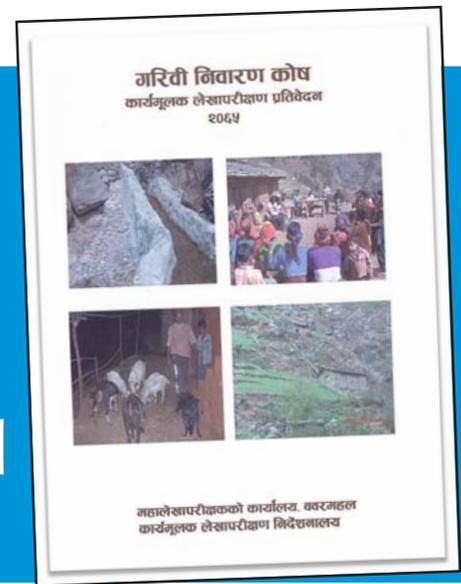




PAF has successfully transformed poor's life: Auditor General Office



- Implementation of PAF programs has eased living, and improved income and savings status of the community people.
- PAF has established savings behavior in the community. Ninety-four percent of the CO members today have their own savings account, which range from Rs 10 to Rs 30,000.
- Eighty percent of PAF beneficiaries belong to the backward community. So, PAF is well on track of meeting the goal of social inclusion.
- PAF is spot-on in the transparency front. The COs regularly publicizes their cost, spending and progress on the community notice-board placed at open public places.
- There is no misuse of the fund, as all the fund from the revolving fund has gone to the community members. Those have been used in the income generation activities as proposed by the members. No fund has been gone outside the CO members

reviewed the activities of partnership organizations (POs). It had covered 52 sub-project agreements of Kapilvastu, 34 sub-project agreements of Ramechhap, 44 sub-projects of Darchula and 32 sub-project of Jumla district.

OAGN had conducted focused group discussions, interviews, field observations and collected of different evidences to generate primary data. Secondary data were generated through the review of PAF documents and sub-project agreements, among others.

The audit reviewed implementation status of the subprojects and and impact of the program on income, child enrollment status, among others.

Points mentioned above are mere few of the findings of the first major performance audit that Office of the Auditor General Nepal (OAGN) conducted on PAF program. In its report, OAGN has lauded PAF for efficient management of its programs and bringing in positive changes in the lives of the poor and excluded groups in the rural hinterland of Nepal.

While reporting on inclusion of women, Dalit, Janajati and indigenous group, and fund management, OAGN has said that participatory and group-based decision making process has increased sense of ownership among the targeted communities towards the subprojects.

contd. pg 3..

At the same time, it has also pinpointed various challenges facing PAF and recommended numerous reforms measures. It has suggested PAF machinery to interact more with the people's representatives and government line agencies, speedily respond to the communities' project proposals, and further streamline operations of community organizations (COs).

During the audit, OAGN had audited the grant provided to the COs and

INSIDE

- 3 Village gets drinking water in 19 days
DISTRICT FOCUS: Doti 4
- 5 SUCCESS STORIES: Hotel transforms Dalit couple's life
- ARTICLE: War of Poor against Poverty 6
- 8 PO/CO CORNER: Tek Bahadur An active social mobilizer
- SECTORAL FOCUS: "Poverty and Education", a PAF perspective 9
- 10 TITBITS: Activities
- 12 PAF IN BRIEF

NOV / DEC 2008
Teerika
PAF NEWSLETTER

Community Based Monitoring

By Jhank Narayan Shrestha



A TRIMESTER NEWSLETTER OF PAF
VOL 3, NUMBER 7, NOV / DEC 2008

Editorial Advisor
Raj Babu Shrestha

Editor
Shree Ram Subedi

*Jeevika is published on trimester basis
by the Poverty Alleviation Fund.
Readers are welcome to distribute and
reproduce the contents of the Newsletter
with the appropriate
credits to Poverty Alleviation Fund*

Poverty Alleviation Fund (PAF)
Gyaneshwor, Kathmandu
P.O. Box 9985, Kathmandu, Nepal
Tel: +977-1-4410041
Fax: +977-1-4442450
E-mail: info@pafnepal.org.np

For a broader range of
resources and information
about Poverty Alleviation Fund (PAF),
please visit our website: www.pafnepal.org.np

For PAF, monitoring starts at individual or beneficiary level. It focuses on community itself for monitoring the programs and provides instant feedback for improving their implementation. This is done through participatory monitoring system (PMS). Under PMS, different agencies and individuals are involved at different levels. But their intention remains the same: improve implementation and attain intended objectives of PAF intervention by enhancing efficiency and effectiveness. PMS gives main focus on indicators of inputs and outputs. Regular monitoring collects evidences of progress in the program implementation, identifies constraints and gaps, and provides feed-backs.

