

CHAPTER - ONE

INTRODUCTION

1.1 Background

Nepal is a landlocked country which covers 1, 47,181 square km area of the world. It is located in the central Himalayas between India and China. The country borders India in the east, south, west and China in the north. So, Nepal is defined as “Yam between two stones”, where above 80 percent people are living in rural areas. It is one of the least developed countries of the world but it is very rich in terms of resources and biodiversity. It is divided into the three ecological regions i.e. Terai, Hill and Mountain according to the ecological zones where Terai covers 17 percent, Hill covers 68 percent and Mountain covers 15 percent of the total land. Low fertile land, high population growth rate, low economic growth rate, subsistence farming system, fragile topographic structure etc are the main characteristics of this country which are the causes of poverty too. Lack of basic human needs, lack of development infrastructures, lack of participatory community development programs, and lack of inclusive and disadvantages groups oriented programs has raised the poverty level day by day in this country which is the main limitation and reality of our long term and short term development plans. There is also an increasing trend of population. The total population and population growth rate is about 26.4 million and 2.25 percent per year where 86.1 percent of people live in the rural areas. There is a big disparity between rural and urban area in many context. The poverty situation of the country is remained about 31.8 percent after finished the Tenth five year plan period where large number of rural people suffered from this poverty.

The word poverty is derived from Middle English: from Old French *Poverté*, from Latin *Paupertas*, from *Pauper* means ‘poor’. It means the state of being poor or extremely poor (Oxford University, 2003). Poverty means the state of not having enough money to take care of basic needs such as food, clothing, and housing or a deficiency or lack of something (Encarta, 2008). Poverty means condition of having insufficient resources or income. In its most extreme form, poverty is a lack of basic human needs, such as adequate and nutritious food, clothing, housing, clean water,

and health services. Extreme poverty can cause terrible suffering and death, and even modest levels of poverty can prevent people from realizing many of their desires (Corbett, 2007a). Poverty is as old as the human society. It was considered as a sin and had the belief that there was no escaping from it. Alms giving as charitable donations to the poor were and important part of life in Hinduism, Buddhism, Christianity and Islam (Kunwar, 2006a).

Poverty means the state of one who lacks a usual or socially acceptable amount of money or material possessions. Poverty is said to exist when people lack the means to satisfy their basic needs. In this context, the identification of poor people first requires a determination of what constitutes basic needs. These may be defined as narrowly as “those necessary for survival” or as broadly as “those reflecting the prevailing standard of living in the community.” The first criterion would cover only those people near the borderline of starvation or death from exposure; the second would extend to people whose nutrition, housing, and clothing, though adequate to preserve life, do not measure up to those of the population as a whole. The problem of definition is further compounded by the non-economic connotations that the word poverty has acquired. Poverty has been associated, for example, with poor health, low levels of education or skills, an inability or an unwillingness to work, high rates of disruptive or disorderly behaviour, and improvidence. While these attributes have often been found to exist with poverty, their inclusion in a definition of poverty would tend to obscure the relation between them and the inability to provide for one's basic needs. Whatever definition one uses, authorities and laypersons alike commonly assume that the effects of poverty are harmful to both individuals and society. Although poverty is a phenomenon as old as human history, its significance has changed over time. Under traditional (i.e. non-industrialized) modes of economic production, widespread poverty had been accepted as inevitable. The total output of goods and services, even if equally distributed, would still have been insufficient to give the entire population a comfortable standard of living by prevailing standards. With the economic productivity that resulted from industrialization, however, this ceased to be the case especially in the world's most industrialized countries, where national outputs were sufficient to raise the entire population to a comfortable level if the necessary redistribution could be arranged without adversely affecting output (Encyclopedia Britannica, 2008). From the above definition we can conclude that,

poverty means having no sufficient amount of socially acceptable money, lack of basic needs i.e. health, education, and income employment etc for the human being. And in essence, nowadays poverty means lack of political, economical, social, cultural and religious rights and needs for the human being and their livelihood.

Nepal is known as one of the poorest country. More than 49% of people are below the poverty line. For eradication of poverty different kinds of programme have been implemented. Before knowing the definition of development it is important to know the history of development. The history of planned development in Nepal goes back to 1950s. Tribhuvan Gram Bikash was established for this purpose in 1952. The concept of community development slowly emerged in our society. Shrestha defines community development as socially a village self help programme, in which people themselves, through their own village leaders, organizations and institutions are to have the opportunity of working together to improve all aspects of village life. The central and the state government are only to assist the progress.

After the political revolution in 1950, the citizen of Nepal got freedom to raise voice for decentralization of rights. Gram Bikash Centres (Village development centers) were established in different places. The main objectives of these centres was to provide information to people about increasing agriculture products, uplifting their living standards, construction of canal, road, well etc. in their participation (Bikendrikaran Tatha Sthaniya Swayatta Shasan Sambandhi Partibedan). Later, during panchayat system, above mentioned Gram Bikash activities were dismissed. In 1961, according to village panchayat act, 3347 village panchayats were established and small development activities took place under these village panchayats. Technical and financial assistance were provided to these village panchayats. To support these panchayats District Panchayats were established. These processes of decentralization of power continued. In real sense whatsoever happened before was controlled by the centre or the government. There was less participation of the citizens. So, decentralization was limited to the government policy. After the dawn of democracy suitable environment for decentralization has been created. For the first time the local level institutions got opportunity to involve effectively in development work.. In order to carry on development work local government has formed two systems. The village development committee (VDC) in rural area and municipality in urban area and

district development committee (DDC) in each of Nepal's seventy five district (Bikendrikaran Tatha Sthaniya Swayatta Shasan Sambandhi Pratibedan).

The VDC consists of 13 Members. VDC formulates and implements village level development plans by its own resources, development grant received by government or NGOs. Municipality has a mayor and a deputy mayor. The municipality formulates town development plans and implements development projects on the basis of their own resources, which is the result of decentralization. DDC consists of 9 to 17 members, Plus a chairman and vice chairman. This body is responsible for the overall development of the district. At the district level, there are three types of public institutional player they are CDO, line agencies and LDO. They are involved in development administration or other internal affairs of the district (Bikendritaran Tatha Sthaniya Sambandhi Partibedan).

This is how the power has been decentralized from national level to district level and then to village level. Decentralization plays a vital role in development work. "Participatory development requires the implementation of decentralization for decision making and in organizing the implementation of development program." Nepal is one of two countries in the world where life expectancy of female is less than the males, which of females 52.6 years and males 55.4 years. (Dhakal & Sheikh, 1997). Female literacy rate in Nepal is 25 percent and male is 39 percent. (Population Monograph, 1997). In rural areas particularly, Nepali girls and women work for more than boys and men, spending 25 percent to 50 percent more time on household tasks and economic and agricultural activities (Dhakal & Sheikh, 1997).

There are uncountable discrimination between men and woman. The constitution of Nepal, 1990 states that "NO discrimination shall be made against any citizen in the application of general laws on grounds of religion race, sex, caste, tribe or ideological conviction or any of these" but in reality this has not been practiced. However, this dissemination exists in high degree in rural settlement compared to urban. So, it is necessary to educate rural women first. We should make them capable of standing on their feet which means make them economically sound. Different type of income generating programme can be implemented or in other word, it is necessary to empower women.

As Hellen Hunt Jackson says, "A woman who creates and sustains a home and through whose hands children grow up to the strong and pure men and women is a creator second only to god. (Sharma, 1998). This in the above statement women causes at second place in creation after god has very low status in Nepal as well as many countries of the world every body agrees that a woman plays a very important role in setting up a good family. A woman can spoil a house as well as make it a heaven. In fact a woman has a very strong character in every household. But it is a bitter truth that woman in Nepal lag behind men in many areas of life (Singh, 1996).

Empowerment is one of the central concepts in the development agenda. There is widespread argument that women must be empowered to play an effective part in national development. Defining empowerment is a difficult work. It could be defined as making women capable of doing things, making women powerful or improving women's lives taken initiatives by themselves. Empowerment is mechanism by which people organization and communities gain mastery over their lives (Rappaport, 1984 Cited by Wedeen, 1996). A process of personal growth and community development heading to deliberate efforts to improve one's life. A process of defining challenging and attempting to overcome obstacles in life. (Wedeen, & Weiss, 1991 cited by Wedeen, 1996).

Health can be defined as a state of complete physical, mental and social well being and merely the absence of disease improving (WHO, 1997). That man is health person who possesses the balance of body humours actual functioning of all the body elements about and sense organs. Nowadays, poverty is considered as the main unbalancing element of the human being and nature. It is therefore truly said, 'poverty anywhere is threat to everywhere'. Its effect is becoming at an alarming rate day by day. Not only the developing countries but also the developed ones cannot protect themselves from the negative effect of neighboring countries facing the problem of poverty and their own citizens who won't like to do work especially hippies, addict, street person etc. All the evils i.e. dissatisfaction, desperation, anger, anxiety, diseases, hunger etc. are the consequences of poverty.

Nepal is a land-locked country, one of the 49th Least Developed Countries (LDCs), with an annual per capita income of US \$ 418.6 (\$1= NRs.65) (NPC, 2007). In the Human Development Index (HDI), Nepal is ranked as 138th (out of 175 countries ranked in the index). In the human development aggregates, According to

the Global Human Development Report 2007/08, Nepal falls under the category of 'low human development' countries (with HDI 0.534) is the lowest for South Asia and less than the average for the developing countries. All other countries in the region rank as having 'medium human development' with HDI between 0.500 - 0.799.

Nepal Poverty Report (2004) has stated that, since mid 1980s the government of Nepal has been implementing economic liberalization policies encouraging private sector involvement in economic activities. Poverty reduction and alleviation has been a policy focus of the state for over two decades now. But there doesn't seem a visible progress; rather regression is coming to light every passing year. The incidence of poverty is 31 percent and there are significant economic inequalities between the poorest and the richest segments of the population. Poverty has particularly affected the people in the remote and rural areas who have no access to development infrastructures such as roads, communications and other basic services, and who depend on unsustainable use of natural resources to live. The high rate of population growth (2.25% currently) has resulted in the labour force expanding at the rate of around 300,000 every year significantly outpacing the rate of growth output. As a result, there is a large mass of unemployed people toiling in abject poverty. In recent years, the migration of youth to other countries has been a routine phenomenon, which adds an additional shock to the deteriorating situation of the rural economy.

The Three Synopses Three Year Interim Plan of NPC (2008) stated that, During the Tenth Plan period, the average annual growth rate remained low at 3.4 percent against the targeted growth rate of 4.3 percent. The growth rate in agriculture sector was 2.7 percent and that in non-agriculture sector 3.79 percent. There have been some structural changes in the economy during the plan period. The contribution of agricultural sector to GDP was 37.4 percent and that of non-agricultural sector 62.6 percent in the base year of the Plan. Their contributions changed to 33.1 percent and 66.9 percent respectively in the final year of the Plan. The gross capital formation remained 25.6 percent of the GDP. Similarly, the gross domestic saving was an annual average of 10 percent and gross national saving 28.1 percent of the GDP. Social indicators show satisfactory improvements. The literacy rate of the country is 53.7 percent, with the literacy rate of women 42.5 percent. Net enrollment ratio at primary level is 87.4 percent. Due to policy level implementation and institutional

reforms in the health sector, the access of the people to health services is increasing. Life expectancy is 62 years, maternal mortality rate per 100,000 populations is 281, and infant mortality per thousand is 34. For the improvement of the health sector, National Health Policy and other supporting policies are in operation. Alternative health services like ayurvedic health service have been extended. Despite significant decline in fertility rate (3.1) and crude birth rate (28.4) annual population growth rate is still high (2.25 percent). Labor participation is 48.9 percent for females, and 67.6 percent for males. Skill development programs are being run for social and economic empowerment of single women. The practice of including women in local development programs has been institutionalized.

Poverty is a multi-dimensional and complex problem. The causes of poverty by analyzing different aspects of income and human poverty are not only economic but also social and technological backwardness too. One of the main causes of poverty is low economic growth rate. The stock taking of economic achievement of last three decades shows a lower economic growth rate of approximately 4 percent while annual population growth rate was about 2.5 percent. The per capita income growth rate at a very low level could not contribute to mitigate poverty significantly.

The economic growth rate in Nepal is not only very low but its annual variation is also very high. The main reason behind such variation of high degree has been the dependence on agriculture. Still agriculture in Nepal depends on monsoon. Though agriculture productivity has increased, it is increasing at insignificantly low rate. The concentration of poverty is high in rural areas where the main economic base is agriculture. There is no noticeable implement in rural poverty because of low agricultural growth rate and monsoon variation. There is significant contribution of non agriculture sector in the growth rate of GDP, but its impact is limited to urban areas but it has not affected the rural areas where majority of poor live.

Public expenditure is one of the main factors to resolve poverty problem. However, the effectiveness of government expenditure is low because of weak prioritization, weak process of selecting projects and smaller amount of budget allocation in a number of projects. Poverty is not reduced as targeted because of ineffective public service delivery and lack of access of poor to the services delivered by the private sector.

Lack of good governance is said to be the chief constraints to impair development efforts and proper utilization of government expenditure on poverty alleviation programmes. Poverty alleviation programmes have been less effective due to the factors like over centralization of decision making process, good governance related problems such as no control over loopholes, leakages and irregularities, lack of responsibility and transparency along with the low capability of government to act as facilitated as demanded by the liberal economic system as there is lack of legal and institutional frameworks necessary to promote economy with the open and competitive market environment.

Development process has suffered because of the security problem and political instability. The economic system has been weak due to instability in government, weak bureaucracy, lack of transparency and responsibility. They all altogether resulted in adverse impact on poverty alleviation programme. Lack of desired achievement from the targeted programmes of both public and private sectors and the lack of sustainability of such programmes to longer period of time have accumulatively contributed to lower the overall effectiveness of poverty alleviation efforts.

Social discriminations, prevailing due to traditional, social values have deprived the opportunity and access for all segments of society to education and development works. There are deprived groups of people where the poverty befalls squarely inhibiting their development of skills and technological know how to increase productivity (NPC, 2002).

