

Final Report

# **Monitoring and Evaluation Follow-up Survey -2014**

## **Socio-economic Changes in PAF Intervention Households in Nepal (2007-2014)**

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January 2015

## Acknowledgements

This present report is primarily based on data collected through follow-up survey 2014 in six of the PAF intervention districts - Rautahat, Rolpa, Dailekh, Doti, Jumla and Humla. Conducted in April-September 2014 by CEDA, the follow up survey 2014 is the third series of PAF monitoring and evaluation study in these six districts that aims to assess socio-economic changes brought out by the PAF intervention among its beneficiaries. In order to assess the impact of PAF intervention, results from the present survey are compared with two other surveys conducted in 2007 (baseline) and 2010 (follow up).

I am grateful to the World Bank and PAF for entrusting CEDA for conducting this study by providing valuable inputs. I am also grateful to COs, POs, local leaders and social workers without whose cooperation, this study would not have been completed.

I express my deep appreciation to my field staffs for their confidence to fulfil the objective of the survey. I also express my heartfelt thanks to Mr. Mohan Khajum for efficiently supervising the data management and processing.

I would like to extend my sincere thanks to Principal Investigator Dr. Bhim Raj Suwal and Co-principal Investigator Dr. Yogendra Bahadur Gurung for successfully completing the follow-up survey and the draft report. My sincere thank also goes to Research Associates, Mr. Arjun Bhattarai, Mr Kritan Raj Baral and Mr Basanta Thapa for their assistance from the very beginning to the end of the study.

I extend my deep appreciation to Ms. Gayatri Acharya, Mr. Dilip Parajuli and Ms Karishma Wosti from the World Bank and Mr. Raj Babu Shrestha, and Mr. Kanchan Tamang from PAF for providing their expertise from the very inception of the study to its fruitful completion.

I express my sincere gratitude to Senior Advisor Dr. Bal Kumar KC for his continued support and supervision from the beginning of this series of study to the final report.

Project Director  
January 2015

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**Figure 1: Map of Nepal Showing Survey Districts of PAF Monitoring and Evaluation Follow-up Survey 2014**



## Summary Indicators of Findings

### Change in selected indicators between baseline 2007 and follow-up survey 2010 among panel households who received money

Selected Indicators	Baseline 2007	Follow-up 2010	Follow-up 2014	% change (2007-2014)
<b>1. PAF Program Characteristics</b>				
Members in PAF Community Organization (CO)	-	1,551	2,005	-
CO member households participated in IG activities		1,139	1,637	
CO member households received money for IG activities	-	678	1,510	-
<b>2. Economic change</b>				
% who said living standard has improved after PAF program	-	43.1	62.1	-
Increase in average real consumption per capita (NPR) among CO households who received money for both 2010 and 2014 periods	16,255	26,378	36,240	124.2
<b>Increase in average real consumption per capita (NPR) by ethnicity</b>				
Hill/Tarai caste groups	16,471	26,433	33,191	101.5
Hill/Tarai Janajatis	18,852	33,805	50,277	166.7
Hill/Tarai Dalits and Muslims	13,562	19,513	28,610	111.0
<b>Decline in poverty rate (%): CO households who received money</b>				
Hill/Tarai caste groups	45.0	29.3	22.8	-37.6
Hill/Tarai Janajatis	40.4	29.3	22.8	-43.5
Hill/Tarai Dalits and Muslims	66.7	57.2	48.2	-27.7
Decline in economic out-migration of youth	67.4	58.7	62.7	-7.1
<b>3. Education</b>				
Adult literacy rate (15+ years and above)	33.4	37.5	42.8	28.1
Children (5-14 Years) attending school	74.8	84.3	86.9	16.1
<b>4. Women's empowerment</b>				
Women's participation in household decision making	44.9	50.5	57.8	28.7
<b>5. Sanitation</b>				
Access to toilet facility	19.3	30.9	68.4	254.7

## Acronyms

BMI .....	Body Mass Index
BS .....	Bikram Sambat
CBO .....	Community Based Organization
CBS.....	Central Bureau of Statistics
CEDA.....	Centre for Economic Development and Administration
CDR.....	Crude Death Rate
CM .....	Centimetre
CO.....	Community Organization
HHs.....	Households
IG .....	Income Generation
Kg .....	Kilogram
NGO .....	Non-Governmental Organization
NLSS.....	Nepal Living Standard Survey
NPC.....	National Planning Commission
PAF .....	Poverty Alleviation Fund
PO.....	Partner Organization
PRSP.....	Poverty Reduction Strategy Paper
PSU.....	Primary Sampling Unit
TU.....	Tribhuvan University
VDC.....	Village Development Committee

# Chapter I

## Introduction

### 1.1 Introduction

The overriding objective of development efforts in Nepal since the Ninth Development Plan Period (1997-2002) is poverty alleviation, to which the PRSP/Tenth plan (2002-2007) has given strong emphasis. The government has placed its commitments to achieve the goal of poverty alleviation. The PRSP's sole objective is to achieve a remarkable and sustainable reduction in the income poverty level and improve human development indicators (NPC, 2004).

For the realization of the objectives of poverty reduction, the Tenth plan has set four-pillar strategy calling for:

- high, sustainable and broad-based economic growth;
- social sector and rural infrastructure development;
- social inclusion and targeted programme for the ultra poor, vulnerable and deprived groups;  
and
- good governance.

In order to implement the four-pillar strategy, the Plan also stresses strategic cross-cutting approaches as:

- redefining the role of the state and limiting public interventions;
- promoting private sector development;
- promoting community participation; and
- accelerating the decentralization process.

The plan further highlights the importance of effective implementation in order to deliver basic services and infrastructure to the poor, to enhance their quality of life and promote economic and social inclusion of women, marginalized communities (*Dalits* and *Janajati* groups) and marginalized regions. The Poverty Alleviation Fund (PAF) is a fund to finance poverty alleviation projects through community-driven approach to improve living condition and livelihood of the rural poor through income-generation projects, community infrastructures, and basic services. The PAF is essentially a

'Social Fund', which finances (with support from the World Bank) a variety of rural projects (e.g., small enterprises, roads, schools)<sup>1</sup>. This is how the PAF is supposed to work during the initial phase.

An intervention team is directly working with communities. Partner Organizations (POs) are assigned to communities in 25 (Initial 6 pilot districts and additional 19 districts) PAF districts (poorest districts of Nepal fall under category C classified by CBS based on composite development index). In each community, the team/PO identifies the poorest/ marginalized villagers (poor women, *Dalits* and *Janajatis*) who are often excluded based on gender, caste, or ethnicity. This group is the target group of the PAF project. Social map of the identified settlement prepare in participation of all community member of a settlement and further the target group identifies based on social assessment. Target household/ group further organized into Community Organization (CO) to empower, built capacity and ensure participation.

Assessment has been subsequently made on whether the various projects had any significant impact on monetary and non-monetary dimensions-towards achieving the project objectives in the previously surveyed districts. Accordingly, PAF has completed its three baseline surveys that cover a sample of all 75 districts.

- First baseline survey (June-July 2006) was conducted in initial 6 pilot districts (Siraha, Ramechhap, Kapilbastu, Pyuthan, Mugu and Darchula) with 3 control districts (Okhaldhunga, Dang and Bajura).
- Second baseline survey (September- October 2007) was conducted in 6 districts (Rautahat, Rolpa, Dailekh, Jumla, Humla and Doti).
- Third baseline (October-November 2011) survey was conducted in 10 more districts (Taplejung, Sunsari, Khotang, Dolakha, Dhanusha, Dhading, Gulmi, Surkhet, Bardiya and Kailali).

Subsequently, PAF has been conducting follow-up surveys in its baseline districts. It has conducted two follow-up surveys.

- First follow-up survey (September-October 2008) was conducted in four districts (Siraha, Ramechhap, Kapilvastu and Pyuthan) of pilot districts and two control districts (Okhaldhunga and Dang).

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<sup>1</sup> Certain projects even if demanded by the poor/excluded, will not be eligible for funding – such as any project explicitly associated with religion or alcohol and adverse effect on environment.

- Second follow-up survey (April-May 2010) was conducted in two pilot districts (Darchula and Mugu) with one control district - Bajura and 6 sample districts (Rautahat, Rolpa, Dailekh, Jumla, Humla and Doti).

The result of the follow-up surveys was found to be helpful in implementing PAF programs with appropriate interventions and to modify and/or improve the programmatic strategies and identify new programmatic issues to be addressed. In this context, PAF now aims to conduct second follow-up/impact evaluation survey in the six sample districts associated with the 19 district surveys to further deepen the assessment of the impacts of its program activities. The second follow-up survey is expected to inform the PAF project whether there is a significant impact on monetary (e.g., household consumption and income) and non-monetary dimensions (e.g., child education, health, empowerment and inclusion) of welfare of the Target groups in 6 districts (Rautahat, Rolpa, Dailekh, Jumla, Humla and Doti). The result is expected to demonstrate achievement of the PAF efforts; to assess impact of PAF efforts on beneficiaries; and to learn the lessons that will be helpful in implementing PAF programs with appropriate interventions and to modify and/or improve the programmatic strategies and identify new programmatic issues to be addressed.

## **1.2 Objective**

The main objective of developing the follow up survey is to measure the achievements of PAF objectives – improved livelihood of PAF target group (poor women, *Dalits* and *Janajatis*) empowered and bring into inclusion. It is also to establish that the PAF as an effective instrument to achieve nation's goal of poverty reduction and to demonstrate to the broader audience of policy makers.

## **1.3 Survey design**

The 2014 follow up survey is a panel survey of the previous follow-up 2010 and baseline survey 2007. Sampling method and sample size is same as in the previous surveys. The survey is based on the households that were enumerated in the baseline survey 2007 and the follow-up survey 2010 in six districts (Table 1.1).

The methodology for this survey is the same as utilized in the previous two surveys. The purpose is to retain the total number of sample households but capture households that were not in the baseline but currently are involved in PAF programs to demonstrate any impact of the program.

In the previous two surveys, there were two parts – household survey and community survey. However, PAF in this follow-up survey is intended to conduct the focus group discussion (FGD) instead of community survey. Therefore, there are household survey and FGDs. Survey Methods are presented for each of these two surveys separately.

### 1.3.1 Household survey sampling

As discussed above, this follow-up survey is for the baseline surveys conducted in 2007 and the follow-up survey conducted in 2010. The total number of households interviewed was 3,000 (both treatment PSUs and control PSUs) from two baseline surveys (Table 1.1). From each PSU, number of households is 15 for the interview.

**Table 1.1: Distribution of number of PSUs and households for follow-up surveys**

Districts	Treatment		Control		Total	
	#PSUs	#HHs	#PSUs	#HHs	#PSUs	#HHs
Rautahat	31	465	31	465	62	930
Rolpa	16	240	16	240	32	480
Dailekh	18	270	18	270	36	540
Jumla	10	150	10	150	20	300
Humla	9	135	9	135	18	270
Doti	16	240	16	240	32	480
Total	100	1,500	100	1,500	200	3,000

The assumption is that at least 60 per cent of the Treatment PSUs have some types of income generating or infrastructure development activities. Selection of the households for the baseline survey was random, whereas it was purposive for the program that targeted households belonging to marginalized groups in terms of caste and ethnicity, gender, and remoteness. In order to meet the objective of understanding the magnitude of PAF's success, this follow-up study will maintain 8/7 ratio for the sample between treatment and control households. It should be noted that this control is not from control PSU and applies only for treatment PSU. For this purpose, census will be carried out in selected PSU in order to identify whether the households have been under treatment or not.

Following is the procedure of selecting 15 households by maintaining 8:7 ratios between treatment and control households within treatment PSUs.

Total Sample =  $N(T06) + N(C06) = 15$  HHs.

Where,

$N(T06)$  = number of households from the 15 households from the baseline survey who are now treatment.

$N(C06)$  = number of households from the 15 households from the baseline survey, still under the control group.

Now,

- If  $N(T06) \geq 8$ , then include all 15 households in the follow-up sample.
- If  $N(T06) < 8$ , then pick treatment households from  $N(T06)$  and pick randomly using the census list to bring up the total number of treatment household in the follow-up survey to 8 (if there are enough treatment households) and randomly pick at least 7 from  $(NC06)$  to maintain the overall number of households at 15.
- In some cases there might be enough treatment households to raise the total number to 8, then include (if any) all the treatment households, randomly pick enough control household to maintain the overall balance at 15.

Some examples,

- a. If it was found out from the census that out of 150 households, 100 were treatment and 50 were control and out of the original 15,  $N(T06) = 10$ ;  $N(TC06) = 5$ .

In such a case, the study followed the scheme of the baseline sample.

- b. If it was found out from the census that out of 150 households, 30 were treatment and 120 were control, and out of the original 15,  $N(T06) = 5$ ;  $N(TC06) = 10$

So, randomly 3 more treatment households not included in the baseline were now added to the follow-up; pick 7 control households from  $N(TC06)$ .

- c. If it was found out from the census that out of 150 households, 5 were treatment and 145 were control and out of the original 15,  $N(T06) = 3$ ;  $N(TC06) = 12$ .