At the community-level, monitoring sub-committees have been formed in and within the community organizations (COs) to monitor income generation and community infrastructure subprojects. So far, some 9,695 monitoring sub-committees have been formed at the grass root level and 29,085 members are involved in the task of monitoring.

Similarly, a social mobilizer is stationed in each VDC to oversee the COs' activities and provide immediate responses.

In another tier of PMS, supervisor regularly oversees the work of social mobilizers and monitors the CO subprojects. Program Coordinator (PC) of a partner organization (PO) is also involved in the day-to-day management of PAF program, and monitoring and reporting activities.

Regular monitoring by POs staffs and other Board Members is in operation in 25 districts. Presently, 9,695 settlements of 713 VDCs are being monitored by 242 different POs selected through free competition following PAF process. These POs hold review meeting every

month and share experiences among themselves. This has helped in their capacity building and addressing diverse issues emerging during the program implementation. It has proved as an effective tool to track down what is going on in the field and also to harness lessons and enhance programs effectiveness.

The district stakeholders (such as DDCs, line agencies, representatives of political parties, journalists) also conduct periodic monitoring of PAF programs in the district.

PAF Secretariat also mobilizes its professional staffs and service agencies (SA) for the task. Portfolio Managers are also responsible for regularly monitoring the programs in their assigned district.

Apart from the officials at the Prime Minister's Office and National Planning Commission (NPC), officials at the World Bank Country Office also visit the PAF operational areas regularly. They independently assess the PAF activities covering wide range of indicators, issues and provide feedback to PAF as well as to the bank. Bi-annual supervision mission from the IDA/WB also conducts field visits and holds interactions with community members, PAF officials and other stakeholders including the Government of Nepal. Missions' reports with feedbacks have helped to improve implementation immensely.

Despite all these efforts, PAF still continues to give more emphasis on monitoring. Its thrust has always been towards laying down a strong monitoring mechanism and strengthening the PMS in order to make the task more participatory, effective and efficient.

Mr Shrestha is a Monitoring and Evaluation Expert with PAF.

Exemplary Community Mobilization Work

Village gets drinking water in 19 days

By Devendra Varma



Villagers of Dandagaun, Arkha VDC-2, Pyuthan have proved that nothing is impossible if they committed themselves to a task. They constructed 2,500 meters long drinking water system and established a well functioning water distribution mechanism in just 19 days.

Previously, the villagers were fetching water from a river located at a distance of an hour trek. Although there was a distribution system constructed by the Drinking Water and Sanitation Division Office, Pyuthan, landslide three years ago had damaged two RBTs and four taps, demolishing the system. So, the villagers were bearing the pain of collecting water from the river.

In the absence of water supply system, locals, particularly women, were compelled to spend morning hours for collecting

water. They could manage little time for household chores. However, this problem of Dandagaun villagers is now solved - thanks to PAF and proactive initiatives of local Tikuri Active Youth Group (TAYG).

“We constructed an intake at the source, laid down 2,500 meters long pipe and built five new taps in just 19 days,” said Engineer Manoj Kumar Shah. “Maintenance of RBTs and four old taps too were done during the period.”

Dandagaun houses 39 dalit households and 24 ethnic families. None of the households produce food enough for a year. Under the aegis of TAYG, two groups formed in the village two years ago had demanded a drinking water system in the village. The drinking water project was started forming a Kathalkhola Drinking Water and Sanitation Community Organization (CO).

“We had never imagined we can accomplish the task in just 19 days,” said Santa Bahadur Pun, chairman of the group. Now all 63 households of Dandagaun collect pure drinking water in their own quadrangle.

Completion of the project has mainly made women happy. It has saved them ample time. “I am planning to use this time to plant vegetables in my farms,” said Ishwori Pariyar, a local. Pariyar informed that she has started a process to take loans from the group for vegetable farming.

The CO’s record shows that the project was completed at a cost of Rs 728,000. Of that amount, PAF had supported Rs 591,000, while locals had contributed the rest in the form of labor donation. “We have had such a deep running problem, everyone was eager to make labor contribution,” said Pun.

Moreover, reuse of the old intake and old taps helped the CO to save Rs 150,000. “We are planning to construct toilets in all the houses with that money,” said Pun. That is not all. The villagers are also preparing to declare the village a “Village free of feces and urine” within a few months.

Political instability in the country had long prevented the residents of Dandagaun from tasting the fruits of development, but this initiative of PAF has spurred a new hope among them, said Lilu Paudel, a teacher at Arkha Secondary School.

contd. from pg 1

“It has also promoted transparency in operations.”

The report notes that it found no unscrupulous financial deals in POs and COs operations. Most of the COs were taking project related decisions unanimously.

“The COs are issuing loans from the revolving fund only after discussing the proposals with all community members. They also have updated books of accounts and other lending and repayment records,” says the report.