The Tenth Five Year Plan (2003-2008) adopted by His Majesty's Government of Nepal has identified poverty alleviation as its overall objective. Hence, poverty reduction strategy has been regarded as the main basis of tenth plan. The four major pillars of the plan which is also known as Poverty Reduction Strategy (PRSP). The four pillars are; (i) broad based economic growth (ii) social sector development including human development (iii) targeted programs including social inclusion in order to bring the poor and marginalized groups into the mainstream of development, together with targeted programs for the ultra poor, vulnerable and deprived groups and (iv) good governance. All four pillars are essential for improving the lives of the poor and for mainstreaming the very poor deprived groups and thus for promoting inclusive development. In implementing the four pillars strategy, the plan also stresses

strategic cross cutting approaches with regards to:(a) redefining the role of the state and limiting public interventions(b) enlisting the private sector to play a leading role in employment and income generation and together with NGOs, INGOs and CBOs in complementing key activities(c) promoting community participation in and management of activities at the local levels and (d) accelerating the decentralization process which is also a key element under good governance (NPC, 2003).

The failure of past efforts to ameliorate the situation of the lower strata of the society living below the poverty line is well known. With this fact in view, the poverty alleviation fund (PAF) envisages to develop and implement programmes that address the issues and problems of the lower rung of the society, by involving the poor and the disadvantaged groups themselves as partners in such efforts.

Poverty Alleviation Fund is a targeted programme for poor started from the year 2004 through the issuance of "Poverty Alleviation Fund (PAF) Ordinance 2060"(2003 and subsequently "Poverty Alleviation Act 2063"(2006). PAF is implemented through a 12 Member's Board chaired by the Prime Minister. The major financial support comes from the World Bank. This programme was initiated under "Social Fund" concept in order to take poverty alleviation programme directly to hard core poor who lie down below poverty level in the country. The goal of PAF is to help the poor, find their way on a sustained path out of poverty and target is to reach specially the poor households below poverty level in a community; thus it is different from a conventional community development of the whole community of a settlement or VDC where the risk is to limit the benefits to only relatively elite group of the society.

PAF is aimed to empower the socially excluded and disadvantaged poor households. It provides them the avenues for changing from" dependency" to "independency" and to "interdependent" level in relationship with traditionally dominant elite of the society and thus empower the poor to become part of the mainstream of development.

PAF has followed five principles: namely (a) Targeted to Poor (Antyodaya) (b) Social Inclusion (Samabesi) (c) Demand Driven Approach (Maag Anusar) (d) Transparency (Paradarsita) and (e) Direct Payment to Community Organization of Poor (Prataksha Bhuktani). PAF is ultimately concerned with socio-economic

transformation of the poor. While the short-run objective of PAF is to improve the economic condition of poor households through the income generation activities but in the long-term it aims for transformation of society, where poor could equally find their due share and become full partner in the development process (PAF Annual report, 2063/64).

For the first time PAF began its programmes in pilot six districts such as Siraha, Ramechhap, Kapilbastu, Pyuthan, Mugu and Darchula in 2004/5. The pilot district has covered mountain, hill and terai regions. PAF doesn't work itself and it works with partner organizations. So, POs facilitation to COs in capacity building, income generation, infrastructure and social mobilization. The pilot districts where programmes became very effectively run and achieved targeted results during the visit team of World Bank. After the completion of visit, the team recommended to PAF for extension of its 2nd phase programmes in 19 districts and accordingly PAF launched its programmes in Humla, Jumla, Dolpa, Jajarkot, Kalikot, Doti, Achham, Dadeldhura, Rukum, Ropla, Bajhang, Bajura, Sindhuli, Rasuwa, Mahaottari, Dailekh, Baitad, Sarlahi and Rautahat in 2005/6 which is belonging to the category of most deprived districts in Nepal. Now, again programmes have launched in 15 Districts since 2008/9. Those third phase programme districts are Okhaldhunga, Sindhupalchok, Solukhumbu, Saptari, Bara, Parsa, Udayapur, Bardiya, Salyan, Khotang, Panchthar, Terathum, Taplejung and Dhanusha. Now, PAF has covered 40 districts of Nepal.

All of the PAF's activities (sub-organizations) show that it has changed the targeted people, aspect and various places such as; community development, people's participation, social mobilization, employment opportunities, self-employed, empowerment of women, disable, lower caste children and disadvantage groups. It includes the inclusive community and people without biasness. It has also encouraged local communities in various places. To sum up, it has changed the socio-economic status, socio-cultural change in the rural society of Nepal.

1.2 Statement of the Problem

Poverty is a situation of lack of basic needs of the human being. In other words, poverty means being poor that is, having little or no money. It is not a crime but it is the lack of own necessities and opportunities. *"Poverty is greater than death because it is creating death nearly"*. It is a multidimensional concept comprising the

notion exclusion, difficult or denied access to; information/resources, choice and services, deprivation of basic rights and security and powerlessness. In general, poor people whose great potential to contribute to progress and growth of the nation is not utilized. It is a situation where a population or selection of population is able to meet only its bare subsistence essentials of food, clothing and shelter in order to maintain minimum level of living.

Poverty is the main maladies of the Nepalese society also. More than 75% people are living in rural areas. People who are in rural areas are living without facilities, extra income source, and infrastructure. Lack of the access or opportunities rural areas are suffering by poverty day by day. On the bases of Economic survey, rural poverty is above 48% in Nepal. It is often reflected in a stage of various causes. Such as; water, sanitation, high population, illiteracy etc. Really, poor men are living rural places and poverty is increasing there rapidly. Its main cause is economic problem.

In this stage Nepal and its people are facing below the poverty line. Lacks of special development policy, day by day increasing population, low economic growth rate are the main causes of coming poverty. Nepal government does for alleviation the poverty but it is less. In few last decades the organization PAF is doing its activities more than 40 districts of Nepal. It has been working as a partner of poor people in rural places. So, this research is totally based on the impact of PAF for improvement the living standard of Sunarpani VDC in Ramechhap district people. The policy of PAF is very good in rhetorical perspective but in reality higher class community organizations are taking more benefit than lower class community organizations. The main problem is policy gap between rich and poor peoples.

In general PAF programme is supposed to be a good programme. But it is not true whether it is good or not based on social survey reports. The first thing we can ask some questions on its sustainability and self reliance? As the programmes time frame has been started since April 2005/6 and it would be interesting to see if the essence of the programme would be sustained by the community after the project terminates. When this programme is facilitated by PO to COs. Is the facilitation process of PO appropriated? Can community organization manage and sustain their programmes by themselves without any external supports? Nepal is facing bad

political situation at present. In such condition will mechanism be fair to needy people? Can all the citizens and villagers get equal opportunity of development?

PAF programme is implemented in 55 VDCs of this Ramechhap District. How will the people from these VDC's where PAF is implemented and reacted? Conflict might arise in each case. There could be conflict among the some members of COs. So, it called elites in the community could take over all the power and benefited and neglect underprivileged people.

In case of revolving fund, some of the members mobilize those huge amount of budget within their own COs. They have some rules and regulations for members but some did not pay back and there is not applied any rules against this and to do legalization. If tomorrow some body who has taken loan, flees away from the village, who will be responsible for that and who will pay that money? There is a lot of revolving funds into all COs and scattering? What purpose they can invest? This is a big problem. According to PAF programme, when sub projects of income generation, the entire fund will be necessarily to be revolved in COs by each member. PAF has invested 100 percent budget in their project but community must contribute 10 percent cash to the project. This is for ownership felt to COs.

There are different named COs within the VDCs and almost they have a regular meeting attendance. About 95% of the household have food insufficiency all over the year and most of the members are hard core poor in COs. Some of their time has spent in meeting. How can maintain their intake of food for maintaining daily?

Similarly, there is assigned social mobilizer in each VDC. The staffs of PO such as programme coordinator, supervisor, accountant, Junior Technical assistant and sub overseer (part time) are responsible to provide technical support and monitor the programme in the fields. The regular service providing by PO is very few. They can't get services at all. How can get regular and quality services by members of COs? Different COs with leading leader to accomplish their goal in time to make COs dynamic, a role of leading is very necessary. If the leader changes, will alternate leader manage?

Above mentioned are few problems, COs might be face in future. PAF has highly encouraged to *Dalit, Janjati*, Poor and women to participate in all programmes. COs have sub committee, saving credit, user committee, Drinking water user committee, Community Forestry, Health Committee, Farmers group, support of

materials and skill development are the activities operated by themselves with support of POs. Women as well as men are involved in income generation such as livestock farming, adapting innovative technology, farming crops, vegetables, fodder trees and fruit sapling plantation, Non formal education, library use, hotel business, micro enterprises, micro hydro power project, conservation of local resources, mobilizing volunteers and social welfare works.

Members of group taking loan first time and next time on meeting those members only show and refund loan of previous taking and from another colleagues and the end of the meeting again he/she claims to get loan. This is due to illiterate and ignorance. Another matter is that there is a huge amount of budget which is for revolving fund. Most of the members in COs are illiterate and they cannot manage the account well. Do they keep account and ledger as transparent?

This research was proposed to be studied at Sunarpani VDC Ramechhap district in order to assess the overall impact of Poverty Alleviation Fund Programme on local development. So, more specific this study had been concentrated to answer the following questions of the study area:

- What is the socio-economic condition of Sunarpani VDC's people?
- How far the people know about Poverty Alleviation Fund Programme (PAF)?
- What is the participation level of people in every activities of Poverty Alleviation Fund Programme (PAF)?
- Is Poverty Alleviation Fund Programme (PAF) supportive for income generating activities?
- What are the development activities undertaken by PAF Programme?
- What are the problems existing in Community Organization (CO)?

1.3 Objectives of the Study

The main objectives of this study are to know the socio-economic impact of Poverty Alleviation Fund (PAF) in study area. However, other specific objectives are;

- To analyze the socio-economic condition of Sunarpani VDC, Ramechhap district people.
- To find out the impact of PAF in study area.

1.4 Significance of the Study

This study is important to the actual situation of the area and the people concern. When the program is implemented in some area, it is necessary to monitor, evaluate the program as to know the outcome or impact of the program. By this study, we can know if the program is really helping for people to improve their living stander or it is not of any help them. We could find out the real problems and wants of the people concern.

If the program out come is very good and satisfying, this program could be extent to other VDCS/District of Nepal. People from those places would also have the opportunity to enjoy the benefits and can get some sort of development. So, evaluation study of this VDC is important and how to benefit from demand driven programme being implemented to COs in this VDC. From this, we can find out the significant changes in socioeconomic sectors in community level. This indicates that impact of the project become success and sustainability for future.

1.5 Limitations of Study

This study was based on “Sunarpani VDC of Ramechhap District”. This study was very specific like that of case studies. As this study concerned with the sample households, it does not represent the whole representation of PAF, although there are lots of things to include while studying about poverty in local development. This study had been focused on the economic status of people; local developmental activities done by PAF and people’s attitude towards PAF following Socio-cultural change in study area.

Hence, the conclusion might not be generalized for the whole. But, the inferences might be valid to some extent to those areas which have similar geographic, demographic, culture, socio-economic and ecological settings.

1.6 Organization of the Study

The study encompasses six chapters. The first chapter introduces the background: introduction, objectives, importance, limitation and organization of the study. The second chapter describes the literature review. The third chapter introduce with the methodology of research. The fourth chapter deals the study area description including Sunarpani VDC. Chapter five deals the analysis and interprets all the data collected from the study area. And last chapter describes summary; conclusion and recommendation have been presented.

CHAPTER-TWO

LITERATURE REVIEW

On the procedure of socio-cultural change in local level there are some causes which are covering behind the program. For that reason, it is necessary to see the sights these elements for betterment of poverty alleviation fund program in study area.

There are many researchers and scholars who have dedicated their time of poverty issues of Nepal. Their efforts to find out the problems and solution are considered valuable contributions in poverty sector. Nonetheless, here only some literatures of scholars and researchers have been reviewed in order to know about the socio-economic impact of PAF programme in Sunarpani VDC's local development.

2.1 Concept of Poverty

Poverty has been defined in various ways, and debates about the nature and causes of poverty are going. The concepts and measurements of poverty are linked to the way poverty is perceived and defined. Thus, programs for poverty alleviation are implemented based on the way poverty is defined, measured, and socially constructed. The Third World receives immense foreign aid from western nations, and poverty alleviation programs and projects in developing countries are influenced by the western concept of poverty (Maklund & Goneya, 1990).

Poverty is the deprivation occurring among the people or individual without basic amenities of life. It is the life without freedom of choice and action. There is lack of adequate food, shelter, education and health and income to support the basic minimum needs. It can also be defined as economic, social and psychological deprivation occurring among the people or countries lacking sufficient ownership, control or access to the resources to maintain the minimum standard of living (World Bank, 1990).

Poverty is multidimensional phenomenon. Income poverty is only one feature of the deprivation. Education, health including reproductive health, nutrition, and employment, social and political participation are supplementary elements of the deprivation of capacity and empowerment (Sen, 1999). It is an international agenda so the world's leaders have committed ambitious programs of social development in the

beginning of the twenty-first century. Fighting against poverty has become a common agenda for all. In the last decade, continuous efforts were made for reducing the proportions of people living extreme poverty (Chen and Ravillion, 2001). However, developing countries have slower progress for achieving the reduction of extreme poverty. Poverty is produced by circumstances, not by individuals and it affects human being in all countries with all nationalities. Economic crisis supports in the growth of poverty sector and finally leading to unemployment and social instability.

