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Rt. Hon PM Pushpa Kamal Dahal, the Chairman of PAF Board during the 64th Board meeting of PAF

“PAF programme is pro poor” says a RF study report

An independent study on revolving fund (RF) has reaffirmed that the PAF programme is pro poor providing special preference to the poor, backward caste and women. The office bearers of Community Organizations (COs) were selected through a participatory manner and COs organized meetings on a regular manner, the study said.

India based organization M-CRIL carried out the study on performance of the RF programme of PAF with an objective to assess the financial soundness of the COs; who are the recipients of the RF and other technical support through Partner Organizations (POs). M-CRIL's evaluation team studied 57 COs across 11 districts in 5 regions.

M-CRIL adopted a mixed method approach for covering the sample of COs and POs under the PAF programme. This included workshops at regional level with representatives of COs and POs and field visits to some selected COs.

The key achievements of the PAF programme has been its widespread outreach—covering 55 out of 75 districts in Nepal and high poverty focus on addressing issues related to rural poverty and social exclusion. “The direct transfer of RF funds to bank accounts have reduced transaction costs and limited the chances of misappropriation, though access to banking facilities and continued use of bank accounts remains an issue,” it said.

The study mentioned that the RF was meant for promoting income generating activities among the members and the programme has been quite successful.

Stating the requirement of community contribution to the RF was meant to promote ownership among the members, the study mentioned that “mixed results were achieved across different phases of the programme.”

Among the key strengths of RF, the study cites good involvement of members in deciding the loan products and setting terms, structured loan processing system, penalty to delayed repayments.

“Most members of the COs have got their share of loans from the RF. In around 63% of the COs, more than 75% of members had outstanding loans”, the study reveals.

On weaknesses & areas for improvement, the study highlights the major problems in mobilizing the 10 per cent contribution from the members.

Also, majority (67%) of the COs have not been able to rotate the RF well and many COs (25%) are facing erosion of the RF due to portfolio overdue/defaults.

The study further mentioned that there was a tendency of the COs to equally divide the RF among the members as most of them need loans and the RF is not sufficient to meet their credit requirements.

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Poverty Alleviation Fund: An Environment Safeguard Approach

Shreejan Ram Shrestha, PAF

Poor people are the most vulnerable individuals to the environment consequences. It is because poor people rely directly on environmental resources for their survival than the rich. These poor people are mostly clustered in remote and ecologically fragile areas and around the periphery of growing urban areas. With this reason, environment is emerging as a major challenge for the sustainable development. Hence, Poverty Alleviation Fund (PAF) believes that development can only be achieved through sustainable use of environment resources and improving environment quality. For this, PAF has set up an environment safeguard unit to check the environment aspects of the PAF projects from its inception.

In the PAF projects, all the proposals submitted by Community Organisations (COs) are judged and screened based on four principles (its objectives, applicability of its technical aspects, applicability of its economic aspects and its environment and social aspect) prior to its approval. Among these principles, Environment and social aspects is one of the major criteria to be fulfilled by COs. Similarly, environment safeguards works as a cross cutting theme in every PAF's programme. To understand the environment issues of the different projects, PAF has developed its own Environment Management Framework (EMF) guideline. The EMF guideline is based on environment protection act 2053 and World Bank operational guideline 4.01 which demands for the environment examination before approval of development projects.

Environment Management Framework (EMF) guidelines provides management/mitigation measures to the environment consequences that may come from the projects. Under this Framework there are questionnaires/checklist which ask to enlist the possible environment impact of the subprojects and its appropriate mitigation measures. For every project, EMF has provided the possible environment impacts that are categorized into physical environment, biological environment and socio-economic environment. All PAF projects are micro scale projects which don't require fulfilling Initial Environment Examination (IEE) and Environment Impact Assessment (EIA) as per environment

protection regulation. So, the checklist method is sufficient enough to deal with all types of environment issues. PAF has its own environment checklist prescribed in the EMF guideline to identify the environment issues and its mitigation measures. The checklist includes type of environment impact, cause of impact, its management/mitigation, budget, its monitoring & evaluation etc. This checklist method is sufficient enough to gather all environment details of project based on which environment consequences can be judged and its management tools can be identified and use for its mitigations. In case, if the checklist method is not adequate or the project is of high scale, the guideline has also provided a space for COs to suggest for further EIA study or IEE study of their proposal to the PAF.

PAF programmes also support to the poor living within the protected areas (PAs). EMF guideline has provided the working procedure that needs to be followed for operation of the project in the buffer zone. The PAF programme inside the conservation area was launched since its second phase in order to reduce extreme poverty from these areas and to increase community participation in the protected area management of Nepal. The Memorandum of Understanding (MoU) between PAF and Department of National Parks and Wildlife Conservation (DNPWC) was signed on 2nd May 2008 to collaborate and enable PAF project implementation in Protected Area. The MoU allows PAF to work inside the Protected Areas with the system and institutional structure of the Buffer zone and conservation area management programme.