So, the 2 other treatment households not included in the baseline were added to the follow-up, making the total number of treatment households in the follow-up 5; and randomly pick 10 control households from N(TC06).

- d. If it was found out from the census that out of 150 households, 5 were treatment and 145 were control and out of the original 15,  $N(T06) = 0$ ;  $N(TC06) = 15$ .

So, the 5 treatment households not included in the baseline were added to the follow-up; and randomly pick 10 control households from N (TC06).

- e. If it was found out from the census that out of 150 households, none was treatment and 150 were control and out of the original 15,  $N(T06) = 0$ ;  $N(TC06) = 15$ .

So, in this case, the study would follow the scheme of the original baseline sample.

As being a panel of the baseline survey, the 2014 survey tried to interview all the 3,000 households (from both treatment and control PSUs). In case of unavailability, households were replaced. For this, a rule to replace households with the nearest neighbour of right side was set followed by anti-clockwise if right side neighbour were unavailable. In total, 6.7 per cent of the baseline survey households had to be replaced in 2014 follow up survey mainly due to unavailability of the households. In addition, 21 households from two COs from Ward No. 2 (7 HHs) and 7 (4 HHs) of Uwa VDC (Rolpa) and one CO of Ward No 1 of Gam VDC (3 HHs) could not be interviewed as all the household members had moved to high mountain areas to collect Yarshaguma at the time of field survey. People who had moved to collect Yarshagumba generally leave home for 2-3 months started from April. Therefore, of the 3000 sample households covered by baseline survey, only 2,979 households could be successfully interviewed in the present survey.

### **1.3.2 Focus groups discussions (FGDs)**

The main objective of the FGD is to capture some qualitative data such as changes in perception of the targeted communities towards the improvement in the living standard, social empowerment and women participation and so forth. It is to inform about especially the ongoing PAF program activities. FGD thus needed to conduct only in treatment PSUs. There are 100 treatment PSUs randomized for the baseline that include 1500 households in six districts (Rautahat, Rolpa, Dailekh, Doti, Humla and Jumla).

It was assumed that altogether 30 FGDs would be representative of the PAF intervention in 100 PSUs in six districts. The identification of PSUs for the FGD was determined in consultation with PAF and

the World Bank. Number of FGDs was distributed according to the distribution of households within treatment PSUs in six districts. Accordingly, 3 FGDs were conducted in each Humla, Jumla, and Rolpa, 6 in each Doti and Dailekh and 9 in Rautahat district (Table 1.2). PSUs for FGD were randomly assigned within districts. However, composition of discussants in each FGD was organized in such a way that it is inclusive of diversity in terms of caste and ethnicity and gender depending up on their availability in the assigned PSU.

**Table 1.2: Sample Ward/VDC by districts for FGD, follow-up survey 2014**

District/VDC	Ward	District/VDC	Ward	District/VDC	Ward
<b>Rautahat</b>		<b>Rolpa</b>		<b>Doti</b>	
Bagahi	2	Dhawang	6	Barchhen	9
Bariyarpur	2	Korchawang	7	Chhatiwan	9
Iharbari Jyutahi	7	Liwang	5	Ghanteswor	8
Jayanagar	4	<b>Jumla</b>		Kalikasthan	9
Katahariya	7	Guthichaur	6	Tikhatar	8
Pataura	3	Mahabe Pattharkhola	7	Toleni	9
Pataura	7	Mahat Gaun	1	<b>Dailekh</b>	
Rangapur	1	<b>Humla</b>		Jambukandh	4
Saunaraniya	2	Bargaun	8	Lakandra	9
		Kalika	6	Lyati Bindraseni	3
		Maila	6	Pipalkot	2
				Sigaudi	3
				Jambukandh	5

### 1.3.3 Survey tools

#### *i. Household questionnaire*

A set of household questionnaire was used for the follow up survey that were used in a number of previous baseline and follow-up surveys. Household questionnaire was administered in all sample households selected for the survey. A multi-module structured household questionnaire prepared by the PAF and already used in three baseline surveys (2006, 2007, and 2011) and two follow-up surveys (2008 and 2010) will be utilized. The questionnaire includes questions on basic socio-economic and demographic issues (*see* Annex II: Household Questionnaire). This questionnaire will be modified or refined in a way to identify issues regarding monitoring and evaluation of the ongoing programme implementation in consultation with PAF and the World Bank. It also ensures filling the gap of information identified by previous exercise on district social assessment.

## *ii. Focus group discussions*

A set of discussion guideline was prepared for the FGD in consultation with the World Bank. It was finalized in a series of discussion between CEDA research team and concerned personnel from PAF and the World Bank. The guideline includes general information about community, perception on PAF program impact, about COs, relationship and experience with other poverty alleviation schemes, initiation of VDCs and DDCs on PAF programs, situation of nutrition and food security, empowerment of women, and social cohesion and community relationship (*see Annex III: FGD Guidelines*).

### **1.3.4 Selection of respondents**

Since the selected households are from the poorest strata of population in the cluster/PSU, it mostly includes *Dalits, Janajatis*, and poor households. The respondents for household survey were the household head or, in her/his absence, an adult member of the household above 18 years old, who could respond to the survey questionnaire intelligibly.

In case of FGDs, the respondents were from among CO members within household survey PSUs or VDCs. Selection of the FGD participants was made from those who are relatively more concerned in community development affair and have knowledge on PAF programs representing different caste, culture and gender.

### **1.4 Field personnel hiring and training**

For the purpose of field survey, 40 field researchers were hired on the competitive basis. There were divided into 11 groups consisting of 3-4 persons in each group. One person was designated as field supervisor in each group to work as field team leader and other as field enumerator. In hiring field researchers, priority was given to those who worked in the previous baseline and follow-up surveys. New field researchers were also hired to add up to the required number. Most of the field researchers were with university education having passed Master Degree in Population Studies, Economics, Rural Development, Sociology/ Anthropology, Geography and related field. Some of them were currently studying at the Master's level (*see Annex IV: List of survey team*).

In order to regular monitoring and supervision in the field survey, there were three quality control supervisors (QCS). They were quite senior in experience in monitoring and supervision for field survey, baseline and follow-up survey, and having Master Degree in relevant social sciences. Besides, two persons were also hired for conducting FGD. They were quite experienced in both quantitative and qualitative surveys. On the top of that, three persons were assigned for monitoring and supervision of overall field survey. They were among the members of core team of follow-up survey and from CEDA employees.

A 7-day rigorous training with one day field practice was organized. The training included both thematic and practical aspects. Regarding thematic aspects, training focused on content and its importance in the follow up survey. It also included the technicality of how to fill up the questionnaire with skipping and consistencies. Practical aspects covered how to approach to the households and respondents in order to create friendly environment so that interview could go smoothly and the information respondent provided is as much as valid and reliable. It also included how to do interview in a favourable environment so that others do not influence the respondent's response.

### **1.5 Field operation and quality control**

The survey deployed 11 field supervisors and 29 enumerators who have at least bachelor level of education with well experience in field survey. Their qualification and training were expected to add producing quality data. Each field team consisted of 3-4 enumerators with a supervisor depending upon the extent of work and distance of travel to cover the field work. The supervisors were responsible for overall operation of field work by mobilizing team members, and supervision and monitoring of the field work. They were also responsible for editing the questionnaire filled up by enumerators. Above field supervisors, there were three quality control supervisors, like running supervisors throughout the field survey period. They visited survey team as much times as possible. The main task of quality control supervisors was to facilitate the field team in methodology of sample and content of the questionnaire and to check the sample questionnaire filled up by enumerators and checked by supervisors.

Additionally, there were three central supervisors. Their responsibilities were to monitor and supervise the field survey team, both field supervisor and enumerators, in order to produce quality data. Any difficulty in filling up questionnaire in terms of both content and methodology were handled by the central supervisors.

## **1.6 Data management**

After completion of field work, filled up questionnaires were rigorously edited before entering into computer. The data entry operators were well trained and experienced mostly involved in previous baseline and follow-up surveys. Data entry software was developed using CPro by well experienced system designer. Double data entry system was developed in the CPro. Reconciliation was made from two independent entries of the same data. Reconciliation of double entry helped control error and inconsistencies in the data. Moreover, range check, intra-record and inter-record consistency checks were performed in order to minimize the entry errors the quality of data. The clean data set was converted into standard STATA and SPSS file format.

## **1.7 Data analysis**

In order to assess the socio-economic impact of PAF intervention, findings from three sets of data – baseline 2007 and follow-up 2010 and 2014 are compared. Analysis of data from three consecutive surveys would give a trend in socio-economic change in these three points. This impact evaluation study is based on panel survey of 3,000 households that all three surveys enumerated the same households. However, there are few households missing in follow-up surveys for some reasons discussed above. Of these households, there are PAF intervention and non-intervention households and money receiver and non-receiver households. The analysis covers only households that have received money from the PAF intervention assuming that only these households have some impact of the intervention. The money receiver households are those who were reported to be money receiver in follow-up survey 2010. The same households are selected from baseline as well as follow-up survey 2014 so that they could be compared to assess the socio-economic changes between the survey periods.

## Chapter II

### Poverty Alleviation Activities

The main objective of PAF is to create demand for development and increase community participation through social mobilization, income generation, small community infrastructure development and capacity building. PAF encourages target communities to take initiatives to improve their living standards through their participation in community organizations (COs). This chapter examines the status of PAF programmes in terms of activities of COs. Since PAF is expanding its program to control PSUs (designated in 2007 baseline survey), many households from control PSUs have also organizing in PAF CO and receiving program. Such households are counted as treatment households in 2010 as well as 2014 survey.

#### 2.1 Sample households with program characteristics

Of the total 3,000 sample households covered by the 2010 follow up survey, a total of 1,990 households were from the treatment PSUs. The figure increased to 2,734 in 2014 survey. This implies that only 237 households in 2014 are from the control PSUs. An increase in the number of households from treatment PSUs in 2014 is mainly due to expansion of PAF program to the control areas.

Of the total sample households, 1,551 were CO member in 2010 survey while it increased to 2,005 in 2014. Number of households with CO members here represents treatment households and an increase in the number of sample households for the treatment group in both surveys is again due to expansion of PAF program to the areas designated as “control” for the baseline survey<sup>2</sup>. Households participating in IG activities of PAF also increased by nearly 500 during 2010 and 2014 (1,139 in 2010 and 1,637 in 2014) (Table 2.1; Figure 2.1). As compared to 2010, number of households who received financial support also increased significantly in sample households.

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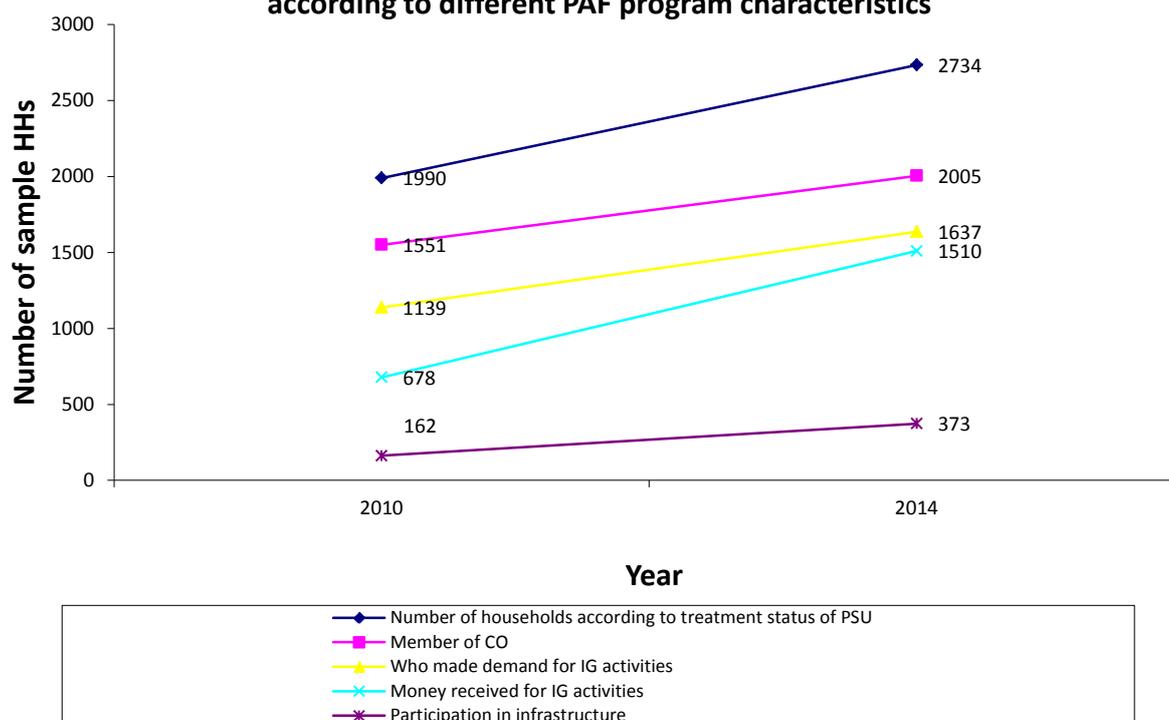
<sup>2</sup> In fact, there should be 1500 sample households for the treatment group and 1500 for control group in baseline and follow up surveys. But the sample size for treatment has increased in both follow up surveys (Table 2.1).

