

INSIDE

- 3 PAF to conduct second follow-up survey
- 4 District Focus: Jajarkot
- 5 Guest Article
- 6 Success Stories: Rolpali fight against poverty
- 8 PO/CO Corner
- 9 Sectoral Focus: Environmental Assessment and Planning in Community Sub-projects
- 10 Titibits: Activities
- 12 PAF in Brief

Poor Gear Up to Establish a Bank

For the poor and marginalized residents of Sisawa VDC the regular hand to mouth problem that mired them for centuries now seems a distant nightmare. Their sole concern now is how to establish a formal financial institution (FI) of their own in the village soon.

The people that ever struggled to win two square meals a day now have geared up to form what they dearly call a 'bank' of their own. People aware of poverty situation in the VDC find it difficult to believe, but their dedication and zeal has laid down a strong foundation to convince many.

"If we have our own bank, we can have easy access to finances, pledge loans and save earnings," says Anwar Ali, president of Laxmi Community Organization. Presently, various 14 income generating groups of the VDCs are operating a revolving fund of Rs 8.5 million. "We will move on

establish the bank once the fund touches Rs 10 million," he said.

Presently, the groups have registered a cooperatives and operating their funds through it. And they said they will materialize their dream of the bank within a year.

People of backward Sisawa VDC - located along the bordering area of Kapilvastu - barely had income to earn food for three months in a year in the past. But with the start of PAF programs, they are now mobilizing a huge fund, organizing themselves in various community organizations. They are making a good utilizing of the loans received from the fund, engaging in various income generating activities and repaying loans on schedule.

Those adhering to prudential financial norms are also getting more loans at the time of business expansion.

...contd on page 3



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Revolving Fund Directives and its effectiveness

By Padam Neupane

Lack of access to finance is one of the key factors behind poverty. Recognizing this fact, Poverty Alleviation Fund (PAF) has been providing direct fund to the poor, women, other excluded and ethnic groups. Community Organizations (COs) use this money as revolving fund. These revolving funds over the years have enabled the poor, marginalized and excluded people to access finances at soft interest rate, start income generating activities and build social capital.

So far, PAF has disbursed some Rs 5.50 billion to COs. Because prudent management of fund, meaningful lending and consistent recovery program are essential to make revolving fund effective, PAF has also developed Revolving Fund Management Directives for the COs. In the directives, PAF has focused on following issues:

Who can use it?

The poor, excluded and marginalized CO members, including women, dalits, ethnic groups, are the beneficiaries of the revolving fund. These target groups should form Revolving Fund Management Sub-Committee. Based on the viable project proposals, the sub-committee should pledges loans to the members.

The directives bar members from demanding money without proper project proposal. It necessitates COs to make sure that the loans effectively help to raise income, so that the borrowers could repay it.

It seeks COs to give lending priority to the members belonging to the hard core segment. This policy has enabled PAF target poorest of the poor first.

The directives seek COs to set loans

repayment period depending on the nature of business. Such repayment period should be shortest possible. This provision has helped to build professionalism among COs. It has also clearly led down the roles that COs as institutions and members as clients should play.

Future of revolving fund

The money in revolving fund is a grant support and COs are its sole owner. PAF believes the fund will grow in size in the future from interest income, savings activities by the members, receiving of additional support from other external sources.

PAF accepts that the existing revolving fund will not suffice to fulfil the bulkier financial needs of CO members in the future. But with the confidence that the members will gain from handling the fund, managing savings and repaying loans, it believes they will also take initiatives to increase the size of the fund. For that, they will either mobilize their own savings, or collaborate with other COs or join hands with other micro-financial institutions. This will eventually convert the COs and their revolving funds into cooperatives or micro-financial institutions. Such transformation will ultimately render COs self-sustainable and poverty reduction drive of PAF sustainable.

Given such prospect, which has started to materialize in various PAF districts, the directives has laid special emphasis on effective management of fund and transparency in its operation. It has encouraged the members to expand the fund, follow highest level of financial governance and discipline and maximum utilization of savings and adopt efficient management practices with the growth in the size of the fund.

Of the total Rs 8.5 million in the fund, Rs 400,000 stands as savings of the CO members themselves and Rs 100,000 as their interest income.

“We envisaged establishing a bank for carrying out saving and credit activities after we faced problems in mobilizing huge funds” said Mohammad Sami, president of Radha Krishna CO. He said all CO members understand that without strong base and availability of huge finances their living condition will not make quantum jump. “We all are working day and night to fulfill this dream, so that we could get larger finances in the village itself. This will generate new employment opportunities as well.”