Currently, PAF has revised its EMF guideline to make it comprehensive and systematic. It has conducted a study in relationship between climate change and poverty. Different types of disasters associated with the PAF projects are studied to understand its impact in the PAF projects. PAF has plans to work on the other potential negative environment impact which may have significant effect to the PAF projects in future. With the changing environment consequences, PAF will bring improvement in its environment safeguard which is authorized by the PAF act itself.

Peri-Urban Piloting in Kathmandu and Butwal

PAF is now implementing a pilot project to address urban and peri-urban poverty in Kathmandu and Butwal. The Unity Service Cooperation Nepal is the Partner Organization for facilitating the initiatives which seek to form 40 Community Organizations.

So far, 17 COs have been registered and 4 COs have been provided financing to start income generation and skills development training activities.

Under the scheme, 1,000 urban poor/households would be benefited (500 each in Kathmandu and Butwal), several poor clusters

have been selected from eight municipalities in Kathmandu namely, Kathmandu Metropolitan, Shankarapur, Budhanilkantha, Khageswori, Manahara, Tarkeswor, Nagarjun, Kirtipur. In Butwal, a total of nine clusters from eight wards in Butwal Sub Metropolitan have been selected.

The major activities of the pilot include (i) Mobilize community people to form COs, (ii) Conduct rapid need assessment and feasibility studies; (iii) Conduct capacity building training for CO management; (iv) Facilitate COs to establish and execute Income Generating Fund and

Skills Development and Technical Training Fund; (vi) Facilitate COs to establish linkages with local bodies, line agencies, training institutes and other relevant stakeholders.

As per the sub-project proposals prepared in Kathmandu, the activities preferred by the CO members include: (i) Livestock development (cow, buffalo, and goat), (ii) poultry, (iii) commercial vegetable farming, (iv) retail shops/trade and partly (v) skills development in the areas of tailoring, beauty parlour, hotel management, house wiring and foreign employment.

World Bank visits Saptari

The World Bank's Country Director Takuya Kamata paid a field visit to Saptari district on 9th September, 2016 to observe PAF programmes at the community level. He interacted with one of the Community Organizations namely, Gauri Shanker Community organization in Sambhunath-1 of the district. He also visited a PAF supported cooperative--Himalaya Saving and Credit Cooperative Ltd. He obtained information on various activities that the community members have been carrying in both the CO and Cooperatives with support of PAF. He expressed



satisfaction about the functioning of the Cooperatives and said that it could be one of the sustainable models for the COs.

Dhading

Anil Pd. Khanal, PAF



An entrepreneur benefited by PAF programme at his tailoring shop

Dhading, located in Bagmati zone of the Central Development Region is one of the most backward districts with the Human Development Index (HDI) value of 0.461. It comprises of 46 Village Development Committees (VDCs) and one Municipality. The district has poor development infrastructures like roads, electricity, and others. Most of the populations are based on subsistent agriculture and have low income for basic livelihood.

The massive 7.8 magnitude earthquake of April 25, 2015 had devastating effects in the district. This tolled 718 deaths and 702 injuries leaving thousands of people displaced as reported until May 11, 2015. Initial estimates of the Government of Nepal suggested that 20,000 buildings were completely destroyed in the district, and 15,000 buildings were damaged (drportal.gov.np). Almost all the VDCs were severely affected by the earthquake. The earthquake damaged 25 drinking waters sub-projects, 5 irrigation and 5 primary schools of Poverty Alleviation Fund (PAF) supported sub projects.

PAF started its regular programme on poverty reduction in the district in 2008; however, PAF had been working in the district since 2005 as innovative programme. Currently, PAF is reaching out to 20 of 46 VDCs and a municipality. Seven Partner Organizations (POs) are facilitating the implementation of different poverty reduction programmes.

Since the introduction of PAF programmes in the district, 552 community organizations were formed among the poor households (HHs) who were registered with PAF and implemented 449 income generation (IG) and 103 community physical infrastructure

sub-projects. PAF has so far provided Rs. 142 million to the COs for income generation and Rs 8.1 million in infra sub-projects. Presently, the total revolving fund in Dhading is Rs 173 million. There are 31 CO federations and 3 cooperatives in the district.

Major activities under income generation programme are basically focused on livestock. Around 70 percent of the total budget is invested on goat raising, poultry farming and buffalo rearing. Vegetable cultivation (seasonal and off-seasonal vegetable) is another major activity for income generation of the poor households. COs have also established and are running vegetable collection centers for marketing agricultural products. The agricultural products from Dhading are supplied to the markets of Kathmandu Valley, Pokhara and Narayanghat.

The income generation sub-project has been able to engage the community members and people from neighboring communities in vegetable cultivation, poultry farming and buffalo rearing for earning livelihood. However, this was not the case earlier as most of the youths went to district headquarter for labor. Through this programme, people have increased access to loan in minimum interest without collateral which they can invest in income generating activity of their choice.