**Table 2.1: Sample households in 2010 and 2014 survey according to PAF program characteristics**

Program characteristics	Follow up 2010			Follow up 2014		
	Yes	No	Total	Yes	No	Total
Number of households according to treatment status of PSU	1,990	1,010	3000	2,734	237	2,971 <sup>3</sup>
Membership in community organization (CO)	1,551	78	1629	2,005	966	2,971
Participation in any IG activity	1,139	412	1551	1,637	368	2,005
Money received for IG activities	678	873	1551	1,510	127	1,637
Participation in Infrastructure development	162	-	-	373	1,632	2,005

Source: Follow-up Survey 2010 and 2014.

**Figure 2.1: Number of sample households in 2010 and 2014 survey according to different PAF program characteristics**



## 2.2 Awareness about selection criteria of beneficiaries for PAF program

PAF program in the community generally starts with community meeting where relevant PAF staff provides orientation to the community about program objectives and selection criterion of beneficiaries. Program beneficiaries can also learn about it in CO meetings. Table 2.2 reveals that 77.5 per cent of the respondents in 2010 survey claimed themselves as being aware about selection criterion of beneficiaries for PAF program. This figure declined to 68.2 per cent in 2014 survey.

<sup>3</sup> The 2014 survey also targeted to interview all the 3000 households covered in 2010. But only 2,971 households were successfully interviewed. A deficit of 21 households is mainly due to absence of households during the survey period. The survey period coincided with the time of Yarshagumba collection and member households (of CO) from two of the PSUs (one from.....) had gone to mountain areas for collecting Yarshagumba. During household visit, no household members were found present at home who could give information.

Though the number of respondents who are aware of selection criterion of PAF beneficiaries declined in relative term, the number of such respondents in absolute term has significantly increased from 1,262 in 2010 to 1,606 in 2014.

It is well known that PAF program is mainly design to uplift socio-economic conditions of the “poorest of the poor”. Accordingly, poor households compose of the main target beneficiaries of the PAF program with much emphasis on involvement of women. Such knowledge is found to be very common among the respondents of the survey as around nine in every 10 respondents said that poor households and women from all communities can be beneficiaries of the PAF program.

**Table 2.2: Percentage of respondents who know about selection criteria of target population for PAF program**

Indicators	Follow up 2010		Follow up 2014	
	Per cent	N	2014	N
% aware about selection criterion of PAF beneficiaries	77.5 (1,262)	1,629	68.2 (1,606)	2,356
Of those who are aware reported that selection criterion of PAF beneficiaries are:				
Women of all community	64.8	818	87.7	1,408
Dalits	79.0	997	87.1	1,398
Janajatis	73.5	927	73.8	1,185
Madheshi/Muslim			62.2	999
Poor from all community	95.4	1,204	93.5	1,502
Those who have no food	88.7	1,120	80.8	1,297
CO member	63.8	805	-	-
Others	10.9	138	4.1	66

Source: Follow-up Survey 2010 and 2014.

### 2.3 Caste/ethnic composition of CO members

Table 2.3 presents distribution of CO members by caste/ethnic groups. The Table shows that there were 1,551 samples of CO members in 2010 which increased to 2,005 in 2014 survey. The relative distribution of CO members by caste/ethnicity remains almost same in 2010 and 2014 survey (Table 2.3; Figure 2.2).

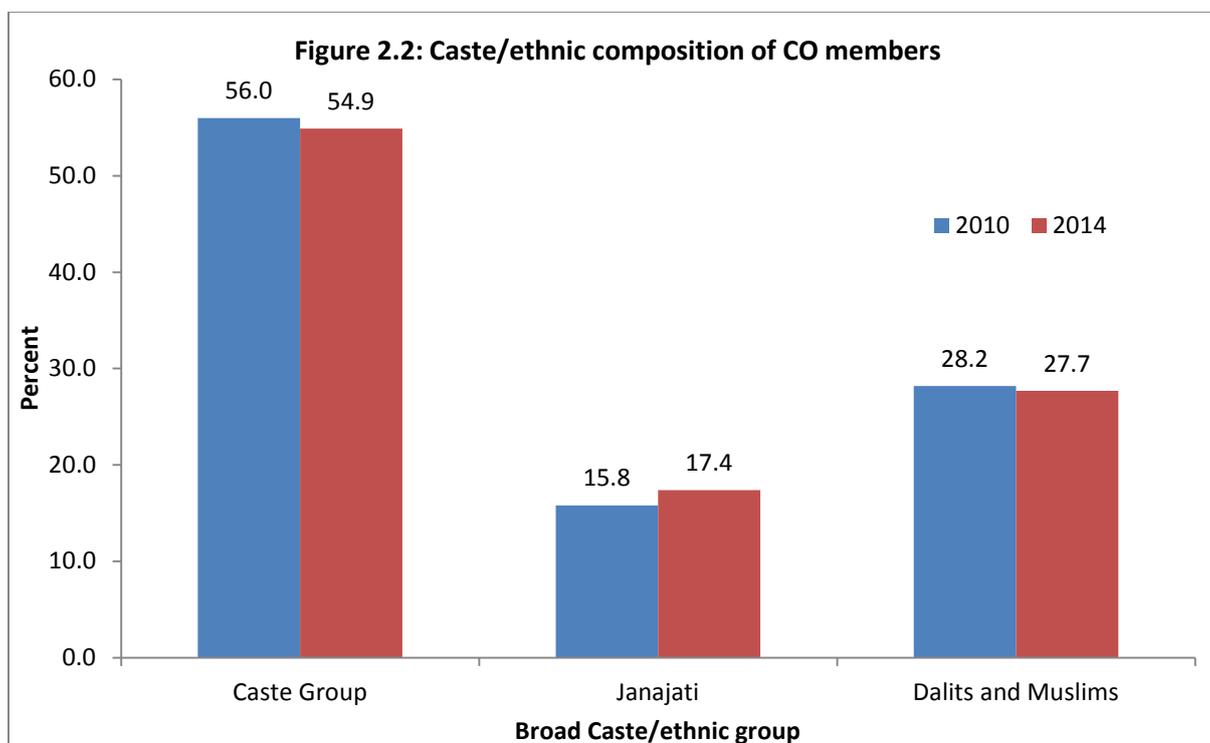
**Table 2.3: Distribution of the treatment households according to caste ethnic groups**

Caste/Ethnicity	Follow up 2010		Follow up 2014	
	Number	Per cent	Number	Per cent
Caste Group	869	56.0	1,101	54.9
Janajati	245	15.8	348	17.4
Dalits and Muslims	437	28.2	556	27.7
Total	1,551	100.0	2,005	100.0

Note: \* Caste group refers to all Hindu Caste groups including Bahun, Chhetri, Thakuri, Sanyasi and similar Hindu groups from Tarai, except Dalits.

\*\* Tarai others include mainly Muslims.

Source: Follow-up Survey 2010 and 2014.



## 2.4 Involvement in income generation (IG) activities

Income generation (IG) programme includes various types of activities that help to improve their standard of living. The programme activities are designed based on interest, potential, confidence and experience of an individual member of CO. The main activities are agriculture, livestock, trading, service sector, and manufacturing. The PAF has launched IG activities at two levels. First, individual or household can be involved in the IG activities independently provided that individuals are members in CO of PAF programme. Second, a user group can be formed by the individuals or households that are members in the CO.

### 2.4.1 CO members involved in household level IG activities

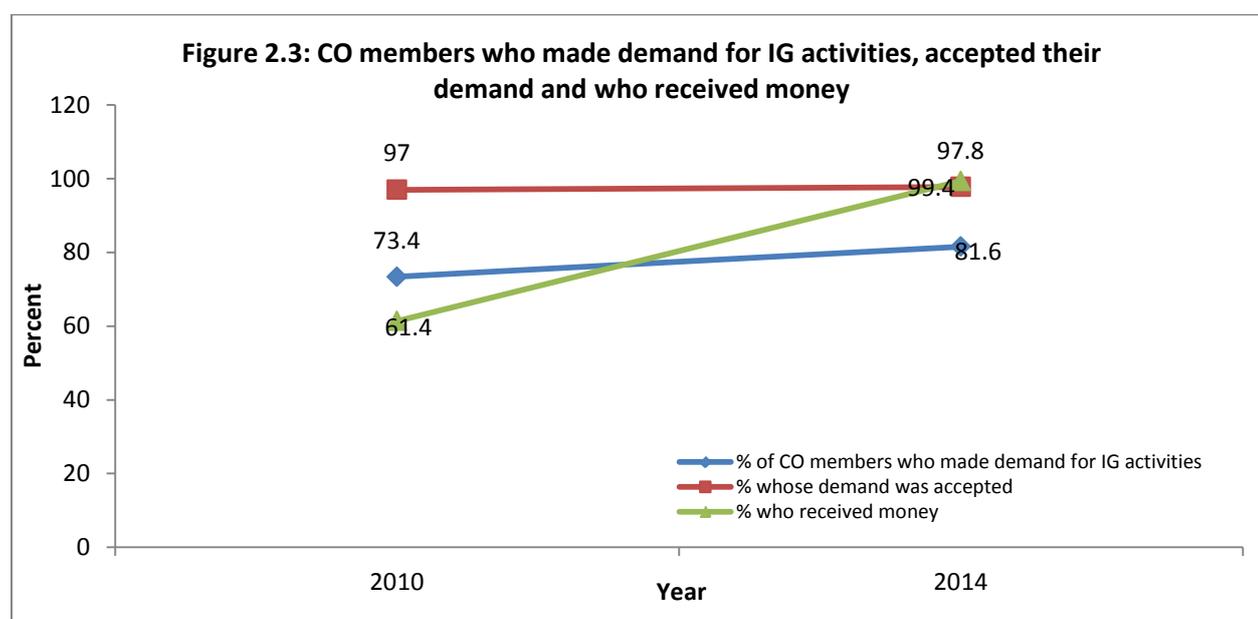
Of the total CO members in 2010 survey, 73.4 per cent (or 1,139) reported that they made demand for IG activities (Table 2.4). Compared to this, per cent of such CO members increased to 82 per cent (or 1,636) in 2014. All most all the CO members (around 97%) who made demand for IG activities reported that their demand for IG activities was accepted by the concerned authorities of the PAF program.

The 2014 survey reveals that all most all the CO members whose demand was accepted succeeded to get money from PAF to carry out IG activities (99.4%) (Figure 2.3). Compared to this, there was much less proportion of such CO members in 2010 survey. During the 2010-2014, there has been more than 5,000 rupees increase in the disbursement of money for IG activities (Rs. 15,464 in 2010 and Rs. 20,738 in 2014).

**Table 2.4: CO members who made demand for IG activities, accepted their demand and who received money**

Particulars	Follow up 2010		Follow up 2014	
	Number	Per cent	Number	Per cent
% of CO members who made demand for IG activities	1,139	73.4	1,636	81.6
% whose demand was accepted	1,105	97.0	1,600	97.8
% who received money	678	61.4	1,590	99.4
Average amount of money received	677	Rs. 15,464	1590	20,738 Rs.

Source: Follow-up Survey 2010 and 2014.



## 2.4.2 Type of IG activities demanded

Table 2.5 presents distribution of CO members according to the types of IG activities demanded. The Table reveals that CO members do not vary much in terms of their demand for IG activities (Table 2.5%). The highest 76.6 per cent of the CO members in 2010 survey stated that they made demand for livestock-related IG activities which did not change much in 2014 (79%). Demand for small trading and retail business comes at second position that was demanded by around 13-14 CO members. The other types of IG activities demanded are: agriculture related activities, service section activities, capacity building activities and manufacturing activities.

**Table 2.5: Distribution of CO members who made demand of different IG activities**

First IG activities	Follow up 2010		Follow up 2014	
	Per cent	N	Per cent	N
Livestock	76.6	872	79.03	1,293
Trading	13.9	159	12.47	204
Agriculture and other	5.9	67	5.75	94
Service sector	2.3	26	1.47	24
Capacity building	0.9	10	0.55	9
Manufacturing	0.4	5	0.73	12
<b>Total</b>	<b>100</b>	<b>1,139</b>	<b>100.0</b>	<b>1,636</b>

Source: Follow-up Survey 2010 and 2014.

## 2.4.3 Duration of money received

At the time of 2010 survey, 47.5 per cent of the CO members who received money for IG activities reported that duration of money received had not been one full year and another 45 per cent said that it had been 1-2 years (Table 2.6). Compared to this, in 2014, nearly 80 per cent of the CO members who received money reported that duration of money received has been 2 or more number of years. The surveys indicated that an increasing number of CO members are receiving skill development training for IG activities (1,105 in 2010 and 1,600 in 2014).