Poverty is a major problems all around the globe and likely to be an epidemic with very few cures. There are several dimensions, such as educational enrollment and advancement, infant and child mortality reduction and over all longevity, attached with income poverty. Cross-cultural, socio-political conflicts and natural devastations have had a depressing impact on them. Indeed most countries have increased their income inequality with rapid economic development (ESCAP, 2002). The project like Millennium Development Goals (MDG) was introduced for the reduction of poverty (UN, 2001). The MDG set targets for making progress in varied dimensions, which ranges from halving extreme poverty to putting all children into primary school and stemming the spread of infectious diseases all by 2015 (HDR, 2005). A significant progress has made on these issues during last decade but developing countries have slower progress on it and progress in other several issues and macroeconomic growth the real data sets with improved techniques and they concluded that population has a variety of effects on development at both the household and national levels (Birdsall, et al. 2001).

2.2 Poverty in Nepal

Nepal is a mountainous Himalayan country, having population density of 158-persons/square kilometer of area 147,181 km square. Nepal is a multi-ethnic and multi-lingual society. It is predominantly rural with only 14 percent of her population living in urban areas and it is one of the least urbanized countries in the world (Aryal, 2002). The basic amenities of life is highly urban-biased and around 80 percent of all urban household have access to electricity for lighting whereas less than 10 percent rural household enjoying it. Nepal is one of the poorest countries in the world and the annual per capita income is around US\$240 (NHDR, 2004). Economy and employment depend heavily on agriculture. Agriculture is the main source of economic activity where more than 80 percent of the nation's labour force involves on

it. Over 60 percent of household income comes from agriculture (Chhetry, 2003). Nepal also has five development regions. Each development region is a narrow strip of land stretching from north to south. Each development region includes the three ecological regions. Several development indicators have persistently shown that the Eastern, Central and Western regions are relatively better off than the Mid-western and Far-western development regions (ICIMOD, 1997).

In Nepal poverty incidence profile was not a long history. Initially in 1976/77, National Planning Commission conducted the National Survey on Employment, Income and Consumption. The poverty level has been quantified with the help of minimum subsistence level of income and consumption. About 33 percent populations were below the prescribed poverty lines in 1983 (NPC, 1983). World Bank (WB) conducted a series of poverty survey and reported that 70 percent in 1992 and 53.1 percent in 1997 populations were below the poverty line. Nepal Rastra Bank (NRB) conducted Multiple Household Survey in 1984 and reported that 41.1 percent populations were below the poverty line of which about 43 percent in rural and 39 percent in urban areas (NRB, 1998). In the Ninth Five Years Plan (1997-2002), 42 percent were below the poverty line estimated from Nepal Living Standard Survey 1996 data (CBS, 1996). In Tenth Five Years Plan (2002-2007), 38 percent were living below the nationally prescribed poverty line in 1999. Nepal Living Standard Survey 2003/04 estimated that 31 percent populations were below the poverty line.

Poverty not only affects the elderly, unemployed and homeless people but also it affects the people from all walks of their life. It exists when a particular person is not financially stable or do not have the right sources to stay on their feet. Poverty in Nepal is universally rural characteristic with extensively scattering. The poor people are not poor by their choice. Most of them have been deprived of many of the opportunities that the non-poor have received. Thus poverty is considered as hunger, lack of shelter, being sick and not being able to see a doctor, not being able to go to school and not knowing how to read, not having a job, fear for the future, losing a child to illness brought about by unclean water, powerlessness, lack of representation and freedom. Poverty is complex problem, which is not solving within short span of time. Cross-cultural, caste/ethnicity, gender, familial status, age, and place of residence are some but not all of the characteristics that enhance the risk of being poor. Existing socio-demographic variables influence the poverty. But our expectation

is to reduce poverty to a minimum level and reduce the gap between haves and have-nots.

Chhetry (2005) reported that over 95 percent of total income poor and education poor reside in rural areas, where agriculture is the main source of income and employment. Indeed, agriculture sector remain poor where its per capita GDP growth rate is eight times lower than that of per capita non-agriculture GDP growth rate. A large household size with more children and more illiterate persons in the households is the major socio-demographic characteristics of the poor in Nepal. Due to low economic performance and high population growth rate, a large number of children go to labour markets as wage earners, which results large disparities of educationally poor. Most of the rural dominated regions of the country with the lowest level of human and infrastructure development suffer from the highest incidence of poverty.

Table: 2.1 Situation of Poor Structure in Nepal

Caste	Poverty in %
Chhetri	50
Bramhan	34
Magar	58
Tharu	48
Gurung	45
Limbu	71
Muslim	38
Newar	25
Tamang	59
Kami	68
Damai	67
Sarki	65
Rai	56
Yadav	40

Source: Human Development Report (1998).

Table: 2.2 Poverty Situation by Geographical Region (Nepal Living Standard Survey I & II Report)

Geographic Region	Poverty head count rate (%)		
	1995/96	2003/04	% Change
Sector			
Urban	21.6	9.6	-56
Rural	43.3	34.6	-20
NLSS regions			
Kathmandu	4.3	3.3	-23
Other urban	31.6	13.0	-59
Rural Western Hill	55.0	37.4	-32
Rural Eastern Hill	36.1	42.9	19
Rural Western Terai	46.1	38.1	-17
Rural Eastern Terai	37.2	24.9	-33
Development region			
Eastern	38.9	29.3	-25
Central	32.5	27.1	-17
Western	38.6	27.1	-30
Mid-Western	59.9	44.8	-25
Far Western	63.9	41.0	-36
Ecological belt			
Mountain	57.0	32.6	-43
Hill	40.7	34.5	-15
Terai	40.3	27.6	-32
Nepal	41.8	30.8	-26

Source: Poverty Trends in Nepal between 1995/96 and 2003/04, NPC

Table: 2.3 Situations of Nepal

Description	Nepal Living Standard Survey	
	1995/96	2003/04
Percent of population (0-14 years)	42.4	39.6
Percent of population (15-59 years)	50.8	52.8
Percent of population (60 years and over)	6.8	7.6
Dependency ratio	97.0	89.2
Percent of households who reside in their own housing unit	93.8	91.6
Percent of households occupying housing units for rent	2.2	5.4

Percent of households with access to electricity	14.1	37.2
Percent of households having access to piped water	32.8	43.9
Percent of households with own toilet facility	21.6	38.7
Health post/hospital	44.8	61.8
Primary school	88.4	91.4
Paved road	24.2	37.2
Adult literacy rate, both sexes (15 years and above)	35.6	48.0
Males	53.5	64.5
Females	19.4	33.8
Total fertility rate (TFR)	5.1	3.6
Percent of migrant population	.....	36.6
Female	.....	50.1
Male	.....	21.6
Percent of migrants from rural areas (VDC)	.....	81.5
Migration for Looking job	.....	6.8
Away for study	.....	36.3
Away for work	.....	18.7
Agricultural households with land (percent of the total households)	83.1	77.5
Percentage of irrigated land area	39.6	54.3
Holdings operating less than 0.5 hectare (percent of total holdings)	40.1	44.8
Percentage of holdings operating renting-in land only	4.8	7.3
Share of farm income in household income (in percent)	61	47.8
non-farm income	22	27.6
other income	16	24.5
Percentage employed	67.2	74.3
Labor force participant rate	70.6	77.2
Unemployment rate	4.9	3.8
Share of agriculture sector in wage employment	53	37
Percent of all households receiving remittances	23.4	31.9
Percentage of households borrowing loans	61.3	68.8
Percentage of household loans from banks	16.1	15.1
household loans from money lenders	39.7	26.0

Source: Nepal Living Standard Survey 2003/04 Vol. 1&2.NPC.

Table: 2.4 Income Poverty Indicators

(Poverty Line: Research. 4404/person/year)

Ecological regions	Poverty incidence % of people living below poverty line	Poverty Gap/Intensity of poverty %	Sensitivity of Poverty %
Mountain	56	18.5	8.2
Hill	41	13.6	6.1
Terai	42	9.9	3.4
Urban	23	7.0	2.8
Rural	44	12.5	5.1
National	42	12.1	5.0

Source: NPC, Tenth Plan.

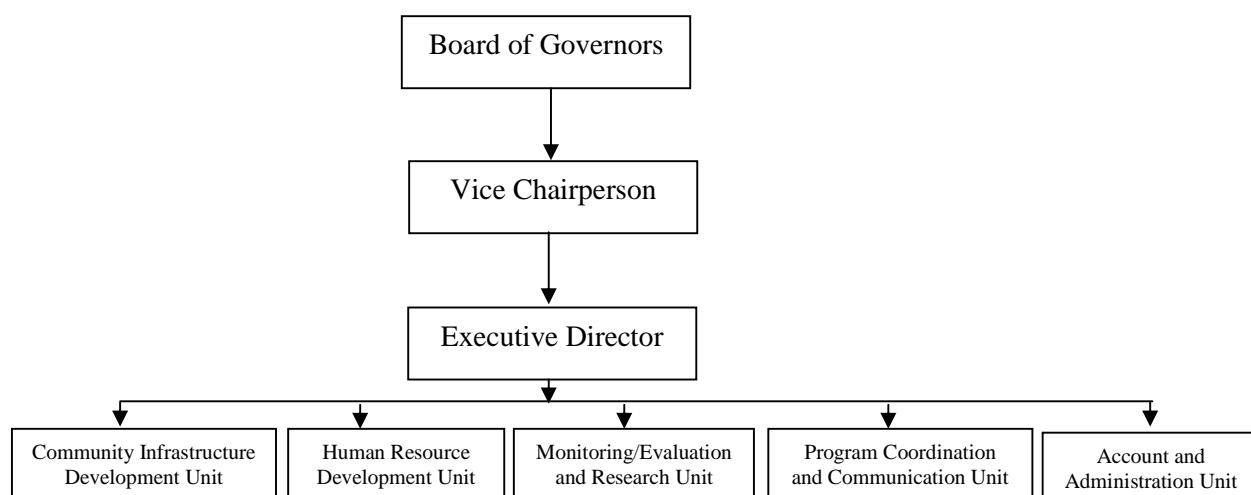
The above data shows that the poverty status of Mountain is 56 percent, Hill 41 percent and Terai 42 percent. In addition, urban poverty is 23 percent and rural 44 percent. As a whole country, the percent of poverty is 42 percent above. Similarly, the other table shows the ethnic poverty situation of Nepal. It shows Limbus are in low rang 71 percent are in poverty line and Newar are in the minimum rang 25 percent are in poverty line. This data clears that the status of poverty is very poor in Nepal.

2.3 Poverty Alleviation Fund (PAF): An Overview

The Poverty Alleviation Fund Ordinance 2060 has recognized PAF as an autonomous organization with inalienable authority. It is a professional organization sensitive to the poor with its executive office located in Kathmandu. PAF Board is chaired by the Prime Minister. With the Prime Minister as the Chairperson of the PAF Board, the PAF Ordinance reflects the conviction, support and commitment of the highest echelon of Nepal Government to the programmes and objectives of the Fund.

The other members of the Board includes Vice-Chairperson of PAF, Secretary from the Secretariat of the National Planning Commission, the Chairpersons of the Federation of District Development Committees; Federation of Village Development Committees; National Women's Commission and National Dalit Commission as ex-officio members, a member of the NGO umbrella organization and two prominent persons including a women who have contributed to poverty alleviation in the country. The Executive Director of PAF works as the Secretary of the PAF Board.

Table: 2.5 The Organizational Structure of the Poverty Alleviation Fund



Even after nearly five decades of planned development, one third of the Nepalese are still in absolute poverty- deprived of basic amenities of life such as food, clothing, shelter, health, education and drinking water. The poor live predominately in rural areas and engage in subsistence agriculture on small plots of low quality land, have limited access to credit, infrastructure, markets and basic social services, often because of remoteness, and rely heavily on seasonal migration and remittance.

Certain castes, ethnic groups, women and those living remote areas are socially excluded and lag seriously behind in terms of income, assets, and most human development indicators. Nepal can not think of achieving any development goal by, excluding this large population of demand groups.

Poverty Alleviation Fund (PAF) is a targeted programme initiative to support the third pillar of the Tenth Plan, which is targeted programme. Broad-based and sustainable economic development, social development and good governance have been enunciated as the other three major pillars of the Plan, which is also known as Poverty Reduction Strategy Paper (PRSP).

Justifying the necessity and the rationale of the Fund as a separate entity, in its preamble, the PAF Ordinance 2060 States that “ with the active participation of the poor and marginalized groups of the society, the Fund shall run various poverty alleviation programmes and shall provide necessary assistance and funds to organizations involved in similar works.”

The PAF starts with the realization by HMG/N (NG) that ad hoc efforts to assist the marginalized groups in the past did not become sufficiently effective, and that government institutions face inherent difficulties in allocating limited resources to those who have the least political voice.

So the main issues before PAF are: (1) Reaching out to the poor and excluded communities, (2) Plan implement demand driven programme to improve access to income generation and community infrastructure for the groups that have been excluded by reasons of gender, ethnicity and caste as well as for the poorest groups in rural communities through their own organizations, and (3) Finance directly to community organizations on cost sharing basis to implement and manage their programmes by the poor themselves. The main challenge is to empower the poorest people with more resources and bring them into the centre of development (PAF, 2004/05).

Initially, in the Fiscal Year 2061/062, PAF started programme implementation in six districts (Siraha, Ramechhap, Pyuthan, Darchula, Kapilvastu and Mugu). Based on the experience gained in these six pilot districts, PAF has expanded programme coverage to an additional 19 districts from the fiscal year 2062/063. These districts include Achham, Baitadi, Bajhang, Bajura, Dadeldhura, Dailekh, Dolpa, Doti, Humla, Jajarkot, Jumla, Kalikot, Mahottari, Rasuwa, Rauthat, Rolpa, Rukum, Sarlahi, and Sindhulu, thus covered all 25 districts belonging to the category of most deprived districts in Nepal.

Based on the experience gained in those six pilot districts and remaining nineteen districts of category-C of CBS, from fiscal year 2064/065 BS, PAF has expanded programme coverage to an additional 15 districts falling in category –B of the CBS. The new districts include Bardiya, Salyan, Parsa, Bara, Dhading, Sindhupalchowk, Dhanusa, Solukhumbu, Okhaldunga, Khotang, Udayapur, Saptari, Taplejung, Terathum and Panchatar. It is also beginning special programme in the VDCs bordering with India. Thus in 2064/065 BS, PAF has covered 40 districts.

