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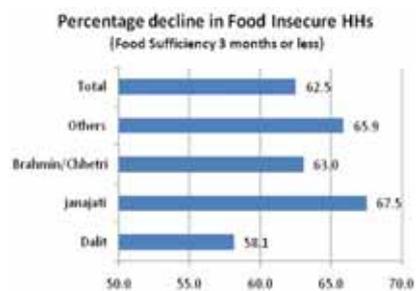
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Real Income of Poor rises 68.25% per annum

High inflation for last three years hurt the low-income groups badly, but that still did not prevent poorest households of Nepal receiving PAF support from reaping a significant rise in their income and consumption, if the latest finding of PAF is anything to go by.

In fact, the households that received PAF support for a period of 3 years or more recorded 68.25 percent rise in average annual income adjusting inflation (i.e. real income), say Social Re-assessment Report that the PAF released recently.

“The real income raise at the household level is even higher for dalit and janajatis,” says the report, revealing that the average real income of dalit through this period grew by 83.95 percent and that of dalit increased by 79.25 percent.

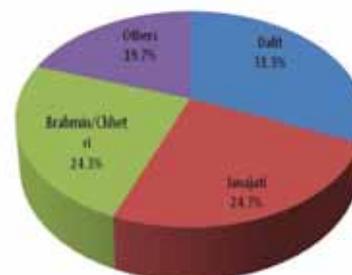


Thanks to the rise in income, the study shows the percentage of household living with food insufficiency of 3 months or less dropped from 66.9 percent to 24.1 percent.

“The very number of hard core poor households (families living with less than 3 months of food security) has dropped

by almost two-third (63.3 percent to be exact). This is really encouraging,” said Kanchan Tamang Lama, PAF’s Research and Development Officer.

Composition of CO members by Caste/Ethnicity



Such findings came when the PAF had compared income data of 4,880 households in 11 districts of Nepal. The baseline income data, on the basis of which the real income growth was calculated, were generated when the PAF launched its programs in those districts in 2008 or before. And the latest data too were generated from the same households using the same methodology in 2011.

The study was carried out in districts, including Bajhang, Dadeldhura, Dailekh, Darchula, Humla, Jajarkot, Kalikot, Pyuthan, Rautahat, Sindhuli and Siraha and covered 175 community organizations - which are the associations of the poor formed in those districts.

Of the total households covered by the study, dalit households were 32.1 percent,

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Empowering Dalits in Nepal

– Shree Ram Subedi, PAF

Dalits, the so called untouchables, have nearly 13 percent share in the national population. Being tagged as lower caste people, they have faced social, political and economic discrimination for centuries. They face discrimination not just in using and having access to public utilities and places, but are also excluded from the legal system and public policies. As a result, poverty among Dalits is rampant -- estimated to be at around 45 percent against the national average of 25 percent.

In the recent years, the government has played a proactive role in increasing the participation of Dalits in public policy sphere. Yet, the issues of untouchability, discrimination, poverty, social prejudice, inaccessibility to resources, and lack of representation in governance and political system continue to prevail. Certain traditions, Balighare, Haliya and Kamaiya among others, have helped to perpetuate the discriminatory practices against Dalits. Under some of these traditions, Dalits work for the Non-Dalits throughout the year and receive very little or no compensation of the work.

There is no denying that such system of inequality and discrimination must be rooted out if the country is to establish long term peace and ensure development. Hence, PAF, which is working in 40 of the 75 districts in Nepal, has launched a robust social mobilization process, encouraging communities to discard untouchability and other exclusionary measures toward Dalits and other oppressed groups.

Dalits and COs

Owing to its special endeavors toward the poor and excluded communities, PAF that has already reached 2 million poor households has managed to incorporate a large number of Dalits in its anti-poverty and inclusion drive. Data shows, today, of the total PAF beneficiaries, who are referred as CO members, 29 percent belong to Dalit

Different Sectors	Dalit	
	Total HHs	%
Livestock	30,115	68.4%
Trading	4,612	10.5%
Community Infrastructure	4,358	9.9%
Agriculture & Others	2,659	6.0%
Service Sector	1,599	3.6%
Manufacturing & Others	451	1.0%
Social Service	245	0.6%
Total	44, 039	100.0%

communities. That is not all. Dalits today enjoy 34 percent share in the key positions of the COs - which is the highest among any social groups represented in PAF.

Diversity of Activities

Analysis of last two years' data shows, out of the total 44, 039 thousand Dalit households involved in the PAF programs, 68 percent are engaged in livestock farming, 10 percent in trading and another 10 percent in community infrastructure development activities. Furthermore, the 50 percent of the total Dalit households involved in livestock are involved in goat raising; followed by 22 per cent in Buffalo raising and 12 percent in cow raising.

The high intensity of goat raising is attributed to their landlessness and little space required to take care of goats. The increasing number of Dalits in buffalo and cow raising indicates that the rural communities are accepting the milk produced by the Dalit communities, something which was unimaginable in the past. The data also reveals that a large number of Dalits are engaged in retail business and vegetable farming, confirming that positive change is taking place in the rural landscape of Nepal.

The outcome

Reaching out to the most vulnerable groups, especially those who are disadvantaged due to gender, caste, ethnicity or physical isolation, PAF has demonstrated that even modest resources given to community-led development initiatives can help many poor families get on a sustainable path out of poverty.

A recent social re-assessment study of 4,880 HHs in 175 COs of 11 districts has revealed that more than 68.3 percent of the HHs has witnessed a rise in their real income by 15 percent or more. Similarly, the incidence of food insecurity (food sufficiency for three months or less) has declined by 63.4 per cent among the CO member HHs.