**Table 2.6: Distribution of CO members who received money for IG activities by duration of money received**

Year of money received	Follow up 2010		Follow up 2014	
	Number	Per cent	Number	Per cent
Less than 1 year	322	47.5	189	12.5
1 year to less than 2 year	307	45.3	133	8.8
2 year and above	49	7.2	1,188	78.7
Total	678	100.0	1,510*	100.0
Received any training for project among whose demand was accepted	1,105	18.9	1,600	27.0

\*Years of money received excluded.

Source: Follow-up Survey 2010 and 2014.

## 2.5 Problems faced during the income generating activities

Of those who have received any kind of support for IG activities (696) in 2010, about 29 per cent have faced some kind of problem during the operation of projects (Table 2.7). Proportion of such respondents increased to 31 per cent in 2014. Of those who faced problems in the implementation of IG activities, the largest 25.6 per cent reported that they faced managerial problems. This problem appears to be more common in 2014 (34%). Managerial problems mainly include overall management of COs to manage the income generation activities such as regular meeting, revolving of money, monitoring of proper utilization of money, etc. The other problems they have faced are: lack of market, technical assistance and advice and urgent services. In fact, the latter two problems have been more commonly cited by the CO member households in 2014.

**Table 2.7: Distribution of respondents reporting problems faced during the IG activities**

Problem faced	Follow up 2010		Follow up 2014	
	Number	Per cent	N	2014
Problems faced during the project	696	29.2 (203)	1,636	31.23 (511)
<i>Types of problem</i>				
Market	31	15.3	83	16.2
Management	52	25.6	175	34.3
Lack of skill and capacity	24	11.8	48	9.4
Lack of raw material	12	5.9	31	6.1
Technical assistance and advice	21	10.3	84	16.4
Lack of urgent service	10	4.9	59	11.6
Processing problem of product	6	3	1	0.2
Short period of program	4	2	11	2.2
Other	43	21.2	19	3.7
<b>Total</b>	<b>203</b>	<b>100</b>	<b>511</b>	<b>100.0</b>

Note: Numbers in parenthesis refer to number of cases corresponding to the given percentage figure.

Source: Follow-up Survey 2010 and 2014.

## 2.6 Involvement in Infrastructure development programme

Infrastructure development programme is another pillar of PAF intervention. It promotes target groups to develop physical infrastructure development in their communities. Infrastructure development programmes are managed, implemented, and maintained by community themselves. It is believed that infrastructure development also supports livelihood improvement. Such infrastructures include rural roads, trails, mule tracks, culverts, suspension bridges, short distance gravity cable ways, river bed land reclamation, drinking water systems, small irrigation systems, collection centres, rural energy technology and market management.

The 2010 survey revealed that about 10 per cent of the CO member households made demand for infrastructure development project in 2010 (Table 2.8). Proportion of such households in 2014 increased to 19 per cent. Number as well as proportion of demand accepted also increased significantly during 2010 and 2014 (52% in 2010 and 78% in 2014). Of those whose demand was accepted in 2010, only 51 per cent had received money for carrying out infrastructural development project. Compared to this, proportion of the demands that received money for infrastructural projects significantly increased in 2014 (90%). There has been two-fold increase in the average amount of money disbursed for the infrastructural development project (Rs. 475698 in 2010 and Rs. 955,771 in 2014).

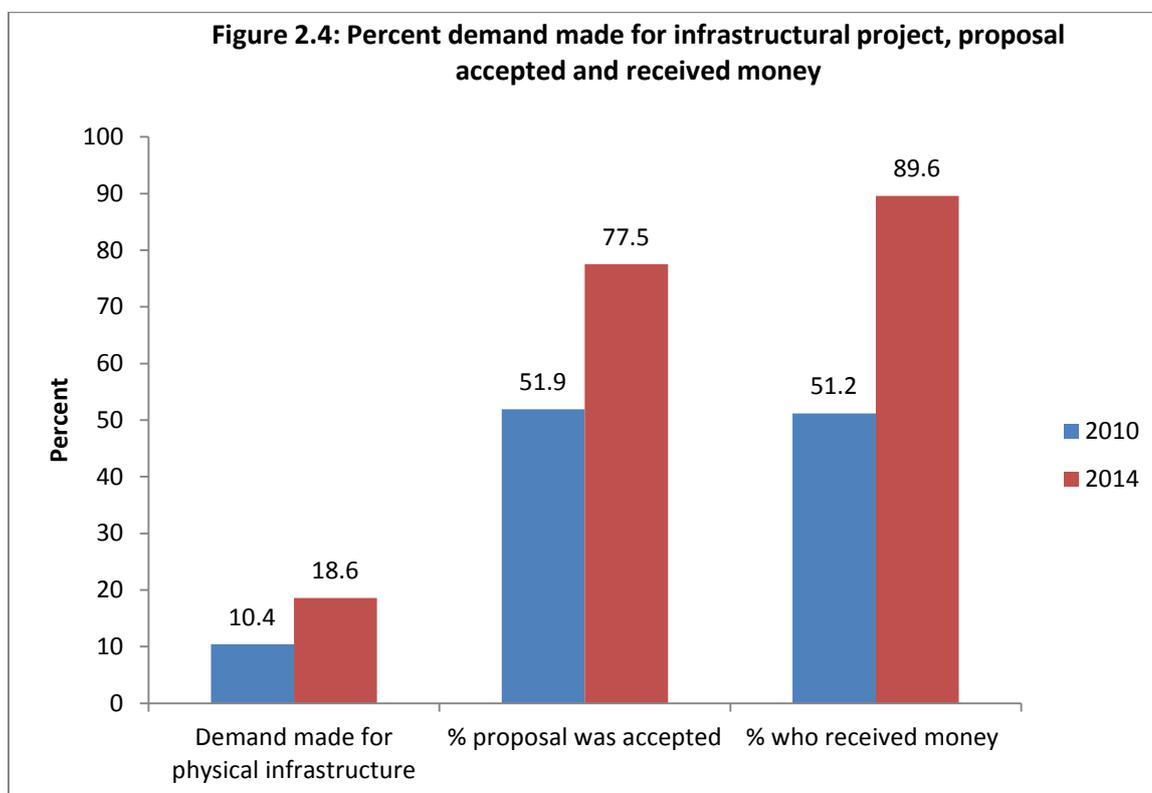
**Table 2.8: Distribution of respondent CO members who involved in the process of community infrastructure project**

Categories	Follow up 2010		Follow up 2014	
	Per cent	N	Per cent	N
Demand for IG activities made	10.4 (162)	1,551	18.6 (373)	2,005
Was the proposal accepted?	51.9	162	77.5	373
Did the group received money?	51.2	84	89.6	289
Average amount Received (Rs.)	475,698	43	955,771	259

Note: Numbers in parenthesis refer to number of cases corresponding to the given percentage figure.

Source: Follow-up Survey 2010 and 2014.

**Figure 2.4: Percent demand made for infrastructural project, proposal accepted and received money**



## 2.7 Effect of PAF development project

### 2.7.1. Perceived benefit from the PAF program

In this section, analysis on perceived benefit of PAF program is confined to those CO members only who have received money or equipment for IG activities. In total, 61 per cent of the CO members who made demand for IG activities received money or materials for carrying out IG activities which increased to 97 per cent in 2014 (Table 2.9). In 2010 survey, 27 per cent (or 273) of the CO members who received supports from PAF reported that their household food consumption has improved. Proportion of such CO members in 2014 survey increased to 905 (or 56.9%, based on those receiving money only). Compared to 2010 survey, an increased proportion of CO members in 2014 indicated that there has been improvement in the consumption of various items of food like consumption of food grain, vegetables, fruit, etc. (Table 2.9).

At the same time, an increased proportion of the CO member households in 2014 indicated that there has been improvement in living standard, access to market, schooling of children, income and saving.

**Table 2.9: Percentage of CO members who received support (money, materials) from PAF and feel improvement in food consumption and other social and economic affairs**

Indicators	Follow up 2010		Follow up 2014	
	Number	Per cent	Number	Per cent
Any kind of support received (money or materials)	1139	61.1	1,637	97.2
Type of food consumption improved (multiple response)	(N=273)		(N=905)	
Food grain	228	83.5	867	95.8
Vegetables	166	60.8	617	68.2
Fruits	83	30.4	350	38.7
Milk and its product	125	45.8	494	54.6
Meat, egg, fish, etc.	119	43.6	535	59.1
Other	18	6.6	46	5.1
Advantages from PAF project (multiple response)	(N=696)		(N=1,636)	
Improve in living standard	300	43.1	1016	62.1
Social relations	523	75.1	1150	70.3
Income and savings	314	45.1	816	49.9
Access to market	164	23.6	580	35.5
Women participation	602	86.5	1194	73.0
Collectivism/collective effort	451	64.8	1100	67.2
Collective decision in the family	543	78.0	951	58.1
Skill development	194	27.9	395	24.1
Children's schooling	185	26.6	621	38.0
Physical assets	258	37.1	350	21.4
Improve in health			543	33.2
Others	10	1.4	23	1.4

Source: Follow-up Survey 2010 and 2014.

### 2.7.2 Time spent on PAF project activities

This section deals about overall impact of poverty alleviation project on people's lives in terms of time they have spent. Table 2.10 shows that in 2010 in an average a household spent 4.7 hours per day and 203 days in a year in the projects. Compared to this, average hours spent for the PAF related project increased by 1 hour per day in 2014. Average number of days spent for the project since the beginning of the project increased by 4.8 fold during 2010-2014.

**Table 2.10: Average hours per day and average number of days spent in the project**

Indicators	Follow up 2010		Follow up 2014	
	Average	N	Average	N
Average hours per day spent by HH member in the project	4.7	584	5.7	969
Average no. of days spent in project since beginning of the project	203	584	968	969

Source: Follow-up Survey 2010 and 2014.

## 2.8 Institutional development

Institutional development of community organization is one of the important parts of PAF development project. Social mobilization, one of the four pillars of PAF, is a basic to form, promote and institutionalize these COs.

Of those who were involved in PAF activities in 2007 baseline survey, some 4.3 per cent reported that the COs have institutional affiliation with other organizations (Table 2.11) which doubled in 2014. In both surveys, around two-third reported that the affiliation of COs with other organization have legal status. Even though the percentage has been slightly decreased in 2014 compared to 2010, which does not seem to be significant. The number of those reported to have organizations with legal status is tremendously increased in later survey compared to previous survey.

**Table 2.11: Distribution of respondents reporting affiliation of their COs with other organizations**

Categories	Per cent	N	Per cent	N
Affiliation with other organization	4.3	1,551	8.1	2005
Legal status of the organization	66.7	66	65.4	162

Source: Follow-up Survey 2010 and 2014.

## Chapter III

### Economic and Social Change

This chapter examines economic and social changes that have occurred among PAF programme households by evaluating three points of data – PAF baseline survey 2007, follow-up survey 2010 and another follow-up survey 2014. The surveys were carried out in 6 districts, namely Rautahat, Rolpa, Dailekh, Doti, Humla and Jumla, sample of 19 PAF programme districts. The surveys adopted the panel household survey with a few replacements of the baseline households for those that were not found in the follow-up surveys. The survey is based on quasi-randomized sampling design, detail of which is discussed in section 1.3 (chapter I).

#### 3.1 Methods

The survey covered 200 primary sampling units (PSUs) representing ward of selected VDC. Sample of 15 households were surveyed in each PSU. For the baseline survey, there were 100 PSUs designated as “treatment” and 100 PSUs as “control”. In other words, initially the PAF targeted its income generation and other activities in 100 PSUs and not in other 100 PSUs. The PAF intervention is implemented through the “community organization” (CO) formed in each target community. Poorest households identified by the community themselves were eligible to be member in CO and the program intervention. The aim of the PAF program is to cover all the communities in the country that are poor. Accordingly, the PAF expanded its program gradually to new communities, VDCs and districts. Continuous expansion of the program crossed the boundary of “treatment” and “control” dichotomy and the result is that most of the “control” PSUs are now under the “treatment”. However, as aim of the PAF intervention is to target poorest households, not all the households within the selected community are eligible for CO member. CO is formed with these poorest households and the PAF intervention is implemented to the CO members. Households not member in the CO do not receive any income generation activities. The non-member households are normally less poor or richer households in the local context. Accordingly, basic socio-economic characteristics of the households who are member in CO are different from those who are non-member. In this situation, assessing impact of the program among member households in comparison with non-member households is difficult task mainly due to the fact that non-member households are not real counterfactual to assess the impact.

Because CO member households are from among the poorest and marginalized groups, they are somehow similar in socio-economic characteristics. And, there is the case that not all the member

households even within the CO receive the program. This means some member households have received the money for income generation activities and some have not received. Considering this situation, the households who have received money are considered to be “treatment”. On the other hand, there are households within CO, under the treatment PSUs, but have never received money for income generation activities. These households are approximately closed to real counterfactuals in order to compare the impacts on those households that have been treated. These households are considered to be “control” households for assessing the impact of the PAF program. However, limitation of this counterfactual is that they may have potential spill over effect of the treatment as they are within the same community and they may be relatively better off in socio-economic condition that is why they have not received the money for income generation activities.