Besides its regular programme districts, PAF has also been working in the districts through innovative Special Window Programme to capture innovative initiatives of different organizations/communities at different places.

PAF is all set to extend the regular programme in other additional 15 districts within this FY 2008/09 to cover 55 districts and poverty pocket programmes in remaining 20 districts which are ranked from one to twenty according to CBS ranking based on composite indices. Thus by the turn of 2009/10, PAF will cover all 75 districts of Nepal with its programme.

2.4 The Strategy of Poverty Alleviation Fund (PAF)

To implement the programme, PAF envisages the following strategies:

- Enable poor people through social mobilization and capacity building to organize and obtain quality basic services in cost-effective and sustainable manner with their direct involvement in identification, planning, designing, executing and managing, operating and maintaining the schemes/programme.
- Use Partner Organizations (Pos) to help facilitate poor vulnerable people and their community Groups or Organizations to implement the programme components, and they include local bodies, NGOs/ CBOs and private sector organizations.
- Build partnership with various organizations working in its areas of operation at the village, district and national level in order to ensure holistic development intervention to bring discernible impact on poverty reduction and scaling up the programmes in considerably less time.
- Build PAF an independent, autonomous and a professional organization sensitive to the needs and aspirations of the poor, expected to comprise a lean and thin structure with a core professional staff only as act as facilitator.

2.5 Guiding Principles of Poverty Alleviation Fund (PAF)

Six basic guiding principles are followed in the operation of PAF activities.

1. Targeted to poor: Seeking the prosperity of poor and disadvantaged at the lowest end of economic ladder. The last is the first for PAF. PAF follows bottom-up approach rather than top-down approach.
2. Social Inclusion: Seeking the participation of *Dalit*, *Janajati*, Women and other disadvantaged groups below poverty level.

3. Transparency: All the activities of PAF are transparent. Every Community organization displays its activities on a board in their community.
4. Demand Driven: Programmes are designed based on the needs and demands of the targeted people.
5. Direct Funding: Funding is made directly in the account of community organization to implement the programme. Every CO has opened a bank account in the nearest bank office as per the rule of PAF. This provides both empowerment and confidence in them.
6. Community Institutional Development: It is regarded as a crux for the sustainability of community organizations. Community institutionalization is exclusively done for the legal identity to the community organizations so that they can self-propel by delivering services to the target poor even after the phase out of PAF intervention. Multi-purpose co-operatives for single function and federation of COs are formed as per communities need.

2.5.1 Social Inclusion

PAF's Social Inclusion Strategy includes:

1. Targeted Beneficiaries will be poor women, *Dalits* and *Janajatis*,
2. At least 80percent of community organization (CO) members are from targeted beneficiaries,
3. At least 50percent of CO members are Women,
4. The office bearers (chairperson, secretary and treasurer) of COs are from among the *Dalits* and *Janajatis* communities and female members of the CO.

2.5.2 Social Mobilization

The social mobilization process has been taken as one of the key programme components of PAF. The objective of the social mobilization is to create awareness among the community (poor women, dalit and janajatis), help them to organize and empower them for decision making so that they can identify and prioritise their needs. It is also expected to build up capacity for preparation, implementation, operation and management of community sub-projects to enhance their livelihood.

Partner organizations help identify the settlements of target communities based on the secondary information available in the district: ethnicity, income level and access to basic service facilities. The consultation is done with concerned stakeholders and key informants. After identification of the settlement, POs facilitate communities for participatory social assessment and well being ranking. Individual households of a settlement are categorized as the hardcore poor, medium poor, poor and non-poor by the communities themselves.

Only hardcore poor, medium poor and poor are organized into community organization (CO) to ensure “poor take decision” for themselves. Community organization (CO) is formed with membership from the defined households during social assessment. At least 80 percent of the CO members are supposed to be poor women, dalits and janjatis. It is also mandatory that 50 per cent members of a CO should be women and key positions (chairman, treasurer and secretary) must be filled by poor women, dalits and /janjatis. Keeping the target communities at the driving seat, it encourages them to take initiatives to improve their livelihoods, particularly organizing them into community organizations.

Such community organizations (COs) are registered in Poverty Alleviation Fund (PAF) and the institution building and capacity building of COs are initiated and it is continued in whole project cycle. All this mobilization is facilitated by partner organization (PO). Community organization with active participation of each member lists problems, interest, needs and aspirations. After seeking necessary and relevant information, community organization identifies and prioritizes community sub-projects based on informed choice and participatory methods.

2.5.3 Monitoring and Evaluation

PAF directly support its target communities with ensured inclusion and increased access by supporting their demand based community infrastructure and income generating sub-projects to improve livelihood. While doing so, it is also adopting participatory regular monitoring system. Target communities are first involved in the monitoring CO sub-projects supported by PAF. Empowering the target community by organizing them into CO is the first milestone of PAF monitoring system as it forms its own monitoring sub-committee at the time of CO formation prior to participatory planning and demand based sub-project preparation.

CO is fully responsible for implementation and monitoring including evaluation of the sub-project they have implemented such as public audit.

CO as an autonomous (target community) institution at grass roots level is given full responsibility to plan, implement, monitor and evaluate their sub-projects with collective effort and active participation of its members. Monitoring and evaluation sub-committee of CO is responsible for regular supervision and monitoring of their sub-project implementation progress.

POs carry out periodic monitoring of COs through its board executives and members. They also coordinate with local government bodies (DDC, VDC) and organize monitoring field visits by the DDC/VDC in the working area. A quarterly review meeting at district level (DDC) is designed to strengthen and make effective involvement of DDC and other government agencies in coordination with DDC. Portfolio Manger (PM) is directly responsible to monitor and track the progress of all partner organizations working in their respective districts. POs are monitored and tracked against their proposal and ToR, which is the part of the agreement and work progress based on PO report. PM frequently visit his/her assigned district for monitoring.

In spite of participatory regular monitoring, PAF professionals (ED, Department Heads and other officers) periodically visit field frequently for monitoring purposes, both sectoral and holistically. Such monitoring visits give insight about the sub-projects, sharing experiences, and generate valuable feedback to the management. It helps in strengthening strong linkages between CO/PO and PAF.

2.5.4 Research and Development in PAF

Research and development (R&D) is an inextricable and important part of PAF's mission, providing an analytical basis for programmatic decisions, allowing PAF to learn from its experiences, and share the impact and lessons with different stakeholders. R&D facilitates to/or undertake various research/studies under the guidance of MER division and in cooperation with other units of PAF, enriching organization's overall programmes and strategy. The overall objective of the R&D is to provide a foundation for/or conduct various research activities to provide an analytical basis for programmatic decisions in achieving project objectives. It also

aims to help in modifying and/or improving the strategies and identifying new programmatic issues, which are to be addressed.

2.5.5 Demand-driven and Direct Funding to Community Proposal

By 2006/7, a total of 5,424 community organizations (COs) of poor house holds were registered in PAF (5,131 from regular programme districts and rest 293 through Innovative Window Programme Districts). Out of total registrations, PAF made agreement with 4,976 COs (4,689 from regular programme districts and rest 287 in Innovative Window Programme Districts) and community are implementing the subprojects.

The community demanded sub-projects includes agriculture, livestock, cottage industries, trade and services in income generation category while micro-irrigation, link road, culvert/bridges, micro-hydro, water supply, sanitation, school and health post buildings falls under community infrastructure category.

So far agreements have been made with 4,976 COs amounts to NRs. 2,113,512,085. Till the end of the reporting period, NRs 1,562,851,719 has been disbursed to community non-operating account while NRs 1,138,968,245 has been disbursed to community operating account.

2.5.6 Reaching Out to Excluded Poor Community

Among beneficiaries members in Community Organizations (COs), 69.1 per cent members falls under hard core poor category (food sufficiency less than 3 months among other criteria fix by community), 22.7 per cent members falls under medium poor category (food sufficiency more than 3 months but less than 6 months among other criteria set by the community), 7.5 per cent members falls under poor category (food sufficiency more than 6 months but less than a year among other criteria set by the community) and 0.3 per cent members falls under marginal non-poor category with food sufficiency for a year. Likewise, CO member households constitute 43 per cent dalit, 29 per cent janajati, 2 per cent Muslim, 21 per cent Bramhin/Chhetri and 5 per cent other ethnicity. Gender wise, 66 per cent are female members in Community Organizations (COs).

Similarly, the key position holders in the community organization such as President, Treasurer, Secretary constitutes, 50 per cent Dalit, 26 per cent Janajati, and 2 per cent Muslim and 19 per cent Bramhin/Chhetri, and 3 per cent other ethnicity.

Gender wise, 55 per cent are female key position holders in Community Organizations (COs).

The word Rural Development is a combination of two words 'Rural' and 'Development'. Rural means a remote or countryside area rather than a town i.e. lack of education, health, and basic infrastructural development area, where Development means, a process of change, changing or becoming larger, stronger or more impressive, successful, or advanced or of causing somebody or something to change in quantity and in quality. In the field of Economics development means growth + change. Growth means per capita income where change refers to the equity in income and distribution. So, rural development refers to the change or growth or advanced in quantity and quality of remote area by economically, socially, politically, culturally, environmentally, and technologically.

2.6 Pillars of Poverty Alleviation Fund (PAF)

Four pillars of PAF are social mobilization, income generation, small community infrastructure development and capacity building (PAF, 2007/08).

2.6.1 Social Mobilization/Empowerment

The target communities, particularly poor women, *Dalits* and *Janajatis* are sensitized, mobilized and encouraged to be organized into community organizations/groups by the Partner Organizations. Rigorous social mobilization process including participatory social assessment ensures grouping of individual households of a settlement into hardcore poor, medium poor, poor and non-poor. Community organization is formed from among the hard core poor, medium poor and poor households excluding the households from the non-poor category.

2.6.2 Income Generation/Self-Employment

The CO members are encouraged to undertake income generation activities that fetch additional income to improve their livelihoods. Income generation may cover different types of activities based on local potential, interest, confidence and experience of an individual member of a CO. An individual CO member may take up any type of income generation activity-agriculture or non-agriculture-based, such as production enhancement, technology transfer, processing and marketing including service sector, best suited for their operating environment.

2.6.3 Community Infrastructure

PAF promotes access to the target communities by empowering and helping them to develop social and economic community infrastructures. Such infrastructures are implemented, managed and maintained by the beneficiaries themselves. Community infrastructures are linked with target communities livelihood improvement, and include rural roads, trails, mule tracks, culverts, suspension bridges, truss bridges, short distance gravity cable ways, river bed land reclamation, drinking water systems including sanitation, water management- plastic tanks, sprinkler/drip systems, and farmer-managed small irrigation systems, collection centers, rural energy technology and market management infrastructure.

2.6.4 Capacity Building

PAF emphasize on capacity building, skill enhancement and empowerment of target communities through trainings, exposure visits and technical assistance to enhance the capacity of communities implement community sub-project in a sustainable manner. It also includes capacity building of Pos, local bodies and micro-finance intermediaries, among others.

2.7 Review of Tenth Plan and Goals of Eleventh Three Years Plan for Poverty Alleviation and Employment

The experiences have shown that the goal of poverty reduction cannot be achieved only by maintaining positive overall economic indicators. Therefore, in the Tenth Plan, an approach has been taken to achieve a broad based and poverty alleviation oriented economic growth rate and to bring positive changes in the overall human development indicators and poverty reduction through social inclusion and targeted programs. In this Plan, programs were implemented to reduce absolute poverty through the creation of employment under the broad economic growth.

Review of the Current Situation

Poverty

Out of the total population, 31 percent are living below the poverty line in Nepal. Although, absolute poverty has been reduced from 42 percent to 31 percent during the period from 1996/97 to 2003/04, the gap has been widened between urban and rural as well as between different geographical regions and groups. During this

period, 12 percentage points and rural poverty reduced urban poverty, only by 8 percentage points. Urban poverty was greatly reduced because of increasing urbanization and increasing opportunities in the urban areas of the country. In terms of geographical regions, poverty in the mountain region was reduced by 25 percentage points, while very small change was seen regarding poverty in the hill regions. Similarly, poverty in the Terai region has come down by 13 percentage points. In total, the main reason behind reduction of poverty by 11 percentage points were the faster growth in urbanization, increase in remittances from foreign employment, increase in wage rates in the agriculture sector, increase in employment and wage rates in the non-agricultural sector, and increase in the population of the economically active age group. According to the Nepal Living Standard Survey, among the poor people living below the poverty line, 67 percent were people employed in agriculture and 11 percent agriculture laborers. In this way, 78 percent of the poor were those for whom the agriculture sector is the main stay of employment. The disparity in distribution of poverty could be seen not only based on caste or ethnicity, but also on geographic/regional grounds. Among different castes or ethnicity, 46 percent of *Dalits*, 44 percent of *Janajatis* of Hills, 41 percent of Muslims, 31 percent *Janajatis* of the Terai and 31 percent of other minority groups are living below the poverty line. But 14 percent *Newars*, 18 percent Brahmins, 21 percent of middle level groups of the Terai are living below the poverty line.

Thus, it is clear that there are differences in the level of poverty among the *Janajatis* due to unequal availability of opportunities, access in the national development sectors and an unequal State system. On the one hand, it is a positive sign that per capita poverty has been reduced, but on the other hand, during the same period the increase in disparities has increased the gap between the poor and the rich in the country. The Gini- coefficient, which indicates the sign of income disparity, has been increased from 0.34 to 0.41. This indicator is bigger in the case of different geographical regions, different caste, and ethnic groups. The main reasons behind the increase in income inequality were the access of limited groups to opportunities, low agriculture wage rate, internal conflict, increase in the number of displaced people, increasing urbanization, increase in foreign employment and remittances.