Likewise, an independent impact evaluation done in 2010 has shown that the overall welfare of PAF assisted households improved by 13-49 percent. The estimated net program impact on per capita consumption is 28 percent for those HHs who have participated in PAF program.

The findings show that the impact in the

PAF launches program targeting artisans

Poverty Alleviation Fund (PAF) on April 25, 2012 launched a four-year project namely, 'Making Markets Work for Conflict Affected in Nepal' aiming to enhance capacity and market accessibility of poor rural artisans.

"The project will address the needs of the poor artisan community in rural Nepal that know the skills, but have no idea of the market demands," said Gayatri Acharya, task team leader of PAF at the World Bank (WB) at the launching ceremony.

The project is being implemented with US\$ 2.7 million grant assistance of Japan Social Development Fund (JSDF) in 9 districts covering 8,000 households. The World Bank is administering the project in Tehrathum, Rupandehi, Kapilvastu, Danusha, Lalitpur, Myagdi, Gorkha, Dailekh and Bajura.

Under the project, PAF - the implementing agency - said it will mobilize the artisan communities to form their own institutions, provide training

and capacity building and develop artisans specific financing tools with the help of livelihood partner organizations.

Likewise, its technical partner organization will support the artisan communities on design and product development and marketing. These artisans clusters will be linked to at least 10 commercial banks for enhancing their access to finances and 10 marketing outlets in the major tourist destination for selling their products.

Through the project, PAF and the WB hope to increase the number of days of employment and income of artisans by 25 percent each. "Artisans are people who propagate country's culture and traditions, but sadly in the absence of proper market linkages, they are losing income, and pulling out of the profession. The new project aims at making the profession economically lucrative," said Acharya.

Japanese Ambassador to Nepal Kunio Takahashi expressed the hope that the



project will help raise income of conflicted-hit poor artisans and also conserve the traditional skill. As the project will have large representation of women artisans, he said it can generate multiple positive impact.

"Women in general are hard workers. If young children see their mothers working hard, they will know and learn to work hard themselves in the future," said Takahashi. He also stressed on the need to reach out to the conflict-affected and poor rural people and committed all possible Japanese government support to Nepal for the welfare of the Nepali people. Janak Raj Joshi, vice chairman of PAF expressed optimism over the project fostering the creation of micro-industry and employment in rural parts of the country.

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Janajati's was 25 percent, Bramhan/ Chhetri's 23.1 percent and other communities were 19.8 percent.

The findings of the reassessment study imply that the PAF program over the years of their implementation have effectively distributed growth towards the targeted groups. Those have further demonstrated how PAF as a 'Social Fund' has brought about positive changes in the lives of the poor by directly financing a variety of income generation, community infrastructure and other rural projects (small enterprises) demanded, designed and implemented by the poor themselves.

Previous study, including independent impact evaluation carried out by the Tribhuvan University, have confirmed that PAF's support for at least six months have enabled the poor communities of Nepal to raise their per capita consumption (in real terms) by 49 percent. The rise per capita consumption is even higher in cases of dalit and janajati communities.

Thanks to the program, incidence of food insecurity in households receiving PAF support has dropped by 14 percentage point. It has also contributed in increasing the school enrollment rate among 6-15 year children (among poorest community) by a net 12 percentage points. It is also estimated to have lowered the incidence of underweight among children under 5 years by 5 to 10 percentage points.

PAF has been implementing the targeted poverty alleviation programs since 2004/05. So far, it has benefitted more than 300,000 poorest households in 45 districts.

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growth in per capita consumption is even higher for Dalit and Janajatis, implying the program's ability to distribute growth towards targeted groups. In a nutshell, PAF's intense social mobilizations and financial resources have prepared them to stand on their own feet so that they would embark on a long term journey towards a sustained and long term change.

Challenges and Way Forward

Poverty is deep-rooted in Dalit communities. As a result, it is taking more time to bring them out of the vicious cycle of intergenerational poverty. Further, they lack the required absorptive capacity to receive (and make appropriate use of) the financial assistance initially.

Nonetheless, as PAF Management Information System (MIS) disclosed that Dalits largely prefer to engage in retail business and other entrepreneurship/ micro-enterprise related ventures, PAF has emphasized on promoting such ventures. Since there is a huge demand and investment in livestock, PAF has also realized the need to expand the livestock insurance coverage for Dalits. PAF is currently working to train local resource persons (LRPs) at the local level so that Dalits and other PAF beneficiaries could receive immediate services they need. Through these endeavors, PAF plans to further deepen inclusion and achieve improvement in livelihoods of Dalits.

Bajhang

– Jharendra Bahadur Singh, Portfolio Manager



Bajhang located in Seti zone of the far-western development region is the third poorest district of Nepal. Hence, Poverty Alleviation Fund (PAF) started poverty reduction programs in the district from its very initial phase; 2005/06 to be exact. Presently, its programs cover all 47 village development committees (VDCs) and a municipality. Ten partner organizations (POs) are facilitating the implementation of those programs.

Since the introduction of the PAF programs, poor HHs have got together and registered 506 community organizations (COs) with the PAF and implemented 582 income generation (IG) and community physical infrastructure sub-projects. PAF has so far provided Rs 90 million to the COs. By using it as a revolving fund, the COs have earned additional Rs 2.5 million.