However, the study also found that the PAF programs in some district have not been implemented in the way it was intended. “Mainly the POs staffs have not adequately

interacted with the people’s representatives,” notes the report. “Fund in the revolving fund are also not adequate,” states the report.

In its major suggestions, OAGN has asked PAF to start savings increment programs in the entire COs and reduce time for approving the community proposed projects.

OAGN has recommended PAF to further enhance communities’ capacity so that they could operate and maintain accounts independently.

OAGN has also sought PAF to strengthen its monitoring system and make district-level monitoring more effective and regular.



By Bhupananda Biswokarma, PAF

Doti, located at an altitude of 600-4,000 meters above the sea level, is one of the least developed districts of Far Western region of Nepal. It ranks 63rd position on Human Development Index of Central Bureau of Statistics (CBS). The district extends in an area of 2,205 square kilometers and is divided into 50 VDCs, 1 municipality, 11 localities and 2 election constituencies.

The population of the district stands at 212,670. Its literacy rate is 42.6 percent. Agriculture is the mainstay of livelihood. 81.24 percent of the population is engaged in agriculture.

Agriculture, livestock, forest resources and cottage industry are potential sectors of the district. Constructions of physical infrastructures like micro-hydel, gravity ropeway, micro-irrigation, community buildings and rural roads can inject new life and positive energy in the rural villages of the district. As Doti is also the gateway of Khaptad National Park, efficient use of this potential can also create many income opportunities, facilitating socio-economic transformation of the people.

PAF's presence in the district started during January 2006 - the second phase of its program implementation. It current covers

25 VDCs and a municipality. Five partner organizations (POs) are facilitating the implementation of PAF programs. Doti has 302 community organizations (COs) registered with PAF. Of them, 274 COs have already signed support agreements and are implementing different income generating and infrastructure programs.

PAF has so far extended a financial support of Rs 123.155 million in the district. Of that amount, Rs 121.022 million has gone in income generating (IG) programs and Rs 2.132 million for community infrastructure development.

In Doti, 371 subprojects are being implemented under IG programs. Likewise, 3 infrastructure subprojects are also into implementation. These programs have benefitted 9,701 poor households, of which 52.75 percent are dalits, 1.48 percent is janajatis and 45.74 percent are of other communities.

Of the total CO members, 90.91 percent are female. Likewise, of the total beneficiaries, 70.65 percent are extreme poor,

21.57 percent are medium poor and 7.78 percent are poor households.

PAF has organized various leadership trainings, institutional development and accounting trainings to the staffs of POs and the members of COs. As a result, CO members are now able to identify their problems, develop programs to address them, take initiatives to draw attention of the concerned authority, operate saving and credit scheme and maintain books of account.

PAF has also made arrangements to train a rural livestock service provider in each VDC to ensure that technical services are available in the local communities themselves.

PAF programs in Doti are implemented in coordination with DDC/VDC, local bodies and other stakeholders. An officer at the district veterinary office, who monitored PAF programs, has said that the programs are being run satisfactorily in the district. PAF has also worked jointly with organizations like drinking water and Alternate Energy Promotion Center.

PAF Program in Doti:

Achievements (mid-August, 2008)		Number	Amount (NRs)
Community Organizations	Formed	317	
	Registered	302	
	Contracted	274	123,155,020
PAF Investment	Income Generation	371	121,022,620
	Physical Infrastructure	3	2,132,400
Status of Subprojects	Yet to be implemented	35	
	Currently into implementation	72	
	Completed	167	
Partner Organizations		5	
VDCs Covered		25	
Households in COs Groups Covered	Total	9,701	
	Dalit	5,118	
	Janajatis	143	
	Others	4,440	



Hotel transforms Dalit couple's life

SUCCESS
STORIES

By Suman Luintel

Owing to weak financial position, Hira Mani Biswokarma of Khalanga VDC-1, Rukum, spent 15 years in the different cities of India for employment. His wife Kaushila also worked as a labor in Khalanga.

But, neither has Hira Mani gone to India over the last one and a half years, nor is Kaushila forced to work as a daily wage worker now. They presently run a hotel in Khalanga. "Why should I go to India when this hotel is fetching me an income of Rs 12,000 a month?" says Hira Mani.

The credit of this transformation goes to PAF. Kaushila is associated with Sanjeevani Community Organization formed under the aegis of PAF. She started a hotel taking Rs 30,000 in loans from the organization.

PAF is present in Rukum from the last two years. Facilitation works of the local Human Rights, Environment and Development Movement and Research Center has enabled the poor like Kaushila to enjoy benefits of PAF program.

From the income, Hira Mani and Kaushila have already paid back their first installment to the CO. They have further taken loans of Rs 50,000 for expanding the hotel. Of this amount also, they have already repaid Rs 20,000.