Employment

According to the Population Census of 2001, there was 5.2 percent unemployment among the population of ten years and above, and according to the Nepal Living Standard Survey 2003/04, 2.9 percent were unemployed among the population of 15 years and above, 74.3 percent were employed and 22.8 percent were inactive. Among the unemployed population, 3.1 percent were males and 2.7 percent were females. Similarly, according to the national census of 2001, 11.43 percent are unemployed youth. In the total labor force 70.6 percent were involved in agriculture and 29.4 percent in the non-agriculture sector. It has been estimated that the total labor force will reach 11.4 million in 2008 and its growth rate will be 2.6 percent. It is estimated that each year 0.3 million, labor force will be added in the labor market of Nepal.

Problems, Challenges and Opportunities

The main challenge of this Plan is to reduce the gap between the poor and the rich while continuing efforts on poverty reduction. Disguised unemployment has been wide spread in the agriculture sector due to lack of education, poverty, and malnutrition. Promotion of self-employment is limited due to limited access of the majority of the people to skill, capital, and technology. Although, the conflict has ended, the inability to ensure peace totally, has led to the erosion of the investment friendly environment and has created obstacles in the efforts towards the creation of new employment opportunities. As a result, people are getting more attracted towards foreign employment. The major challenges are given below:

- Reducing the ever-growing disguised unemployment, highly concentrated in the informal sectors.
- Gradually transferring the unnecessary population dependent on agriculture to non-agriculture sectors.
- Creating new employment opportunities.
- Promoting self-employment to those domestic entrepreneurs who have access to local skills, capital, and technology.

- Making employment opportunities available to skilled human resources through industries based on joint ventures of the informal and organized sectors.
- Promoting secured foreign employment based on competition.

Long Term Vision

The long-term vision is to reduce poverty by producing skilled human resources and creating competitive employment opportunities through programs, which create opportunities and enhance capacity development.

Objectives

1. To promote the living standard of the people living below the absolute poverty line through programs that creates of income generation opportunities and capacity development.
2. To promote self-employment by mobilizing skills, capital and technology of the domestic entrepreneurs.
3. To increase access of the economically deprived women, *Dalits*, and persons with disability, minorities, *Adibasi Janajatis*, *Madhesis* and backward communities, in domestic and foreign employment based on capacity/skills.
4. To create the development concept, capital and environment to generate maximum employment.

Quantitative Targets

- Reduce the proportion of the population living below the poverty line from the existing level of 31 percent to 24 percent.
- Increase the employment growth rate from the present rate of 3 percent to 3.5 percent over the plan period.

Strategies

- To create new employment opportunities by attracting private sector investments in cottage and small-scale industries as well as in the medium scale agro-based industries.

- To create additional employment opportunities by attracting foreign direct investment on the bases of comparative advantage, in the mega hydroelectricity projects, highways, irrigation, tourism, services (education and health), financial sector and bio-diversity promotion and development projects.
- To provide employment opportunities for a certain period through the construction of rural roads, drinking water, and irrigation projects in the rural areas, as well as through reconstruction programs.
- To create employment by implementing separate targeted programs based on micro-credit in all the three regions namely, Mountain, Hill and the Terai, for income generation of *Dalits*, low income women, people with disability, *Adibasi Janajatis*, *Madhesis*, and the marginalized people.
- To commercialize agriculture and promote the Export Processing Zone, Special Economic Zone and Industrial Corridors, in the industry sector.
- To implement inclusive, targeted and special area specific programs based on both geographic region and social groups in different sectoral areas.
- To develop a system to identify the population living below the poverty line with the objective of targeted programs to reach the related groups effectively. After the identification of targeted groups, the State will deliver services and goods/incentives to these groups.
- Production oriented employment will be promoted to reduce unemployment and underemployment.
- To make employment more income oriented, skill development and soft loan will be provided to youths of the poor and targeted groups.

2.8 Operation Modality of Poverty Alleviation Fund (PAF)

2.8.1 Partnership with POs

District selection is done on the basis of district level poverty monitoring indicators developed by the Central Bureau of Statistics of the National Planning Commission. CBS has categorized all 75 districts of Nepal into three groups, each group consisting of 25 districts, based on value of overall composite indices computed considering 28 relevant socio-economic indicators. PAF works in all 25 districts

belonging to Group C-categorized as most deprived districts. VDCs prioritization follows the district social assessment and vulnerable community mapping. Prior consultation is done with District Development Committee and different stakeholders at district level for VDC selection.

2.8.2 Selection of District and VDC

Based on the eligibility criteria, PAF first selects Pos working its working districts. CBOs, NGOs, PSOs, DDC, VDC, and Municipality are the potential Pos for PAF. PO helps in social mobilization, facilitation, capacity building and technical assistance to CO. They facilitate COs to identify, plan, design, execute, operate and maintain the community sub-projects. It also provides necessary technical support for successful completion of the sub-project, and carries out monitoring of the sub-projects.

2.8.3 Selection of Households/Settlements

PO is assigned in one or more VDCs to identify the settlements with higher concentration of PAF's target communities. Participatory social assessment is done at selected settlement. All households of a settlement are categorized into hardcore poor, poor and non-poor based on participatory well-being ranking.

2.8.4 Community Organization (CO)

CO is formed with membership from the defined household during social assessment. Only hardcore poor, middle poor and poor are organized into CO to ensure "poor take decision" for them. At least, 80 percent of the CO members are to be poor women, *Dalits* and *Janajati*. It is also mandatory that 50 percent members of a CO should be women, and key position-chairman, treasurer and secretary- must be fulfilled by poor women, *Dalits* and *Janajati*.

2.8.5 Community Sub-Project Preparation and Funding

CO with active participation of each member enlists problems, interest, needs and aspiration. After acquiring necessary and relevant information, CO identifies prioritized community sub-projects based on informed choice through a participatory manner. CO also seeks necessary help and facilitation from PO for technical assistance, particularly in survey, design, market study, pre-feasibility and feasibility studies. Economically, socially and environmentally viable community sub-projects,

prepared with participatory Community Action Planning (CAP) process, are selected and developed into the community people.

2.8.6 Community Sub-Project Implementation

CO or beneficiary community is wholly responsible for implementation of an agreed community sub-project. If required, CO revises community action plan and ensures community contribution by developing community contribution plan, purchasing plan and revised implementation schedule.

2.8.7 Monitoring of the Programme

Participatory monitoring and supervision is adopted to monitor PAF activities and ensure and valuable implementation of the community sub-projects. PAF monitoring system monitors frequently and periodically at COs, Pos and PAF levels. It adopts participatory planning, monitoring and evaluation system.

2.9 Annual Achievements Against Targets

PAF had set a exact target in relation to its key programme mechanism- social mobilization, income generation, community infrastructure activities, capacity building and innovative sub-projects. The following table shows the realization targets of building block donation.

Table: 2.6 Achievement Targets of Block Grant

Component	Output Indicator	Reporting Year (FY 2064/65)	
		Target	Achievements
1. Block Grant to COs and Pos.		Target	Achievements
1.1 Income Generating and Infrastructure (IG) Project in PAF Districts.			
a. Social Mobilization in PAF Districts	No. of POs selected	130	197
	No. of COs selected	2,210	3,036
	No. of COs registered under PAF	2,210	3,003
	No. of COs entered into agreement	2,210	2,904
b. Income Generating sub-projects	No. of sub-projects (SP) agreement with CO	2,100	2,825
c. Small Infrastructure Activities	No. of SP agreement with CO	950	381

1.2 Innovative Special Programmes			
a. Social Mobilization-Innovative	No. of Pos selected	25	49
	No. of COs formed	450	133
	No. of COs registered under PAF	450	79
	No. of COs entered into agreement	450	49
b. Innovative Sub-Projects	No. of SP agreement with CO	450	75

Source: PAF, 2007/08 Annual Report.

For the reporting year FY 2007/08, the target on community organizations and sub-projects agreements have been met while in the case of Pos selection, the achievement has remained far below the mark. PAF had targeted to select 130 Pos but achievement was only (46) 35 percent. This was due to delay in the selection of Pos for the newly added 15 districts. Under innovative sub-projects, PAF had set annual outputs of 450 sub-projects, while the achievements has remained only 46, owing to PAF's special focus on the programme districts in the reporting year. PAF had set a target of 2,210 CO formations, 2,210 CO registration and 2,210 Co registrations and CO agreement, against which, the achievements has stood at 3,066, 3,003 and 2,904 respectively.

In the case of income generating sub-projects, PAF had set the annual target of 2,100 sub-projects agreement with CO while the achievements has been recorded to be 2,825 sub-projects, high above the target.

In case of small infrastructure activities, PAF had set the annual outputs of 950 sub-projects agreement with CO, against which it has made 381 sub-project agreements with the COs. Further to above, PAF had set annual target in social mobilization component under innovative special programmes, which include selection of 25 Pos, formation of 450 COs, registration of 450 COs, and agreement with 450 COs and sub-project agreement with 450 COs, against which, it has achieved 49,133, and 75 respectively.

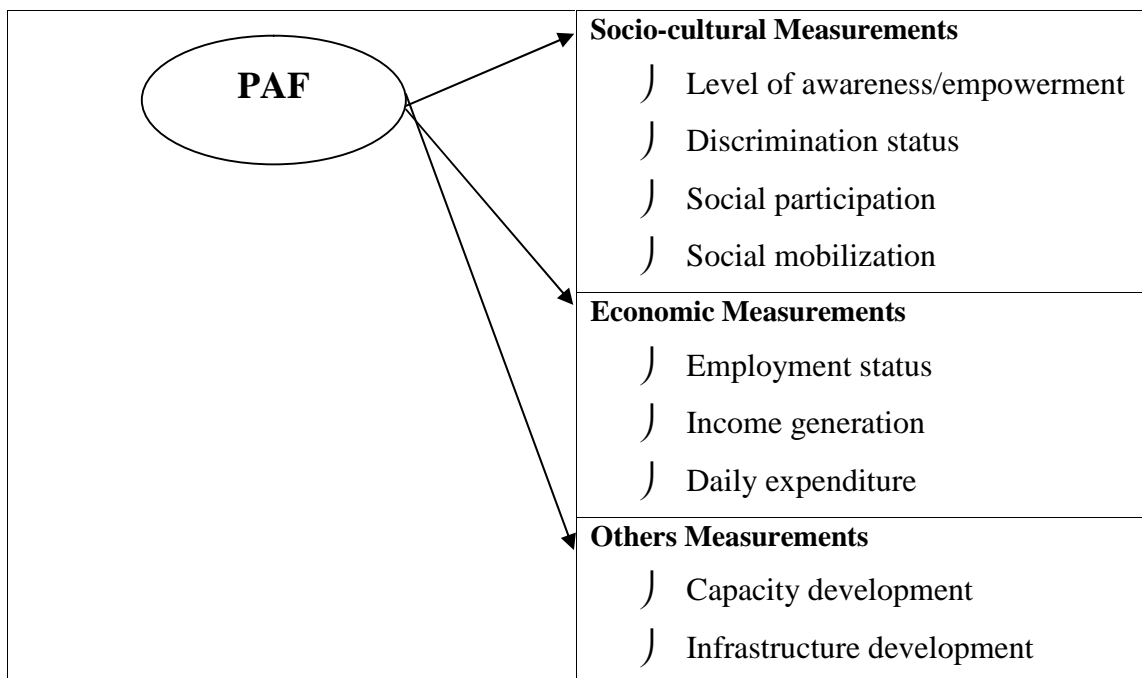
2.10 Conceptual Framework of Research

This study has a conceptual framework to identify the impact of PAF in social, economic, and cultural sectors as well as income generation opportunities and local

development of the study area. The opportunities mainly focused to the PAF programme, employment, lifestyle, occupation, farm land, livestock, human resources, and other resources and activities in that area. It has found the existing status and gaps in resources use that are the major research issues. Issues related to the socio-economic, technology, socio-cultural change and equity are the major identified research issues.

After selection of these issues, we have to find out the local developmental activities and income generation of focus areas people. Support of relevant stakeholders to implement it first, then people imitates it themselves. After the PAF programme implementation, the condition of Sunarpani VDC people have increased name, fame and income which denotes a positive socio-cultural change that is called improvement. Below the table shows that the progress activities which PAF had done in the study area.

Table: 2.7 Framework of the Study



CHAPTER-THREE

RESEARCH METHODOLOGY

3.1 Research Design

This study is based on descriptive as well as exploratory research designs. Descriptive research design has been used to gather round qualitative information about the research area and exploratory design is used for collecting information about respondent's views and ideas about the programs, their problems, their participation etc.

3.1.1 Rationale of the Selection to Study Area

The study an impact of PAF program in Sunarpani VDC, Ramechhap District is very important because how many community organizations are formed there and how they are working in the community and what types of knowledge, attitude and behaviour change in development. This VDC is near by District Headquarter Manthali Bazaar. There is Rural People Uplifting Development organization and this has facilitated to community organizations according to PAF guideline. There are five PAF partner organizations working in Ramechhap and one of them RPUDP is working in Sunarpani VDC. Within this VDC whereas eight COs are run their need based sub projects. The different types of income generation, infrastructure, social mobilization and capacity building programmes and target members of community organizations are benefited from the programmes. In the study, there may be two cluster selections in the VDC. The COs, a team of staff of RPUDP partner organization and observation are main factors for the study and from them, required information can be taken.

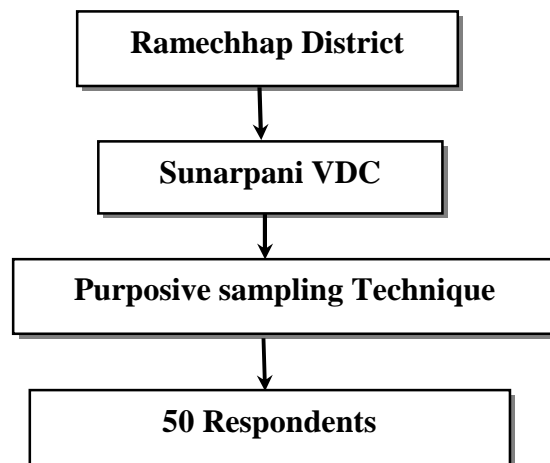
The study explores the activities done by PAF and the impact of PAF in local communities, which provides us a reliable representation to other parts of the country and the recommendation made by the study, had been applicable to other areas as well.