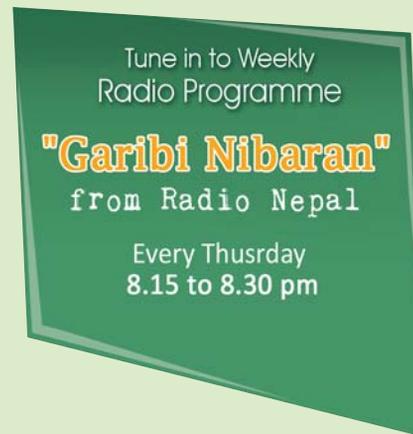
Suddi Gadariya, president of Jana Kalyan CO elaborated that they plan to raise the capital base of the groups to Rs 10 million by the next half year and set up the ‘bank’ within a year.

In Kapilvastu, PAF is implementing its programs in more than 60 VDCs. But it is the people of Sisawa that

have managed to mobilize the biggest fund. For implementing various income generating activities they are making cash and kind contribution of 10 percent from their own pocket. And they say establishment of the bank is crucial because it will set up a sustainable mechanism to make effective and efficient use of the resources that will remain with the community once the Fund programs end.

“Their devotion and desire to do something special is exemplary,” says Portfolio Manager of the district Sanjaya Jha, recalling the past when the VDC used to become island and isolated from other parts of the country during rainy season.

He states that the people of the VDC have made excellent use of PAF programs and created new opportunities. Their very zeal of setting up a bank also demonstrates how PAF has transformed their knowledge, attitude and practice, he says. Jha is also extending all possible



support to help them to materialize their plan.

The 14 COs have 424 poor and marginalized members and local Mount Everest Social Development Organization is facilitating their operations as Partner Organization. With their initiatives, they have also constructed community infrastructures like culvert, bridge, gravel road, drinking water system and schools, which have supported their income generating activities and secure educational services.

By Manoj Paudel

Poverty Alleviation Fund (PAF) is soon conducting the second follow up survey, which will figure out the exact socio-economic impact of its programs in the eight districts. The survey will be conducted in nine districts, including Mugu, Darchula, Rautahat, Rolpa, Dailekh, Jumla, Humla and Doti districts where PAF is implementing various income generating and community infrastructure development programs and Bajura where PAF program is absent.

Among the PAF districts too, survey will be done in the villages that have PAF programs and also the villages lacking PAF programs. “This approach has been adopted so that we can compare how the community people having PAF support and not fared over the period of last four

PAF to conduct second follow-up survey

years,” Kanchan Tamang Lama, Research and Development Officer of PAF told Jeevika.

The survey will cover 3,420 households, including the households covered during baseline survey and also the households that were not in the baseline, but are currently involved in PAF programs to demonstrate the impact of the program. The survey will be done in two parts: household survey and community survey. 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 the

households getting PAF support and households lacking PAF support. PAF is soon appointing an independent institution to carry out the survey.

PAF had conducted the first follow up survey, covering districts like Pyuthan, Kapilvastu, Ramechhap, Siraha, Okhaldhunga and Dang in 2009.

The survey had shown the PAF program of raising income of its beneficiaries by 19 percent and consumption by 23 percent, whereas people in similarly impoverished districts lacking PAF intervention recorded marginal growth on those fronts.

PAF program also led to a drop of under-five child mortality rate by 57 percent in 2009, compared to 2004.

Jajarkot

By Hare Ram Wagle



Jajarkot, a hilly district of mid-western development region, is one of the poorest districts of Nepal. Situated at 610 to 5412 meters above the mean sea level, Jajarkot is surrounded by Rukum and Dolpa district in the east, Surkhet and Dailekh districts in the west, Jumla and Kalikot districts in the north and Rukum and Salyan districts in the south.

Administratively, the district is divided into 30 VDCs, 11 Ilakas and 2 constituencies. Khalanga is its district headquarters. It covers an area of 2230 square km and total population stands at 134,868 (Male 65,508 and female 66,360). Thakuris, Chhetris and dalits are the biggest communities of the district. It is extremely backward and deprived in terms of infrastructure and human resources development. The district is partially touched by motorable road and yet to be linked by direct air service. This renders accessibility very poor.

There is no reliable means of communication and electricity. Literacy rate stands just at 39.1 percent. The disparity between male and female literacy is very striking (male literacy rate 46.92 percent and female literacy rate 17.11 percent). Annual household income stands merely at NRs 3,889. Only 47,443 hectares of its land is agricultural land.

With low literacy rate, life expectancy and poor health facilities, Jajarkot is ranked 62nd in Human Development Index. Food insecurity is one of the biggest problems as the lack of irrigation facilities renders agricultural productivity low.