"Earlier, no one used to trust us for loans," says Kaushila. "With hotel's income to back us up, now everyone is ready to lend us. Income is good. We do not have any problem now," she adds.

With the income, this dalit couple has also witnessed a radical transformation in their social life. "People used to throw bad words to me when I worked for others. Now people call me sahuni

(respected word for hotelier). The hotel has earned us respect," relates Kaushila.

Owing to a handsome income, this dalit couple has enrolled their children at a school and giving them a good education.



IT links up Bajhang with the world

Bajhang, a remote hilly district located some 900 kilometers away from the country's capital city, Kathmandu, has become close to the world due to recent development of information technology (IT). It has been linked up to the global information superhighway after locals established a community information center with PAF support, investment of Rs 1 million.

Till two years ago, the telephone lines were available only in Chainpur, the district headquarter. The people used to queue up for hours to make a call. But today, they are well connected with mobile lines and wireless telephones. E-mail and internet services too have reached Chainpur, enabling family members at home to remain in touch with male members working abroad.

The information center managed by Seti-Saipal V-Sat Community Information Center formed by the six COs of Lunyeta and Hemantawada VDCs has also helped the people to overcome the problems they faced from the geographical remoteness. Unlike the past, the use of the services has enabled them to know the prices in the closer by markets and sell the products there. This has opened new income opportunities.

Apart from e-mail/internet services at Rs 30 per hour, the people are also enjoying telephone calls and photo copy at the rates cheaper than the market. The center also organizes computer training classes for the interested people. The government, non-government organizations and educational institutions are taking benefits of this technology and enjoying internet facilities. Most importantly, it has built confidence among the community members that they can transform their lives with further application and effective utilization of the services.



War of Poor against Poverty

COs initiatives for institutionalization

By Padam Neupane

PAF, since its establishment four years ago, has worked for uplifting the socio-economic status of the people in the districts lagging behind in terms of Human Development Index. It has run income generation (IG), capacity building and physical infrastructure development programs in the targeted community to attain its goal.

To support the operations of the IG and micro-enterprise programs, PAF disburses finances directly in the community accounts in the form of grant assistance. Community members utilize this money in the form of revolving fund. They use it to issue loans among the members to start businesses. Members gradually repay this loan to the revolving fund from the income they make from the sale of products and services.

The objective behind adopting such a fund management system is to ensure that the COs possess enough money in their revolving funds and members get additional loans whenever needed for expanding their businesses or starting a new one easily. Community Revolving Fund Directives is being prepared at present for the effective operations and management of the revolving fund.

In this war of the poor against poverty, PAF has envisaged to promote sustainable management, operations and continuity of the community organizations (COs). To attain this, PAF has encouraged COs to link up and establish a network organization. It has taken initiatives for the members to be more innovative. On one hand, PAF has aimed for securing community access to services and resources in order to enable them operate various socio-economy transforming programs. On the other, it has adopted a plan to set up legal financial institution, which will remain under the



management of COs network, to extend micro-credit services to the community members.

Going by this policy, COs in recent period have started to set up their network and form cooperatives organizations.

Women Commercial Agricultural Group (WCAG) of Morang started organic farming programs in Tankisunwari and Bajjanathpur VDCs in 2004. Under its initiatives, thirty-three COs, including 22 COs in Tankisunwari and 10 COs in Bajjanathpur, with members totaling to 1,500 members acquired Rs 22.5 million in grant assistance for implementing various income generation programs. The concept of forming cooperatives organization for the operation and management of the revolving fund had evolved after the members repaid Rs 14 million back in the revolving fund.

The step to establish the cooperatives under the coordination of the WCAG was taken following a long discussion of the

members after one of 18 COs did not manage the fund transparently. "The concept was mooted as a measure to ensure that the poor management of one CO did not affect the others," said Kamala Kandel, chairman of the partner organization.

Sita Devi Chaudhary, chairman of Sanjeevani Multipurpose Cooperatives (established under the aegis of WCAG) and treasurer of Ram Janaki CO also said that the cooperatives formation was identified as the most appropriate step after a CO did not abide by the spirit of transparency.

In this way, Sanjeevani Multipurpose Cooperatives was established in 2064 with members numbering to 25. Today it has more than 32 COs and 170 share members. Share membership charge for a CO stands at Rs 10,000, while minimum share investment amount is Rs 500. CO members cannot get financial services unless they buy share membership. Of the total revolving fund of Rs 14 million of the COs, more than Rs 7 million has

already come under the transaction network of the cooperatives. This has freed the COs from the need to deposit the money back in Rastriya Banijya Bank.

“Establishment of the cooperatives has enabled the members to acquire loans from the cooperatives, apart from the COs revolving fund. This has not only eased the members to acquire additional loans, but also facilitated additional financing through extra fund management,” said Dil Kumar Chaudhary, secretary of Indreni CO and member of Cooperatives Credit Committee.