A total 103 physical infrastructure sub-projects have been completed by COs in Dhading district. PAF has so far supported for projects of drinking water, irrigation, micro hydroelectricity, primary school building and road constructions among others. Through infra sub-projects, PAF has been able to make a significant contribution to easing the hardships of

the community people. Poor people of the district now have an easier access to safe drinking water. Similarly, irrigation sub-project has also created avenue for income opportunities by enabling the farmers to produce seasonal and off-seasonal agricultural products.

With an aim to strengthen the COs, PAF has also supported them with trainings for capacity building. So far ten training programmes have been conducted on different themes for example; Account keeping, leadership development, revolving fund management, group management, insurance, etc.

District Poverty Alleviation Coordination Committee (DPACC) has been formed in Dhading district under the leadership of Local Development Officer. The team includes Local Development Officer Mr. Bhagwan Aryal, Planning and Administrative Officer Mr. Yubaraj Aryal, Information Officer Mr. Bhola Prasad Gautam and Social Development Officer Mr. Binod Aryal. A team of DDC Dhading also monitored PAF programmes at Gajuri, Tasarfu, Kalleri and Jogimara VDCs. The monitoring and evaluation team has forwarded its report with recommendations to increase effectiveness of PAF programmes in those VDCs.

Apart from the above activities, a 15 minute radio programme 'Hamro Boli' is being broadcasted by five community radios every week in Dhading.

Heading		Number	Amount (NRs)
Community Organization	COs registered with PAF	455	
	CO Federation Registration Agreement	31	
	Income Generation Activities	552	223964739.27
PAF investment	Community Infrastructure	449	142065123.00
		103	81899616.27
			Percentage
CO member Households (HH)	Total		11793
Poverty Ranking	Hardcore Poor (Ka)	4823	40.90%
	Medium poor (Kha)	5273	44.71%
	Poor (Ga)	1692	14.35%
	Marginal Noon Poor (Gha)	5	0.04%
Gender	Male	3798	32.21%
	Female	7995	67.79%
Ethnicity	Dalit	1947	16.51%
	Janajati	9037	76.63%
	Others	809	6.86%
Total Beneficiary HH	Total	9233	
	Ethnicity	Dalit	1586
		Janajati	7061
		Others	586

A village revived with water

Toksel VDC of Okhaldhunga district is known as the most arid area in the region. There is a great scarcity of drinking water owing to which, most of the inhabitants are compelled to migrate to other places.

A parched zone and a single source of drinking water for 3 wards in a village; what could be more alarming for livelihood? Locals were struggling with the dearth of the essential commodities. Collecting and reserving water back at home was yet another painstaking job as it would take 3/4 hours to fetch water. The time could get even longer when they had to wait for their turn to fill water. This scarcity has led many to migrate to villages where they could quench their thirst.

Amid this backdrop, Poverty Alleviation Fund (PAF), constituted Community Organizations (COs) at different wards of Toksel VDC. In the course of implementing poverty alleviation programmes at the VDC, a community Infra sub-project-Dharapani Drinking Water Project was also implemented. This project

was planned and accomplished by three COs (Sunakhari, Suryamukhi and Juntara) of 3 and 4 wards of the VDC. As per the rules of PAF, the project was completed with combined contribution from COs and PAF. Of the total cost of Rs. 23,48,184 (Twenty Three Lakhs Forty Eight thousand One Hundred and Eighty Four rupees), the COs made labour contribution of Rs. 5,69,372 (Five lakhs Sixty Nine thousand Three Hundred and Seventy Two rupees) and PAF extended a support of Rs. 16,88,812 (Sixteen Lakhs Eighty Eight Thousand Eight Hundred and Twelve rupees) for the project.

A total of 126 households covered by the three COs are benefited with the operation of the Drinking water project. The villagers do not have to spend hours to fill water anymore as water taps are running in front of their houses. It has saved their time, which they are utilizing for other productive works. Most importantly, they have an easy access to safe drinking water.

Earlier, water at the main water



Villagers filling drinking water from the tap

resource used to be a wastage, especially at nights when people do not fill it. Realizing this, the Drinking water project has made arrangements for utilizing and storing water in reservoir tanks for later use. With the success of the project, villagers do not have to take their cattle to the faraway river for water as well.

So, the Drinking water project supported by PAF at Toksel VDC has been a boon for the people there. There has been a significant reduction in yearly migration due to water scarcity. Along with, the families who have shifted to riversides for access to water have started to return back to their houses.

Ram Kumari Magar, Toksel VDC, Social Mobilizer

No More Asking for Bhur

Dailekh, a district in Mid-western Development Region is 650 kms away from Kathmandu. In regards to development too, Dailekh seems to be at similar distance. Dailekh is at 67th place out of 75 based on the economic-social index of the country. Although there have been some progress in infrastructure development works, people still follow traditional ways of livelihood.