Under the IG sub-projects, programs like livestock rearing (goats raising, buffalo rearing, pig and poultry farming), agriculture (seasonal and off-seasonal vegetable farming, intensive paddy cultivation, IPM technology based farming), hand-made paper productions, and milk collection and marketing programs are under implementation. The COs members are also running programs like orange farming, apiaries,

retail shops, manufacturing of bamboo products, production of iron and copper utensils, tailoring and preparation of gold-silver ornaments.

COs have completed 161 of the total 196 physical infrastructure sub-projects. Under these, communities have built drinking water system, micro-hydroelectricity projects, school buildings, bridges, community buildings, irrigation channel and implemented ICT support programs. These have directly benefitted 12,715 households, including a total of 70,200 persons.

The implementation of these physical infrastructure sub-projects have brought about significant improvement in the beneficiaries' lives. For instance, electricity availed from micro-hydel projects have enabled their children to study for prolonged hours and helped them to halve kerosene expenses. Access to electricity, bridges and irrigation system has opened new income opportunities, enabling them to earn more. This has increased school enrollment; the rate of absenteeism too has gone down. Schools in the district have introduced computer classes, making children and youth coming familiar with the latest technology. PAF has implemented numerous capacity

building programs to ensure sustainability of its programs. It has imparted leadership development trainings to the COs office bearers, and also trained the COs members on booking keeping, institutional development, fund management, savings mobilizations and credit management, sub-project selection and proposal writing. Likewise, business-specific trainings like livestock rearing skills, vegetable and fruits farming, and micro-enterprise development trainings too have been organized.

Thanks to those efforts, PAF beneficiaries in the district have enjoyed 48 percent rise in their average income since PAF started its programs. Poor households no more take loans at annual interest rate of 15-25 percent from the local lender. COs since recently have taken steps to bring together all COs of the district under one umbrella and add strength to their voice. They have formed 18 VDC-level networks and set up 23 federations of the COs.

PAF, its POs, local bodies and other stakeholders are regularly monitoring and supervising them. Local political leaders and media too have been providing feedback to the COs.

Heading		Number and Investment				Remarks
		FY 2011/12		As of FY 2011/12		
		Number	Fund disbursed	Number	Fund disbursed	
Community Organization	COs registered with Paf	54			506	
	CO Networks	5			23	Communities' contribution
PAF Investment	Agreements signed	114	57013536	582	302283654	150830572 Total
	On Income Generation	89	25898490	386	118328724	13288561 Cash
	On Physical Infrastructure	25	31115046	196	183954930	75546409 Kind
VDCs having PAF programs		47				61995612 Others
Total Households associated with COs: 12715					Percent	Category of Poverty
Category of Poverty	Hard Core Poor (A)	9157			72.020%	Food sufficiency of less than or equal to 3 months
	Medium Poor (B)	3041			23.92%	Food sufficiency of less than or equal to 6 months
	Poor (C)	510			4.01%	Food sufficiency of less than or equal to 12 months

Poor Generate Electricity from Gassifier



An attempt of the poor community to generate electricity from husk of paddy, which otherwise used to be thrown as waste, has paid off in Parsa district. The project - termed as gassifier - was started under the initiatives of women in Jagarnathpur.



The women eventually proved themselves by successfully providing electrification to whole of the village development committee (VDC) through the project that they conceptualized and many other doubted. "For the generation of electricity, we need 50 kgs of husks per hour," said Amarawati Devi. "It (the generation plant) can also produce electricity from themeda (khar) and hay as well. If we did not get sufficient husks, we can use them for generating electricity," she added.

The poor women's community organization (CO) had kicked off the

project with a support of Rs 4.066 million from the Poverty Alleviation Fund (PAF). By the time it was completed, the CO had already spent Rs 5.1 million. Women associated with the CO had also contributed Rs 200,000 in labor.

Thanks to the effort of the CO, 485 houses of the 5 wards of Jagarnathpur today have access to electricity at affordable rate. The generation plant has a capacity to produce 40 KVA and it can supply electricity to around 600 houses located within a distance of 5.5 kms.

(Courtesy: Kantipur Daily)

Road construction creates jobs for villagers

People of Kusunde in Kochibang VDC are united to construct the Dhobighat-Kochibang road. Villagers, including women, leave their houses early in the morning with tools such as spade and open a track until the evening. They are paid Rs 300 each day on an average.

The Poverty Alleviation Fund has provided Rs 3.2 million for the 38 km

road that links the village with Swargadwari. "We will distribute the amount among labourers," said a local resident Man Bahadur Baijali.

Lalupate Community Organization Chairman Bal bahadur Thedi said the villagers, who aim to complete the work within one and a half months, opened 4 km track in 15 days. As the road

construction has created jobs, many villagers have cancelled their India trip while those working there have started returning home. "There is no need to go to foreign countries if jobs are available here," said Lok Bahadur Baijali and Bir Bahadur baijali, who cancelled their plan to go to India for job.

(Courtesy: The Kathmandu Post)

Program to Root out Poverty Paying Off

Keshab Dagaura, a freed Kamaiya (bonded labourer) from Jhalari VDC-7 in Kanchanpur district, is happy that he has his own house and business. He is working hard to uplift the economic status of his family ever since he was liberated from the Kamaiya system a decade ago.

"I have four katthas of land and am engaged in my own business," said Dagaura, who is now running a rice mill. This transformation in his life came only after Poverty Alleviation Fund (PAF) in collaboration with Nepal National Social Welfare Association (NNSWA) launched a program in the Kamaiya and other poor communities.