Going by the poverty reduction strategy of Government of Nepal, PAF launched its program in Jajarkot in 2006. It has signed agreements with eight Partner Organizations (POs) to carry out social mobilization, facilitate the poor, marginalized and excluded

people to form COs. The POs are also conducting various trainings to empower COs members to improve their living conditions. They are also supporting COs to plan their activities and providing technical assistance at the different stages of project implementation and monitoring.

PAF has pursued bottom up approach of project planning and selection of projects and activities for themselves. The process started with the sensitization, followed by formation and strengthening of COs. So far, 359 COs and 10 CO Federations have registered with PAF for support. Among them, PAF has signed agreement with 294 COs and pledged grant support worth NRs. 231,999,497 in the district. Of that, NRs. 191,621,744 has gone for running various income generating activities and NRs. 40,377,753 has been invested for community infrastructure projects.



PAF support has benefitted 10,709 households in the district, of which 76 percent are hard core, 19 percent are medium poor, 5 percent are poor and 0.3 percent are marginal non poor. Gender-wise, 4,560 male members and 6,149 female members have benefitted from the PAF support. Of the total PAF beneficiaries, 52 percent are dalits, 14 percent are ethnic communities, and 35 percent belong to other communities. Altogether, 8,271 Dalit, 2,939 Janajatis and 10,181 other members have benefitted from the PAF program.

PAF - reducing vulnerability and modern day slavery

By Binod Chapagain

GUEST
ARTICLE

As the Nepal Director of Free the Slaves, INGO, I recently visited three different community groups that PAF supported in Kapilvastu and Pyuthan. The objective of my trip was to learn the contribution of poverty reduction program in reducing human trafficking and modern day slavery. I had chosen PAF districts because many of the villages where PAF works have a long history of families being in debt and their work and lives being controlled by that debt -- factors that push girls and women into the hands of sex traffickers. Escalating overseas migration and risks associated with it too is contributing to trafficking. When migrants fail to find the 'expected' work, they are forced into 3Ds - dirty, dangerous and difficult jobs, paid less or forced to work for free, or work as sex workers. This article is my reflection on the findings of that visit to those PAF districts.

General Impression

PAF has provided non-conventional income-generating support to the households that are identified as economically poor. I use the word 'non-conventional' because PAF has been open to the needs of the households and the money that is allocated to an individual household for income generating actions can make change in real sense, if used productively. The fund is directly sent to Community Organizations (COs) formed by the local people. The COs are empowered to use the money as revolving fund. The CO formation and program funding has focused to the Dalits and ethnic people.

The group members decide their

income generating (IG) activities and take the required loan from the CO. PAF is also supporting local infrastructure development i.e., rural roads, irrigation canals, drinking water schemes etc based on COs demands.

Success Story

In Khaira of Pyuthan, PAF has funded IG activities and drinking water schemes in a village of Dalits (17 households). The Dalits CO received Rs. 109 thousand for income generating activities and spent money mostly on goat raising and bulls purchasing. Youths from all 17 households had migrated to India (one had gone to Gulf) and more than 35 youths were working in Delhi and other major Indian cities leaving their children and spouse in the village. It was encouraging to see that two youths had returned to their village after PAF intervention. They said that they could now earn their livelihoods even by ploughing others land. However, there was no major change in the trend of migration for employment.

All interviewed household members said that their access to credit has increased: Landlords used to charge 36-60 percent per annum, but COs charge 0 - 6 percent. They said that they came out from the status of debt-bonded labor; stopped sending children to

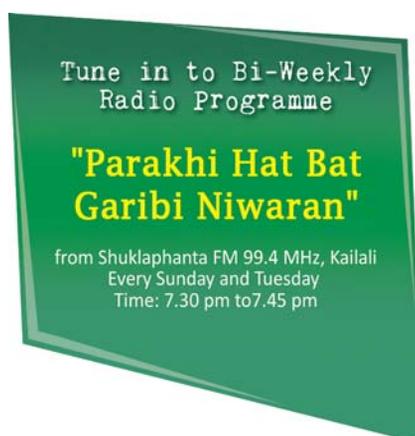
landlords and stopped working for free to the landlords. They do not fear landlords and are confident.

People in Khaira further said that their sanitation has improved with the constructions of water provision and pit-latrines. The literacy class that PAF supported enabled Dalit women to write their names.

Possibilities

Although, PAF does not deal with human trafficking and slavery, the Human Rights Commission of Nepal has appreciated PAF's contribution for reducing girl's trafficking from rural Nepal (HRC - Annual Report 2006-07). PAF could contribute further in this field by adding new components like debt bondage, trafficking and risks associated with migration for work in its awareness programs. PAF may consider taking up following actions:

- a) Providing training to the social mobilizers on human trafficking, slavery conditions and preventative measures;
- b) Developing and disseminating information materials to illiterate audiences, who are vulnerable to trafficking, debt bondage and slavery.
- c) PAF literacy classes can help villagers to consciously develop their collective resistance to debt bondage and sending children into slavery.
- d) Including indicators of bonded labor, child labor etc in its well-being ranking tools.



