BIMSTEC
- c) WTO

By-Lateral trade treaties

Chapter 6-Special Economic Zone

Chapter 7-Organizations promoting trade in Nepal

- a) List of International Organizations Promoting trade
- b) List of Nepali organization promoting trade
 - Public Sector Organizations
 - Private Sector Organizations

Chapter 8- Special Arrangement for Trade between EU and Nepal. Obligations related to export from Nepal and import to the EU

Chapter 9- Problems faced by Nepalese entrepreneurs in respect to export to the EU and proposed solutions, Facilities available on trade in Nepal

2.2.1) Determination of the system to exchange business information

In order to ensure that the Nepalese intermediary business organisations can facilitate trade- and export relevant information between EU and Nepal, and provide relevant and updated information to member companies on a continuous basis also after the completion of the project, a strategy for the future business information exchange and – dissemination should be made and appropriate tools developed for the implementation.

Determination of the system to exchange business information (19 November 2008 and 27 May 2009) conducted by Ms. Tine Bork (Danish Federation of Small and Medium Enterprises).

During both visits Ms. Bork discussed with the representatives from 15 IBOs as to what their basic requirements were to exchange business information. After getting necessary inputs from the representatives she has drafted the following table of contents for the webpage which is under construction:

1. EU market information (geographical & product)
2. EU market regulation
3. Exporting/market access tools
4. Other management tools for IBOs and their members
5. Importing from Nepal
6. Forum for debate/discussion amongst IBOs

2.2.2) Direct mailing campaign to raise awareness among Nepalese SMEs

This activity envisages addressing a direct mailing campaign directed at 80 Nepalese IBOs to raise awareness and build the capacity among them as well as Nepalese SMEs of business opportunities in Europe, related technicalities and the available knowledge among existing Nepalese IBOs.

Preparatory work has already been done and we are collecting necessary information from them. The following has been circulated to all the IBOS

IBO Profile	
IBO name	
Contact person	
Designation	
Postal Address	
City	
District	
Telephone number	
Fax	
E-mail	
Website	
Number of member organisations	
Please tick (✓) the type of business organisations (list on next page) that are members of your IBO	

Areas of Business activities of Members:

1. Agency/ Representation
2. Agro Products
3. Aviation
4. Bakery
5. Ball pen and Refill/Stationery
6. Bank/Finance/Remittance
7. Beverage
8. Biscuits
9. Cable/Wire
10. Cargo and Freight Forwarding
11. Agents/Express Service
12. Carpets
13. Confectionery
14. Consultancy
15. Contractors/Construction
16. Custom Clearance
17. Dairy Products
18. Distillery
19. Dye Stuffs
20. Electric Transformer
21. Electronics/Components
22. Equipment/ Machinery
23. Fertilizers
24. Flowers/Plants/Nursery
25. Food Processing
26. Furniture/Logs
27. Garment/Pashmina
28. Herbs and Herbal Products
29. Handicraft/ Thanka
30. Handmade Paper Products
31. Home Appliances/Glassware
32. Housing/Real Estate
33. Hotel/Resort/Health Club
34. Hydropower/ Solar Energy
35. Industry
36. Information Technology
37. Software Development
38. Insurance
39. Iron and Steel
40. Jewellery/ Ornaments
41. Knitwear/Cashmere Products
42. Leather Products
43. Logistic Services
44. Medical Equipments
45. Packing
46. Paints/Chemicals
47. Pharmaceutical
48. Plastic
49. Printing Press
50. Publications
51. Perfume/Cosmetic Products
52. Restaurant
53. Tea and Coffee
54. Textile, GEO Textile, GEO Grid
55. Tissue Culture
56. Trade Fair/ Convention
57. Trading/Import/Export/Distributor/
Tender
58. Tourism/Travel/Tour/Ticketing/Tre
kking/Expedition
59. Woolen/Hemp/Felt Products
60. OTHERS _____

2.2.3) Preparation of first annual EU Trade Report by EEC-Nepal

The importance of trade as a factor for development and growth is becoming more and more evident. If accompanied by the proper flanking policies and if used correctly, trade policies can provide opportunities for promoting economic development and tackling poverty alleviation. However, issues such as tariff, non tariff barriers, quality, and standard issues always come in the way of facilitating trade.