"Initially, I took a loan of Rs 25,000 from the PAF to rear pigs. Then, I opened a

rice mill run on diesel with a loan of Rs 50,000. Now, I am running a rice mill powered by electricity with a loan of Rs 100,000 from PAF," said Dagaura, adding that he is planning to take additional loan to run a Sheller mill. He said that the mill processes three to six quintals of rice every day. With its income, he runs his family and saves some money to pay back the loan. Not only Dagaura, many other Kamaiyas and poor people have also benefited from the program. Tek Buda, coordinator of the program, said many former Kamaiyas are engaged in agriculture, animal husbandry, and cycle and motorcycle repairing centers.

He said that 19,848 people of 3,574 households in seven VDCs in the district,

most of them former Kamaiyas, are associated with the program. "PAF is investing budget to provide skill-oriented training and promote income generating businesses such as animal husbandry and vegetable farming in the Kamaiya and other poor communities," Buda said. He also informed that the farmers earned Rs 1.18 million from potato cultivated with the investment of Rs 666,000 in 239 katthas of land in Naukhuri camp area this year alone. Meanwhile, the NNSWA is preparing to extend the program. "Other former Kamaiyas who are left out can also benefit if the program is continued for some more years," said Buda.

(Courtesy: The Kathmandu Post)

We are engaged in redefining poverty

- Janak Raj Joshi, Vice Chairman, PAF



Born in 1960 in Tanahun district, Janak Raj Joshi served in civil service for 25 years, holding the post of Secretary in different Ministries such as Ministry of Peace and Reconstruction, Ministry of Physical Planning and Works, Ministry of Industry, Commerce and Supplies, and the National Planning Commission. He holds Master's degree on Zoology from Tribhuvan University and Public Administration from Phillipines University. As a Humprey fellow, he studied public administration and economic development in the United States. After assuming the post of Vice Chairman of the Poverty Alleviation Fund (PAF) Nepal, he has geared up works to identify individual poor households and issue identity (ID) cards to them. In this context Janardan Baral and Shashikala Humagain of Arthik Abhayan caught Joshi and talked on different issues related with PAF. Excerpts:

Vice Chairman of PAF is being changed as soon as the government is changed. Has not this made PAF no different than any other public enterprise?

I do not think so. It is true that the leadership at PAF has changed with the change in government. But reality is; the governments never forced those

change. Past Vice Chairmen themselves resigned voluntarily. And it will be injustice to compare PAF with any other public enterprise also because PAF Act has clearly provisioned the tenure of the Vice Chairman for 4 years.

Don't you agree it has eroded PAF's credibility?

That is true to some extent. But I also believe that credibility of the institution depends on the person at the helm of the institution. Credibility can be fostered by churning out and delivering good results. For this, the leadership needs to expand the horizon of PAF by bringing in new ideas. My efforts are focused in that direction.

How effective have PAF programs been over the span of last eight years? By what extent has poverty gone down due to PAF activities?

There are numerous agencies working for poverty reduction. For instance, the government alone is implementing 13 programs. Then there are numerous NGOs working equally committedly in the field. Hence, it is difficult to single out and quantify contributions made by PAF alone. Nonetheless, what PAF has ensured is; poor beneficiaries now get fund directly in their bank accounts. It ended the practice of appointing intermediaries, thereby reducing the cost and maze of running the poverty reduction programs. Apart from that, some 50 percent of the total HHs covered by PAF have come out of the poverty line. Categorization of the people who have just enough income to win bread for 3 months, 6 months and 9 months as hard core poor, medium poor and poor respectively has helped to segregate extent of poverty (into three levels) and to identify the people living in those spectrum of poverty. Conditions of all households that received PAF support have improved by a level.

PAF is alleged of scattering the fund that it received. What do you say on it?

Some people argue poverty should have ended immediately after PAF was established, but that is simply not possible. PAF is yet to deliver results we want to see, but I do not agree PAF scattered its resources in a meaningless manner. PAF has utilized its fund concentrating on two set of activities; one is income generation activities and the other is construction of small infrastructure. These infrastructure link producers with the markets and provide basic services like electricity, among others, necessary for creating new income opportunities. Except for these two areas, we have not spent our fund anywhere.

PAF's community organizations (COs) that are implementing its poverty reduction programs are working fine so far. But how do you assure those will continue to work in same manner once PAF exit?

This is one serious issue which we are also working on. It is certain the World Bank will not support us for ever. In that situation, what will the government prefer: continue implementing poverty reduction programs through PAF or implement them through its own machinery? A clear policy decision to this connection must come soon.

Presently, there are 19,000 COs under the PAF system. Our strategy is to facilitate those COs to form their own federations and again encourage those federations to take up a structure of cooperatives, so that they can be self-sustainable financially and technically, and continue executing community-driven anti-poverty program even when PAF make its exit.

You are pushing for an oversight agency on poverty reduction. What is your plan - to evolve PAF as such oversight agency?

Our belief is; there must be an oversight

agency to integrate and regulate all poverty reduction related programs. It should function as a parent institution on poverty reduction. The National Planning Commission can play a role of that institution to some extent. But given its present workload, it will not be able to concentrate on poverty reduction alone. Hence, the 49th board meeting of the PAF Chaired by the PM took a decision on forming an oversight agency. Its structure can be named anything - a 'commission' or 'bureau' or 'center'. If the government wished, we can even widen the scope of PAF and convert it into such an institution. We are soon forming a task force to conduct a study in this regard.

You are talking about issuing identity (ID) card to each poor person. This sounds good as well. But is it possible to implement it fairly (without any bias) in the present political situation?

We believe it is possible. Hence, we have undertaken this endeavor. If we start doubt ourselves, we will never be able to yield good results. Issuing ID cards to poor is pretty necessary. Therefore, we have committed ourselves to this task. It will not be something like any other ID card or voters ID card. Poverty reduction, after all, is an agenda of all the political parties. Hence, I do not think the parties will oppose it.