Rolpali fight against poverty

Ranked 66th position in human development indicators, Rolpa offered fewer job opportunities to enable the marginalized Magar community, an ethnic group that constitute the majority of the district's population, to sustain their lives. The geographical remoteness, high rate (62 percent) of illiteracy and burgeoning poverty that mired the district since centuries soon made it a perfect haven for conflict and the district soon became one of the worst affected districts.

Ever excluded from the national development priority, people of Pawa village of Dhawang VDC of Rolpa solely relied on potato farming to earn livelihood. They used to sell their harvest to buy rice. But because the production of potato itself used to be low, rice they purchased from it barely used to fulfill their food requirements for six months. Some of the families used to produce food crops as well, but the yield used to be low and did not even supported food requirement for additional couple of

months. Thus, even the best of the producers always reeled under food insecurity and poverty. As a result, the majority of youth used to move out to India for work.

But the situation in the district has changed after PAF introduced its programs in the district in 2006. The program has enabled the poor and marginalized communities start new income opportunities.

Condition of Dilli Maya Rokka, one of the residents of the village, was no better than other villagers. She used to produce potatoes and sell them to buy rice. This used to fulfill the food requirement for her seven-member family for just about seven months.

But these days, Dilli Maya does not have to worry for how she will manage food for her family members. She got together with the fellow villagers to form Jaljala community organization and started buffalo raising with the financial support of PAF. She sells ghee in the market, which fetches her Rs 6,000 in a year. She even sold a calf at Rs 5,000.

Presently, Dilli Maya has a milking buffalo and two calves in her shed. The buffalo produces 3.5 liters of milk and the calves have grown to a size, which will easily fetch her Rs 8,000 each. "PAF's support has helped me lay down small but meaningful foundation to earn much-needed money," says Dilli Maya. If the buffalo produced she-baby, Dilli Maya plans to raise it herself for that will enable her produce more milk and ghee, easing her life further.

"Expansion of PAF program in the village has enabled many of the locals here to take up income generating activities that seemed impossible in the past," said Shankar Budha, chairman of the Jaljala CO.

Bire Rokka, another resident of Pawa village who started goats and sheep raising with PAF support, owns a herd of 107 sheep and goats. In the past, Bire used to travel to India and other parts of Nepal hoping to find a sustainable source of income. But failing to get it, he eventually returned to the village to take up sheep farming. He became a member of Jaljala CO and took Rs 25,000 in loans from the community revolving fund and bought 10 goats in 2008.

Since then, he has already sold 3 goats, earning Rs 13,500. His pen has five goats that he can be sold anytime. From this, he estimates to earn Rs 20,000. Likewise, 10 goats are ready to deliver babies anytime. He also earns money from the sales of wool and hair of goats. Buyers of goats' hair pay him some Rs 125 per kg of such supply. "Rearing a mountain goat and sheep has generated multiple source of income for me," smiles Bire.

Jaljala CO has 39 members. They are taking loans from the CO's revolving fund at a nominal interest rate to start various income generating activities. The loans repayment rate is good as well. Thus, poor and excluded people of Rolpa that reeled under more than a decade long conflict have found a new means and hope with the start of PAF programs in the district.



Transformation of Pavitri Ram's family

Laldiyer is a beautiful village in Sundarpur VDC, located some 30 kilometers away from New Road of East-West Highway in Sarlahi district. But the village houses a large number of poor families, who could not even earn one square meal a day. If someone in the family fell ill, they had to take loans from local landlord on high interest rate. Poverty was widespread and people simply could not afford even basic services related to health and education.

Situation of women, the underprivileged group, was still worse. But when PAF started its program in the village, women like Pavitri Devi Mahara have gone through a radical transformation. She along with 26 other households - including 9 dalit families, 10 ethnic families and 8 others - organized themselves in a group, named Radha Krishna CO. PAF trained them to increase their awareness and build their capacity. Soon they started taking loans for running various income generating activities.

Since then, there has been no looking back for Pavitri Devi. She is applying themselves in her business and the

community to overcome her poverty and extreme backwardness.

"It all started with PAF's motivation and loans support of Rs 5,000 from the CO revolving fund," recalls Pavitri Devi. She used the money to start cobbler business. From this, she is presently earning a net income of about Rs 1600. "I use this money to repay my loans installment and deposit savings of Rs 540 every month," she says.

From the earning, she is now easily fulfilling her food requirements for round the year. She has also enrolled her children in a public school. From the net income of Rs 10,000 she made from her business over this period, she has started raising a cow. The cow is pregnant now, and she expects it to deliver a calf sometime soon. "This will enable me to sell milk in the chilling center present in the market," she beams with smile.