The aim of this activity is to produce the first Trade Report on trade between Nepal and the EU. The Nepalese partners collect trade data from the authentic government sources as well as IBOs of Nepal and sources from European countries.

Preparation of first annual EU Trade Report by EEC-Nepal for Nepalese IBOs and their members (May / June / July, August 2009). Though it is scheduled for publication in August, the project management team in coordination with Management Dynamics already started preparatory work on the subject matter since December 2008.

Proposed Table of contents:

Globalization and its impact on World economy

- Trends and drivers of Globalisation
- Globalization, Global growth and trade: 2007-2008
- Global Recession: causes and affect on global economy
- Nepal's presence in the global market: Focus on the European Market

International Trade Policies

- Introduction
- WTO: Supervision and liberalization of international trade.
- Nepal's accession to World Trade Organisation
- United Nations Millennium Development Goal: Nepal's Commitment

The Asian Market:

- Introduction
- SAARC:.....,SAFTA
- Recent Developments in Trade: Current Asian Market Trends
- Bi-lateral trade agreements with India: Background and current trends
- Trade Statistics

Nepal.....

- Introduction
- Importance of trade to the Nepalese economy
- Sub-sectors of Nepal trading with the EU
- Opportunities / Potential growth sub-sectors for trade with the EU
- Current policies that raise issues in trading between Nepal and the EU
- Advantages for European organisations when trading with Nepal
- Useful contacts in Nepal and the European Union
- Statistics/Data related to trade between Nepal and the EU

Policy recommendations

OTHERS:

Activity 1: Finalised all formalities with EC

It took more than a year to conclude the contract with the EU to implement the project. Having met all the necessary criteria for the grant, the disbursement of the first instalment was received on 31 July 2007.

Activity 2: Establishment separate project-office

The first and second month of the project were for used to establish a separate project office with all the necessary amenities to run the project in successful and professional manner meting the guidelines provided by the European Commission.

As explained above due to the delay in implementing the project EEC-Nepal incurred two man month of expenses July and August 2007 to finalize formalities with the EU and the Establishment of Project Office . Effective from 1 September 2007, Project Manager, Project Assistant Manager, Finance and Administration Officer, Project Officer and Support Staff were recruited.

Activity 3.2.1: Business meeting in Europe between Nepalese partners (1-2 October, 2007) and EU partners for international kick-off, further introduction and more detailed planning of project

At the insistance of Project Partners mainly the Europeans there was a need to pre-pone the kick off meeting scheduled for the fifth month of the project to third month (October 2007). Following issues were extensively discussed and finalized the following details.

1. Action plan of the project
2. Document on Program Activities and allocated budget
3. Document regarding Administrative Organization for the project
4. Draft MoU

The followings participated at the kick off meeting:

Mr. Dibya Mani Rajbhandari, President, EEC - Nepal
Mr. Jung Bahadur Shrestha, President, FNCSIN - Nepal
Mr. Peter Ernest Bishop, Deputy Chief Executive, LCCI - England
Ms. Annabel Fogden, Executive, World Trade, LCCI - England
Ms. Anna Högberg, Head of Euro Info Centre, CCISS - Sweden
Ms. Tine Bork, Chief Consultant, DFSME - Denmark
Mr. Bimal Raman Parajuli, Project Assistant Manager, ECIBON – Nepal

Activity 3.2.2: Determine and sign Memoranda of Understanding (MoU)

for cooperation between European/Nepalese partners and EEC-Nepal. A legal binding draft document (MoU) was prepared by project technical staff and legally verified by independent legal authority of Nepal through European Economic Chamber -Nepal. Memorandum of Understanding (MoU) was discussed during the kick off meeting and with the consent of all 5 participating partners it was decided to finalize the signing of MoU at the end of October.

Activity 3.1.1: Organize a meeting for Nepalese IBOs (16 & 17 January, 2008)

As per the Terms of Reference and Evaluation form devised by the project office 15 direct beneficiaries were selected from 5 development zones of Nepal on merit basis.