There are forty eight thousand nine hundred and fifteen households in the district of which forty six thousand eight hundred and ninety nine households own their houses. Remaining households have nothing in possession. Most of the people from ward no.6 do not have land of their own. This has also been the result of migration of families from different 11 VDCs of the district to some extent. The so-called *dalit* community-the *Badi* community mostly fall in this group. According to the national survey of 2011, *Badi* community has a total population of thirty eight thousand six hundred and three. In this Namuna village, there are sixty eight *Badi* community households. They originally pursued profession as drummer but with the fading of the profession, there appeared an upsurge in hardships for livelihood.



Pawa Badi, the president of Pragatisheel Community Organization narrates her past, "We wanted to earn our bread instead of begging. Therefore, we started to serve as porters. They paid five Rupees for every 100 kgs' load. We, women also went for the same."

With the interventions of Poverty Alleviation Fund, there has been a gradual improvement in their situations. PAF has extended support of two lakhs Rupees to the *Badi* community for



income generation. All the eleven members of the Pragatisheel Community Organization formed in the village have been involved in different income generating activities after receiving a loan of 20/25 thousand each. Pawa states, "There are 11 members in our CO. Those opting for business have taken 30 thousand and those for pig farming have received 20 thousand loans for investment. They are doing quite well in their profession. We have been able to educate our children."

It has just been a year that the women in the community got involved in income generating activities; but they have overruled the ferocious days. Children go to schools regularly. The men in the community are still compelled to work hard; nonetheless, the PAF programme which has made the women self-employed in such a short period of time can be expected to make the family independent in the near future.

One of the members of the CO, Laxmi Badi says, "We were homeless and had nothing to feed. From pig farming, we have built our own houses and now have a roof to shelter."

PAF programme in the district has enhanced the living standard of other communities as well. Some of the communities in the district were making their livelihood by begging food (*bhur* tradition in local dialect). But they have left the tradition as they have started to earn being into different professions with PAF's support. "We used to ask for *bhur* to those wealthy of food for our children. Today, we need not go and ask",

says Kopila B.K, member of Sangam Community Organization.

A larger population from the district goes to India and other Arab countries for employment. Most of the people go to India as seasonal workers since decades. However, they have not been able to make a good income abroad as unskilled workers. The income generating programmes implemented by PAF has, to some extent, decreased the rate of migration of poor communities



for foreign employment. Though the rate of transformation has not been equal throughout the district, PAF has been supportive in making the poor people fulfill their basic requirements by themselves.

A Journey towards Independency

Bibha Kumari Thakur of Raghapur VDC of Siraha district got partially paralyzed at an early age of 13. This benumbed the lower part of her body. Currently residing at Mirchaya municipality-3, Thakur has been living an entirely dependent life for every movement outside her home for the last 10 years. Until four years ago, Bibha was living an isolated life full of hardships within the confinement of four walls in her house. But of late, her days have become relatively effortless as she undertook tailoring business.

Bibha says through tailoring, she has not only been able to overcome the captivity but also been able to generate income and beat the feckless days. According to her, "It was very suffocating to pass on the days at one corner of a room being helpless and having nothing to do. But now, people come to sew clothes and as I get busy with them-taking their measurements, having chats with them; time elapses."

Thakur has experienced a great transformation in her life. This was possible after she participated in sewing and cutting training through Hanuman Community Organization under income generation programme of Poverty Alleviation Fund

(PAF) with the help of Centre for Poverty She also received a loan of Rupees 12,000 with which she bought a sewing machine. The skill she learnt has generated income and enhanced self confidence and optimism in her.

She sees disability as a grief in itself. Yet from her experiences, she opines that every physically challenged person should be proactive on easing their day to day hardships. Though she has been to school upto only class 8, Bibha now earns Rupees 5000 to 8000 per month. She is excited to have been able to make financial contribution to the family and also fulfill the basic needs for herself.

Thakur was not in this physical state by birth. Her mother Kantidevi Thakur remembers her daughter having difficulty while walking when she was 10/12 years old. They took her to a health post where she was diagnosed with poliomyelitis (Polio). As suggested by health worker, they took Bibha to Kathmandu where she had leg surgery. But instead of getting her strength back, the lower part of her body got paralysed. She could move no more, Kantidevi says. According to her, Bibha, who had been doing her personal cores with her



Thakur sewing clothes

mother's support, has now started to earn and contribute to family. The other members of the family are also happy with her. Amid this, Kantidevi is disappointed that although her daughter could not stand on her foot and move around, she has not been certified as fully disabled and has been listed as having 'B' level disability.

Shrajana Raya, Social Mobilizer

Vegetable farming beats foreign employment

Pancheshwor VDC of Baitadi district in far western region shares border with India. Most of the inhabitants of Pancheshwor depend upon labor across the border for income. Diwan Singh Ghatal is not an exception to the local trend. He looked after his family with the income he earned as a wage worker on the roads of Lohaghat, the terminal market. But these days, Ghatal has made a different identity. He stands as an exemplary and successful entrepreneur in Pancheshwor. He has quit going for labor to India. Instead, he has adopted commercial vegetable farming for livelihood.