From the days of hardship, small support from PAF has enabled members of Radha Krishna CO to win better days. Their awareness and confidence has given them strength to dream big and apply themselves to come out of poverty.



But whenever someone asks them how their life was in the past, people like Pavitri Devi will instantly burst into tears. "People used to despise us like anything. They used to make us work throughout the day for just 3 kgs of food grains. Whenever we said something, they used to tag us uncivilized," says Pavitri Devi.

"People expected us, women, to remain confined within veil and household chores. We were not allowed to speak with others and neither did we know how to deal with the people," she adds. But with their engagement in income generating activities, trainings from PAF and regular meetings at CO, the underprivileged groups are now readily discussing issues of community development and taking significant steps to come out of poverty trap.

Goat-raising eases life of poor

By Himad Dhungel

Poor of Ramechhap have witnessed substantial positive changes in their life from goat raising that they started when PAF began its programs in the district four years ago.

The targeted poverty reduction programs that begun in dalit, ethnic, hard core poor and women households have so far enabled them buy some 11,000 goats. "This has increased income of the poor and improving their living conditions," said Milan Ghising, Chairman of Community Development Society,

PAF partner organization in the district.

Sarmila Shahi, a member of Janajagriti CO who led a difficult life under poverty, said she is now easily fulfilling the basic needs of her five-member family with income she makes from goats raising.

To sustain the program, District Livestock Services Office and District Agricultural Development Office are extending technical services and offices like District Forest Office and local non-governmental organizations are providing consultancy services on

fodder development and are distributing seeds for free.

"These inputs have helped in robust expansion of better variety of goats," said Kamal Bahadur Thing, portfolio manager of PAF. He said that farmers are attracted to goat raising because it generates instant income generating opportunities. "Besides, it involves less risk and requires relatively less labor as well," he added.

Given the increased demand and contribution it has made in poverty reduction, PAF has invested Rs 58.83 million for goat raising program in Ramechhap district alone. This investment has generated return worth Rs 13.92 million to the farmers.

Zeal to fight poverty

The credit of success that PAF has managed to gain in attaining economic and social transformation of local communities goes to its dedicated social mobilizers - who shoulder responsibility of organizing the locals and translating vision and programs of PAF into action, applying themselves day and night in the remote and least developed parts of the country. PAF has dedicated this column of Jeevika to those social mobilizers, aiming to recognize their efforts and share their experiences.

Ram Singh Thagunna, a resident of Khar - one of the remote village of Darchula - had started working as a mathematics and science teacher in the school in his village as soon as he completed bachelor level education. But his zeal to do something to transform the lives of the poor and marginalized communities of the district eventually motivated him to take up a profession of social mobilizer.

In 2004, he joined Samaj Kalyan Samsthan (SKS) of Darchula. In the same year, PAF launched its program in the district. His endeavor soon associated SKS with PAF and he started travelling from one village to village, motivating the poor to form community organizations (COs) and facilitating them to implement income generation (IG) and community infrastructure development programs.

"I had little idea of what it meant to be a social mobilize. But now, working for the cause of the poor and excluded people has become the goal of my life," Thagunna, who is now coordinator of SKS, told Jeevika.

In the initial years of his association with PAF, Thagunna's duty was to facilitate COs in 10 village development committees (VDCs), namely Katai, Khar, Iyarkot, Sipti,

Latinar, Gulzar, Dethal, Gokuleshwar, Bramhadev and Bohari. His job started from very early in the morning and went on till very late in the evening. During these hours, he was required to travel for hours from one CO to other, interact with the poor and excluded people, motivate them and support them develop proposals on IG and community infrastructure development projects that they deemed necessary for improving their living conditions.

Providing technical inputs, facilitating them to coordinate with the local service providers and teaching them how to maintain accounts and manage revolving fund are also integral part of his duty.

"The work is very challenging, especially as the areas where I work is remote and has difficult geographical terrain. People I work for are mostly illiterate and have little idea on how to develop formal projects. But the good part is; they are open, willing to learn and have strong desire to do something for themselves," said Thagunna.

In the recent period, Thagunna works with COs in Seri, Gulzar, Khar, Iyarkot, Sipti and Latinar VDCs only. "We decided to confine our focus in six VDCs only considering the rapid expansion of poverty reduction programs in those VDCs. This was crucial for ensuring the effectiveness of the PAF programs," he added.

Currently, Thagunna and his organization are catering services to 229 COs and 21 CO Federations in those six VDCs. This focused approach has enabled Thagunna reach the needy COs and cater

services to them more promptly. It has enhanced service delivery, eased coordination with PAF and enabled the COs to implement their programs more effectively.