Possession of poor's ID card will entitle a person to numerous special facilities. In such a context, how can you say for sure the political parties will not make attempts to distribute such cards to their cadets, instead of genuine poor?

We cannot deny possibility of such wrongdoing. But we cannot stop constructing a road fearing that thieves too will use it. If we have a road, both saints and robbers will tread on it. Only thing we must focus on how to check thieves and prevent robbery. The wrongdoing can be controlled through laws and its effective enforcement. As distribution of poverty ID card is a matter of interest of all the political parties, we are moving ahead the program by consulting with them.

In a circumstance when different

agencies are differing widely on actual percentage of poverty in Nepal, how will you decide who is poor or who is not? On what basis will you take such a decision?

This is pretty important matter. In this context, we have evolved a thought that we must redefine poverty in Nepal. The poverty prevalence of 25 percent cited by Nepal Living Standard Survey (NLSS) - III was not ascertained through census, but on the basis of survey carried out in central pocket areas. Hence, we will carry out a census while distributing ID cards to the poor. But the basis for determining who is poor and who is not cannot be developed by PAF alone. We have categorized poverty based on the duration of their food availability. Central Bureau of Statistics measures it on the basis of calorie intake. Hence, we have entrusted the study taskforce to develop criteria for the identification of the poor. We will start card distribution only after the Council of Ministers endorses its criteria.

Since you are committed for issuing ID cards, by when the poor will start getting it?

We will complete policy and practical exercises to this connection by the end of this fiscal year. We have decided to begin its distribution from September 17, 2012.

There are discussions over starting third phase of PAF program. How much fund has it mobilized so far?

PAF has mobilized Rs 9 billion over the span of its eight years.

In the third phase, PAF will continue to implement same sort of programs or you have thought of new areas of intervention?

We must incorporate new ideas in the PAF III. We are planning to continue existing successful programs and add on new programs. NLSS conducted in 2004 had ascertained urban poverty at 9.2 percent, but latest NLSS has reckoned it to have climbed to 15.4 percent. This means urban poverty has risen. This has happened probably due to migration of rural poor to urban centers. But no one has taken this rise in urban poverty seriously. Hence, we

are thinking about launching targeted anti-poverty programs for urban poor. We still have about one-and-a-half years to kick off the new phase programs. Hence, I request the experts and media to suggest us how our programs should be implemented in the new phase.

There are allegations that PAF implements its programs without coordinating with the government and this has increased the problem of duplication of poverty reduction programs. What do you say about it?

Policy-wise, PAF implements its programs based on the government's policy and programs. But PAF Act has granted us functional autonomy as well. Owing to this situation, we still have tasks left to establish a clear coordination with some of the government agencies. The allegation that there exists duplication of programs between PAF and local body at the district level is true to some extent.

Of late, leaders across the globe have been pushing for Aid for Trade to fight poverty, instead of aid on other programs. In such a context, how should Nepal manage aid for poverty reduction?

Foreign aid has two dimensions. First, overseas assistances come in sectors like infrastructure and trade. Secondly, it also comes in areas like social security. What we need to understand here is; the concept of Aid for Trade is pretty difficult to move ahead. That is because for trade we need to have productions (supply capacity) and that requires investment. Investments must flow in the productive sectors. But such investments will benefit certain groups only. Countries like China and India are doing very well on trade and are achieving economic growth of 8-10 percent in recent decade, but they too have huge poor population. This proves that the government must implement social security programs until it attains a situation wherein fruits of development reach all segments of society and all the people have capacity to fairly reap benefits out of it. Donors too understand this reality pretty well. Paris Declaration on Aid Effectiveness too has given them the rights to decide on the areas of assistance.

The credit of success that PAF managed to reap 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.

Parvati Malla

It is already more than three years since Parvati Malla started teaching Integrated Pests Management (IPM) - a technique that enables the poor farmers to control pests that infest their dear crops in an economically and environmentally effective manner - to the farmers of remote far-western villages. But she has not even once bothered to think about how much time has elapsed since she took up this task.



"Pondering on those thought is simply meaningless for me because working for the cause of the poor, who have committed themselves to micro-enterprises, agro-farming and livestock rearing in an attempt to bring about much-needed improvement in their livelihood, has always filled me with immense pleasure. It has given a purpose to my living," she beams with smile.

Parvati had completed school level education from a small school of the village itself and frequented two hours trek every day to study in a collage in Sunkadaa VDC to pursue higher education. "Difficult terrain and absence

of colleges providing university level education in the district prevented me from pursuing still higher education," she recalls. After the completion of Intermediate in Education she came in contacts of senior people who dedicated their lives in social service. This motivated her to work as a social mobilizer. It was during this course she got an opportunity to take part in IPM training for nine-months.

"I always wished to work for the social cause," she told Jeevika. "My family members too are very supportive. Hence, I thoroughly enjoy what I do for the poor," she added. So far, parvati has already imparted IPM trainings to the members of 10 COs in Darchula district and 15 COs in Bajhang district.

Parvati says that she has seen strong hopes in the eyes of the marginalized, dalit, ethnic and women folks of the remote villages after the PAF started programs targeting them. "The programs have done miracle. Women are more aware and confident, and people realize can make their lives better," she said. "And the respect and love they express to me is really motivating," she added.

"Local folks were previously eking out their living by either working for others or begging. PAF programs over the years have dramatically improved condition of their food sufficiency. They do not beg, but work for themselves. They are confident they will be able to work themselves out of the poverty. For me, this is truly a magical transformation," says Parvati.