3.2 Sampling Procedure

The sampling universe is the total number of COs of this VDC. The members of COs and a team of staff of RPUDP organization from this VDC had been selected by lottery in this study.

A Purposive Sampling technique had been employed for the selection of the study population. However, due to some problem of geographical condition A and B cluster selection would be useful. But members of COs and a team of staff of RPUDP organization have been used for as respondents in both clusters. Members of COs meeting in which interviews are practiced by Research teams. Similarly, observation of community in personal hygiene, vegetable farming, animal husbandry, kirana shop, entrepreneurship, hotel business, bee keeping, tailoring, leadership, gender participation, enrollment of children, fruit cultivation, revolving fund management, regular meeting, saving and credit status, management of leaders, group composition of dalit, janjati, hard core poor and women, bank bearers, use of toilet, fruit trees growing, environmental sanitation, gender equity, practice of food habit and kitchen garden etc are a must for observation in visit communities.

A total 50 respondents whereas 42 members from 14 COs and 8 from a team of staff of RPUDP organization. Similarly, 21 households have been taken for observation.



3.3 Nature and Source of Data

A Purposive Sampling technique had been employed for the selection of the study population. However, due to some geographical condition selection was useful for Sunarpani settlement of the VDC.

3.4 Sources of Data Collection

These study goals to explore the main role of socio-cultural change, socio-economic impact of PAF and related groups, income generating and infrastructure development of area people. Thus, the primary data was collected from the user

group's households. Similarly, the secondary data were used for the deep study which was collected from published or unpublished written documents from individuals, experts and organization related to poverty.

3.5 Data Collection Tools and Technique

On the process of data collection tools and techniques are important. The collection of primary data had been generated, the structured questionnaire, semi or unstructured interviews; and observation as well as focus group discussion methods have been applied.

3.5.1 Household Survey

Structured questionnaire had been prepared to generate the realistic and actual data from household's survey of the affected households. The respondents have requested to fill up the questionnaire. The following tools and techniques had been used to collect data and current information during the course of this study.

3.5.2 Key Informant Interview

A lot of methods, the primary data had been collected from key informants using the interview guide with semi or unstructured questions. The interview had been taken as cross checking for data obtained from questionnaire.

The informant had been interviewed on the impact of community forestry on local activities, like development, living standard, income of user groups. In this process information had been taken from PAF members, Local people, Politician, VDC Secretary, Chairperson of user groups, Local teachers, and Social workers and so on.

3.5.3 Field Visit Observation

Fifty persons which were selected by purposive sampling had been visited and socio-cultural change and impact of PAF activities had been observed in various sectors with the help of observation guide. And it has been recorded in file. This was very useful to know that what was recently happening in the study area. It also helped to prove the Quotations made by the respondents during interview schedule.

3.5.4 Focus Group Discussion

The focus group discussion had been located in the renowned place of VDC with active participation of all man, women, ethnic groups, *Madhesi*, *Dalit*, Children,

Youths and Old persons using checklist. The discussion was started focusing the poverty related organizations activities in local area and its impact on developmental activities and on more issues.

3.6 Data Analysis and Interpretation

After concluding interview schedule from field observation collection of data had been preceded. Various computer programmes had been taken and simple statistical tools like; table, graphs, etc has been used for data analysis. In this stage, descriptive methods were used for qualitative data. The data has been presented on the tables and graphs/ figures according to the study. And also maps and photographs have been presented wherever they are useful.

3.7 Glossary

3.7.1 Literacy Rate

Literacy rate is a key and enabling basic learning needs. But basic learning needs go for beyond basic literacy and numeric. They comprise knowledge, information, skills, values and attitudes necessary for personal, family and community awareness and development.

3.7.2 Untouchable Caste

Untouchable caste are those caste, which are not allowed to touch other caste upper them in caste hierarchy according to Hindu Ideology.

3.7.3 People's Participation

Peoples participation refers to the active participation of all the user and Volunteers in all Phases of Community planning, Reporting and hard work. That means they can do Identification of resource to the benefit sharing as well as monitoring and evaluation of the programme.

3.7.4 Constitution

Constitution refers in the study is as constitution of Groups which registration in PAF for legalization.

3.7.5 User Committee

User Committee is an executive committee such as Drinking water, forestry and Health Committee where members are selected by community on the basis of CO.

3.7.6 Non Formal Education

It is a kind of education which is used especially for a adult of that course is upto 3 years they are all motivated to do functional activities and awareness raising on different activities.

3.7.7 Sanitation

To increase awareness raising, build and use of toilet for control the disease transmission from one place to another.

3.7.8 Maternal Child Health (MCH)

It is a programme of reducing maternal child mortality and morbidity rate that help to control and prevention diseases.

3.7.9 Revolving Fund

It is saving fund of community provided Grants by PAF to COs for Income generation sub projects which can be mobilized as loan in target members on reasonable interest according to rules and regulation of them.

3.7.10 Outreach Clinic

Due to geographical condition, busy and ignorance, a clinic run as accessible places for providing health services to mother with children and health education, family planning devices, first aid services etc can be obtained.

3.7.11 Target Groups

That is well defined as *Dalit, Janjati*, Poor and Women. A prioritized as well as disadvantaged member of community and need to improve their economic status through introducing Holistic approaches.

3.7.12 Partner Organization

The potential NGOs/INGOS/GOs/Private Sectors which can be worked with PAF for the poverty alleviation of target community.

3.7.13 Community Organization

The organization registered with PAF to be eligible for launch of sub projects in the community. The norms are at least 80% of poor, 50% Female and Office bearers i.e. Chairperson, Treasure and Secretary from female of *Dalit* and *Janjati*.

CHAPTER-FOUR

DESCRIPTION OF THE STUDY AREA

4. General Introduction of Ramechhap District

Ramechhap District, a district of Janakpur Zone, is one of the seventy-five districts of Nepal. The district, with *Manthali* as its district headquarters, covers an area of 1564.32 square km and has a population (2001) of 212408.

4.1 Location

Ramechhap is the midmost district of Nepal and lies in the hill. It borders *Dolakha* in the north, *Kavrepalanchok* and *Sindupalchok* districts in the west, the *Sindhuli* in the south and *Owkheldunga* and *Solukhumbu* in the east.

4.2 Administration

The district is divided into 55 Village Development Committees (VDCs). Its major centers are *Manthali*, *Bhaluwajor*, *Gausara*, *Himganga*, *Gumdel*, *Khimti* and *Pakarbas*.

4.3 Development

Ramechhap is one of the less developed district of the country. Almost all the villages and towns are not linked by roads. There are less schools of the district. There is also tele-communication, roads and a hospital. It has the overall composite index is 56 rank.

4.4 Demography

Ramechhap is home to many indigenous ethnic nationalities such as the *Newar*, *Tamang*, *Magar*, *Sunuwar*, *Kami*, *Sarki*, *Majhi*, *Sherpa*, *Damai*, and *Gharti*. The population of Brahmin Hill and Chhetri percent is high than other casts

Ramechhap is diverse and rich in culture and traditions due to the influences of its different tribes. All the tribes/ethnic groups have their own languages, customs and traditions, and they celebrate their festivals every year.

4.5 Climate and Geography

Ramechhap receives 250 to 300 cm of rainfall a year, and mostly during the monsoon season in the summer and its hilly northern area receives more rainfall than the south. Its major rivers, like the *Ranjor River*, *Thulo Pokhari*, *Likhu River*, *Nagthan River*, *Tamakosi River*, *Sunkosi River*, *Bhatauli*, and *Sukejor River* etc provide water for irrigation. Due to its alluvial soil best suited for agriculture, Ramechhap has been the largest producer of rice and is therefore known as the Grain Grocery of Nepal. Besides cereal crops like rice, crown, and wheat, it is also one of the largest producers of tomato, mango, soybean, banana and other cash crops. The following table shows that the topographical distribution of land.

Table: 4.1 Topographical Distribution of Land in Ramechhap District

Physical Condition	Cultivated	Non Cultivated	Pasture	Forest	Others	Total
High Himalaya	0	0	0	7,249	11,478	18,486
High Mountain	2,088	1,704	1,110	18,501	0	24,797
Mid Mountain	37,962	17,426	304	44,902	1,955	106,914
Total	40,050	19,130	1,41	66,152	13,433	150,194

Source: District Profile of Nepal-2007/08

Ramechhap also has vast areas of forests; there were 339 numbers of forest user groups. As well as there were 393 academic institutions including Pre-Primary, Primary, L. Secondary and Secondary.

4.6 Introduction of Sunarpani VDC

Sunarpani is a Village Development Committee in Ramechhap District in the Janakpur Zone of north-eastern Nepal. At the time of the 2001 Nepal census it had a population of 2,440 people residing in 471 individual households. In the ancient time *Sunar* caste was lived so, after that time it was defined as *Sunarpani* name.

This area is geographically very inaccessible, there are no bridges, but telephone, electricity facilities are just introduced. In this VDC, only sub-health post, post office and schools. So, health, sanitation and employment opportunities are very poor. After the emergence of PAF programme, the developmental activities are rapidly rising in the VDC. Extension of electricity, road, income generation activities,

self-independent, cultural change and irrigation facilities are some of the main works of PAF in this VDC.

The main ethnic groups residing in this VDC are *Magar, Tamang, Gharti, Newar*, etc. Among *Dalit* there are many categories such as *Damai, Kami, Sunar, Biswakarma, Sarki*, etc. The table-2.8 below shows the current Ramechhap VDC's statistics like, total population, literacy rate, and telephone or electricity status clearly.

Table: 4.2 Sunarpani VDC's Statistics

Total Population	T.N. of HHs	Male	Female	Literacy %	Tel.	Elect.
2440	471	1105	1355	47.4		

Source: District Profile of Nepal-2007/08.

4.7 Description of PAF in Study Area

Community Development Organization (CDS) a partner organization (PO) which was established or started its work from 2061 BS. According to the programme nature and contract, programme should be completed within five years. The main role of PO's is given below.

1. Identification of target, VDC, Ward, Settlement and member.
2. Sensitization to community.
3. Process facilitation of the social analysis.
4. Capacity building/social mobilization after formation community organization.

PAF started its programme after Fiscal Year 2061/062 in six districts (Siraha, Ramechhap, Pyuthan, Darchula, Kapilvastu and Mugu) aiming to enable poor women, *Dalit, Janajati*, and vulnerable groups to gain access to resources for their productive self-employment, to encourage them to undertake income generating activities for poverty alleviation and improved quality of life. There are fourteen community development organizations under the poverty alleviation fund programme namely; *Sallaha, Bhairabjyoti, Godawari, Hatemalo, Durgadevi, Makhamali, Phulbari, Nagbeli, Juneli, Manakamana, Kalikadevi, Sayapatri, Janjakriti*, and *Nagdevi* Community Development Organizations. In these organizations, there are above 300 total families are engaging.

The support of various organizations, PAF became popular in *Sunarpani* VDC. After the emergence of this branch, it helped the two or more local institutions/organizations for the development of that area. Using the national objectives, it launched the various community development or human development activities in this area such as income generating activities, social mobilization, capacity building, and infrastructure development for the reduction the mass poverty. In short period, various programmes have launched and get extreme support from the local people. In this *Sunarpani* VDC it had changed the traditional style of development and made people self-dependent. In this study area PAF had done the following activities.

-) Transform the traditional irrigation system
-) Self dependent for Disable, women and marginalized people
-) Transport and Communication facilities
-) It ended the selfness
-) It provided the awareness for local poor
-) Roads for transport
-) It had supported the alternative energy
-) PAF made various schools
-) Changed the traditional agriculture system
-) Helped to establish Poultry form
-) Forest management
-) Drinking water
-) Entrepreneur Loan / Agriculture Loan
-) Livestock farming etc.

4.8 Attractions and Sites

Ramechhap also has several religious and historical sites of great importance like *Thulo Pokhari*, *Thanapati Mahadev Mandir*, *Bhagawati Mandir*, *Karki Kulayan Mandir*, *Kalika Mandir*, *Bhairabi Mandir* and *Bhimsen Mandir*. There is also the historical fort of Manthali which gave its name to Manthali. Other sites too have their own religious and historical values.

4.9 Agriculture and Industry

Ramechhap is also famous for micro credit development. There are Small Farmer, Saving and Credit, Multipurpose and Agriculture co-operative which was registered in local administration. The Rastra Banijya Bank was the first financial institution. In Ramechhap there were two branches of Rastra Banijya Bank. The table shows total population, total households, male, female and literacy rate.

Table: 4.3 Population Status in Ramechhap District

Total Population	Male	Female	Sex Ratio	Total HHs	Average HHs	Literacy Rate %	Population Density Per Sq. Km.
212,408	100,853	111,555	90	40386	5.26	39.05	137

Source: District Profile of Nepal-2007/08

4.10 Poverty Status

The magazine “Poverty Outlook” 2008 stated that *Ramechhap* is one of the least developed and poor place, which rank is 56, the poverty incident rate is 0.48, poor HHs 19,385, poor population 101,956, literacy rate 39.40, female literacy rate is 26.60, and male literacy rate is above 53.80 respectively. It proves that the poor condition of *Ramechhap* district.

CHAPTER-FIVE

DATA ANALYSIS AND INTERPRETATION

5.1 Socio-Economic Condition of Sunarpani VDC

This chapter begins the information like caste/ethnicity, family size composition, gender, occupation, educational status, age sex structure, land holding and animal husbandry of the study.

5.1.1 Caste/Ethnic Composition

There were diverse of ethnic representation. There was *Bramhin/Chhetri, Newar, Gharti, Taman (Matwali), Dalit and others etc.* Among the sampled households under the study, *Dalit* represented the largest population 52 percent, followed by *Bramhin/Chhetri* 23 percent, *Matwali* 14 percent and *others* 4 percent. The table- 5.1 below describes the caste/ethnic composition of sampled households. Out of sampled 50 households, 96 percent peoples are *Hindu* and 4 percent are *Buddhist* religion.