"At surface, PAF programs appear very ordinary. But impacts they have had on poor and excluded groups' lives are extraordinary," this is how Thagunna sums up his experience of working with PAF and COs.

Goats rearing, cattle raising, fishery and other income generating activities supported by PAF are nothing new to the people in the district. "But what is new is; PAF has taught them how to run those programs commercially and how to derive financial dividends from them," he added.

Success of those programs and consequent rise in confidence have further embolden the poor to jump into retailing business, manufacturing of hand-made paper, processing herbs and other innovative activities, something which they never imagined to take up in the past. "PAF has given new hopes and raised confidence among the poor and made the community as a whole vibrant. This is very rewarding experience," he related.

Poor connectivity and difficult geographical terrain render linking up the new income generating activities with the market a difficult task. But thanks to enthusiasm and zeal to do something, CO members are finding different ways out to overcome this constraint.

Use of improved technology in agriculture and off season farming too has brought in positive changes in the lives of the poor. They no longer suffer from hand-to-mouth problem.

Environmental Assessment and Planning in Community Sub-projects

By Avishesh Neupane



It is impossible to separate developmental issues from environmental issues, especially as many forms of development degrade environmental resources upon which they must be based. Environmental degradation, in turn, can undermine economic development. PAF recognizes this fact and lays emphasis on addressing environmental problems associated with developmental works as early as possible.

Majority of PAF supported sub-projects are of small and micro scales. They hardly fall under legal obligations for environmental assessment. However, PAF realizes that even micro/small scale projects may have some environmental implications and has laid down Environment Management Framework (EMF) to address them as precautionary principles. EMF has standardized methods for the sub-projects to assess the environmental problems associated with their implementation and ways to mitigate them.

PAF's EMF requires community to incorporate environmental considerations in every sub-project. It makes environmental assessment and planning mandatory during the project preparation for sub-project's approval. Environmental assessment in the early stage of project cycle is the primary tool used by PAF to integrate environmental considerations in the sub-projects and ensure that proposed development activities are environmentally sound or have minimal environmental impact. During project implementation, PAF reviews the progress on implementation of the mitigation measures outlined in the

environmental management plan prepared by the Community Organizations (COs).

Practical Environmental Guidelines have been developed and incorporated in Environment Management Framework to improve environmental assessment and management in sub-projects. These guidelines inform the user about likely environmental impacts of the project activities and the norms (COs and POs) they should follow in a simple language. The mitigation measures for such impacts are also described in the guidelines. Hence, the guidelines serve the users in two ways; firstly, by helping them in identifying the possible adverse impacts of the project activities and secondly, by providing them mitigation measures to mitigate those impacts. Currently, Environmental Guidelines have been prepared for 31 most common types of sub-projects/activities like livestock raising, crops and vegetable farming, drinking water sub-projects etc.

The Process

During the proposal preparation of a sub-project, a social mobilizer reads aloud the environmental guidelines of the activity/sub-project to the CO going to undertake it. Through this, the CO members get insight of generic environmental risks associated with the sub-projects they are going to implement and the ways to manage them. The social mobilizer also facilitates the CO members to discuss the possible risks specific to the area and scale of sub-project. Their mitigation measures are also discussed. Consensus is built to implement those measures during the project implementation. Resources

needed for such mitigation measures too are allocated and responsibilities of implementing them are distributed among the CO members. These findings and decisions are recorded in the CO's minute book and are also used to fill a simple checklist popularly known as ESA (Environmental and Social Assessment) checklist. ESA checklist provides PAF with an opportunity to obtain an initial insight on environmental and social concerns of the proposed sub-projects. This checklist also provides basis for approval of the sub-projects on the environmental ground. Depending on the degree of complexity and the size of sub-project, it can also recommend for further assessments, such as Initial Environmental Examinations (IEE) and Environmental Impact Assessment (EIA). This checklist also serves the CO as a prompter for implementing the committed environmental mitigation measures during the sub-project implementation and also as reference material for the monitoring agencies.

Outcomes

Community-level environmental assessment and planning has increased environmental awareness among target communities and ensured environmental friendliness of the sub-projects. CO members involved in goat raising have begun to incorporate fodder plantation and stock feeding, and vegetable farmers have committed to reduce pesticide use. School buildings and rural roads are enriched by trees plantations. These simple efforts of environmental planning at the local level have helped to conserve natural resources, contributing in sustainable development of the community.