Going by the CO revolving fund guidelines, members cannot reapply for loans without clearing past dues. However, with cooperatives into operation, they can now turn to the cooperatives to fulfill their additional financial needs. This has ensured for continuity of the income generation programs, said Meena Biswas, treasure of the cooperatives and secretary of Shrijansheel CO, Tankisunwari-9.

COs recover the installments from the members and deposit in the cooperatives, earning six percent interest per annum on it. Deposits in RBB, on the other hand, used to fetch no interest return. Such transactions have raised confidence of the members, freeing them from the need to acquire loans from rich lenders at higher interest rates.

With the rise in the members’ demand for loans to start new projects, COs in PAF districts have now started to feel the need of cooperatives organizations. COs are receiving demands from the landless members to buy land. Members aspiring to expand their business or start large scale businesses too have sought for the establishment of the cooperatives.

Following the unanimous decision of the community to set up the cooperatives, trained promoters have committed themselves to develop it as a model institution. They have formed credit committee, audit committee and membership expansion committee to undertake daily activities. They have also taken different measures for its sustainable operations and management. “This will help us to increase capital and cater services to the members at their doorsteps,” they said.

“Apart from financial services, the cooperatives services will also ensure the poor people’s access to finances and development works,” said Sharada Regmi, secretary of the Cooperatives.

Initially, the cooperatives was promoted with a thought of supporting organic farming in the two VDCs. Members were unanimous that organic farming will help them to increase productivity, positively impact productions and also increase demand in the market. Taking benefits of this opportunity, few members acquired land on lease for organic vegetables productions and successfully bought personal lands from the income they made.

At present, the cooperatives issues loans more than Rs 15,000 only. For the loans, a five-member group having similar requirement has to be formed. Concerned CO needs to recommend for the loans. The proposal is then discussed and decided by the Credit and Audit Committee. Members acquiring the loans will need to mandatorily save Rs 20 every month. This provision of saving also exists in the CO.

Both the cooperatives and the CO have provisioned fines against the borrowers who do not pay back their loans on time. COs charge 6 percent interest on loans, while the cooperatives also pledges interest of 6.5 percent on the savings. Community members charge interest of 24.5 percent per annum on savings. Money deposited in the cooperatives is lent to the CO members against the interest rate of 16.5 percent.

“If the interest on COs savings were absent, our lending rate would have dropped to 6 to 10.5 percent,” said officials of the cooperatives. The cooperatives need to invest the money deposited by the COs. But it needs to give the deposits back whenever COs demand. As a result, the cooperatives need to maintain a substantial disposable capital fund.

COs, while establishing the cooperatives, exhibited a strong commitment, followed participatory approach, showed healthy and clean attitude, ensured optimum utilization of community resources and pursued step-wise activities. These are strong features of cooperatives established by the COs.

Initiation of innovative activities under the leadership of illiterate, poor and women groups has also raised the possibility of donor agencies/community taking deep interest on it. These positive aspects further highlight the sound prospect for the COs established cooperatives.

The cooperatives established in a move to protect community revolving fund, and aiming to generate and provide sufficient capital funds to the community members, could serve as a good example for PAF as well. It could be an exemplary model for other PAF districts to look at in their attempt to institutionalize COs network and form a legal financial institution providing micro-credit services at the local level.

Access to services and facilities is very poor in the rural areas. The establishment of the cooperatives and introduction of banking practices in those areas could massively support innovation and capacity building of the community members. Likewise, existence of more space in the COs network to adopt new practices, contribution it makes in establishing the poor’s access to socio-economic, cultural, education and health services, utilization of local resources and access of the poor to management also indicates that the cooperatives can sustainably bring in positive changes in the lives of the poor and the marginalized people. It can effectively transform socio-economic status of the members. Therefore, if PAF and its partner organizations pursue programs to form cooperatives in the districts, they will significantly contribute for the sustainable reduction of poverty.

(The author is the producer of weekly PAF Radio Programme "Garibi Nibaran" from Radio Nepal.)

**Tune Into Weekly
Radio Programme**

**"Garibi Nibaran"
from Radio Nepal**

Broadcast arrangement: Every Thursday
Broadcast time: 8.15 pm to 8.30 pm

Tek Bahadur: An active social mobilizer

By Suman Luintel/RUKUM

He takes no break from early morning to night. He takes no off day even on the public holidays. He travels to different villages, helping the community members in the host of activities like maintaining the books of account and teaching them how to conduct meetings. At the age of 24, Tek Bahadur Kusari of Salle, Rukum, can barely be caught at home.

As a social mobilizer, Tek Bahadur remains busy at the quadrangles of poor communities. He could be found in their doorstep 20 days of a month. He plays an important role in organizing the community, motivating the members to form community organization and implement various income generation programs.