In 2066 B.S, with support of PAF, the Farmers Community Organization (CO) was constituted and Ghatal became the chairman. He received a loan of fifteen thousand Rupees (Rs. 15,000) from the same CO. With the loan amount, he initially cultivated tomato,

cabbage and cauliflower. His hard work paid off and he started to make a good earnings. Consequently, he decided to continue vegetable farming as a profession instead of going India for labor. Ghatal opines, "The money earned from labor in India could hardly meet the expenses at home. I need to stay away from the family as well. Therefore, I thought of expanding vegetable farming as a business at my own place."

In the first year of business, Ghatal made profit of Sixty Thousand rupees (Rs. 60,000) and was able to pay off the loan amount with interest. He again took a loan of Fifty Thousand rupees (Rs. 50,000) from the CO. The income from vegetable farming, he says, has improved their living standard. "I worked as wage worker for years and yet struggled to take good care of my family, but now it seems to me that



Ghatal in his vegetable farm

those hardships are over" Ghatal compares and takes a sigh of relief. His family of 10 members is doing well with the increased income.

Being into vegetable farming business for the last four years, Ghatal has realized the land he owns to be insufficient for cultivation as desired. He has plans to buy land nearby and expand his business. He excitingly points out, "Access to market is not so difficult and therefore, I have been expanding farming business".

PAF - A friend in Need

My name is Sita B.K. I live in ward no-6 of Sunaula Bazaar VDC, Dhadhing. I am the member of Silkanya Community Organization. I have two daughters and a son, me and my husband in my family. We could hardly manage food for six months with the income from our land. Therefore, my husband works as wage worker and makes extra income for rest of the months. As our children were growing day by day, the responsibility of their education was even bigger. We had worked round the clock and, at the end we had nothing left as savings.

Under such difficult situation, additional expenses for their education was impossible unless we opted for loan. We mutually decided and approached a money lender in our village but returned empty handed. We were frustrated and cursed ourselves for not being able to send our children to schools. Time passed by but there was no sign of improvement in our lives. We worked for others to fulfill the needs of that particular day. We kept struggling every passing day. We did not have a single penny as savings. Whenever one fell sick, we had to take loan for treatment and again had to bear the burden of paying interest. Festivals were nightmares.

In 2012, Silkanya Community Organisation (CO) made an agreement

with the Poverty Alleviation Fund (PAF) to implement programme on income generation. I also registered my name as one of the entrepreneur although I did not believe that one could get loan for self employment in such a minimal interest rate. I myself initially received Fifteen Thousand rupees (Rs. 15,000) under this programme and bought and raised two goats. There is water supply nearby and also have enough pasture for grazing goats. Goat manure has been equally useful. The environment here is much favorable for goat and therefore, I could manage to repay the loan with interest in just two years. I was so encouraged that I again took a loan of Sixty Thousand rupees (Rs. 60,000) and as of now I own 11 goats. This has boosted up my self confidence. Earlier, I was keen to work but was unable to identify the way and kind of work I could pursue. Poverty Alleviation Fund came as a boon for me in that awful circumstances. Now I feel PAF is meant for the poor people.

Among 26 members in my CO, 16 families belong to Dalit community while 10 are families from indigenous community. The CO members consist of 18 women and 8 men. Every activity is decided by the CO members and all the 26 members have equal participation.

With the programme of PAF, we have developed the practice of monthly



savings and regular meetings. We discuss on issues of community benefits and beneficial programmes based on which programmes are planned and implemented. Social mobilizer Narmada Adhikari helps us refine our activities and programmes. We had been working throughout the day that ended with no gain at all; but I have come to realize that discovering the right thing to do in a right way can lead to success. A conducive environment and encouragement is very significant. I see PAF as the real friend in poverty.

Purna's efforts for change

I am Purna Devi Rai. For the last six years, I have been working as a social mobilizer at Triyuga Municipality, Udaypur and applying myself day and night to facilitate the poor, excluded and deprived communities in Triyuga Municipality. I am thankful to Poverty Alleviation Fund (PAF) for giving me an opportunity to share my experiences and learning while working with the vulnerable communities.

To bear responsibilities of a social mobilizer under different portfolios of PAF was a great opportunity; and simultaneously a challenge

excluded communities.

Amid all these difficulties, I perceived the challenge as an opportunity and was determined for social transformation through social mobilization. I presented myself as their friend and have been able to establish good relations with them. Those who did not participate in meetings and were indifferent to the objectives of COs earlier are now regular in meetings. They are extensively involved in discussions regarding regular monthly savings, investments of Revolving Fund (RF) and savings, priorities for



“the community members today discuss issues on sanitation, importance of legal documents as citizenship, birth and marriage registration and about sending children to school. This is one of the major achievements of PAF programme in my opinion.”



