

## Chapter 2

# An EDP for the CSI Sector

### Introduction

Entrepreneurship is recognised as the engine of economic change in any country, whether developed or developing. Therefore, any effort aimed at economic advancement of the rural community must include development of entrepreneurship among rural people as a significant tool for their empowerment. In recent years, there have been some programmes that are focussed on entrepreneurial awareness, training, and credit reach for rural people, particularly in the context of micro and small enterprise development.

An entrepreneur is a person who mobilises capital, utilises natural resources, creates markets, and conducts business. The entrepreneur combines talent, ability, and drive to transform resources and opportunities into profitable ventures. Potential entrepreneurs can be oriented, motivated, and induced to set up a business (SBPP: NBC-CEFE, no date). A distinction between self-employment and entrepreneurship is made in order to get clarity in the purpose of training. Entrepreneurship has a broader meaning than self-employment. An entrepreneur is defined as one who employs at least one person other than himself, adds value to the product or service being provided, and is involved in marketing, purchasing, and conversion of materials or services (APCTT 1995).

It is basically with this perspective that a number of organizations has been engaged in the training for entrepreneurship development in Nepal, as has been indicated in the last chapter. This chapter attempts to present the salient features of the EDPs under various organizations.

### Main Organizations

#### *Industrial Enterprise Development Institute (IEDI)*

IEDI is a semi-autonomous body under the Ministry of Industry, HMG/N. It has developed out of the Small Business Promotion Project (SBPP), a joint project of HMG/Nepal and the GTZ, Germany, in 1984 with a view to promoting entrepreneurship

and small businesses in the country. The project has developed several approaches towards introducing effective methods of micro, cottage, and small industries' development in the country. Among the main focuses of its activities are:

- entrepreneurship development training,
- industrial potential study and research, and
- technical advisory and consultancy services.

The SBPP has been supporting entrepreneurship development and small business promotion based on its following core programmes which are designed to meet the needs of the small business sector.

- New Business Creation (NBC)
- Small Business Consultancy (SBC)
- Services to Institutions (STI)
- Planning and Business Information (PBI)
- Complementary Credit Scheme (CCI)

The Industrial Enterprise Development Institute (IEDI) has given a new dimension to improving the service delivery in the small enterprise sector based on the SBPP approach to enterprise development. The IEDI has become a national-level institution in the field of entrepreneurship and management skills' development.

#### *Cottage and Small Industry Development Board (CSIDB)*

The CSIDB was established in 1982 with the aim of developing, expanding, and strengthening cottage and small industries in the country. It has extended its services to 48 districts, mainly in the hill and mountain regions of the country. Apart from training and promotional activities, it has been undertaking industrial administration of CSIs in these districts since 1992. It provides the following services:

- skill development training,
- exhibition of CSI products,
- industry and industry sub-sector development studies,
- preparation and distribution of an industrial scheme,
- design, development, and technical consultancy, and
- industrial registration and facilities.

Training is one of its most important activities. The government has emphasised skill development training for the promotion of self-employment in rural areas. The CSIDB operates 50 different types of skill training programmes. It has carried out entrepreneurship development training since its inception. The Department of Cottage and Small Industries (DCSI) provides industrial administration, promotion, technical consultancy, and training (skill development) services in 27 districts, other than those covered by the CSIDB. These are located mainly in the *terai* region of

the country. The Training for Rural Gainful Employment Project (TURGA), which was succeeded by the TRE - Training for Rural Employment Project, has also supported the imparting of skill development programmes for promotion of self-employment or wage-employment opportunities in the rural areas of the country (TRE 1995).

#### *Federation of Nepal Cottage and Small Industries (FNCSI)*

The FNCSI was formed in 1990 with the aim of protecting and promoting the interests of cottage and small industries' (CSIs) entrepreneurs by providing various promotional and industrial extension services. It has over 20,000 general members (the CSI units), grouped under district committees in 60 districts, and 13 institutional members – the associations representing sectoral interest of CSIs.

The main focus areas of FNCSI are:

- training, seminars, and symposiums,
- consultancy services,
- information and business services, and
- sales' promotion services.