Poverty Alleviation Fund (PAF) implemented various programs in Rukum district with an aim to transform socio-economic lives of the poor and the excluded community. Tek Bahadur, associated with the RADAR — a partner organization of PAF, has remained actively engaged in poverty reduction works from the very beginning of PAF programs in

Rukum. Shyalpakha VDC of the district is his working area.

Through the course of his duty, Tek Bahadur has gathered huge experience of facing various problems of the communities. “Not all the members are literate and educated. One needs to work a lot to explain even minor things to them,” says he. “Some of the older member groups can conduct meetings and raise savings themselves. However, we still have to help them all to maintain accounts.”

Tek Bahadur also prepares report for all COs in the VDC. The number of COs has increased in Shyalpakha compared to the past. This has increased work for Tek Bahadur. In the initial period, the VDC had only 10 COs. The number has now gone up to 30. “It is very difficult to manage time to help all on maintaining books of account, preparing of monthly reports, conducting regular meetings and addressing problems that surface at different times. This problem has escalated with the rise in the number of COs,” he says.

Despite increase in problem, Tek Bahadur is excited about his job and enjoys his profession. “It was an easier job previously,” says he, adding “The number of COs was less in the past and I could give more time to them. Now their number has increased, I barely find time to look after them.”



Tek Bahadur opines that the number of social mobilizer should be increased with the increase in the number of COs. Tek Bahadur also lauds the PAF program, which has laid strong emphasis on income generation programs, community physical infrastructure development, capacity building of the members and social mobilization.

PAF regards social mobilization one of the very important functions at the grass root level. It plays important role in raising awareness of the poor and the backward community, organizing them, identifying their problems and empowering them.

It is because of the professionals like Tek Bahadur, PAF has managed to reap such a huge success. COs formed in the villages are implementing various income generation and physical infrastructure development programs. The opportunities thus created have made the community members economically active and sound. It has also lifted their social status. Therefore, PAF has placed social mobilization as an important pillar of the poverty reduction program.

**Tune Into Weekly
Radio Programme**

"Asha Ke Kiran"

from Radio Mithila

Radio Mithila....100.8 MHz
every **Monday at 6.30 pm to 6.45 pm**

"Poverty and Education" a PAF perspective



By Bunu Shrestha



It is a well known fact that education holds key to development. It is one powerful means to address the issues of poverty. Societies across the world have achieved economic and social prosperity through human development and upgrading the capacity of the people. Literacy is a continuum of knowledge and skills. It is the first step towards promoting education, which imparts confidence in the human resources and enhances their capacity to participate actively in the income generating sectors, and results in poverty alleviation.

Nepal too have given strong emphasis on education for addressing the issues of poverty since more than a decade. It was well reflected in the country's 10th five-year plan/Poverty Reduction Strategy Paper. Going by the country's commitment to achieve the Millennium Development Goals, the plan strongly emphasized on achieving the targets like Universal Primary Education and reducing illiteracy during the plan period.

In the context of PAF, the educational program has been widely targeted in the rural and economically deprived population. Its guiding principles state

that education is a targeted program focused mainly for the socio-economic uplifting of the people who are below the poverty level, i.e. ANTODAYA. Illiteracy prevails widely in the remote, rural and poverty stricken areas. Since PAF programs are implemented in those areas, almost

all beneficiaries of PAF programs are illiterate and a large number of their children are deprived of education.

Hence, it is very important for PAF to ascertain the level of literacy while providing skill development trainings, as participants must be able to read and write and also do some simple arithmetic calculations. This is most important in the communities where people are engaged in activities like livestock rearing, vegetable farming and other IG activities. Success of these programs largely depends on the literacy/educational level of the targeted population.

All the 25 PAF districts have much lower literacy level, as compared to the national average. Therefore, the literacy program along with the IG activities would not only support the fulfillment of PAF goals, but also contribute to raising the literacy level of the nation.

But, when we look at the PAF supported educational and literacy programs, the picture appears a bit gloomy. According to the PAF Management Information System (MIS), only 10 out of 25 regular PAF districts and one innovative window program district have adult literacy programs as of fiscal year 2007/08. The

system further shows that the number of literacy classes is significantly low compared to the number of Community Organizations (COs).

So far, only 96 Partner Organizations (POs) have conducted 701 literacy classes in total. The latest figures on literacy (22 December, 2009) show that 44 POs of mere 8 districts out of 25 regular programs and one from the special window program have ratified the education program in fiscal year 2007/08. Under it, only 499 classes are being implemented. While the number is low in itself, the quality of all the literacy classes is yet to be assessed. The programs are not monitored/supervised and the completion rate is unknown.