CO members in a meeting

for me. In particular, the aspect of social mobilization is always crucial and equally challenging. Although Triyuga is named as a municipality, it seemed as if it has been trapped in darkness beneath the light. Majority of its villages lack social awareness and have endured poverty, illiteracy and unemployment since a long time. They were inhibited by marginalized ethnic communities. It was not an easy task to gather women of underprivileged Sada and Muslim communities and form Community Organizations (COs). Initially, they were not disciplined and did not even attend meetings interactively. It was very difficult to work with these and other socially

investments and take decisions collectively. This gives me a sense of satisfaction after all the hard work. Although, discrimination, untouchability and other social stigmas are rampant issues in Sada and Muslim and other similar communities; I have learnt that even a small effort can make a huge difference.

In every CO meeting, the community members today discuss issues on sanitation, importance of legal documents as citizenship, birth and marriage registration and about sending children to school. This is one of the major achievements of PAF programme in my opinion.

Additionally, the community members who hesitated and could not introduce themselves in a CO meeting have been confident enough to state their needs at Ward Citizen Forum, Municipality, DDC and other related organizations. I have been facilitating them to hold meetings of COs regularly and support them in capacity development as well. Frequent trainings on account management, book keeping and leadership development have also contributed to the capacity enhancement of the CO members and CO key position holders.

I may sound emotional, but I feel the COs as my own family whom I have created, nurtured, took care of and guided them to become self dependent. The transformations seen in these communities have been possible due to PAF's interventions. Social mobilizers like me have a special attachment with the communities. I feel privileged to be able to contribute to PAF's objective of reaching the poor and linking them to the development mainstream.

Livestock is like ATM for poor

Livestock activities are helping to improve CO members' household income, family relations, awareness and other income opportunities, according to a study.

An independent research conducted in three PAF districts to study the learning from livestock investment shows that the poor opted for livestock for quick economic return, low risk, small investment need and good profit, among others. Livestock is the major portfolio of investment under PAF assistance. The livestock sector is the highest priority of CO members as the PAF investment in livestock sector covers almost 73 per cent of total income generation.

The study report, covering 4 programme districts, also says that livestock has directly contributed to self employment, food nutrition and manage emergency need. It was also highlighted that preference of animals directly related to the ecology, location, market, tradition/culture, prior experiences, resources, capacity and family member

During the focus group discussions, the poor has indicated that goat rearing practice is most preferred (43%), followed by buffalo (33%), dairy cow (8%), pig (3%), poultry (3%), other livestock (5%), horse (1%), rabbit (1%) and small entrepreneurship (2%).

However, the report has highlighted some shortcomings in livestock investment.

The report mentioned that those who opt to rear lactating buffalo and dairy cow, the revolving fund loan that they have taken from their community organizations was not enough and they had to manage from themselves or from other sources to meet the extra cost. Such amount is found to be equal or more than the RF loan taken size.

The study also mentioned that animal husbandry and health services were still depending upon local knowledge.

"The services are also not well linked up with the existing government services, and there is less coordination between District Livestock Services/ Livestock Service Centre (DLSOs/LSC) and POs/ COs. Thus, livestock activities are found more vulnerable due to less utilization of existing services. Similarly, COs were lacking information about the use of Village Animal Health Worker (VAHW) in the community.

The practice of livestock insurance was found not up-to the mark despite of PAF's livestock insurance guideline and government's livestock insurance policy. There may be many reasons but now the government has already developed livestock insurance policy and now it is in action in the field. It was noted that all the sample districts' POs and COs were not up-to-date with this information, facilities and working systems.

Community members are in shortage of skill oriented trainings which are one of the important parts for addressing their practical and strategic needs.

Livestock enterprise plays important and multiple roles in socio-economic up-liftment in the rural areas. Most of the livestock related micro-enterprises were being run at a very high risk with little technical knowledge and skills. POs are found less aware toward exploring, coordinating and arranging resources for entrepreneurship and skills.

The major sources of cash income from livestock come from milk, meat, egg, manures and live animals. The assessment shows that CO members are earning about Rs 50,000 from livestock rearing (one or two buffalo, cattle or 3-5 pigs and 5-15 goats).

Nearly 6 per cent COs member were found scaled up to livestock entrepreneurs (milk collection/sale, goat and poultry meat enterprises) and were earning Rs 95,000 to 200,000/ year.

The study mentioned that livestock was found to be good source of self-employment. More than 50 per cent female family members were involved in this type of business.

The RF had an impact on increasing income of woman, *Dalits* and poor households. Most of them noted that an increasing number of households are taking loan from revolving fund and involved in income generation activities. They also reported that the revolving fund has reduced their burden to pay for higher interest of their debt. However, it was also expressed that the current size of RF is not enough for all members to satisfy the up-scaled business need and waiting time.