The FNCSI is represented in various committees of the government and institutions, such as the Industrial Promotion Board, Export Promotion Board, Tariff Board, CSIDB Exhibition Committee, and the Industrial Enterprise Development Institute (IEDI).

Training is one of the priority areas. It has conducted various programmes on entrepreneurship development, management, and technical skills for CSI entrepreneurs.

#### *Women Entrepreneurs' Association of Nepal (WEAN)*

WEAN was set up in 1987 by a group of women entrepreneurs. Its aim is to create a network among women entrepreneurs to share and exchange experiences, views, and information to help them discover their potential. In addition, it assists other women entrepreneurs in promoting new or existing businesses.

The WEAN has a primary objective to assist women entrepreneurs to enable them to be in the forefront of economic activities through a service package that consists of training, information and networking, and marketing and credit.

WEAN set up a Cooperative in 1992. This is a marketing outlet with its own collection and marketing mechanism for promotion of products made by Nepalese women entrepreneurs. It has more than 100 members who are mainly involved in handicraft production as well as food processing and other agro-based products (WEAN 1996).

As a priority activity, WEAN carries out different types of training for women entrepreneurs in skill development, technical skills, entrepreneurial development, and marketing strategy. It has focussed its activities mainly in Kathmandu Valley and the surrounding rural areas. It has also carried out small entrepreneurship development training in Nepalgunj and also in Syaphrubesi, a remote northern region in Rasuwa district.

### *Women's Development Division (WDD).*

Recognising the importance of women's participation in national development, a special programme focussed on raising the status of rural women was introduced in the Sixth Plan (1980-85). This eventually led to the establishment of the Women's Development Division (WDD) in the Ministry of Local Development (MLD). The WDD aimed to improve the quality of life of rural women and their families by integrating them into the development process and by addressing their needs, priorities, and interests.

The focus of the programme activities of the WDD was on institution building, training, income-generating opportunities, community development, environment, and appropriate technology. In 1982, a project on production credit for rural women (PCR<sup>W</sup>) was launched. The project aimed to improve the social and economic situation of rural women by extending support facilities such as credit, extension services, drinking water, health, various time- and labour-saving technologies, and skills' development (WDD 1995).

Training was one of the main activities of the WDD. It provided different types of training to rural women. The training was carried out in a rural setting in which rural women could participate and share experiences easily. Training on skill development and income generation was held as per the needs of the credit group members. The WDD has also provided entrepreneurship development training to rural women in order to help them acquire the entrepreneurial and managerial skills required for the establishment and operation of micro or small enterprises.

### **Contents of EDP Training**

This section deals with the contents of EDP training held by various organizations. The five organizations mentioned above have carried out EDP training in one form or another. The focus and approach in the design and delivery of the training may differ for different organizations. Nevertheless, they all have one common purpose, i.e., to develop potential entrepreneurs so that they can venture into establishment and operation of micro and small enterprises. Table 2.1, at the end of this chapter, shows the comparative situation of EDP in different organizations.

#### *The Industrial Enterprise Development Institute (IEDI)*

The IEDI organizes EDP with the aim of developing knowledge, skills, and attitudes among prospective entrepreneurs that are necessary to start businesses. The regular