Table: 5.1 Caste/Ethnic Compositions

Caste/Ethnic group	No. of HHS	Percentage
Dalit	26	52
Brahmin/Chhetri	15	30
Matwali	7	14
Others	2	4
Total	50	100

Source: Field Survey, 2009.

5.1.2 Occupation

Generally Nepalese rural people are always holding the rural sources like agriculture, livestock etc. The main occupation of the total sampled households was almost agriculture and all of them worked as farmer in the field. On the other hand, non-farming occupations like wage worker, service, and other profession were also there but it was very low than agriculture occupation. This study shows that most of

households are involved in agriculture 94 percent, and others are 6 percent. The table-5.2 below shows the occupational division of sampled households.

Table: 5.2 Occupational Distributions of Sampled Households

Occupation	No. of HHs	Percentage
Agriculture	47	94
Others	3	6
Total	50	100

Source: Field Survey, 2009.

5.1.3 Family Size

Family unit size of the sampled HHs was found from 2 to 11 members. The age between 1-3 represented over 21 percent, the age between 3-5 represented over 44 percent, 5-7 represented over 23 percent, 7-9 represented over 10 percent. The table-5.3 below shows the family unit size in orderly.

Table: 5.3 Distributions of Family Members

Family Size	No. of HHs	Percentage
1-3	15	30
3-5	14	28
5-7	9	18
7-9	8	16
9-11	4	8
Total	50	100

Source: Field Survey, 2009.

5.1.4 Age-Sex Composition

The respondents of the sample area were diverse in term of caste/ethnic groups, sex, users and different age group. The total population of sampled HHs was 50, among them 24 were Female and 26 were Male. The table-5.4 below has illustrated age and sex composition of the sampled households. The study shows that population of male and female was little less. The age group in between 10-19 and 30-39 had dominated the total population, which covered 42 percent of the people and among them over 48 percent were female. There was only one woman who had crossed over 70 years.

Table: 5.4 Age-Sex Composition of Sampled HHs

Age group	Total PN.	Male	Female	Total Percentage
0-4	2	2	0	4
5-9	2	0	2	4
10-19	3	1	2	6
20-29	8	3	5	16
30-39	13	8	5	26
40-49	7	4	3	14
50-59	6	2	4	12
60-69	7	5	1	14
70- Above	2	1	1	4
Total	50	26	24	100

Source: Field Survey, 2009.

5.1.5 Educational Status

Out of total respondents, majority of respondents 14 percent had lower secondary level education. The study shows that 10 percent were educated up to SLC level followed by only literate 40 percent and SLC 8 percent. But 18 percent respondents were illiterate. The study also shows that the average literacy rate per sampled HHs was 40 percent. The table -5.5 below illustrates the literacy pattern of sampled households of the study area.

Table: 5.5 Educational Statuses of Family Members

Level	No.	Male	Female	Percentage
I.A above	4	5	2	8
S.L.C.	5	6	4	10
L. Secondary	7	4	4	14
Primary	5	2	4	10
Literate	20	6	3	40
Illiterate	9	1	2	18
Total	50	31	19	100

Source: Field Survey, 2009.

5.1.6 Type of House

The study area is located in rural place. Out of the total sampled households, 66 percent had got *Kachhi* house made by mud and wood and 34 percent had got *Pakki* (Cemented) house. The house model of sampled HHs has been shown in the table-5.6 below.

Table: 5.6 House Patterns of Sampled Households

Level	No. of HHs	Percentage
Kachhi	33	66
Pakki	17	34
Total	50	100

Source: Field Survey, 2009.

5.1.7 Agricultural Land Holding

The study found out that the maximum agricultural land holding of the sampled households was above 11 *Ropani* and minimum was less than 1 *Ropani*. Out of the total households, the average agricultural land holding was 4 percent has got above 11 *Ropani*; over 44 percent has got 1-3 *Ropani*, 28 percent has got 1-3 *Ropani*. The table-5.7 below illustrates the agricultural land holding of the sampled households.

Table: 5.7 Agricultural Land Holding

Agricultural Holding HHs	No. of HHs	Percentage
Less than 1 <i>Ropani</i>	14	28
1-3	22	44
4-6	6	12
7-9	3	6
9-11	3	6
11-Above	2	4
Total	50	100

Source: Field Survey, 2009.

5.1.8 Animal Husbandry

In rural area, animal husbandry is an important productive asset. Thus, most of the sampled HHs in the study area raised animal husbandry. Among them 62 percent HHs had raised livestock only, Poultry 18 percent, 16 percent had raised both livestock and poultry and over 4 percent had none. The following table-5.8 describes the current status of animal husbandry.

Table: 5.8 Animal Husbandry

Animal	No. of HHs	Percentage
Livestock	31	62
Poultry	9	18
Livestock-Poultry	8	16
No any	2	4
Total	50	100

Source: Field Survey, 2008.

5.1.9 Food Sufficiency

The main agriculture production in the study area was rice, potato, crown, maize and vegetables etc. Among the sampled HHs 42 percent was found to be completely dependent in agriculture and had sufficient production for their livelihood. Many of the HHs 18 percent survives only for 3 months from their agriculture production. The following table-5.9 shows the food sufficiency pattern of sampled households.

Table: 5.9 Food Sufficiency

Food Sufficiency months	No. of HHs	Percentage
Three-Six	9	18
Six-Nine	16	32
Nine-Twelve	21	42
Above-	4	8
Total	50	100

Source: Field Survey, 2009.

5.2 Impact of PAF Activities in the Study Area

5.2.1 Social Sector

1. Education and Schools for Disadvantage Disable and Marginalized Group

Now the target group has been aware to enroll their children in school. The importance of education is known by target community. They have access of school for their children. Most of the respondents are illiterate. The following table 5.10 shows that the access of education in the study area orderly; *Dalits* 50 percent, *women* 36 percent and *other* were 14 percent respectively. It shows that the level of awareness *Dalits* are higher than the other communities.

Table: 5.10 Access of Education

Group	No. of HHs	Percentage
Dalits	25	50
Women	18	36
Others	7	14
Total	50	100

Source: Field Survey, 2009.

2. End of Social Maladies

Before entering the PAF programme in that VDC, some of the people were playing cards, gambling and disintegration in participation. Now those things have been completely stopped and community organization has their revolving fund and use in their own purposes with reasonable rate of interest. Below the table 5.11 deals about the status of the social maladies clearly where trafficking is higher than the other sectors.

Table: 5.11 Social Maladies

Sectors	No. of HHs	Percentage
Quarrelling	8	16
Trafficking	18	36
Violence	16	32
Others	8	16
Total	50	100

Source: Field Survey, 2009.

3. Establishment of Social Control

It is practiced by the members of community organization and social integration has been set up. If there is something wrong, they decide the significant decision in the community. Thus, there is changed their attitudes for the social welfare. Table 5.12 shows the attitude level of the study area where positive 84 percent and negative attitude is 16 percent respectively.

Table: 5.12 Establishment of Social Control

Attitude Level	No. of HHs	Percentage
Positive	42	84
Negative	8	16
Total	50	100

Source: Field Survey, 2009.

4. Social Security

They are engaged in group. During the meeting, they share their common interest and follow social norms and values. Following table 5.13 deals about the social security level of the study area where social aspects is higher than political, economic and others sectors.

Table: 5.13 Social Security

Sectors	No. of HHs	Percentage
Social	21	42
Political	15	30
Economic	9	18
Others	5	10
Total	50	100

Source: Field Survey, 2009.

5. Social Rights and Justice

Generally, law and order is ruled by the state and public follow its all process. Society has made different caste, ethnicity, religion and culture however they respect to all and conserve their culture. When the people are outside the boundary of norms and values, they punish to respect live persons as legally. Below table 5.14 describes

the justice level of the study area where various topics but social consciousness is more than others sectors.

Table: 5.14 Social Right and Justice

Rights	No. of HHs	Percentage
Social	18	36
Political	7	14
Economic	13	26
Others	12	24
Total	50	100

Source: Field Survey, 2009.

6. Community Participation

For the lack of budget to do development activities, community has contributed their cash and kinds. Target people were participating in meeting. Women were participating in each and every activity. Thus, analysis of their need, planning, implementation, monitoring & supervision, evaluation and share the benefit with them. They were actively participated in their social and development activities. The following table 5.15 deals about the participation level clearly, where inclusive participation 52 percent, social 24 percent, political 18 percent and others 6 percent respectively.

Table: 5.15 Community Participation

Status	No. of HHs	Percentage
Social	12	24
Political	9	18
Inclusive	26	52
Others	3	6
Total	50	100

Source: Field Survey, 2009.

7. Level of Awareness

Target group has changed their level of thinking in case of using improved seeds, commercial vegetables farming use of improved technology livestock raising and traditional beliefs have been changed now. Below the table 5.16 shows the

awareness level of the community sample members where aware people were 54 percent, middle 32 percent and non-aware sample 14 percent respectively.

Table: 5.16 Level of Awareness

Level	No. of HHs	Percentage
Aware	27	54
Middle	16	32
Non-aware	7	14
Total	50	100

Source: Field Survey, 2009.

8. End of Stratification

Mainly, social stratification plays the separation of people such as rich and poor, higher and lower caste and most of our target groups were exploited before PAF entering into the VDC. Now this misleading behaviour has been changed and they have a common goal and interest for the community development. The following table 5.17 shows that the level of stratification is found to be the lowest in maintaining hierarchies with 10 percent while 48 percent of the people have very low stratification.

Table: 5.17 End of Stratification

Level	No. of HHs	Percentage
High	5	10
Middle	16	32
Low	29	48
Total	50	100

Source: Field Survey, 2009.

9. Self-esteem/Self-respect

Due to the increasing of economic status of community members, the environment of personal hygiene and respect to each other has been increased. As the same way members of community organization are actively participated in meeting. Below table 5.18 denotes the self-respect level where best rank was higher than good and others.

Table: 5.18 Self-esteem Status

Status	No. of HHs	Percentage
Best	25	50
Good	17	34
Others	8	16
Total	50	100

Source: Field Survey, 2009.

10. Social Mobilization

To bring change in the community, social mobilization is a must. Community has maximum utilization of local resources. For community mobilization, facilitation is necessary. The table 5.19 describes the mobilization sector; inclusive 44 percent, social 28 percent, political 24 percent and others 4 percent respectively.

Table: 5.19 Social Mobilization

Sectors	No. of HHs	Percentage
Social	14	28
Political	12	24
Inclusive	22	44
Others	2	4
Total	50	100

Source: Field Survey, 2009.

5.2.2 Economic Sector

1. Employment Opportunity

Within the respondents, some of them are engaged in their agriculture occupation such as vegetable farming, fruit farming, milk collection and selling, poultry farming, retail shop and others. These occupations have supported to them for the maintaining their livelihood now. Below table 5.20 shows the employment status of the study area. There agriculture has dominant role (38 percent) and non-agricultural sector has dominated role (14 percent).

Table: 5.20 Employment Status

Sector	No. of HHs	Percentage
Agriculture	38	76
Non-agriculture	12	14
Total	50	100

Source: Field Survey, 2009.

2. Regular Income Sources

Most of the sources of Income are seasonal in community members. Because of the facilities of Irrigation, Seasonal vegetable farming is more profitable to them and there is high demand of consumers at the local market. The respondents have regular income sources from the vegetable farming, livestock raising, tailoring, retailshop, milk selling, etc.

Table: 5.21 Regular Income Sources

Income sources	No. of HHs	Percentage
Agriculture	37	74
Non-agriculture	13	16
Total	50	100

Source: Field Survey, 2009.

3. Income Generation Activities

The members of community organization has different types of activities such as vegetable farming, livestock raising, retail shop, cottage industry, dairy milk etc are the main sources of income generation activities. They apply improved technical information to get more production from farming system.

Without income generation activities, we could not think to uplift the economic status of the people. So, utilization of the local resources to implement the programme is possible. According to climatic condition, geographical variation, setting of people that determine their exact activities. For this, demand driven and inform choices are major things to launch the activities. Now according to capacity of them, they have been done organic and commercial vegetable farming, fruit farming

(citrus and deciduous trees), goat raising, buffalo raising, bee keeping, pig raising, poultry, sewing and cutting, small cottage industry, repairing and maintenance of electricity shop, retail shop, retail business and so on. The economic status of the community has been changed and they have per month income sources. The following table shows the agriculture sources has dominant (68 percent), and others sectors has less dominant for income generating activities of the study area.

Table: 5.22 Income Generating Activities

Sources	No. of HHs	Percentage
Agriculture	34	68
Services	8	16
Wage labour	6	12
Others	2	4
Total	50	100

Source: Field Survey, 2009

4. Cooperative Development

A huge amount of money is mobilizing within their community organization. For the sustainable manner, it has to be developed as Institution and authorize from Nepal government. So, there are aware about concept of cooperative. Now there is formed of cooperative group. It is going to be registered in district cooperative. This cooperative will be done the transaction of saving and credit which is one of the main functions of cooperative and basically it is used in productive schemes. Now all the process for the management of revolving using has been developed and it is being used as sustainable way. Below the table deals the cooperation development where before launching PAF 32 percent and after launching PAF 68 percent which shows the realities of the development.

Table: 5.23 Cooperative Development

Status	No. of HHs	Percentage
Before	16	32
After	34	68
Total	50	100

Source: Field Survey, 2009.

5. Poor Loan System

The previous history of HHs were very poor because most of them went to rich person for getting loan in 5% to 10% interest per month of NRs 100.00 amount and they were suffered from this system. For the time being, it was accepted hardly and after PAF entered in Ramechhap district, such type of system has been stopped and a lot of fund is in their own organization. According to their demand and participatory decision, all the members are responsible to manage their revolving funds and there is 1% to 3% interest per month of NRs 100.00 amount. They have rules and regulations for loan mobilization. In the table 5.24 Jamindars give the highest percentage of loans with 16 percent while the relatives give 14 percent of the loan with the second highest and the lowest percentage of loan is provided by the business persons.