Activities

PAF signs MoU with NBL

PAF signed memorandum of understanding (MoU) with Nepal Bank Limited (NBL) on October 12, 2009, inducting it as a full-fledged banking partner of the Fund. So far, Rastriya Banijya Bank (RBB) had been coordinating and facilitating with the NBL. The signing of MoU has introduced competition among the banks to provide better service and also enabled PAF community organizations to choose their own

convenient banks. Currently NBL has 107 branches in 52 districts in the country. Prior to the MoU also, five PAF districts, namely Rolpa, Rasuwa, Jajarkot, Rukum and Dolpa, were relying on NBL's services to operate the community accounts.

New partnership efforts

PAF held a meeting with senior officials of Ministry of Local Development and GTZ/UDLE on December 29, 2009 aiming to explore out avenues for forging partnership with local development authority and GTZ/UDLE. The meeting focused on ways to better tackle poverty in municipalities - the urban centers of Nepal. On the occasion, senior officials of the three agencies shared their expertise and experiences on anti-poverty programs and interacted on the ways they could work together. PAF professionals too had participated in the interaction.

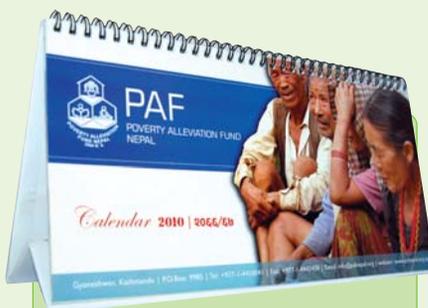
PAF holds workshop

PAF organized a national level workshop from October 14 to 15, 2009 to share experiences and lessons among its staff. The program was attended by portfolio managers, senior PAF officials and other project staffs. PAF executive director Raj Babu Shrestha highlighted the objective of the program. He also shed light on workshop directives and made a brief presentation of PAF plan. At the onset of the program, different groups were formed to review divisional plans, monitoring and evaluation, among others. A presentation was also made on PAF vision document to apprise the participants on the medium and longer term vision of PAF.

Watch Weekly
TV programme

"Paribartan"
Nepal Television

Every Thursday @ 9.30 pm (NTV), and
re-telecast on
every Tuesday @ 7.30 pm in NTV 2



PAF Table Calendar 2010

PAF came up with Table Calendar 2010 for distribution among its staffs, portfolio managers, member community organizations, partner organizations and other stakeholders. Apart from offering organizer, the table calendar also casts glimpses on poverty situation in Nepal, PAF's objectives, concerns and efforts to fight poverty. The calendar also sheds light on the structure of organization, definition of poverty, work area, inclusive framework, its priorities ahead, exit strategy and targets. Thus, the calendar also serves as a reference material on PAF for its stakeholders.

PAF's general staff meeting

PAF held general staff meeting on December 1, 2009. The meeting, second of its type held so far, were participated by all PAF professionals and general staff. During the meeting, PAF officials discussed on progress and achievements made on the past issues, which were largely related to human resource management, logistics and facilities, among others. On the occasion, PAF staffs also raised new concerns and floated new issues for consideration.

PAF finalizes orientation materials for new POs

PAF organized a meeting at its office on November 12, 2009 to formally finalize and pronounce the materials including PAF orientation materials for the newly selected partner organizations (POs). During the meeting, the PAF professional discussed on the financial and technical proposal documents and agreements' formats that PAF will adopt for the new POs, which it has selected to facilitate the introduction and implementation of its programs

in the new 15 districts. As in the past, the PAF will hold orientation programs in respective DDC premises of the selected districts, where it will inform the participants about PAF, its objectives, modus operandi, their duties and function, among others.

PAF presentation in TU

PAF officers Shree Ram Subedi and Kanchan Tamang Lama made presentations on PAF in Central Department of Psychology, Tribhuvan University, the largest university of Nepal.

During the program, aimed at , disseminating information on PAF to academia and students, they highlighted the concept of poverty and its prevalence in Nepal. They also informed the participants: why PAF was formed and what are its goals and objectives.

Mr. Subedi and Mr. Lama also shed light on PAF guiding principles, modus operandi and its demand driven approach, highlighting why PAF was different than other poverty reduction programs. They also discussed PAF social inclusion framework, PAF program components, PAF coverage and outcomes achieved so far, among others.

Women's Group Mission visits Humla, Banke

A high-level women's group mission, that included different donor heads including the World Bank, visited two PAF districts - Humla and Banke on November 3 to 6, 2009. In Humla, the team visited project site of World Food program in Shreenagar village development committee, where the team members observed Dimbarpata cold storage, apple orchard and interacted with the community members. They also held discussions with WATCH groups, community mobilizers, female health volunteers, child club members and village facilitators, among others, working with UNICEF and WFP. The team

members also met with community members participating in the recently begun PAF project.