**Table: 2.1: Comparative Situation of EDP Training and Its Content by Different Organizations**

Organization	IEDI (semi-government)	CSIDB (semi-government)	FNCSI (NGO)	WDD (Government)	WEAN (NGO)
Main focus of small enterprises & developing CSIs through EDP-developing women's Training	Small enterprise and entrepreneurship development	Develop CSI through training on EDP and SDP. EDP is one of its several activities.	Develop CSIs through training on EDP and SDP. EDP is one of the several activities.	EDP is one of the several programme activities for rural women.	Develop women entrepreneurs through EDP. EDP is one of its several activities.
Duration of EDP Training	4 - 5 weeks	2 weeks	2 weeks	1 week	4 - 5 weeks (1) 2 weeks (1)
Number of Trainees (Participants)	15 - 25	15 - 25	20 - 25	20 - 25	20 - 25
Per programme essential eligibility requirements of participants	Age : 20 yrs & over Education : class 10 at least	Age : 18 yrs & over Education : literate at least	Age : 20 yrs & over Education : class 8 at least	Age : 18 yrs & over Education : literate at least, training exclusively for women	Age : 18 yrs & over Education : literate, varies by target groups, training exclusively for women
Selection Criteria (of trainees)	Entrepreneurial characteristics, goal clarity, financial capability, family support, family background.	Willing to set up a new or expand existing business, bank's / industry recommendation, inquisitiveness, business skills & resourcefulness.	Owners or staff of CSI enterprise, preferably married in the case of women trainees, selection / recommendation by FNCSI's district offices.	No fixed criteria, selection based mainly on training needs' survey in pre-identified location or village areas, priority to group women-potential entrepreneurs.	Having entrepreneurial potentials, started or planned to set up new enterprise.
Trainers /Resource Persons	In-house professional trainers, resource persons from related line agencies invited as per requirement.	Mainly in-house professional trainers are involved, trainers /resource persons are also called on from outside	Trainers / resource persons are invited from outside preferably from IED, CSIDB or EDP ex-trainees elsewhere.	Women development officer, chief women workers, resource persons from within districts line agencies work as trainers / resource persons.	Staff/members from within, trainers from different agencies, like, IED, CSIDB, MAN, NASC and freelance trainers.
Main Course Content	New Business Creation (NBC) for potential entrepreneurs and Small Business Management (SBM) and other specific courses such as marketing for existing ones. It has developed own course design and training manual. Focus on promoting small business enterprise.	EDP for potential entrepreneurs and specific management course for existing enterprise. It has developed own EDP course design and training manual. Focus mainly on imparting basic skills for identifying CSIs having prospects for promotion and for business operation.	EDP for potential entrepreneurs and specific management course in book keeping, salesmanship, and costing / pricing for existing enterprise.	Develop entrepreneurial and managerial skills for setting up and operating micro- and small enterprises for rural women.  Two types of training for promoting rural entrepreneurs: Entrepreneurship Development Training and Business Operation Training.	New Business Creation (NBC) for potential entrepreneurs and Micro-Enterprise Assistance (MEA) and other specific courses such as bookkeeping for existing ones. It has NBC courses for women in rural communities and for housewives, and fresh graduates in urban areas.
Main Funding Source	GTZ, Germany & HMG/N Grants.	Entirely from HMG/N.	Mainly from INGOs: FNF, ZDH, DED, etc.	Mainly from INGOs & Donor agencies.	Mainly from INGOs & donor agencies.

**Table 2.1: Comparative Situation of EDP Training and Its Content by Different Organizations (Cont'd)**

Organization	IEDI (semi-government)	CSIDB (semi-government)	FNCSI (NGO)	WDD (Government)	WEAN (NGO)
Location of Training	Mainly urban, semi-urban areas and district headquarters	Mostly in district headquarters and nearby areas, major market centres and resource pocket centres in almost all hilly and mountain areas/districts.	Mainly urban / market centres in different areas where FNCSI has district offices. EDP was initially held in Kathmandu and Biratnagar.	Mainly in rural village areas.	Mainly in urban areas/ market centres and limited in rural areas.
Monitoring & Evaluation	Once in every three months for one year, and once in a year for two years.	First one in 15 days and second one after three months and then last one at the year end.	No regular follow-up.	No regular follow-up.	No regular follow-up.
Major Issues, Problems, & Constraints	Upgrading trainer skills in specialised field, achieving cost effectiveness in EDP training, over dependence on external funding.	Inadequate training budget, lacking proper incentives and facilities for trainers, upgrading trainer skills.	Lack of funds for training.	Lack of funds for training, need for developing training manuals.	Creating sufficient funds for providing micro-enterprise loans to needy people.

new business creation (NBC) programme is known through the GTZ programme, CEFE (Creation of Entrepreneurs and Formation of Enterprise), in different countries of the world. NBC training is generally a four-to five-week programme: three to four weeks are devoted to classroom activities and one to two weeks to business planning and practical field work. The classroom activities consist of lectures, group exercises and discussion, simulation, role-play, audio-visual, case studies, and presentations. The training is conducted for different target groups that include unemployed, vocational and technical graduates; unemployed university graduates; retired government personnel; ex-service personnel; and professional and other groups having entrepreneurial potential in different rural and urban areas.