With this situation, this study identifies the treatment households as those who are member in the COs and have received money in both follow-up surveys 2010 and 2014. The reason for money recipients in both surveys is that they may have un-interrupted impact due to regular intervention. Such households are 550 and the same households are taken from the baseline survey 2007. The control or counterfactual households are identified as those who are member of COs, but never received money for income generation activities. Such households are found to be 140 for both follow-up surveys 2010 and 2014. As we have time series data of panel households from baseline and follow-up surveys at three points in time, there are two-ways of comparison this study tries to make in order to assess the impact. Comparison is made, first, between baseline and follow-up surveys, before and after, and second, between treatment and control. Double difference is estimated from these two methods. A simple descriptive analysis is carried out to examine the impact of PAF program by using before and after and difference in difference. For before-after, the outcomes from both follow-up surveys 2010 and 2014 are compared with baseline survey 2007 for both treatment (households with money received) and control (households with no money received). Finally, difference in difference is computed from treatment and control for all before-after differences.

## **3.2 Economic change**

### **3.2.1 Change in household consumption**

Household consumption expenditure in monetary terms indicates well-being of households. It utilizes the framework for constructing consumption aggregate used in Nepal Living Standard

Survey (NLSS)<sup>4</sup> and used by previous PAF baseline and follow-up studies. Expenditure on consumption is considered to be relatively better proxy for measuring long-term living standards because it reflects household's ability to smooth out income fluctuations (Deaton et al., 2002)<sup>5</sup>.

The consumption expenditure in monetary terms is computed for three points of time, baseline 2007 and follow-up survey 2010 and 2014. In order to make it comparable for these points of time, the average real per capita consumption (PC) is computed by adjusting the inflation rate for those households who have received money for the income generation activities (Table 3.1). Finding shows that a considerable increase in consumption per capita is observed among member of the CO in the PAF intervention area between the baseline 2007 and follow-up survey 2010 and 2014.

The overall consumption in the baseline survey period for those who received money for income generation activities in 2010 and 2014 is Rs. 16,255 (Table 3.1). It increased to Rs. 26,378 in the follow-up survey 2010 by that time they received money, which is 62 per cent increase from the baseline. The increment is 124 per cent for the period of about 7 years (124%), between baseline 2007 and follow-up survey 2014. The percentage increase is observed also among the CO member households even they did not receive money for income generation activities for the all survey points. Percentage increase is 13.7 for the period between 2007 baseline and follow-up 2010 and 56.4 for the period between 2007 and 2014. However, percentage increase is considerably lower among those who did not receive money than among those who received money. The double difference (difference-in-difference) indicates the net impact of the program intervention. It is computed by subtracting the increase among those who received money by the increase among those who did not receive money. The net increase is 48.6 per cent for the period between 2007 and 2010 and 67.8 per cent for the period between 2007 and 2014.

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<sup>4</sup>CBS, 2004. *Nepal Living Standard Survey 2003/04*, Volume Two. Kathmandu: Central Bureau of Statistics, the Government of Nepal.

<sup>5</sup> Deaton, Angus and Salman Zaidi, 2002. *Guidelines for Constructing Consumption Aggregates for Welfare Analysis* (Washington DC: The World Bank).

**Table 3.1: Average real per-capita consumption among CO member households by status money received in follow-up survey 2010 and 2014**

Survey year	Consumption per capita among households with money received in follow-up survey 2010 and 2014	% difference in before/ after: (2007-2010; 2007-2014)	Consumption per capita among households who did not receive money in follow-up survey 2010 and 2014	% difference in before/ after: (2007-2010; 2007-2014)	NET: Difference in Difference
Survey2007	16,255		17,166		
Survey2010	26,378	62.3	19,510	13.7	48.6
Survey2014	36,440	124.2	26,844	56.4	67.8
N	550		140		

Source: Baseline Survey 2007 and Follow-up Survey 2010 and 2014.

Note: The average inflation rate is 9.3% for the period between 2011 and 2014 and 9.6% for 2007 and 2014.

Among those who received money, before and after increase in consumption per capita is much higher among Janajatis than Caste and Dalit/Muslim groups for both periods. It is 79.3 per cent for the period between 2007 and 2010 and 166.7 per cent between 2007 and 2014 (Table 3.2). Percentage increase between 2007 and 2014 is relatively lower among Dalits compared to other groups, but it picked up for the later years that is 111% between 2007 and 2014, which is higher than among Caste group. This finding is supportive to the evidence of net impact that it is highest among Dalits for both time periods. The net increase in consumption among Dalit is 69 per cent for 7 years period, from baseline 2007 to follow-up 2014, which is 52.8 per cent among Janajatis and only 40.8 per cent among Caste groups, lowest of all groups. Net increase in consumption among Caste group is lower for the seven year period than for previous 3 year period.

**Table 3.2: Average real per-capita consumption among CO member households by status money received in follow-up survey 2010 and 2014 by caste and ethnicity**

Survey year by caste/ ethnicity	Consumption per capita among households with money received in follow-up survey 2010 and 2014	% difference in before/ after: (2007-2010; 2007-2014)	Consumption per capita among households who did not receive money in follow-up survey 2010 and 2014	% difference in before/ after: (2007-2010; 2007-2014)	NET: Difference in Difference
<b>Hill/Tarai Caste group</b>					
Survey2007	16,471		16,966		
Survey2010	26,433	60.5	19,269	13.6	46.9
Survey2014	33,191	101.5	27,267	60.7	40.8
<b>Hill/Tarai Janajati</b>					
Survey2007	18,852		17,721		
Survey2010	33,805	79.3	26,049	47.0	32.3
Survey2014	50,277	166.7	37,896	113.9	52.8
<b>Hill/Tarai Dalit and Muslims</b>					
Survey2007	13,562		17,493		
Survey2010	19,513	43.9	19,266	10.1	33.7
Survey2014	28,610	111.0	24,825	41.9	69.0

Source: Baseline Survey 2007 and Follow-up Survey 2010 and 2014.

Note: The average inflation rate is 9.3% for the period between 2011 and 2014 and 9.6% for 2007 and 2014.

### 3.2.2 Change in head count poverty

The section includes a brief account of change in head count poverty over the base line and follow up period. Technical notes accommodate an account of the choice of poverty lines (*see* Annex I: Technical Notes). The technical also includes the method to estimate head count poverty rates.

Table 3.3 indicates that there has been significant reduction in head count poverty during the three periods among the households that received money for income generation in both follow-up surveys 2010 and 2014. The poverty rate has reduced by 11.5 percentage points which accounted for 22.9 percent decline in poverty rate during baseline 2007 and follow up survey 2010. The reduction is 34.5 percent during baseline 2007 and follow-up 2014, in about seven years. In case of those households that have not received money for these periods, head count poverty has increased by 36.4 percent. The net effect of the program intervention indicated by difference in difference is tremendous. It is observed to be 70.9 percent when comparing head count poverty of money recipient households with those did not receive money.

**Table 3.3: Change in head count poverty among PAF beneficiary households by status of receiving money by caste and ethnicity during baseline 2007 and follow-up survey 2010 and 2014**

Survey year by caste/ ethnicity	In money recipient households	% difference in before/ after: (2007-2010; 2007-2014)	In money non-recipient households	% difference in before/ after: (2007-2010; 2007-2014)	NET: Difference in Difference
<b>Total</b>					
2007	50.5		38.5		
2010	39.0	-22.9	65.9	70.9	-93.8
2014	33.1	-34.5	52.6	36.4	-70.9
<b>Hill/Madhesi Caste group</b>					
2007	45.0		37.3		
2010	31.5	-29.9	61.6	65.4	-95.2
2014	28.0	-37.6	43.0	15.3	-53.0
<b>Hill/Tarai Janajati</b>					
2007	40.4		45.8		
2010	29.3	-27.5	57.1	24.7	-52.2
2014	22.8	-43.5	39.3	-14.3	-29.2
<b>Hill/Madhesi Dalits and Muslims</b>					
2007	66.7		40.4		
2010	57.2	-14.2	75.2	86.2	-100.4
2014	48.2	-27.7	70.3	74.0	-101.8

Note: Figures are weighted by household size.

Source: Baseline Survey 2007 and Follow-up Survey 2010 and 2014.

The reduction in head count poverty is observed to be highest among Janajati groups when comparing before and after money received for income generation activities from the PAF intervention (43.5%). It is lowest among Dalits and Muslims (27.7%). However, the net effect of program intervention is highest among Dalits and Muslims (101.8%) and lowest among Janajatis (29.2%) indicated by difference in difference, comparing head count poverty of those who received money with those who did not receive.

### 3.2.3 Change in economic out-migration of youths

Migration in this study focuses on economic migration of youth males aged 17-40 years. Economic migration here refers to "migration of youths for work". The idea is to see if PAF's IG activity contributed any reduction of economic migration in PAF beneficiary households. It is assumed that IG activities expand the opportunity of self-employment, which, in turn, expectedly reduces the out-migration for work.

The analysis on migration in this study focuses on migration during the programme period. The proportion of recent economic migrants among youths also appears to have declined if compared with three consecutive surveys before and after the program intervention. Among the money recipient households, 67 per cent of youths migrated for economic reasons at the time of baseline 2007 before program intervention, which decreased to 58.7 per cent in follow-up survey 2010 with a decline by 13 per cent (Table 3.5). However it slightly increased later on, till the date of follow-up survey 2014, but is still decreased compared to the baseline. The migration of youth is, in case among those who did not receive money, found to be increased by 13 per cent between baseline and follow-up 2010 period, but minimally decreased in 2014 compared to baseline. Difference in difference is expectedly indicative to the better result of net impact on reduction in youth migration while comparing money recipients and non-recipients among the PAF beneficiary households.

**Table 3.5: Percentage of youths (17-40 years) in PAF beneficiary households who migrated for economic reasons during the last two years at the time of survey by status of money received and three survey periods, 2007, 2010 and 2014**

Survey year	Money recipient households	% difference in before/ after: (2007-2010; 2007-2014)	Money non-recipient households	% difference in before/ after: (2007-2010; 2007-2014)	NET: Difference in Difference
Survey2007	67.4		75.4		
Survey2010	58.7	-12.9	85.3	13.2	-26.1
Survey2014	62.7	-7.1	74.3	-1.5	-5.6

Source: Baseline Survey 2007 and Follow-up Survey 2010 and 2014.

### 3.3 Social change

PAF aims to improve economic situation of beneficiary households by providing revolving fund for income generation activities through social mobilization. PAF intervention is not directly related to social change but it also expects social change due to improvement in income and social mobilization that includes awareness and empowerment of women. Women empowerment may be the key to PAF intervention because community organization (CO) is formed of women member and they are mobilized for the program activities. Therefore, it may be expected to have improvement in school enrolment of children, household sanitation and women empowerment that are examined in this section.

#### 3.3.1 Change in education

##### i. Adult literacy

Adult literacy is the literacy of population aged 15 years and above. Adult literacy in CO member households who received money was 33.4 in baseline 2007, before starting program intervention (Table 3.6). It increased to 37.5 per cent in follow-up survey 2010 and to 42.8 per cent in follow-up 2014 survey. Percentage increase is 12.5 for baseline 2007 and follow-up 2010, which is 28.1 per cent for the period between 2007 and follow-up survey 2014, in a seven years period. Finding suggests that the literacy rate is higher for money recipient households than for those who did not receive money for income generation activities. However, when it is examined through percentage change between before and after program intervention, improvement in literacy is less pronounced among money recipient households than among money non-recipient households.

**Table 3.6: Literate population aged 15 years and above in PAF beneficiary households by survey years, 2007, 2010 and 2014**

Survey year	Literacy rate for money recipient households	% difference in before/ after: (2007-2010; 2007-2014)	Literacy rate for money non-recipient households	% difference in before/ after: (2007-2010; 2007-2014)
Survey2007	33.4	-	25.5	-
Survey2010	37.5	12.5	29.1	14.1
Survey2014	42.8	28.1	34.7	36.4

Source: Baseline Survey 2007 and Follow-up Survey 2010 and 2014.

##### ii. School enrolment

In the seven years time of PAF intervention (from baseline 2007 to follow-up survey 2014), school enrolment increased from 74.8 per cent to 86.9 per cent, with an increase of 16.1 per cent (Table

3.7). The increment was only 12.6 per cent for the period between baseline 2007 and follow-up survey 2010. The percentage of children aged 5-14 years who are currently attending school is much higher among money recipient households (86.9%) than non-recipient households (74.3%) for follow-up survey 2014. However, percentage increase in school enrolment is slightly lower among money recipient households (16.1%) than non-recipient households (18%) for the last seven years from 2007 to 2014. This indicates the net effect is not significant for the change in school enrolment.

**Table 3.7: Percentage of population aged 5-14 years in PAF beneficiary households who are enrolled and attending schools by survey years**

Survey year	School enrolment among money recipient households	% difference in before/ after: (2007-2010; 2007-2014)	School enrolment among money non-recipient households	% difference in before/ after: (2007-2010; 2007-2014)
Survey2007	74.8		63.0	
Survey2010	84.3	12.6	74.8	18.8
Survey2014	86.9	16.1	74.3	18.0

Source: Baseline Survey 2007 and Follow-up Survey 2010 and 2014.