On top of that, there is a wide disparity among the districts and also within the district in terms of budget allocation. Also no study or research has been conducted to judge the efficacy of these literacy programs.

To achieve the goal of PAF, it is imperative to make all the CO members literate and educated. Otherwise the program will not excel. Instead, it will raise the risk of program catching backtrack as soon as the funding from donors is stopped. Therefore, PAF must increase the number of literacy programs along with the other IG activities. Periodic monitoring and supervision activities must be conducted. Study and research of the program must also be carried out. Mrs Shrestha is a consultant to PAF.

**Tune Into Weekly
Radio Programme**

"Naulo Karnali"

from Radio Bhek Awaj

**Radio Bhek Awaj....101.2 MHz
Alternative Thursday at
7.30 pm to 7.45 pm**

WB Team Visits PAF districts

The World Bank team visited PAF districts—Darchula and Bajhang recently to review the program implementation status and to assess the impact of program in livelihood of the targeted community. In the field, the team visited the COs for direct observation of their activities. Interactions with CO members and other stakeholders were also carried out.

In Darchula, the team visited 2 COs that implemented drinking water and IG subprojects, 2 micro-hydro functional groups implementing micro-hydro projects, and CO's VDC-level network in two VDCs that is working for advocacy of poor's participation in resource mobilization.

The visits in their observations found that PAF programs had empowered the poor, women groups and dalit communities and made them aware of their rights and responsibilities. The network representatives appreciated the direct funding mechanism and demand-driven approach of PAF program and they were found holding discussions with DDC and VDCs to replicate this modality.

The team members also organized meetings with POs to assess the program status. The PO staffs pin pointed opportunities and challenges of PAF programs and also the areas requiring correction at the operational level.

Of the two COs visited in Darchula, Sudarpur CO in Dethala-8 had drastically improved sanitation, constructed toilets and drinking water system in every household. Its program had made people aware on personal hygiene. The CO is implementing two sub-projects: i) drinking water and ii) IG sub-projects, under which CO members doing business of buffalo raisin, carpet knitting, mushroom farming, tailoring and retail shops. The program has increased their food sufficiency for additional 3 to 5 months.



Representatives of PAF and World Bank on a Field Trip in Kapilbastua to review the fund flow modality at the local level. The visit, held on third week of November, 2008, was aimed to simply accountability requirement.

Ajapati CO in Gwani-5 too is implementing drinking water and IG sub-projects, increasing access of the targeted community to resources and making them self-reliant. The IG activities they undertook increased their confidence and dignity. The World Bank team comprises Kiran Gautam, of the World Bank Office and PAF portfolio managers of the respective districts.

Interactions with RBB

PAF organized an interaction with the senior officials of Rastriya Banijya Bank in Biratnagar on November 9 and 10, 2008 in a bid to discuss its cash flow in the new program districts of the eastern region. Mainly the officials who oversee the bank's operations in the region attended the program. Prior to this interaction, PAF had organized a similar meeting in Nepalgunj on September 12, 2008 to discuss cash flow in the mid- and far western region of the country.

PAF has expanded its program in the 15 additional districts from the current fiscal year. Of them, 9 districts are in the eastern region. In this context, the interaction was organized with an aim to share experiences of cash flow in the previous 25 program districts and address problems faced before.

On the first day, discussions were held with the 14 newly appointed support staffs looking after the programs in the region.

On the second day, discussions were held with the 27 branch managers of RBB. Deputy General Manager of RBB Krishna Sharma, its regional manager Ram Timilsina and chiefs of divisions of head office had also participated in the program.

On the occasion, RBB organized orientation training to its newly

appointed staffs on PAF programs — its nature and structure. PAF also informed the RBB staffs about its programs and the modality of cash flow. The participants said they were highly excited to work with PAF.

In the interaction, program manager of Khotang district Rabindra Suwal made a presentation on PAF programs. Likewise, Chief of Administration and Finances Manoj Chipalu made presentation on PAF's financial management system, modality of cash flow, necessity of information collection, role of RBB on cash flow and problems faced in cash flow. Finance officers of PAF Dilip Raj Joshi and Pravin Ghimire too had attended the program.

The presentations were followed by interaction, in which the RBB managers took part actively. They expressed their precise thoughts on various issues and shared views on the problems faced in cash. RBB Deputy General Manager Krishna Sharma issued directives to the branch managers.

Likewise, two level interaction programs were conducted in Nepalgunj. One with newly recruited 40 support staff of 21 districts and another with senior RBB officials regional manager of Nepalgunj and 20 Branch Managers of Western, Mid western and far western region.

PAF had organized similar programs in Kathmandu on January 23, 2006 and on May 19, 2006 in Nepalgunj. PAF staff also participated in the Regional Managers Meeting of RBB held at head Office/RBB on July 24, 2008 and shared PAF program and fund flow issues and problems. PAF is planning to hold similar interactions in the central region and also with the branch managers of Nepal Bank Limited.