Whenever EDP training is to be organized in a location, it is advertised using posters, banners, pamphlets, circulars as well as through the media, e.g., newspapers, radio, and television, wherever possible. In addition, personal contacts of the organizers and trainers with support institutions and targetted participants are encouraged. Experience shows that adequate promotion and publicity efforts during one month attract more than 40 and up to 100 applicants.

There is an especially designed application form for the programme and it seeks relevant information about an applicant. The information is used to evaluate the entrepreneurial potentials of the candidates. The completed applications are carefully evaluated by a panel of evaluators comprised of trainers, local support institutions, and credit agencies. The short-listed candidates go through the interview process for final selection based on the pre-determined selection criteria. The minimum qualification for candidates is to have a Class 10 education. Criteria for selection and their usual weightage points are as follow:

Entrepreneurial characteristics	20
Goal clarity	20
Financial capability	25
Options and family support	20
Entrepreneurial history/family background	15

The IEDI has 40 professional trainers and small business consultants. The resource persons from relevant government and non-government organizations are involved as per the needs of the training programme. The trainees are provided with necessary training materials during the training period.

The IEDI/SBPP operations are funded by GTZ, Germany, and HMG/Nepal. The EDP is supported mainly by GTZ, Germany. There is a nominal fee for the participants in the regular NBC programme, and this is charged as a commitment fee. In addition, it has organized EDP training for various agencies on a cost-sharing basis.

The course content of the NBC training has been designed in five modules: a) competency development of entrepreneurs, b) business identification and selection, c)

business management skills, d) business plan preparation and presentation, and e) appraisal.

Entrepreneurship development is considered in the totality of essential elements of micro and small business development, i.e., support of promotional bodies, credit availability and accessibility, entrepreneurship and management training, and extension services. It is supported by the complementary credit programme (CCP) which has a revolving fund (of Rs.12.5 million) maintained for credits of up to Rs 200,000 for new and existing entrepreneurs. The fund is administered by the Agricultural Development Bank of Nepal (ADB/N). This revolving fund requires collateral from entrepreneurs. Post-training follow-up is to be carried out for up to three years from the completion of the training programme.

#### *Cottage and Small Industry Development Board (CSIDB)*

The CSIDB provides a 15-day training programme on entrepreneurship development for rural entrepreneurs. This programme is considered very important and useful for promoting rural entrepreneurs and CSI enterprises in rural areas. It has placed an emphasis on developing the knowledge, skill, behaviour, and competency required by the rural entrepreneurs for establishing and operating industrial enterprises. The purpose of training is to develop local entrepreneurs with the aim of mobilising local labour, skills, and resources to achieve self-reliance in rural areas (CSIDB 1995).

The training is targetted at different groups of people with interest and aptitude for venturing into new industries or for improving the existing industries in the CSI sector. The training is conducted in district headquarters and locations nearby. The selection of training locations, other than district headquarters, is made by taking the following factors into account: a) availability of banks and financial institutions, b) physical and social infrastructure prerequisites, c) presence of government or non-government organizations promoting income generation, d) availability of a proper market system, and e) assessment of and feedback on training needs.

The number of participants in training by the EDP could vary from 15 to 25 persons. Publicity and promotion of the training programme are usually made through advertisements and personal contacts. The potential entrepreneurs, who are above 18 years of age and at least literate, are eligible to undergo this training programme. A six to seven member selection committee is formed in respective districts to facilitate selection of trainees. Selection criteria and weightage points are as follow.

Education	10
Personality	10
Inquisitiveness	10
Bank recommendation	10
Industry recommendation	10
Business skills	20
Resourcefulness	30



The CSIDB has 20 trainers to carry out training under the EDP in different districts. They are all trained as EDP trainers by the IEDI/SBPP. They are working as temporary staff. Most permanent staff who are trained as EDP trainers are either working as chief officers in the CSIDB district offices or are involved in training management.

The CSIDB operates entirely on government funding. Therefore, the training activities are totally dependent on fund allocations from the government. The CSIDB has supported agencies such as WEAN and the FNCSI through its NGO fund programme. They are supported to carry out training programmes either on a cost-sharing basis or by providing partial inputs to the training, for example, the services of trainers or instructors.