### 3.3.2 Change in women empowerment

The key to PAF intervention is mobilization of women member from the PAF target households. Target of social mobilization is women who organize and manage COs and implement income generation and other activities related to PAF programs. Therefore, empowerment of women is much closer to the PAF intervention than other social aspects. Women's empowerment is measured in terms of role of women member in household decisions, in selling or buying of household property/assets and keeping cash income, which is discussed based on findings presented in Table 3.9.

**Table 3.9: Women's role in household decision making process among PAF beneficiary households, Baseline survey 2007, Follow-up survey 2010 and 2014**

Survey year	Money recipient households	% difference in before/ after: (2007-2010; 2007-2014)	Money non-recipient households	% difference in before/ after: (2007-2010; 2007-2014)
Survey2007	44.9		45.7	
Survey2010	50.5	12.6	54.3	18.7
Survey2014	57.8	28.7	69.3	51.6

Source: Baseline Survey 2007 and Follow-up Survey 2010 and 2014.

Percentage of respondents who reported that there is a role of women (respondent, combined with husband/head, and other female members in the household) in household decisions was 44.9 per cent before intervention (in baseline 2007), which, after intervention, increased to 50.5 per cent in

follow-up survey 2010 and to 57.8 per cent in follow-up 2014 (Table 3.9). The increment is 12.6 per cent for the period between 2007 and 2010 and 28.7 per cent for 2007 and 2014 among money recipient households. The increment in women’s role in decision making process in the household is much higher among households who did not receive money for income generation activities. This indicates the net effect of program intervention on change in women’s role in household decision making process is not significant.

### 3.3.3 Change in household sanitation

There are a number of COs that they have campaign regarding construction and use of toilet. It is not directly related to PAF intervention but the influence of social mobilization and awareness. Accordingly, they have initiated such program under the domain of PAF intervention. Therefore, assessment of access to toilet facility among PAF households may be relevant to understand the effect of PAF intervention on them.

Access to toilet facility among money recipients households was 19.3 per cent in baseline 2007, before intervention, which increased to 30.9 per cent in follow-up 2010 and 68.4 per cent in 2014 (Table 3.8). The increment is accounted for 60.4 per cent between 2007 and 2010 and 254.7 per cent between 2007 and 2014 (in a seven year period). Such increment is more pronounced among households who did not receive money. For seven year period from 2007 to 2014, percentage change in access to toilet is 285, which is higher by 30 percentage points than among money recipient households. The finding indicates that improvement in access to toilet is clearly observed but with no net effect of program intervention among money recipient households.

**Table 3.8: Percentage of PAF beneficiary households who have access to toilet**

Survey year	Toilet among money recipient households	% difference in before/ after: (2007-2010; 2007-2014)	Toilet among money non-recipient households	% difference in before/ after: (2007-2010; 2007-2014)
Survey2007	19.3		14.3	
Survey2010	30.9	60.4	30.7	115.0
Survey2014	68.4	254.7	55.0	285.0

## Chapter IV

### Findings from Focus Group Discussions (FGDs)

#### 4.1 Introduction

It is obvious that PAF has major focus on poorest of the poor section of the people especially from the rural areas. This part of the study is based on qualitative information collected from Focus Group Discussions (FGDs) in 30 randomly selected PSUs mentioned in Table 1.2 of Section 1.3.2. Based on the information collected through FGDs, this Section evaluates three major aspects of performance of the PAF program: impact, sustainability, and women empowerment.

#### 4.2 Field sites

FGDs were conducted with representatives of thirty community organizations (COs) of six PAF program districts covered by quantitative study. It also tried to maintain gender and caste/ethnic diversity in the sample. The social composition of CO members for Focus Group Discussions (FGDs) is presented in Table 5.1. Location of FGD (VDCs and ward number) in each district is presented in Table 1.2 of Chapter 1.

**Table 4.1: Caste/ethnic composition of FGDs**

S.N.	Caste/ethnic groups	No. of FGD sample
1	Tarai Dalit (female)	2
2	Tarai Mixed (female)	3
3	Tarai Janajati(female)	2
4	Tarai Mixed (male)	1
5	Muslim (female)	1
	<b>Hill Janajati</b>	
6	Janajati (male)	1
7	Janajati (female)	4
8	Janajati (mixed of male &female)	1
	<b>Hill Dalit</b>	
9	Dalit (female)	5
10	Dalit (mixed of male &female)	1
	<b>Hill Chhetri</b>	
11	Chhetri (female)	6
12	Brahmin (female)	1
13	Mixed (male)	2
	<b>Grand Total</b>	<b>30</b>

## 4.3 Findings

### 4.3.1 Impacts

#### i. Income generation

FGD interview revealed that the project 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 of CO and involved in income generation activities. They also noted that the revolving fund has reduced their burden to pay for higher interest of their debt

FGD participants (Sigaudi, VDC of Dailekha, Maila VDC of Humla district) said that previously the main source of income of village people was remittance money sent by seasonal migrants from India, or clerical job of Nepal government, and for women, source of money was “men and only men”. But PAF now is providing “seed money” to its members and they are increasingly involved in income generating activities. Some participants get surprised with the term “seed money” as they had heard of seed of fruits, vegetables, animals only but not the money as “seed”. Money has provided opportunity for needy and laborious peoples.

One of the FGD participants from Liwang VDC of Rolpa (Chhetri woman) argued that

Now, women do not need to beg money for personal expenditures with husband and other family members since they are making good income from various types of income generating activities under PAF such as animal husbandry, hybrid seed, tailoring, and crop farming through modern methods. So such types of activities have brought significant improvement in the livelihood of poor people”.

Similar types of experiences have been shared by the CO members of other community organizations<sup>6</sup>. Within this group, most of the members had made of income generation from PAF revolving fund. Participant from Satala VDC of Dailekh (Chhetri female) also have similar experience with PAF and said that

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<sup>6</sup>Woman mix groups of Pataura VDC, woman Terai caste group of Innarwari VDC, woman Dalit group of Bagahi VDC, woman mix group of Bariyapur VDC of Rautahat District; woman mix group of Guthichaur VDC, woman Chhetri group of Mahat VDC, Jumla district; woman mix group of Kalikasthan VDC, Janajati mix sex group of Chhatiban VDC of Doti district; Woman Janajati of Jelwang VDC, and Korchawang VDC of Rolpa District.

I make lots of money from goat farming. I use this money on the treatment of my husband who was suffered by blood cancer. And at last he died. All the money was earned using revolving fund of PAF.

Another CO member from Doti (Chhetri female) also reported that she is running medical shop with the support of PAF. The shop owner argued that opening of medical shop has not only improved access of villagers to modern medicine, but also she is making good money out of it.

FGD participants of most of the COs also frequently reported that reduction of burden of rate of interest is another key factor in contributing to income generation. In the past, the rate of interest used to be paid around 36-60 percent. As compared to this, the rate of interest of revolving fund is 6-12 percent only. Much lower rate of interest also contributing to higher saving from income generation activities.

## **ii. Food consumption**

FGD revealed that PAF program has greatly improved their knowledge and skills on agriculture, cropping patterns and methods of cultivation leading to increased agricultural production and consumption. FGD participants of Limtang (north-eastern part of Bargaon VDC, Humla district) highly appreciated the work of PAF and argued that PAF, through the provision of revolving fund, is making available fund to its members and CO members are increasingly involved in the production of wide varieties of vegetables such as cauliflower, carrot, beans, green vegetables, etc. As well, participants from other COs also reported improvement in crop cultivation and animal husbandry (Tarai caste, Inarwari VDC, Dalits of Sunarniya and Bagahi VDC, Rautahat).

Woman of Jelwang VDC of Rolpa district (Janajati group) shared that,

PAF program has changed her life by providing money and knowledge for vegetable and goat farming. This activity has fulfilled the lack of food for the family.

By supporting her argument in a public meeting, most of the participant women shared same types of story and impact on their lives<sup>7</sup>.

## **iii. Infrastructure development**

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<sup>7</sup>woman mix group of Bariyapur VDC of Rautahat District; woman, woman Chhetri group of Mahat VDC, Jumla district; Janjati mix sex group of Chhatiban VDC of Doti district; Woman Janjati of Jelwang VDC, and Korchawang VDC of Rolpa District.

Infrastructural development particularly construction of drinking water supply system is another important aspect of development brought out by the PAF program at local level. It is frequently cited that construction of drinking water system has greatly improved their access to drinking water and saved time that had to be spent for fetching water. FGD participants from Humla and Dailekha reported that they had to spend around 3 hours for water fetching before PAF program was introduced in the village. Now drinking water comes in the kitchen itself as PAF provided financial, technical and logistics to bring water in the kitchen. By this, time that had to be spent for water fetching has been saved which they are using for other works and rest. One of the Janajati women of Bargaon VDC of Humla said that,

Previously, villagers used to walk three hours daily to fetch drinking water and sometimes untoward incidents also did happen. Now everybody get whatever volume of water he/she requires at home. Now, I save three hours time everyday that was spent in fetching drinking water. I am utilizing this time in cattle grazing.

Similar types of experience comes from many other COs such as caste group of Kalika VDC, Brahmin male group of Maila VDC of Humla district and Chhetri women group of Sigaudi VDC , Janajati women group of Dadaparajul VDC, and mixed woman caste group of Satala VDC of Dailekha district.

#### **iv. Child education**

The income generation program of PAF has produced multiple impacts on the households and community. Among them, improvement in the child education is also very widely reported by the FGD participants, although the program does not directly support for child education. Members of community organizations reported that they are using income generated from the PAF revolving fund on education of their children. One of the FGD participants from Sigaudi VDC of Dailekh (Chhetri women) stated that

I have two children who are in primary grade of school, and all the cost of schooling is covered by the return from the investment of seed money in shop and animal husbandry.

Similar types of experiences are shared by the other community organizations such as Janajati women group of Korchawang and Jelwang, and Dalit women of Gaam VDC of Rolpa District; Terai women mixed caste group of Pataura, and Bariyarpur VDC of Rautahat District.

In addition, PAF also supported to build school building for primary school in Kalika VDC of Humla. The whole community highly appreciated for that support for education. They said that now, children do not worry about the rain in summer, snowfall in winter and other natural problem during the school time.

#### **v. Skill development**

The skill development is another important changes brought out by the PAF intervention. The skill development packages of PAF comprised of various kinds of occupational trainings. One of the participants from Jaljala CO of Liwang VDC of Rolpa (Chhetri woman) said that CO members received 3 days training on furnace for local kitchen which supported them for own self and also to earn some money.

Similar types of changes have been reported by the members of other community organizations, e.g. Janajati woman group of Parewapani CO of Korchawang VDC, Janajati Male group of Dharampani CO, Dhawang VDC of Rolpa district; mixed sex and caste and Janajati group of Srijana CO of Naumule VDC of Dailekha.

It was observed that a training centre was running with the support of PAF in the headquarters of Jumla. Participant women there opined that skill development training enables them to run their income generating activities funded by COs, and making good income out of it and it has also improved food security.

Despite a positive changes in various aspects of people lives through PAF program, some of the beneficiaries also reported that funds of revolving fund of PAF, had not used as per its objectives to invest in animal husbandry, shop, etc. of income generation activities. They opined that these funds have been used for fulfilment of family expenses such as medical expenses (mixed CO of Pataura VDC, Rautahat, Dalit groups of Sigaudi VDC and Tikhatar VDC). These types of cases have been reported mostly in Dalit community because, as they shared, this community has very bad economic condition. Similar experience was evident in some members of non-Dalits of Tikhatar VDC of Doti, Maila VDC of Humla, Guthichaur of Jumla, Sigaudi VDC of Dailekha.

### **4.3.2 Sustainability of community Organization**

In this section, the major focus is on the process of CO formation, current status of COs, decision making process in CO, management skills, sense of ownership, program for sustainability, institutionalization and networking, local support, social cohesion and community relationships from the perspective of sustainability of the COs.

#### **i. Process of CO formation**

Formation process of COs generally encompasses wealth ranking of households, first sensitization meetings with community people and second meeting for formation of COs. In each step, wide participation of community people and their decision making is emphasized. It is believed that a wide participation of community people in the CO formation process greatly contribute to the sustainability of COs.

During FGD, all the representatives of community organizations mentioned that partner organizations initiated formation of COs, and they community people were enthusiastic about formation and running of COs in their community. It appears that CO members are quite aware about the process of CO formation and appreciated the process of CO formation.

In most of the areas, new COs were formed. But in some areas, existing COs formed by other organizations were re-formed and activated (Women group, Mahat VDC and mixed male group of Guthichaur VDC of Jumla). FGD participants disclosed that community people were very enthusiastic about formation and running of community organizations. The following case story cited by SM of Dadaparajul VDC of Dailekh exemplifies this. He said that

The community members had requested the father of social mobilize to forma new CO and then, a few months later he initiated formation of community organization even the program was running in the other ward of that VDC. The secretary of CO questioned on that matter but Social Mobilizer accepted opening of new CO. Social Mobilizer said that key person of the district partner was not interested to form community organization in that ward.