The following are the recommendations of the study, among others

- (a) The skill oriented training are essential and can be planned with regular activity of COs or POs.
- (b) The current size of RF loan should be reviewed to meet the requirement of livestock business plan. It can be categorised by (a) normal type loan and (b) microenterprise loan.
- (c) Improved and suitable breeds of livestock are not easily available particularly in hills and mountain districts. To minimise this problem, a coordinated programme approach with concern DLSO and POs would be one of the option, i.e., the identified and procured breeds of buffalo, should goat and sheep be maintained and encouraged to rear them for breeding purpose.
- (d) COs can arrange breeding bulls (buffalo, cattle, goat, sheep and pig) service centre in the community for breed improvement to maintain suitable livestock breed for higher benefits.
- (e) There is a need of proper activity

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Activities in Brief

KM initiatives

With an intention to systematize the disbursed knowledge PAF has been able to gain at the grassroots level, PAF has initiated various activities under Knowledge Management concept. Under this, radio programmes are being broadcasted from more than 100 radios in 55 programme districts. A centre-based radio programme 'Jeebika' is being broadcasted through Radio Nepal. A television programme 'Sambriddhi ka Pailaharu' from Nepal Television is aired every Tuesday at 7:25 pm.

Review and Planning Meeting

Poverty Alleviation Fund (PAF) organised a two-day review and planning meeting on 23rd and 24th August, 2016. The programme was participated by PAF Board Members, staffs from the Secretariat and Portfolio Managers from all the 55 programme districts. The agendas of the meeting were: review of the progress of the fiscal year 2072/073 and planning of activities and budget for the current fiscal year.

PAF has allocated Rs. 3,82,28,66,000 to conduct poverty alleviation programmes in its regular 55 and three innovative programme districts in the current fiscal year. It aims to utilise the amount to support 2,562 income generating activities, 208 small infrastructure sub-projects, 70 pocket area development and operation of 60 cooperatives. The meeting has

also announced to observe fiscal year 2073/074 as Reconstruction Year and give top priority to reconstruction programmes in the 13 earthquake-affected districts.

PAF explores for financial sector linkages

A Round Table Discussion was organized on "Financial Inclusion and Rural Poverty Alleviation-Linking PAF COs with financial sectors" on August 1st, 2016 in Kathmandu. The discussion was held with an objective to identify potential financial collaboration platforms for financial sector linkages to ensure sustainability of the COs categorized as promising and federated that have attained maturity.

The event was successful in exploring various collaborative preferences in order to mainstream financial inclusion as a core element of its rural poverty alleviation approach. The programme had participation of financial experts from leading financial sector institutions in Nepal and representatives from The World Bank. Mr. Nahakul KC, the Executive Director of PAF shared with the participants PAF's objectives and mission, PAF's interventions and activities for income generation and livelihood and about the COs and cooperatives associated to PAF while Amir Hamza, Rural Finance Specialist from The World Bank shared the Bank's regional experiences on Rural Poverty Alleviation and Financial Inclusion. He also shed light on PAF's future strategy and on the support

PAF has been providing to different producer groups and community members.

Similarly, Mio Takada, the Task Team Leader from The World Bank shared the findings of the Independent Assessment of PAF Revolving Fund Performance. There were experts from Nepal Rashtra Bank, Nirdhan Utthan Bank Limited (NUBL), Small Farmers Development Bank (SFDB), United Nations Capital Development Fund (UNCDF), NMB Bank, SAPPROS Nepal among many others. They discussed their initiatives and experiences of extending financial access to rural community across the country. Mr. Binod Atreya, Executive Director, MFI Department of Nepal Rashtra Bank, Mr. Shankarman Shrestha, Chairman of Centre for Self Help Development, Mr. Shrikrishna Upadhyaya Executive Chairman of SAPPROS Nepal also contributed to the discussion. The participants also expressed their ideas of identifying the areas of common interest with PAF for inter collaboration.

The programme was significant in discovering the promising financial aspects and institutions for partnership in upgrading livelihoods and income generating objectives and bringing the unbanked poor communities under financial opportunities.

Citizen Engagement through E-Chautari

Poverty Alleviation Fund (PAF) started OnTrack (e-chautari) to make its programme transparent, accountable and interactive in Kapilvastu district. It is based on information technology under which the community people and public can express their experiences, problems and other queries by telephone and SMS and can participate directly through the PAF website www.ontrack@pafnepal.org.np. A mechanism has been established so that those queries will be immediately addressed by PAF.

OnTrack has been developed with an objective to promote citizen feedback, grievances and engagement to PAF programmes. People can share success stories, provide suggestions or report specific issues through three methods. They are as follows:

Implementation Modality

Citizens directly or indirectly involved with PAF projects in selected district

can use OnTrack system to share stories and report issues. OnTrack then allows these issues and reports to be duly addressed by PAF staff members. PAF has developed the Implementation Guideline 2016 on OnTrack.

Web

Through the OnTrack website: www.ontrack@pafnepal.org.np, people can share stories, reports and suggestions. Stories could be based on the impact that PAF projects have created at the community level. The website allows people to provide relevant content, pictures and attachments associated with the stories.

SMS

People can report their issues or grievances by sending SMS to the toll free no. 1117.

Voice Message

People can report their issues or grievances through the voice message;

for which they have to dial the toll free no. 1117 and leave their message.

At the moment, OnTrack is implemented only in Kapilvastu district. All PAF projects in various VDCs of Kapilvastu fall within this initial coverage. With the experience from Kapilvastu, the system will be replicated in other PAF programme districts.