The team then travelled to Simikot where they visited PAF supported retail shops run by a cooperative. They also met with the DDC officials and other stakeholders. The team also observed WFP's food distribution and Nepal Food Security Monitoring System. It visited a hospital, Bhimsen Primary School and interacted with school management committee and teachers, and observed school sanitation. The team members also interacted with UNICEF paralegal committee and district resource group members. The team also visited WFP fish ponds in Bankatti village development committee of Banke district.

PAF officials participate in B'desh workshop

PAF Executive Director Raj Babu Shrestha and Finance and Administration Chief Manoj Chipalu attended three-day workshop on institutional development and human resource management in Bangladesh from November 3 to 5, 2009. During the workshop, they discussed on various institutional development and human resource management practices followed in different countries to achieve desired impact outcomes.

PAF story features in WB newsletter

The story of how PAF transformed the life of Bhum Bahadur Nepali, a resident of a mountainous district of Pyuthan, featured in the World Bank newsletter "South Asia Rural Livelihood" in September 2009. The story relates that Nepali with financial assistance of Rs 14,000 from PAF is now earning Rs 6,000 a month. The loan has helped him buy a sewing machine and an interlock machine to start the tailoring enterprise. "And Bhum Bahadur is just one of many Dalits currently supported by Poverty Alleviation Fund-Nepal program," says the report.

WB Mission Visits Nepal

A World Bank Implementation Support Mission visited Nepal from August 20 to September 10, 2009 to assess status and progress of PAF. It reviewed PAF's performance, progress in implementation and monitoring, and provided necessary inputs as well.

The mission held discussions with PAF board members, management and project staff. The mission also met with the Vice Chairman of the National Planning Commission, the Chief Secretary of government of Nepal and Joint Secretary of Ministry of Finance. The mission also visited Chitwan, Makawanpur, Siraha and Rautahat districts and interacted with COs and local authorities at the DDC and VDC levels. The mission, in particular, recommended PAF to strengthen links between microfinance institutions (MFIs) and the community groups to help them sustain progress they achieved in enterprise development and management of their own finances. The mission suggested PAF to finalize the revolving fund operational manual and develop simplified versions, explore agricultural insurance products, prepare strategy for linking COs with MFIs, prepare strategy for institutionalization of COs.

The mission also suggested PAF to strengthen its monitoring function. Given the rapid scaling up of the program, the mission also pushed for a review of fund flow mechanisms to make those more efficient. The mission also sought PAF to improve its existing financial management information system.

PAF in Brief

As of 30 December 2009



Why PAF?

PAF was created to address the targeted programme which is one of the four pillars of Tenth Five Year Plan in Poverty Reduction Strategy Paper (PRSP). “Poverty Alleviation Fund ordinance 2060” and subsequently “Poverty Alleviation Fund Act 2063” was issued to guide the structure and activities of PAF.

Governing Board

Twelve members governing board is chaired by the Prime Minister. The Vice Chairperson and five members

are appointed by the government from the professional. Other five members of the board are ex-officio - Secretary, National Planning

Commission; Chairperson, Association of District Development Committee

Nepal; Chairperson, Association of Village Development Committee Nepal; Chairperson, Nepal Women Commission; Chairperson, Nepal Dalit Commission.

Goal

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

Guiding Principles

❖ Targeted to Poor-Antodaya: Prosperity of poor and disadvantaged at the lower end of economic ladder. The last is the

first for PAF. Participatory well being ranking and self selecting process to identify poor.

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

HEADING		NUMBER	AMOUNT (NRS.)	
Community Organisations (CO)	Registered with PAF	13,095		
	CO Federation Registration Agreement	314		
	PAF Investment in CO	12,102	6,177,510,309.11	
Partner Organisations (PO)	Income Generating (IG) Activities	11,884	5,003,550,921.59	
	Community Infrastructure	2,328	1,173,959,387.52	
Districts Covered	POs Working	408		
	Total	49		
	Regular PAF Districts	40		
	Phase I (6 Districts)	6		
	Phase II (19 Districts)	19		
	Phase III (15 Districts)	15		
	Innovative Programme	10		
VDC Covered	NDM-World Bank Innovative Prog.	24		
	POs Working	1,655		
	COs Programme Activity	816		
			PERCENTAGE	
CO Member House Holds (HH)	Total	357,677		
	Poverty Ranking	Hardcore Poor (Ka)	235,549	65.86%
		Medium Poor (Kha)	91,202	25.50%
		Poor (Ga)	30,451	8.51%
		Marginal Non-Poor (Gha)	475	0.13%
	Gender	Male	97,969	27.39%
		Female	259,708	72.61%
	Ethnicity	Dalit	104,437	29.20%
		Janajati	100,651	28.14%
		Others	152,589	42.66%
Total Beneficiary HH	Total	457,804		
	Ethnicity	Dalit	130,526	
		Janajati	126,008	
	Others	201,270		