FGD participants highly appreciate the process of CO formation in which they conduct series of meetings before formation of CO. One of the participants from Thawang VDC, Rolpa (Janajati male group) said that,

At first, Social Mobilizer came and called community meeting that classified all the households at ward level. And then a community organization was formed of twenty five members including chairperson, treasurer, secretary, etc. of poor people of the ward. The female Chair of CO as well as all women members are playing very good role to run the CO effectively.

## **ii. Current status of COs**

It is evident that most of the COs is running smoothly. However, it is felt that in general Chhetri women and indigenous people are running community organizations more enthusiastically and effectively than other groups. One of the Social Mobilizers who is working for the last 8 years viewed that indigenous people have more social cohesiveness and sense of collectivism in running COs.

Of the 30 COs visited, representative of five COs reported that their COs have been inactive or could not sustain after some years of work, especially after distribution of seed money. These COs include: CO in Mahila-6 of Humla, Sigauli-6 of Dailekh, Tikhatar-8 and Ghanteswor-8 of Doti, and Kathariya-8 of Rautahat. The major reasons for such unexpected consequences are: conflict especially caste/ethnic conflict among CO members, corruption on seed money at local level, lack of repayment of loan from the side of CO members with the feeling that PAF money is government money and need not to be paid back. Due to all this, these COs have not been able to have meeting since long time, maintain official documents including accounts, and carry out functions of the COs effectively.

## **iii. Decision making**

Most of the COs (23 out of 30 COs) participants reported that decisions in COs are made through consensus of all the members of community organizations (Table 5.2). Although some CO members (7 out of 30) reported decisions are made only by key members of the COs, they still feel that decision making process is good. Table 5.2 summarizes key indicators of decision making, and others operational procedure of COs. Except few COs, representatives of all COs in FGD stated that decision making process is transparent.

**Table 4.2: Decision making process and perception about transparency of community organizations**

S.N.	Name of Community Organization	Final Decision	Opinion on decision making process	Who makes decision?	Opinion about transparency in decision making process
1	Shree Ram Samudayik Sanstha, Fattepur	CO Members	Good	Participated Members	Yes
2	Ma Bhagwati Samudayik Sanstha, Birnagar	CO Members	Good	Only Key Members	Yes
3	Rachana Samudayik Sanstha, Inarwari	CO Members	Good	Participated Members	Yes
4	Shree Janaki Samudayik Sanstha, Jaynagar	CO Members	Good	Participated Members	Yes
5	Ramjaniya Samudayik Sanstha, Balirampur	CO Members	Good	Participated Members	Yes
6	Kankali Mahila Anushandahan Samudayik Sanstha, Pataura	CO Members	Good	Participated Members	Yes
7	Rajomae Mahila Anusandhan Samudayik Sanstha, Uttarwari	CO Members	Good	Participated Members	Yes
8	Muskan Samudayik Sanstha, Dachninwari	CO Members	Good	Participated Members	Yes
9	Shree Gangaram Mahila Samudayik Sanstha, Saunarniya	CO Members	Good	Participated Members	Yes
10	Dharamapani Chautara Community Organization, Yalmaghaira	CO Members	Good	Participated Members	Yes
11	Surkakoi Community Organization, Tharn	CO Members	Good	Participated Members	Yes
12	Parewapani Community Organization, Dashghar	CO Members	Good	Participated Members	Yes
13	Jaljala Community organization, Uchcha	CO Members	Good	Participated Members	Yes
14	MaNamuna Community Organization, Ghartidera	CO Members	Good	Participated Members	Yes
15	Sirjana Community Organization, Naugaun	CO Members	Good	Participated Members	Yes
16	Saraswoti Community Organization, Arukharka	CO Members	Good	Participated Members	Yes
17	Bandali Community Organization, Bishta	CO Members	Good	Only Key Members	No
18	Bandali Community Organization, Sai	CO Members	Good	Only Key Members	No
19	Samaj Jagran Community Organization, Kumal Khada	CO Members	Good	Only Key Members	No
20	Burkisalla Community Organization, Kudi Ka,	CO Members	Good	Only Key Members	No
21	Adhikari Jagaran Community Organization, Khaldhunga	CO Members	Good	Participated Members	Yes
22	Janaekata Community Organization, Chhina	CO Members	Good	Participated Members	Yes
23	Mahadev Community Organization, Lematang	CO Members	Good	Participated Members	Yes
24	Janabikash Community Organization, Bhadaldipu	CO Members	Good	Participated Members	Yes
25	Hilsadev Community Organization, Okhadi And Gothipata	CO Members	Good	Participated Members	Yes
26	Mashtha Community Organization, Katbani	CO Members	Good	Participated Members	Yes
27	Aarati Community Organization, Rupaskanda	CO Members	Good	Participated Members	Yes
28	Malika Community Organization, Tilachoud	CO Members	Good	Participated Members	Yes
29	Kalika Community Organization, Kariya	CO Members	Good	Only Key Members	Yes
30	Amgaun Community Organization, Amgaun	CO Members	Good	Only Key Members	Yes

Source: Field Data, 2014.

#### iv. Management skills

Management of account is an important activity of each as CO members have to maintain account of income, expenditure, loan disbursement, etc. PAF has made a provision to support each CO through book keeping trainings so that CO themselves would be capable of maintaining account. Table 5.3 reveals that 60 percent of the COs (18 out of 30 COs) reported that their member (s) have got book keeping trainings. Despite this, in 24 out of 30 COs are still fully dependent on SM in maintaining account. It is cited that some trained CO members are not involved in maintaining account because

they have received training just recently and some other are planning to give this responsibility to trained SM members.

**Table 4.3: Facilitation, management of A/C and training**

S.N.	Name of Community Organization	Who maintains account?	Training on Account and Management
1	Shree Ram Samudayik Sanstha, Fattepur	SM	No
2	Ma Bhagwati Samudayik Sanstha, Birnagar	SM	No
3	Rachana Samudayik Sanstha, Inarwari	SM	No
4	Shree Janaki Samudayik Sanstha, Jaynagar	SM	No
5	Ramjaniya Samudayik Sanstha, Balirampur	SM	Yes
6	Kankali Mahila Anushandhan Samudayik Sanstha, Pataura	SM	Yes
7	Rajomae Mahila Anusandhan Samudayik Sanstha, Uttarwari	SM	Yes
8	Muskan Samudayik Sanstha, Dachninwari	SM	No
9	Shree Gangaram Mahila Samudayik Sanstha, Saunarniya	SM	No
10	Dharamapani Chautara Community Organization, Yalmaghaira	SM	Yes
11	Surkakoi Community Organization, Tharn	SM	Yes
12	Parewapani Community Organization, Dashghar	SM	No
13	Jaljala Community organization, Uchcha	SM	No
14	MaNamuna Community Organization, Ghartidera	SM	Yes
15	Sirjana Community Organization, Naugaun	CO Member	Yes
16	Saraswoti Community Organization, Arukharka	CO Member	Yes
17	Bandali Community Organization, Bishta	CO Member	Yes
18	Bandali Community Organization, Sai	SM	No
19	Samaj Jagran Community Organization, Kumal Khada	SM	Yes
20	Burkisalla Community Organization, Kudi Ka,	SM	No
21	Adhikari Jagaran Community Organization, Khaldhunga	SM	Yes
22	Janaekata Community Organization, Chhina	SM	No
23	Mahadev Community Organization, Lematang	SM	Yes
24	Janabikash Community Organization, Bhadaldipu	SM	Yes
25	Hilsadev Community Organization, Okhadi And Gothipata	SM	Yes
26	Mashtha Community Organization, Katbani	SM	Yes
27	Aarati Community Organization, Rupaskanda	CO Member	Yes
28	Malika Community Organization, Tilachoud	SM	No
29	Kalika Community Organization, Kariya	CO Member	Yes
30	Amgaun Community Organization, Amgaun	CO Member	Yes

Source: Field Data, 2014.

#### v. Sense of ownership

It was evident that majority of the COs have started provisioning fund for sustainability in COs (Table 5.3). But members of some community organizations do not feel sense of ownership of COs (eg. Bargau VDC, Kalika VDC, Maila VDC, of Humla; Mahabepatharkhola VDC, Mahat VDC, Guthichau

VDC of Jumla, Sigaudi VDC of Dailekha). They indicated that “PAF should be responsible for running COs because PAF formed it”. They argued that COs are formed by PAF for peoples even though beneficiary of program are villagers. Some participants further argued that we run COs only in theory (words) but in practice they are run by PAF.

#### **vi. Program for sustainability**

Program for sustainability in the context of COs refers to a fund collected by CO members for maintenance of physical infrastructures constructed by the COs. This fund applies only to those COs that have got infrastructural development program. Table 5.3 indicates that of the total 30 sample COs, 13 reported that they have got infrastructural development program and all have maintained sustainable fund. The source of sustainable fund is to increase in the amount of monthly saving, e.g. Rs. 5 or 10 to Rs. 20 to Rs. 25. This indicates good initiative towards sustainability of the COs. Likewise, 18 of the COs have future programs such as seasonal and unseasonal vegetable farming, tailoring trainings, and other skill trainings.

#### **vii. Networking**

FGD revealed that none of the sample COs have received membership of federation or upgraded the COs to cooperatives. This indicates a minimum efforts made by COs in order to establish network with higher level of organizations. But some members of community organization expressed their wiliness to upgrade COs to cooperative or establish link with Federation.

#### **viii. Local support and community relationships**

Participants of FGDs in most of the localities reported that they have good alliance and working relationship with other development agencies. In many instances, community organizations have also worked in collaboration with other development agencies, and other COs. Example is of construction of small hydro-power house of Lauthi, Kalika VDC of Humla which was constructed financial contribution of PAF, District Development Committee (DDC), Himali project and average labour contribution of 85 days by the local villagers.

Some community organizations are also working with line agencies of Nepal government particularly with VDCs. VDCs and community organizations were working together in infrastructure development sector. In such types of work, political parties are also highly supportive for the

development of COs. For example, in the case of the Kalika VDC of Humla district, they had constructed a school block where VDC and all political parties including community contributed to construct school block. In Ripa Ghat of Ripa VDC, Humla, they constructed a small hydro-power. Similar evidence comes from Lauthi Tol of Kalika VDC, which was constructed in support of PAF, VDC and community participation.

#### **ix. Social cohesion**

Participants in most of the FGDs shared positive experience in the aspects of social cohesion and community relationship developed by PAF. They are in the opinion that social cohesion, after the great suffer of long-term armed conflicts, villagers are coming close to each other and organizing under COs. PAF, in the name of community development, has been succeeded to promote social cohesion and collaboration among politically, and socio-economically different members of the society. Hilsadevi CO of Kalika VDC of Humla opined that

We constructed a small hydro-power house without any biasness e.g. political, caste, and class. We all (means VDC) people are now united for development of our community even we are politically different, socially and economically classified in different level.

Now, the villagers gradually behaving in a positive way in the differences of ascribed status and achieved status too. The society does not have any discrimination based on the socially and economically classified. The five community organization does not mention any types of discrimination even in gender aspects too.

FGD participants also shared some important ideas about caste-based discrimination. They argued that young generation does not follow the barrier of old tradition by high caste and low caste group. This argument is particularly comes from COs of six districts. Most of the community organizations from these districts share common experience in the case of untouchability based on caste. The older generation follows traditional values. In contrast, the new generation does not follow the traditional values of caste base system at least in public areas. But in the case of household level, still exists of such types of value in the community.

### 4.3.3 Empowerment of woman

There are several aspects of women empowerment. Among them, education, employment, and participation in decision making are most important indicators of women empowerment. As the main target of PAF program is on organizing women in COs with necessary supports of seed money and skill development trainings, undoubtedly, PAF program has created enabling environment for the community women. The clear example for this is that, of the thirty (30) COs surveyed, only four are headed by male and the rest 26 by women of different social groups.

#### **i. Increasing recognition of women in the family and participation in the household decision making**

Women highly appreciate the contribution of PAF for creating enabling environment in the family as well as public arena which has helped them to come out of four walls of house and interact with outer world. One of the FGD participants (*Chhetri woman*) of Sigaudi VDC of Dailekha district said that

Nowadays, head of the family has started to consult family members before he/she makes decision about family matters. In the past, it was the man who decided what to do or not to do. In the starting phase of the CO formation, some of the men strongly argued that woman cannot do proper management of such types of public organization. Some of men are still raising such question. But they don't have good image in the society.

Such opinion also comes from most of the women of COs including Terai area (Kankaline Community Organization, Pataura VDC, Rautahat,

Now, this is time of woman to rule in society. Women are continuously empowering themselves from the family to community level. These types of changes come by the support of the development program. In the family level, husband start to discuss with us (woman) and we are free to participate in the public meeting too. We have different priorities than man, but we want to live as wheel of same cart. Now, we become more united than past, so if somebody beat any woman in our area, in reply, we also beat that man.

## **ii. Participation in public affairs and decision making about public affairs**

It is evident that PAF program has succeeded to increased involvement of women in public affairs, develop self-confidence in dealing with public affairs, practice freedom to speech. FGD participants from Bargau VDC of Humla (Janjati woman) opined that,

In the past, woman had never sat in a public meeting in our area. As PAF has given priority to woman, then woman of Limtang has gradually started to sit in meeting”.