The CSIDB has developed a training manual for EDP and this is used as a basic guideline for the trainers. The course content is designed in five modules: a) achievement motivation techniques, b) project identification and selection, c) project planning and preparation, d) industrial management aspects, and e) entrepreneurs' social responsibility.

The CSIDB provides institutional support to cottage and small enterprises in the form of skill training, credit assistance, product marketing (by facilitating entrepreneurs' participation in CSI product exhibitions), and technical consultancy. In addition, it also undertakes follow-up of EDPs, both during the training and at different periods for up to two years.

#### *The Federation of Nepal Cottage and Small Industries (FNCSI)*

The FNCSI introduced a two-week training programme on entrepreneurship development in 1995. It has organized two training programmes on entrepreneurship development—one in Kathmandu and the other in Biratnagar—for women entrepreneurs. The main objectives of carrying out training under the EDP by FNCSI are: i) to reinforce the positive attitude of entrepreneurs towards integrated business management concepts, ii) to develop entrepreneurial qualities in the participants, iii) to impart knowledge on markets and marketing aspects, iv) to provide the basics of production management, v) to emphasise the importance of record keeping and maintaining simple accounts, and vi) to provide basic knowledge on financial management (FNCSI 1996).

There are 20-25 participants in each training session under the EDP carried out by the FNCSI. Participants are selected from the central office or district committees. The training is carried out through participatory and action-oriented methods that include individual and group exercises, discussions, simulation exercises, and lectures.

The selection criteria set by the FNCSI for EDP trainees include education of up to at least the 8th class level, over 20 years of age, entrepreneurs or staff from the FNCSI member industries, and marital status—preferably married for women trainees. However,

there is a fair amount of flexibility in the selection of trainees. For example, participants without a formal education but literate are also considered.

The FNCSI plans its training activities on the basis of requests from its district committees and institutions, as well as on the basis of possible collaboration with agencies interested in supporting the training programme.

Altogether 19 members/staff of the FNCSI have received training of trainers (TOT) in the Entrepreneurship Development Programme (EDP) from the IEDI/SBPP. Only two of them are working as trainers. As per the need, trainers are hired from relevant institutions or freelance trainers and resource persons are used.

The course content of the EDP training of the FNCSI is similar to that of the IEDI/SBPP. The courses are adjusted according to the level of participants. It is structured into five modules: i) entrepreneurial competency development, ii) market and marketing, iii) production management, iv) record keeping, and v) financial management. The subjects covered in the FNCSI's training on entrepreneurship development are listed below.

- Participants' expectation and course orientation
- Characteristics of a successful entrepreneur
- SWOT analysis
- Marketing concept, segmentation, marketing mix, market survey, market simulation
- Production management concept, flow-chart, and plant layout
- Inventory management
- Book-keeping: day book, cash book, sales' book, and purchase and expense book
- Fixed assets, profit and loss statements, balance sheets
- Working capital management
- Costing/pricing
- Break-even analysis and ratio analysis
- Industrial visits

#### *Women Entrepreneurs' Association of Nepal (WEAN)*

WEAN organizes entrepreneurship development training for women entrepreneurs. There are mainly two programmes: New Business Creation (NBC) and Micro-Enterprise Assistance (MEA), each of four weeks' duration.

The target groups are mainly women from rural communities and housewives or new women graduates from urban areas. The NBC training at the grass roots' level, i.e., for rural women entrepreneurs, is of three weeks' duration. It is planned on the basis of a household survey and needs' assessment at predetermined locations. In urban areas, the pre-training publicity is carried out through advertisements in leading

newspapers. The educational level for NBC trainees in urban areas should be at least an SLC, while for MEA trainees should have started a business as well. The average number of participants in a training programme ranges from 20 to 25 (WEAN 1996).

WEAN has carried out training programmes mainly through financial support from various government and non-government agencies or donors. The expansion of WEAN's activities depends on the ability to generate INGO or donor-supported projects. It has launched a project with training and credit components for women entrepreneurs in the following districts: Kathmandu, Bhaktapur, Lalitpur, Gorkha, Dhading, Rasuwa (Saphrubeshi), and Banke (Nepalganj). WEAN's EDP course contents are similar to those of the IEDI/SBPP and CSIDB. However, they are adjusted to suit different target groups. There is no systematic follow-up or evaluation of post-training activities.