Poor households that have associated themselves in COs have taken loans to start their business and farming. From their earning, they are not only managing their basic needs but also are repaying their loans smoothly. Parvati feels the programs need to be further deepened.

"Our trainings have helped the farmers greatly, but we still find a number of farmers in remote villages facing difficulty in arranging basic materials to apply the knowledge they received from the training. Sight of such deficiency hurts

me deeply," she adds. Parvati views the poor farmers could reap still more benefits from their endeavors if such material deficiencies are addressed.

Bhuwan Bahadur Sarki

Bhuwan Bahadur Sarki, a social mobilizer associated with SAPROS Nepal, can always be found amid poor associated with 18 COs that have



been formed in 9 wards of Melbisauna VDC of Bajhang. These COs have accommodated 405 households out of total 640 households of Brahmin, Chhetri, Thakuri and Dalit living in those wards. Bhuwan has also played an important role in forming a federation of 5 COs in Dangaji VDC and helped them establish a Dairy Cooperative.

An active social mobilizer since 2005, Bhuwan had passed out of SLC exams in 1994. "But I could not pursue further education due to poverty at home," he told Jeevika. He did not dishearten himself though. He started teaching children in a local village school and soon devoted himself to Dalit Uplifting Movement. Jumping into the profession of social mobilizer, says Bhuwan, enabled him to mingle with the community people and work for the betterment of dalit community. "I take it as an opportunity to serve the needy dalits," he added.

Bhuwan is pretty confident with the working model of the PAF, which places the poor on the driver's seat and let them identify, design and implement income generation and community infrastructure development sub-projects. "This has enhanced capacity of the marginalized and poor communities. Programs like this should go on till the goal of poverty reduction is achieved."

"At a time when the poor were not getting any support from other agencies, PAF programs has provided a great relief to all of them," he adds.

Policy and Problems of Poverty Alleviation

GUEST
ARTICLE

- Dr Mohan Man Sainju

Even though the periodic plans of Nepal laid extensive priority to poverty reduction, the country largely failed to realize the desired success. It is true, poverty reduction programs got less attention during the period when development programs were affected, but they have always received high priority over the last five decades. For instance, the first, third, fifth and ninth five year plan categorically laid strong emphasis to the poverty reduction programs, while the very 10th plan was developed as the Poverty reduction Strategy Paper (PRSP).

But the attempts to reduce poverty by formulating the clear strategic interventions too did not succeed as the government failed to reach out to the extreme poor. The reason was; the State failed to clearly define and, hence, identify the poor in the 10th plan as well. This hindered implementation of right programs in the right communities. Realizing these lacking, the government had set up the PAF. The PAF defined the poor and implemented programs categorically targeting them. The poor were identified and programs were implemented focusing on dalits, ethnic groups and women. The survey of Central Bureau of Statistics revealed widespread prevalence of poverty among dalit, women and ethnic groups. Hence, PAF has taken them as its target groups and has implemented poverty reduction programs for them. Not just in rural areas, poverty has risen in urban areas as well in recent year. Amid growing urbanization and the lack of employment opportunities, many have fallen in the vicious cycle of poverty. Likewise, poverty is rampant among Muslim and Bramhin communities as well.

The other problem of poverty reduction was; NGOs over the years implemented poverty reduction programs as a charity and this spawned a tendency of dependence among the poor. The INGOs that supported those programs did not focus on ways to sustain their endeavors. As a result, the beneficiaries never owned those locally implemented programs after the donors exited. This

'lack of ownership' became a striking feature of poverty reduction initiatives in Nepal. Eventually, this eroded confidence of the people toward development agencies. But after the PAF came into being, it imparted skills to the poor communities to identify their requirements and propose programs as per their needs. The poor were also asked to implement those programs themselves. This built a sense of ownership among the poor toward the programs. Poor could demand and completely own the programs they deemed important for them. This enabled them to understand and sort out their priorities. They even implemented those priority programs themselves.

Another major problem of poverty reduction initiatives was; fund allocated for the poor were either disappearing just like that or never reaching the poor due to corruption and other reasons. Studies at point of time estimated that some 85 percent of the fund allocated for the poor was 'disappearing on the way'. Hence, the PAF adopted a modality of providing direct funding to the poor's community organization (COs) and assigned the local NGO to monitor and facilitate the COs to manage and maintain their accounts properly. This assured poor's access not just to the programs, but also to the fund. This established ownership on the fund as well. It is because of this sense of ownership, the PAF programs were never affected even during the height of the Maoist conflict. The Maoist did not hinder the implementation of the PAF programs, admitting that the programs were genuinely driven by the community and implemented by the poor themselves. The World Bank too has rated PAF's performance as being very effective and has regularly provided additional financing. The programs that started from 6 districts have now reached 40 districts. As the fund provided by the World Bank came in the form of grant, it has not added any debt burden on the Nepalese citizens.

The World Bank has funneled more funds in the poverty reduction programs

because those laid down crucial development infrastructure at the community level and increased the poor's access to basic health and education services. Those infrastructures have helped the poor to link their products with the market. These fundamental changes in the modus operandi of the poverty reduction programs rendered them more effective. This has been acknowledged by the Nepal Living Standard Survey (NLSS) as well.

Thanks to those corrections, the percentage of people living below the poverty line dropped to 31 percent from 42 percent. It has further gone down to 25 percent now. The programs have improved the living standard of the poor.