Selected IBOs are as follows:

1. Nepal Carpet Exporters Association
2. Nepal Coffee Producers Association
3. Floriculture Association Nepal
4. Rupandehi Industry Association
5. Lalitpur Handicraft Association
6. Baglung CCI
7. Nepalgunj CCI
8. Itahari CCI
9. Nuwakot CCI
10. Darchula CCI
11. District Committee Kathmandu, FNCSIN
12. District Committee Bhaktapur, FNCSIN
13. District Committee Makwanpur, FNCSIN
14. District Committee Dhading, FNCSIN
15. District Committee Dolkha, FNCSIN

Two members (one from executive committee and one from secretariat staff) represented each organization. The project management team briefed the beneficiaries on the project activities.

The meeting also decided on the followings:

1. Established an IBO- network.

All 15 representatives were able to introduce themselves to each other and discuss the means of co operation amongst each other.

2. Determined an Advisory Committee to guide the project management team.

The committee was formed by the beneficiaries themselves consisting of the followings:

Activity 4.2: Advisory Committee Members

1. Mr. Dibya Mani Rajbhandari	President	EEC-Nepal
2. Mr. Binayak Shah	Secretary General	EEC-Nepal
3. Mr. Jung Bahadur Shrestha	President	FNCSIN
4. Mr. Babu Kaji Maharjan	Secretary General	FNCSIN
5. Mr. Mohan Bahadur Katuwal	President	FNCSIN- Makwanpur District
6. Ms. Sulochana Rajbhandary	Office Staff	FNCSIN- Kathmandu District
7. Mr. Tanka Prasad Dulal	President	Itahari CCI
8. Mr. Damodar Acharya	President	Nepalgunj CCI
9. Mr. Azaj Alam	President	Rupandehi Industry Association

Advisory Committee (AC) of the project to monitors and gives input on the project activities and the progress. Meetings of AC were held on 17 January 2008, 05 May 2008, 03 September 2008 and 24 May 2009. Next one is scheduled end of September 2009 and the last one before the final audit of the Project.

Activity 4.1: Administrative Monitoring by European Expert

In order to reduce the risk of an administration that does not entirely meet the requirements of the European Commission an independent consultant specialised in the management of European grants was hired to monitor the project's administration.

European administrative monitoring expert Ms. Els Schapendonk representing International Development Solutions, Hague, The Netherlands was already identified in February 2008 and assisting the project management team in the Administration of the project. We were not able to sign contract with the individual as she was out of station. It was agreed with the individual that necessary contract would be signed and first instalment of the payment would be made upon her completing 23 days (August 2008) of work as stipulated in the quotation. Upon the completion of her 50% work in August 2008 the project paid her 50% of contract amount on 13 August 2008. Till that period the expert provided us with all the necessary advice on Administrative and Financial management, which was also appreciated by Auditors from Ernst & Young Bedrijfsrevisoren - Reviseurs d'Entreprises, Belgium **(Independent auditing by EU appointed auditors (15 & 16 Dec 2008))**. Nevertheless, she was supposed to visit Nepal and further assist us in Administration which till now she has not done. Through our repeated request we have not heard from her and we feel that her services are no longer required as we in the management team has been following the guidelines of the European Commission to manage the project.

Activity 4.3: Independent mid term monitoring of process & results (1 Nov / 25 Dec 2008)

An independent expert on monitoring and evaluation was sub-contracted in Nepal in order to monitor the progress of the project. The expert monitored the progress on the basis of the description of the activities and allocated budget consisting of the followings:

How are the programs progressing?

Are the funds being spent in the manner they were intended?

Are the objectives being met?

What is the overall impact of the program?

EuropeAid is the Directorate-General of the European Commission that is responsible for implementing external aid programmes and projects across the world. It works closely with EU neighboring countries, Russia, the African, Caribbean and Pacific (ACP) regions, Latin America and Asia. EuropeAid aims to deliver development aid in an efficient and effective way. The focus is on maximizing the value and impact of aid funding by making sure support is provided in a speedy and accountable fashion