WEAN has three of its staff members working as trainers. The trainers or resource persons are hired from different government agencies, such as, the IEDC/SBPP, CSIDB, banks, and private sector consultancy and training institutions, as and when required.

#### *The Women's Development Division (WDD)*

The WDD's training on EDP is aimed at imparting entrepreneurial and managerial skills to rural women for the establishment and operation of micro- or small business enterprises. There are two types of EDP training: one is for entrepreneurship development and the other is for business operations.

The women development officers and chief women workers in the district or those from line agencies serve as the main trainers. Wherever possible trainers from the CSIDB or SBPP are also involved in the training programmes. The trainees are provided with hand-outs and other training materials written in simple and easy to understand language. The training programmes are carried out as a part or component of projects related to women's development with financial and technical assistance from INGOs and donor agencies.

The schedule of training programmes is largely determined by identification of needs based on household surveys carried out by WDD district offices and the budget allocations for training for different districts. The WDD has a one-week training programme on entrepreneurship development. The contents of this training course as per the session plan design are as follow.

- Participants' expectation and orientation
- Women and business enterprise
- Goal setting
- Characteristics of a successful entrepreneur
- Traditionally-oriented business constraints/difficulties and improvement aspects
- Business opportunity-identification and basis



- Importance of markets in business selection
- Market segmentation
- Types of customers and selling techniques
- Marketing plan
- Production exercise
- Production plan and production costs/expense
- Cost and price fixation
- Profit and loss
- Preparation of project schemes and basis
- Market survey
- Presentation/discussion
- Institutions that support business operations
- Simple book-keeping techniques

Training under the EDP is not a regular activity of WEAN and the WDD, but it is carried out according to the availability of funding and support from INGOs and donor agencies.

### **Impact of the EDP on Employment and Income Generation**

The IEDI/SBPP sources reveal that over 5,312 people were trained in entrepreneurship development and small business management from 1984 to 1996 (Annex 4). About 51.7 per cent of the trainees were trained in New Business Creation (NBC) courses held in various locations. It is reported that NBC has facilitated the creation of 350 to 400 new enterprises a year, as a result of 15 NBC courses per year (with an average number of 18 participants) and with an average success rate of 44 per cent (SBPP 1995). The type of enterprise created by entrepreneurs trained in NBC programmes have an average of five employees and capital investments of from Rs 0.4 - 0.5 million. The placement ratio (or success rate) of SBPP trainees is relatively better in food-related and allied industries as well as in family businesses in general. It is noteworthy that trainee women with grown-up children, widowed or divorced women, and people having limited options have also shown a relatively high placement rate.

As regards the EDP training by the CSIDB, it trained more than 9,000 persons in different districts of Nepal from 1983/84 to 1996/97 (Annex 4). There was no detailed information on post-training placement of CSIDB trainees; the overall placement ratio of trainees was 28 per cent for the year 1994/95.

As far as the FNCSI is concerned, the EDP training is in great demand among its member enterprises. The EDP training by the FNCSI is largely dependent on the fund available from partner and institutional collaborators. The number of trainees trained in the EDP by FNCSI is so far limited (only 42 trainees in 1995) because it began training under the EDP only recently. It has yet to introduce post-training follow-up and monitoring of these training sessions to assess the placement status of trainees.



WEAN organizes training programmes on EDP exclusively for women. It carries out training based on support from various government and non-government agencies or donors. The EDP training has become increasingly popular amongst women entrepreneurs. WEAN trained more than 250 women entrepreneurs in the period from 1987 to 1996. It has yet to introduce post-training follow-up and monitoring of the training programme. However, WEAN has carried out an overall assessment that has rated their EDP training sessions as successful. It is reported that about 50 per cent of the trainees have succeeded in setting up new businesses or in improving their existing businesses.