The latest NLSS has also revealed that the gap between the poor and rich has widened in recent years. Gap between rural and urban areas too has increased. Urban poverty has risen. But the drop in poverty prevalence has proven that poverty can be reduced only if the poor are mobilized effectively and their access to finances and other assets are ensured. Hence, the government should establish their ownership on land and other property even if that means enforcement of land reforms. In Nepal, a few percentage of population hold the major chunk of land. Likewise, the ownership of government enterprises, companies and banks can be decentralized if 5 to 10 percent of their stake is divested to the rural people. The focus should shift in direction now.

Two decades of liberal economic policy and liberalization delivered immense opportunities to the private sector, but the poor did not get anything. Unless we assess what benefits the marginalized communities and farmers get and focus on how they can be linked with technology, we cannot succeed in poverty reduction in present era. Though the gap between have and have not has widened, we need not get lost in its maze. Our experiences have taught us enough. Only challenges that lie ahead is; how to drive the poverty reduction

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Activities

PAF, Helvetas sign pact to uplift rural poor

KATHMANDU, Feb 7: Poverty Alleviation Fund (PAF) Nepal and Helvetas Nepal have jointly formed a strategic alliance to enhance livelihood of the rural poor. The alliance, which begins from Bardia district with possible expansion to other districts, entails joint activities to reduce the vulnerability and increase resilience of the disadvantaged people and increase agricultural productivity. A Memorandum of Understanding (MoU) for the alliance signed on February 7, 2012 with both the institutions agreeing to work together to facilitate access to common land resources for land-poor and landless in addition to disseminating appropriate technologies for the promotion of commercial farming of vegetables.

Both the institutions have also agreed to establish synergies to support poor farmers on market linkages for agricultural products, provide access to irrigation and drinking water and facilitate local level planning.

As part of the understanding, both the institutions will work immediately to develop and train local resource persons needed to facilitate riverbed farming in Bardia district. The agreement has also been reached to forge collaboration to extend the program to other PAF program districts in terms of riverbed farming.

"This a very important beginning as it will avoid duplication of program and resources at the local level and is aimed at alleviating poverty and reaching out to the vulnerable and isolated communities effectively," said Raj Babu Shrestha, executive director of PAF Nepal.

"The agreement is in line with the Helvetas' special focus on improving living conditions of the economically poor and socially discriminated men and women in Nepal," Shiva P. Aryal, country program director of Helvetas Nepal, said after signing the MoU.

PAF, MoLTM sign deal

Poverty Alleviation Fund and Ministry of Labour and Transport Management (MoLTM) have entered in an understanding under which the two institutions have committed to work together to make the poor people aware of the processes and risks of the foreign employment. PAF Vice Chairperson Janak Raj Joshi and Secretary of MoLTM Som Lal Subedi signed the Memorandum of Understanding, which aims to prevent the poor from possible exploitations and inform them on how they can safely enter in the foreign job markets, on April 30, 2012. The awareness program will mobilize 60,000 households associated with some 20,000 COs of 40 districts wherein the PAF programs have been implemented.

Poor to get ID card

The government has decided to identify the poor and distribute identity cards to them in the next fiscal year 2012/13.

A joint meeting of the two high level panels on poverty -- Poverty Alleviation Fund (PAF) and Central Bureau of Statistics (CBS) -- on March 21, 2012 decided to complete the ground work for identifying the poor within the current fiscal year and begin the distribution of the identity cards to the poor from the next fiscal year.

A Board Meeting of PAF, under the chairmanship of Prime Minister Dr Baburam Bhattarai on February 27, 2012, had constituted a Steering Committee and another Technical Committee to begin works to establish a national standard to identify the poor and issue identity cards to them.

PAF Vice-Chairman Janak Raj Joshi is the coordinator of the Steering Committee while Director General of CBS Uttam Narayan Malla, heads the Technical Committee.

The joint meeting of the two panels, held at PAF Secretariat in Gyaneshwor on March 21, decided to form a five-

member working group, comprising representatives from National Planning Commission (NPC), CBS, Ministry of Local Development, Ministry of Home and PAF, to assist the Technical Committee to suggest a methodology and approach to carry out the task of developing an acceptable standard for identifying the poor.

The office of the working group located at the National Planning Commission (NPC) Secretariat, which will provide required logistic support.

The Steering Committee assessed that starting the task of identifying the poor and distributing identity cards to them will need strong political commitment from the highest level and decided to meet with the senior leaders of the major political parties.

For an inter-agency coordination required to accomplish the task, the Steering Committee also decided to organize a joint meeting with the National Identity Card Management Centre under the Home Ministry, and the Election Commission.

"Issuance of identity cards to the poor is an effort of the State to reach out to the poor, vulnerable and under-served communities," said PAF vice-chairman and coordinator of the Steering Committee Joshi.

During the meeting, CBS Director General Malla and PAF Executive Director Raj Babu Shrestha presented separate papers on the current practices and approaches to identifying the poor.

World Bank asks PAF to work on PAF III

The World Bank has asked Poverty Alleviation Fund (PAF) to start laying groundwork to qualify for a possible third phase of support, as Phase II of the project is about to come to an end.

"It is time to begin thinking about how PAF III would look like," said World Bank's Country Manager for Nepal,

Taseen Sayed, during a brief interaction with PAF senior officials on March 27, 2012. She also stressed the need to establish better coordination and linkages with the public sector in the next phase.

The PAF II is coming to an end in September 2014. The World Bank has provided grant amounting \$215 million for PAF since 2004. The World Bank Nepal Office chief also said that World Bank was ready to offer technical support in providing identity card to the poor and establishing an oversight agency for poverty.