Current Status

Till August 2016 PAF has received 2 success stories, 33 voice messages and more than 100 SMS. Most of the issues were related to the Revolving Fund, installment payment and about the OnTrack system.

To inform about OnTrack to the general public, PAF had contract with the two local FM radios Buddha Aawaj and Radio Parivartan. These two FM radio are advertising PAF's OnTrack system six times a day and the advertisements are in Nepali language as well as in the local language of Kapilvastu.

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planning, good linkages with the existing government services and coordination between DLSOs/LSC and POs/COs to minimize the risk of losses of livestock.

- (f) There is an urgent need of one Village Animal Health Worker (VAHW) in each CO. This can be arranged by providing 35 days training to one of the member of CO either in government's training centre or private CTEVT centres.
- (g) Livestock insurance policy is already established and being implemented by the government. In this context, it would be more practical and advantageous to adopt the system. The insurance work can be combined while issuing the loan money from the revolving fund. The premium amount can be arranged by splitting it, i.e., 75% by government (already exists), 15%

- PAF fund and 10% by concern farmer so that members can be encouraged by this scheme.
- (h) CO members should be motivated to take up livestock as a commercial enterprise by enhancing their entrepreneurial skills. PAF needs to help by identifying the feasible enterprises (such as small dairy, live animal/meat shop, nucleus breeding units etc.) and develop their models with training package for the COs.
- (i) Livestock products' market information system needs to be established in the district by coordinating with concerned line agency, private sector and market actors.
- (j) Capacity building of COs particularly on group management, programme planning, business plan, book-keeping, Cooperative/ network management, institutional development, entrepreneurships

and exposure visits to successful cases in inter and intra district visit deemed necessary.

Methodology of Study: The study was carried out using participatory methods and approaches. The COs, Partner Organisations (POs) and stakeholders of four sample districts, namely Jumla, Pyuthan, Parsa and Bara were covered under this study. A total of 13 focused group discussions (FGD), 15 key informants (KIIs) and 9 In-depth Interview (IDI) were carried out. Similarly, other participatory tools, i.e., group discussion, transect walk and staff workshops were used in the study. The respondents were from wide range of location, organisation, ethnicity and beneficiaries.

PAF In Brief

As of 16 July 2016

What is PAF

The Government of Nepal created PAF to reduce extreme poverty in Nepal and build a democratic, just, equitable and sustainable society.

Poverty Alleviation Fund (PAF) was established in 2003 as a special and targeted programme to bring the excluded communities in the mainstream of development, by involving the poor and disadvantaged groups themselves in the driving seat of development efforts. So, PAF seeks to improve living conditions, livelihoods and empowerment among the rural poor, with particular attention to groups that have traditionally been excluded by reasons of gender, ethnicity, caste and location.

Governing Board

Twelve members governing board is

chaired by the Prime Minister. The Vice Chairperson and five members are appointed by the government from the professional. Other five members of the board are Ex-officio - Secretary, National Planning Commission; Chairperson, Association of District Development Committee Nepal; Chairperson, Association of Village Development Committee Nepal; Chairperson, Nepal Women Commission; Chairperson, Nepal Dalit Commission.

Goal

The Goal of PAF is to help the poor find their way on a sustained path out of poverty.

Guiding Principles

- Targeted to Poor-Antodaya: Pro-sparsity of poor and disadvantaged at

the lower end of economic ladder. The last is the first for PAF. Participatory well being ranking and self selecting process to

- identify poor.
- Social Inclusion: Dalit, Janajati, Women and other disadvantage groups below poverty level. Demand Driven: Programmes are designed based on the needs and demand of the people.
- Participatory community planning
- Direct payment to community organization (CO). Community implementation and management
- Community institutional development to sustain the efforts Transparency at all levels

Heading		Number	Amount (NRs.)
Community Organisations (CO)	Registered with PAF	31,174	
	CO Federation Registration	1,911	
	Agreement	30,136	
PAF Investment in CO	Income Generating (IG)	29,994	12,602,961,181.23
	Community Infrastructure (INFRA)	5,944	5,450,766,152.41
	Total	35,001	18,053,727,333.64
Partner Organisations (PO)		453	
Districts Covered	Total	59	
VDC Covered	Regular PAF Districts	40	additional districts
	Phase I (6 Districts)	6	
	Phase II (19 Districts)	19	
	Phase III (15 Districts)	15	
	Innovative Programme + NDM	19	
	POs Working	2,234	
	COs Programme Activity	2,057	
			Percentage
CO Member	Total	826,500	
House Holds (HH)Poverty Ranking	Hardcore Poor (Ka)	534,414	64.66%
	Medium Poor (Kha)	215,120	26.03%
	Poor (Ga)	75,754	9.17%
	Marginal Non-Poor	1,192	0.14%
Gender	Male	185,315	22.42%
	Female	641,185	77.58%
Ethnicity	Dalit	216,066	26.14%
	Janajati	254,795	30.83%
	Others	355,649	43.03%