PAF, BSP partnership

PAF and Biogas Support program (BSP)-Nepal organized a joint program on November 9, 2008 to share information on each other's programs. On the occasion, executive director of both the institutions talked about features and scope of their respective programs. The

program helped the two institutions to know each other. Following the presentations, the participants from both the institutions had also explored opportunity for joint actions and mutual cooperation. The participants committed to work together for poverty reduction in the days ahead. As a result of this program, BSP-Nepal is soon providing orientation trainings to the partner organizations of PAF in various districts. BSP-Nepal has already sought the list and details of the partner organizations to hold the trainings.

Follow up Survey in six districts

PAF has started a follow up evaluation survey of six districts including four initial districts to ascertain effectiveness of its programs. The effectiveness will be studied on the basis of monitoring and evaluation indicators set prior to the start of the program.

Sample survey is presently underway in the initial districts such as Pyuthan, Kapilvastu, Ramechhap, Siraha and two control districts, including Okhaldhunga and Dang. External evaluators have been mobilized for the purpose.

PAF had prepared basic monitoring and evaluation indicators by conducting household sample survey in the past. In the present survey, efforts have made to solve problems faced in the past. This study will help to showcase how the PAF programs helped in poverty alleviation. For the survey, PAF has prepared questionnaire on household and supplies of consumable services. This study will lay down the base for publicizing effectiveness of PAF program.

VDC Prioritization

PAF has prioritized additional village development committees in 34 districts (besides the initial 25 programme districts) for implementing its programs. The prioritization was done on the basis of indicators like population; ethnicity and access to services of the VDCs. PAF mainly relied on the data of Central Bureau of Statistics (CBS) and Election

Commission for the prioritization. The final report of VDC prioritization has already been prepared.

Public Auditing of four Districts

PAF organized a public auditing training in four districts: Pyuthan, Kapilbastu, Mugu and Rasuwa. Staffs of POs and COs participated in the training, during which they gained intensive knowledge on ways to conduct public auditing to gather members and other stakeholders view and feedback to improve the programs implemented in the respective districts. Concerned PAF professionals shed light on the PAF Public Auditing Manuals and demonstrated how such auditing is conducted. They were informed about things to be considered while holding public auditing.

Pyuthan FM partners with PAF

PAF signed an agreement with Bikas Patrakar Samuha (Development Journalists' Group), Pyuthan, on November 7, 2008 for radio program production and broadcast from Radio Mandavi, a community-based radio in Pyuthan. The agreement came into effect from December 1, 2008 and would last for a year. Going by the agreement, the Group would need to produce 26 different programs each of 15 minutes covering PAF activities and air from Radio Mandavi FM 97.00 Mhz on a fortnightly basis at 6:30 pm on every alternate Saturday of the month. The program should cover activities of all PAF districts of Rapti and Lumbini zones, and some districts of Mid- as well as Far-West region. While the radio program should be neutral and apolitical, the Group would also need to submit a CD copy of the program to PAF after broadcasting it.

PAF In Brief

As of 15 December 2008



Why PAF?

PAF was created to address the targeted program which is one of the four pillars of Tenth Five Year Plan in Poverty Reduction Strategy Paper (PRSP). 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

- Antodaya: Prosperity of poor and disadvantaged at the lower end of economic ladder. The last is the first for PAF.
- Social Inclusion: Dalit, Janajati, Women and other disadvantage groups below poverty level.
- Transparency at all levels
- Demand Driven: Programmes are designed based on the needs and demand of the people.
- Direct payment to community organization (CO)

HEADING		NUMBER	AMOUNT (MILLION NRs.)	
Community Organizations	Registered with PAF	9,320		
	CO Fderation	120		
	Agreement	8,635	4,108,118,320.12	
PAF Investment in CO	Income Generating Activities	8,446	3,376,729,536.10	
	Community Infrastructure	1,687	731,388,784.02	
Partner Organizations		242		
Districts Covered	Total	49		
	6 Districts	6		
	19 Districts	19		
	15 Districts (B1)	0		
	Innovative Window Districts	10		
	NDM-World Bank	24		
VDC Covered	POs Working	938		
	COs Program Activity	712		
PERCENTAGE				
CO Member HH	Total	273,411		
	Poverty Ranking	Hardcore Poor (Ka)	183,001	66.93%
		Medium Poor (Kha)	67,373	24.64%
		Poor (Ga)	22,522	8.24%
		Marginal Non-Poor (Gha)	515	0.19%
	Gender	Male	82,445	30.15%
		Female	190,966	69.85%
	Ethnicity	Dalit	88,958	32.54%
		Janajati	77,491	28.34%
Others		106,962	39.12%	
Total Beneficiary HH		319,594		