### **Problems and Constraints of Entrepreneurship and Enterprise Development**

Entrepreneurship development is planned in order to identify potential entrepreneurs, develop them through a training process, and help them start their enterprises through continuous guidance and support services. Potential entrepreneurs are persons who possess or show evidence of possessing certain traits. The participants selected for training on entrepreneurship can be classified broadly into three groups: a) those having previous experience in starting a business and being highly motivated to pursue it; b) those having no previous experience in business but having clarity about what they intend to do; and c) those uncertain about a product line, with no previous experience in business, but who are keen to launch an independent business. The last two categories of trainees require special follow-up support and guidance over a relatively longer period. There are also trainees who attend training out of curiosity or as a pastime. Careful selection of target groups must be made to focus the EDP on those who possess an obvious potential for becoming entrepreneurs.

One of the common problems faced in entrepreneurship and enterprise development in the CSI sector is the lack of effective delivery of package support services to resolve general or specific issues of micro- and small businesses. The package service may contain different components such as finance and credit assistance, marketing, technology, technical consultancy, and training (for entrepreneurial, managerial, and trade skills' development). There are many such small entrepreneurs who, despite training in EDP, could not implement their business plan mainly because of the lack of post-training support and guidance. In some cases, the entrepreneurs, managed to start a new business, but faced problems in operating the enterprise effectively because of various reasons. Therefore, institutional services need to be strengthened to provide post-training guidance and support services in an integrated and coordinated manner to enterprises run by EDP trainees. Problems relating to finance and credit have affected many trainees adversely in promoting their business plan. Some trainees, particularly women, also face difficulty in pursuing a business because of lack of family confidence, particularly when it comes to providing jointly-owned collateral to secure bank loans.

The problems in selection of training location, selection of trainees, training course design, producing standard training manuals and materials, and improving trainers' skills are also observed in varying degrees by different institutions. Likewise, the

organizations have experienced that inadequate training budget, lack of proper incentives and facilities for trainers, and lack of opportunities for trainers to upgrade their skills in specialised fields pose problems for entrepreneurship training. In addition, training needs' assessment, post-training follow-up, monitoring and evaluation, and support services' programmes are mostly lacking from such programmes.

the training programme. However, WFA has carried out an overall assessment that has rated their EDP training sessions as successful. It is reported that about 50 per cent of the trainees have succeeded in setting up new businesses or in improving their existing businesses.

## Problems and Constraints of Entrepreneurship and Enterprise Development

Entrepreneurship development is planned in order to identify potential entrepreneurs, develop them through a training process, and help them start their enterprises through continuous guidance and support services. Potential entrepreneurs are persons who possess or show evidence of possessing certain traits. The participants selected for training on entrepreneurship can be classified broadly into three groups: a) those having previous experience in starting a business and being highly motivated to pursue it; b) those having no previous experience in business but having a strong desire to start a business; and c) those uncertain about a product line, with no previous experience in business, but who are keen to launch an independent business. The last two categories of trainees require special follow-up support and guidance over a relatively longer period. There are also trainees who attend training out of curiosity or as a pastime. Careful selection of target groups must be made to ensure the EDP on those who possess an obvious potential for becoming entrepreneurs.

One of the common problems faced in entrepreneurship and enterprise development in the CS sector is the lack of effective delivery of post-course support services to resolve general or specific issues of micro- and small businesses. The post-course support services are an integral component such as finance and credit assistance, marketing, technology, technical consultancy, and training for entrepreneurial, managerial, and trade skills development. There are many such small entrepreneurs who, despite training in EDP, could not implement their business plan mainly because of the lack of post-training support and guidance. In some cases, the entrepreneur indulged in a new business, but faced problems in operating the enterprise effectively because of various reasons. Therefore, institutional services need to be strengthened to provide post-training guidance and support services in an integrated and coordinated manner to enterprises run by EDP trainees. Problems relating to finance and credit have affected many trainees adversely in promoting their business plan. Some trainees, particularly women, also face difficulty in pursuing a business because of lack of family confidence. Particularly when it comes to providing jointly owned collateral to secure bank loans, the EDP by FNCS in 1995 had only 42 trainees in 1995 because it began (The problems in selection of training location, selection of trainers, training content design, excluding standard training manuals and materials, and provision of trainers skills are also observed in varying degrees by different institutions. Likewise, the