Similar evidence also comes from Dadaparajul VDC of Dailekha,

Before PAF, women from the Magar community were not capable of speaking in public meeting. But after the intervention of the PAF, we women of Arukharka are able to put our opinion to VDC and other workshops/seminar of development agency.

FGD participants opined that freedom to speech among women has been gradually improving with the small gatherings organized at village level during formation of PAF COs followed by CO meetings in subsequent days. The opinion of Treasurer of HilsaDevi Community Organization of Kalika VDC,

The woman of this community (means COs) members are slowly becoming active in public activities. Everything is fine there. If more development programs are launched, they (woman) can improve in their behaviour.

Women of Muslim community reported that they have been able to develop capacity to speak in public meetings, seminars and public areas against prevailing practices that did not allow them to participate in public affairs. Although one of the COs in Rautahat (Katahariya VDC, Rautahat) is not running smoothing, one of its members (Muslim woman) said that,

We have developed the capacity to speak in public meeting, seminars and public areas as needed. In Muslim society, women are not allowed to speak in public areas. But now, it has changed and this change is brought out by PAF program.

CO members of Dadaparajul VDC, Dailekh also have similar experiences,

In past, men did not allow women to move outside the house and attend public meetings, but the condition of the PAF makes us this sort of changes in our community. Now, we convince our

husband or family members. We have other members also in this organization, but they don't do any decision by themselves. In the case of VDC program, there is still problem in the aspects of indigenous peoples' woman.

### **iii. Economic independence of women**

Evidences suggest that economic independence of women is another important aspects of change brought out by PAF program. Participants of COs in Liwang VDC, Rolpa, opined that

We are free to express opinion in any topic. In the decision making process, male members listen our voices. Now, they give priority to woman in community based organization. The grants and skill provide by PAF has brought major changes in the economic independence of women. So women's dependence on men in economic matters has been gradually reducing.

### **iv. Reduction in the incidence of violence against women**

CO members reported that increased level of women's income has contributed to reduction in the incidence of domestic violence against women (Chhetri female, Doti). This is mainly because male members of the households started recognizing the fact that women also can earn money and economically support the family in a significant way. The rest of the participants also agreed with her arguments.

#### **4.3.4 Discussion on the findings and conclusions**

With the main focus of socially and economically backward section of the people, PAF has main target of empowering economically poorest section of the people. It envisages leadership of women in running and carrying out CO's activities with necessary supports required for them especially social mobilization, seed money, skilled training and logistics. The support provided by PAF is enormous and CO members are realizing significant changes in them, their families and in the communities through participation in PAF program.

In this context, it is to mention here that formation and smooth running of the CO constituted one of the major components of social mobilization which brought community people closer, developed collectivism, in them, provided a forum to think and decide about community development and work together for common end. By this, women who were confined within the four wall of the house have

been greatly encouraged to come out and interact with outer world. This has brought enormous positive impact on developing self-esteem and self-confidence in dealing with public affairs and breaking tradition norms that prevented them to participate in household and public affairs.

In the economic front, there are strong evidences that women and their households are highly benefitted from skill development and seed money provided by PAF and making good income out of it. It has multi-faceted impacts as increase in income has enable CO households to spend more on child education, and health of the family members. It appears that CO members are increasingly investing seed money and taking up commercial agricultural activities such as goat farming, vegetable farming, etc.CO members widely realize that such activities have brought out improvement in farming practices and situation of household food consumption.

In addition, PAF is also providing supports to COs for the development of community infrastructure such as road, small hydro power, electricity, etc. The better condition of road or improvement of road condition helps to access for transportation, market, and access to health facilities. The electricity has provided households lights as well as promoted installation of television, mills, and so on.

The issue of sustainability of COs and its activities appear to be a crucial issue as few of the COs are inactive. In the case of those COs which are running smoothly, there are basically three critical issues to be considered. Firstly, it is important to learn why few of the COs have been inactive? Secondly, despite wider participation of community people in the process of CO formation and improved social cohesiveness, sense of ownership of CO among its members is yet to be developed. Secondly, the study shows that in some cases revolving funds have not been properly used as per PAF's objectives which need to be checked in time.

## Chapter V

### Summary, Conclusions and Recommendations

#### 5.1 Summary and conclusions

##### 5.1.1 Introduction

- PAF conducted baseline survey in 2007 of six sample districts (Rautahat, Rolpa, Dailekh, Humla, Jumla and Doti) selected from 19 programme districts. The first follow-up survey was carried out in mid-2010 and the second or current follow-up survey in 2014. The survey was conducted in these sample districts mainly for assessing socio-economic changes among target groups accruing from PAF development programmes. For the analysis of economic changes, this study selected basically 1,387 CO members who received money for IG activities and could report date of money received.

##### 5.1.2 PAF development activities

- This chapter first tries to assess improvement in the coverage of PAF program in terms of selected indicators such as increase in CO members, improvement in demand for IG activities, money received, and participation in infrastructural development projects. A comparison of the data from 2010 and 2014 survey indicates that there has been remarkable improvement in all the indicators mentioned above. This implies that an increasing number of poor households are being organized under CO of PAF program and getting benefits from the PAF program.
- Caste/ethnic distribution of the PAF program beneficiaries remained unchanged during 2010-2014 with majority being from the caste group. Both the surveys indicated that CO members make demand for many micro-enterprises. Large majority of them prefer livestock related activities (nearly 80 per cent in both surveys). About one-third of the CO members involved in IG activities indicated that they usually face different type of problems in carrying out IG activities. According to them, managerial, and market problems are two major problems faced by them.
- Evidences suggest that an increasing number of CO members are also being involved in infrastructural development program. This implies that an increasing number of CO members are also getting benefits from the infrastructural development program of PAF.

- Under the PAF program, money is provided to each CO for household level IG activities as well as infrastructural program. Seed money provided for IG activities is used as revolving fund. Over the program period, the amount of money disbursed for IG as well as infrastructural program has increased significantly.
- In order to assess impact of PAF program, both the surveys asked a question to each beneficiary on whether PAF program brought any improvement in food consumption and various sphere of social relations. The 2010 and 2014 survey data indicated that proportionately a higher number of PAF beneficiaries in 2014 survey increased consumption of food grain, vegetables, and fruits. A significantly higher proportion of beneficiaries also perceive their living standard, and situation of income and saving have improved after PAF program. They also perceive that their sphere of social conditions especially in terms of collectivism/collective effort and schooling of children have improved.

### **5.1.3 Change in economic aspects**

- It is observed that IG activities of PAF have helped improve per capita consumption among CO member households. Among CO households who have been receiving money since 2010, average real per capita consumption has increased more than two-fold (124%) during the baseline 2007 and follow up survey 2014 period. This increase is the highest among Hill/Tarai Janajatis (167%) and then Hill/Tarai Dalits and Muslims (111%).
- Increased household consumption is well reflected in poverty alleviation among PAF beneficiary households. Head count poverty has decreased by 30.5 per cent among those who have been receiving money during the last seven years, from 2007 to 2014. Pace of poverty decline is observed to faster among Janajatis (43.8%) and slower among Dalits and Muslims (24.6%).
- Net effect of PAF intervention can be computed by subtracting the percentage change in consumption per capita and head count poverty among CO households who received money by that among CO households who did not receive money. Net effect in increased consumption per capita is 68 per cent and decreased poverty rate is 70 per cent.
- There is also an indication that out-migration of youths for economic reasons have gone down among PAF beneficiary households but with a very low rate, 7.1 per cent decrease during 2007 and 2014.

#### **5.1.4 Change in social aspects**

- Improvements in adult literacy, school enrolment and attendance of children and access to toilet facility indicate positive direction of PAF programme intervention in collaboration with other partner organizations.
- During baseline 2007 to 2014, adult literacy rate has increased by 28 per cent among CO households who have been receiving money for income generation activities. For the same period, school attendance of children aged 5-14 has increased by 16 per cent. Similarly, access to toilet has increased by 255 per cent during this period.
- Improvement in community harmony, decline in discriminatory behaviors and practices as well as disputes in common natural resources between baseline 2007 and follow-up survey 2014 can be attributed to the PAF development intervention. Due to PAF's attempt to generate demand for various development activities, households in the PAF program areas appear to organize around agriculture centers, veterinary services and small farmers, forestry and community forestry and women/mothers group. Women are increasingly participating in community and social organization. Their role in household decision making in selling and buying household assets has increased by 29 per cent. This can also be interpreted as the increased empowerment of women among PAF program households.

#### **5.1.5 Findings from FGDs**

- The initiative of PAF program and change brought out by it in the skill development, income generation, consumption behavior, women empowerment, and infrastructural development is highly appreciated by the PAF beneficiaries. It is evident that most of the PAF COs are running smoothly and effectively. Overall, PAF beneficiaries expressed their satisfaction about decision making processes also. However, in some instances, they expressed their dissatisfaction by saying that only key persons of COs make decision.
- It appears that a sense of ownership on COs among PAF beneficiaries has to be further enhanced. Some COs are working well in collaboration with other organizations. For this purpose, now focus must be given towards institutionalization of COs by establishing linkages with other organizations and upgrading of its status to cooperatives.

- It is also evident that a few of the COs are found to have some hindrances in running COs smoothly. The major hindrances include conflict among CO members, carelessness and lack of effective monitoring and supervision that have to be given attention by partner organizations who are responsible social mobilization and program implementation.

## **5.2 Recommendations**

- The target group of PAF intervention generally constitutes hardcore poor who are not only economically deprived but also deprived of knowledge, positive attitude and behaviour. Development practitioners generally feel that bringing changes in the lives of hardcore poor is very difficult. Accelerated PAF intervention program might bring about poverty transition among hardcore people in Nepal.
- Findings from the FGDs indicate that most of the COs has succeeded to bring noticeable improvement in the lives of its members. A few anomalies are seen in running COs as per the objective of PAF due to conflict among CO members, carelessness and lack of monitoring and supervision. This can be improved by replicating lessons learned from other COs.
- Some of the COs which are said to be running smoothly also need to be focused on increasing sense of ownership, collective decision making processes, efforts for institutionalization and sustainability.
- As the PAF program has been 7 years old, this is the right time for the assessment of impact on beneficiary households. A rigorous qualitative study along with IE quantitative survey is aspired. Qualitative survey should be more exploratory using at least three types of tools, for example, FGD, KII and observation. It would help in three ways: i) understand the real impact on people's live; ii) exchanging and replicating lessons learnt from the best COs; and iii) identifying the gaps to improve the COs further in terms of ownership, sustainability, and expected impact of the program.

## Annex I: Technical note for poverty estimates

### Technical note

#### Choice of appropriate poverty lines

The NLSS 2010 survey has determined poverty lines for various regions. The PAF programs under consideration are mostly confined to rural areas belonging to western hills and central terai regions. As most of districts of baseline/ follow –Up surveys belong to either Western Rural hill or to the rural central Terai. The study therefore has selected the appropriate lines see table below.

**Table 1 : Poverty Lines in the NLSS 2010 In NRs**

Area	NLSS 2010
Rural western hill	18428
<b>Rural Mid/Far western hills</b>	<b>16355</b>
Rural Eastern Terai	16856
<b>Rual Central terai</b>	<b>17540</b>

*Source: Nepal Ma Garibi Table 2 page 16 Kendriya Thathyank Bivag .2011*

#### Comparison of head count poverty (2007-2014)

We have used the poverty lines for 2010 though out the three periods (table1). This demands the per capita consumption for all the three periods at 2010 prices. Rebasings of the consumers price index series published by Nepal Rastra Bank was therefore carried out at 2010 in order to convert the per capita consumption at 2007 and 2014 to 2010 prices. While doing so the hill and terai consumer price were respectively used for hill and terai districts in the survey for details see table 2 below. The method of calculation of head count poverty was then after used using the procedure mentioned below.

**Table 2: Rebasings of the consumer price Index 2007 -2014**

Period	Rural western hill	Rural Eastern Terai
2007	75.9	76.6
<b>2010</b>	100	100
<b>2014</b>	140.6	137.7

*Note: Quarterly Economic Bulletin, Nepal Rastra Bank, April 2014 Page( 83 \$ 86).*

## Technical note for poverty rate calculation

### Poverty indicators

Poverty Incidence (Head count) has been calculated using the definition mentioned below.

Poverty incidence for a given reference group/area is defined as the proportion of the population who live in the households with an average per capita expenditure below the poverty line. The poverty lines used in the calculations are given above.

The general formula used to calculate such poverty indicators is as follows.

$$P_j = \left[ \sum_{i=1}^N \left( \frac{z - E_i}{z} \right)^j * I(E_i) \right] / N$$

Where, N= population size

$E_i$  = Expenditure of the  $i^{\text{th}}$  person

$z$  = poverty line

$I(E_i) = 1$ , when the expenditure is below the poverty line

$= 0$ , otherwise

$j=0$  for poverty incidence

$j=1$  for poverty gap

$j=2$  for poverty severity.