Established in 2004, PAF is the largest community development program,

targeting poor women, Dalits, janjatis and other marginalized groups. Currently implemented in 40 districts, the program so far has supported 19,000 community organizations to implement different income generation, community infrastructure and capacity development schemes.

PAF to provide skill-oriented training to squatters

The Poverty Alleviation Fund (PAF) is planning to provide income generating trainings and drinking water and sanitation facility to squatters who were recently displaced from the Bagmati River bank. The skill-oriented trainings

are expected to provide employment opportunities to the have-nots.

The 42nd meeting of the PAF held under the chairmanship of Prime Minister Dr Baburam Bhattarai took a decision to this effect on June 15, 2012. Vice-chairman of PAF Janakraj Joshi said the PAF would offer income generating trainings to the squatters through mobile fund after uniting the squatters in different groups by identifying the status of real squatters.

The meeting has also decided to distribute identity cards to the poor people and launch it as a national campaign.

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policy effectively. Giving high priority to poverty reduction in the policy but failing to develop according action plan is our old disease. We failed to yield success because we did not rope in technology, participation and other factors in the poverty reduction action plan. We never considered the possible adverse impacts of frequent introduction of new programs. Poor will feel the difference only if we properly analyze what benefits will large projects deliver to the poor and focus on fine-tuning those large projects to serve the interests of the poor. Our policies do cite the importance of such assessments, but they have not yet been duly executed.

Our economic growth rate averages at around 5 to 6 percent. In this context, we are much backward when compared with other South Asian countries. India, Sri Lanka and Bangladesh were backward than Nepal in the past, but they have overtaken us by pretty huge margin. Our economic development has stagnated and is incomplete. But anti-poverty strategy that Nepal has adopted makes us hopeful. BIMSTEC Ministerial Meeting on Poverty Reduction keenly studied the programs run by the PAF Nepal. The meeting even adopted the Kathmandu Declaration. But real picture is; we are far below the other BIMSTEC members. Majority of our population suffer from food insecurity. The State is compelled to subsidize food distribution. The government spends as much as Rs 500 million to supply food to the remote areas, but no focus has been given on increasing productions. There exists no

harmony between demand and supply. Soaring food prices have badly affected living standard of all.

Development of technology and communication has raised people's needs and aspirations. But failure of the country to post similar growth in productions and income has brewed in negativity. Unemployment has increased. Even though poverty reduction programs have improved ownership and raised income of the poor at the local level, educated and middle class youth are facing difficulties due to the lack of income opportunities. The State has failed to fulfill their aspirations. The failure of the government to spend even the available development budget has increased threat of brewing disenchantment in poverty reduction plan and programs as well. Availability of resources and means indicate Nepal has ample capacity to create jobs. But those have remained untapped. We have failed to harness potentials of herbal resources available in the mountainous region, among others.

Nepal has geographical environment wherein all types of manufacturing activities can be carried out, but we have failed to utilize it. We have failed to make development programs employment-oriented. The government must play its part in this regard. If the private sector is mobilized to expand small and medium scale industries, jobs can be created. The private sector has attained quantum jump in the health and education sector. This has created jobs for thousands of

people. Human resources too have developed in a significant way in those sectors. If the government harnessed the skills, capital and eagerness of the private sector, it can create substantial number of jobs. Cottage industries have created thousands of jobs. If those industries are given a larger shape, they can create more job opportunities through exports.

Likewise, employment can be created by implementing infrastructure projects like hydro-electricity and roads. The responsibility of create jobs in these sectors primarily rests on the government. But, unfortunately, growing power cut has lowered numerous jobs. Nepal receives billions of rupee in remittances, but has failed to lure those money in the productive sectors. No wonder, the country has lagged behind in realizing the goal of poverty reduction despite five decades of planning endeavors. MDGs have benchmarked poverty at an income of a dollar a day. But this standard set some 12 years ago does not appear applicable now. Presently, the poverty line has been drawn at 1.25 dollar a day. A recent study by Oxford University has revealed the poverty prevalence in Nepal at 65 percent. Such huge incidence of poverty was assessed because the research used diverse and very comprehensive methodology.

PAF In Brief

As of 30 June 2012

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) and major focus of following Three Year Plans. "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 to sustain the efforts
- Transparency at all levels

Heading		Number	Amount (NRs.)	
Community Organisations (CO)	Registered with PAF	21,407		
	CO Federation Registration Agreement	934		
		20,081		
PAF Investment in CO	Income Generating (IG)	19,826	7,590,363,084.79	
	Community Infrastructure (INFRA)	3,864	2,061,660,007.79	
	Total	22,753	9,652,421,346.60	
Partner Organisations (PO)		366		
Districts Covered	Total	59		
	Regular PAF Districts	40		
	Phase I (6 Districts)	6		
	Phase II (19 Districts)	19		
	Phase III (15 Districts)	15		
VDC Covered	Innovative Programme + NDM	19		
	POs Working	1,686		
	COs Programme Activity	1,591		
			Percentage	
CO Member House Holds (HH)	Total	560,717		
	Poverty Ranking	Hardcore Poor (Ka)	365,864	65.61%
		Medium Poor (Kha)	143,543	25.60%
		Poor (Ga)	50,289	8.97%
		Marginal Non-Poor	1,021	0.18%
	Gender	Male	140,172	25.00%
		Female	420,545	75.00%
Ethnicity	Dalit	160,796	28.68%	
	Janajati	164,105	29.27%	
	Others	235,816	42.06%	
	Total	616,756		
Total Beneficiary HH including Infrastructure	Ethnicity	Dalit	175,553	
		Janajati	167,696	
		Others	273,507	