Table: 5.24 Loan System

Scheme	No. of HHs	Percentage
Jimindar	16	32
Business person	9	18
Relatives	14	28
Others	11	22
Total	50	100

Source: Field Survey, 2009.

6. Use of Local Technology

The local and improved technologies are vital for the community development. In order to sustainable development, local resources identification and mobilization tasks play major roles. Now they have been used maximum local resources such as human resource, physical resource and improved skills in programme. So, they have improved vegetables, well sanitation, improved livestock farming, and small cottage industry etc. The following table 5.25 shows the technology use of the sample households where rural technologies 78 percent and modern use 12 percent. It shows that the use of rural technology has dominant role in the study area.

Table: 5.25 Use of Technology

Technology	No. of HHs	Percentage
Rural	39	78
Modern	11	12
Total	50	100

Source: Field Survey, 2009.

5.2.3 Other Sector

1. Infrastructure Development (Temple, Stupa, Chaita, etc)

There are rural roads and small irrigation canals. Those are the effective means of transportation of goods and production of high value crops. As the same way, there are facilities of school building, community meeting hall, health post building etc. The table 5.26 describes the various developmental activities of the study area where others sectors have dominant 32 percent and 26 percent road, electricity 24, and 18 percent building construction respectively. It shows the infrastructure development of the study area.

Table: 5.26 Infrastructure Development

Sectors	No. of HHs	Percentage
Building Construction	9	18
Electricity	12	24
Road	13	26
Others	16	32
Total	50	100

Source: Field Survey, 2009.

2. Capacity Development (Knowledge, Skill, Method, Technique)

Without development of awareness in the community, there is not any programme run with precisely due to the lack in thinking. During the stage of programme entering in the community, sensitization of PAF, PRA/RRA, social mapping, social assessment, well being ranking, need identification, group formation, CO registration, sub project proposal development, user committee formation, account/book keeping, leadership development, livestock management, crop production, vegetable farming, fruit farming, repair and maintenance training,

monitoring and supervision of sub project, transaction posting in voucher, planning, reporting, revolving fund management, saving and credit mobilization, coordination with respective groups and agencies and maximum use of resources for the programme are very vital and all these things happened in community organization.

Now, the thinking level of them is very high for the implementation as well as sustainable of programme. So, it is obviously that they are capable to use of different types of resources within their own organizations. Most of the members of community organization have been linked to other organization to use of resources for their sub projects. In the table 5.27 the highest numbers of the people are semi-skilled with 22 percent of the people surveyed and only 9 percent of people are found to be unskilled while skilled manpower is with 19 percent.

Table: 5.27 Capacity Building

Rank	No. of HHs	Percentage
Skilled	19	38
Semi-skilled	22	44
Un-skilled	9	18
Total	50	100

Source: Field Survey, 2009.

3. Community Perception

Target people are compulsorily affiliated in group and they have a plan for how to prioritize, implementation, monitoring and evaluation of their sub project activities. They have sufficient revolving funds which had provided by PAF as a grant. They take loan from their community organizations in very low rate of interest. It is fact that loan taking from landlord, rich person and microfinance sector have been cut off. Due to use of revolving fund in income generation activities such as livestock, vegetable farming, retail shop, business, repair and maintenance, tailoring, dairy, micro-enterprise etc, the economic status of them has been changed now. Particularly Social justice, unity, benefits sharing, participation, transparency, empowerment, right base approach planning and maximum resource mobilization has been increased. It clear that PAF is better than other development agencies. Because it provides grant to the community organization and community organization has been reused that funds again in proper their individual scheme. The main identity of PAF

programme is direct funding to community, support target people, transparent and so no. The table 5.28 deals about the perception status of the sample where medium 48 percent, high 34 percent and low 12 percent respectively.

Table: 5.28 Community Perception

Level	No. of HHs	Percentage
High	17	34
Medium	24	48
Low	9	12
Total	50	100

Source: Field Survey, 2009.

4. Irrigation Facilities

For the vegetable farming and increasing production of crops and fruits, water is very necessary. Now each and every member those who are professionally engaged in farming, they have an irrigation facilities. Most of the irrigation sub projects were provided by PAF and joint venture with other agencies. Some farmers earn more than NRs. 50,000.00 – 1, 00,000.00 amounts per year from vegetables. Similarly, fruit production also increased due to irrigation facilities. In scarcity of water resources, they use micro irrigations such as sprinkler and drip irrigation to the crop zones.

Table: 5.29 Irrigation Facilities

Availability	No. of HHs	Percentage
Canal system	31	62
Pipeline system	11	22
Others system	8	16
Total	50	100

Source: Field Survey, 2009.

5. Drinking Water

The safe and pure water has used by members of community. Single as well as federated community organization has been managed drinking water system and they have a rules and regulation to mange sources, collection of repair and maintenance fund and regular meeting of water user community at the village level.

Using fresh water, they are healthy and seem like clean, neat and fresh also. Sanitation and personal hygiene are improved in the community. So, there is no any dirty in walking route and around the home yards. Toilet construction with households is about 90% because of awareness built in community. Below 5.30 table shows the drinking water facilities where uses of natural sources 78 percent and man-made resources have been used 22 percent in study area.

Table: 5.30 Drinking Water

Facilities	No. of HHs	Percentage
Natural Sources	39	78
Man-made sources	11	22
Total	50	100

Source: Field Survey, 2009.

6. Transport

For carrying of goods from one place to another is easier by facility of road. Due to awareness rising with group, they constructed foot trails, roads and contributed labour 20% and remaining are contributed by PAF, DDC and other NGOs/INGOs. Now, there is facility of vehicle to transport of goods and people traveling.

Due to unity of people repair and maintenance of road has been done by themselves and it is the sustainable way of development. Community has followed guidance and norms for mobilizing social parts by participatory decision making process.

Table: 5.31 Transportation in the Community

Transportation in the community	No. of HHs	Percentage
Yes	45	90
No	5	10
Total	50	100

Source: Field Survey, 2009.

7. Communication

It is backbone of the programme. During the meeting, they decided to conduct the next month meeting date. Generally, the date of meeting for the next month as well as emergency, they inform to members of community organization and share its

purpose and necessity. Particularly, they use verbal communication to the members in group. The key person of group such as chairperson, treasure and secretary has informed to members for meeting call. Another way is that when the fund is necessary withdraw from their account, the meeting decides to withdraw budget from the bank. If there is necessary social mobilization, unclear group policy, procedure, revolving fund management and so on, they write letter to SM for his/her availability and for final advice. The following table 5.34 shows the communication system of the study area where verbal 94 percent and 6 percent non-verbal respectively.

Table: 5.34 Communication Within the Organization

Communication	No. of HHs	Percentage
Verbal	47	94
Non verbal	3	6
Total	50	100

Source: Field Survey, 2009.

8. Women Empowerment Programs

Before entering the programme in Ramechhap district, gender biasness was very high. But time being, holistic programme has been focused in the side of women development i.e. Literacy rate, participation in meeting, decision making, benefit sharing, holding of key position, micro entrepreneurship, members of women in community organization, women participation in development, social justice, equity, property right, affiliated in political party, gender ratio in social sectors and employment opportunity. The entire programme has been responsible to women development sectors. Similarly, it is PAF mandatory that more than 50% women must be in group formation.

The pioneer matter is that while literate women can do better than general women and as the same way, household and children become better with the educating of mother.

The PAF programme focused to them for PRA/RRA, social mapping/assessment, well being ranking, need identification, sub project proposal development, user committee formation, account/book keeping, leadership development, livestock management, vegetable farming, fruit farming, repair and

maintenance training, monitoring and supervision, account management, planning, reporting, revolving fund management, saving and credit mobilization, coordination with respective groups and agencies.

Now, women in group are very active and they share all the outcomes of their programme to visitor during field visit to there. Ownership taking and authority delegating by women are very practical and very success of programme.

9. Disadvantage, Disable Support Programs

The marginal and disable HHs are benefited from the programme. There is no special programme for disable people but community has made strong relationship with Government and other lineagencies for getting individual activities.

Lower caste students got scholarship from District education office, some people with injured organs who got supports from Government and other organization. A few persons are doing the jobs as weaving clothes, knitting, sewing, cutting and micro enterprises etc. at the village level. The organization has made a priority programme to them who are very interested and marginal too. The table 5.35 deals about the coverage of marginal people; hardcore poor 58 percent, medium 32 percent, poor 10 percent and non poor 0 percent respectively.

Table: 5.35 Coverage of Marginal People

Category of poor coverage	No. of HHs	Percentage
Hardcore poor	29	58
Medium poor	16	32
Poor	5	10
Non poor	0	0
Total	50	100

Source: Field Survey, 2009.

10. Livestock and Poultry Farming Programs

Livestock is backbone of farmers. They have improved sheds for rearing goats, buffaloes, cows, poultry and pigs. Every community organization has a trained animal health worker to treat animals. For getting more profit from livestock, there is a required improved breed, care & management of livestock, fodder management, timely administering of medicine, cure of diseases.

They have a network of community organization. They coordinate district livestock development office to get services. The livestock farming is responsible to increase of agriculture production and direct relation to each other.

Each HH has involved to rise of livestock. Some of them are doing enterprise/farming and earning more profits. So, the economic status of them has been improved. Below the table 5.36 shows the raising of the livestock clearly where yes represent 96, no 4 percent and others 0 percent orderly. It clears the yes has important role.

Table: 5.36 Livestock Raising

Livestock raising	No. of HHs	Percentage
Yes	48	96
No	2	4
Unknown	0	0
Total	50	100

Source: Field Survey, 2009.

11. Conflict Management

Conflict is obviously existed to all human being but finding out best solution of issues is very important. Some of the issues are internal and external. Internal issues are cause of information gapping in between two individuals. When presentation on certain subject is not understood then there will be created some issues. During the beginning stage it is very general and after the time span, it will be developed as serious issues and eventually it would be very disaster and harm existing resources.

Generally, members of organization have called the meeting for the issue and both persons put their own statement. There is happened hot discussion about it on meeting and found the solution to both persons. After the compromising on best solution, the final decision writes in meeting minutes for future reference.

The case is serious then meeting declare and referred the case to VDC, Security office and District Administrative Office.

Most of members of organization are affiliated with political parties and their case also concerned with the same parties. The decision is made based on favour of

politics. Now critical issues such as criminal cases, social disintegration and justice etc. are totally controlled. In the table 5.37 the conflict management is categorized into two groups: within the group and outside the group. Almost 95 percent of the conflicts were managed with 96 percent within the groups.

Table: 5.37 Conflict Management

Conflict management	No. of HHs	Percentage
Within group	48	96
Outside group	2	4
Total	50	100

Source: Field Survey, 2009.

12. Participation of People

Motivation and participation to the target group is important. The vision without mission is not the perfect task of planning. Hence, as we compared with PAF entering before and after where there are significant changes in case of community unity and collective decision. So, doing social work, they are agreed with hard labor and contribute their roles. Similarly, social disorder activities such as playing cards, gambling, taking leaguer, quarreling etc. have been stopped due to cooperation, coordination and unification of members in community Organization. To do any activities, in the community, they call meeting and clarify the role of individuals for how to do complete the task. More than 72 % women are now participating in meeting and another social works for their inconveniences and right.

Table: 5.38 Participation of People

Food Sufficiency months	No. of HHs	Percentage
Women respondent	36	72
Male respondent	14	28
Total	50	100

Source: Field Survey, 2009

13. Access of Local People

After the PAF programme launching this VDC, community people have been aware about use of local resources in community development activities. This VDC is nearby Manthali and road facility is available. In case of communication means, local telephone and cell phone are available. The production of vegetables, fruits, seed

grains and etc are easily sell to the local market. So, there is good provision of physical facility for the transportation of goods. The table 5.39 shows the school building 29.56 percent, available of market 25.16, safe drinking water 18.87 percent, government service 16.89, and communication facilities 9.43 percent respectively.

Table: 5.39 Access of Local People

Access of local people	No. of HHs	Percentage
Available of local market	40	25.16
Communication facilities	15	9.43
Safe drinking water	30	18.87
School building	47	29.56
Government services	27	16.98
Total	159	100

Source: Field Survey, 2009

14. Capacity Building

It is most important point that without capacity development of target group, the sustainable development is impossible. Thus, for the change the knowledge, skill, attitude and aspiration of the people, relevant trainings are required to them and accordingly, They have got vegetable cultivation, livestock management, leadership development, account and book keeping, saving and credit, revolving fund management, micro enterprise development and cooperative trainings etc. They have been used their skills own their activities.

Table: 5.40 Capacity Building Activities

Received trainings by respondents	No. of HHs	Percentage
Goat Raising	8	9.75
Revolving Fund	15	18.29
Book Keeping	19	23.16
Leadership development	21	25.61
Plumbing	3	3.67
Poultry farming	2	2.48
Vegetable farming	6	7.31
Organizational Development	6	7.31
Women empowerment	2	2.49
Total	82	100

Source: Field Survey, 2009

15. Skill Development

Skill development is the main productive returns of the development. In the study area the emergence of the PAF the skill development level have been increased. The table 5.41 deals about the develop trainings of the Sunarpani VDC. There animal husbandry 54 percent, vegetable farming 40 percent, plumbing 6 percent respectively. The following table shows it clearly.

Table: 5.41 Skill Development Trainings

Skill Development Trainings	No. of HHs	Percentage
Animal Husbandry	27	54
Vegetable farming	20	40
Plumbing	3	6
Total	50	100

Source: Field Survey, 2009

CHAPTER-SIX

SUMMARY, CONCLUSION AND RECOMMENDATION

6.1 Summary

The study has focused the PAF programme and the socio-cultural development of households of selected sample before and after handover and impact of PAF on the livelihood and local development activities. Out of 2440 population, 50 populations (purposive sampling) had been selected from *Sunarpani* VDCs of *Ramechhap* district. *Sunarpani* VDCs people had been selected to examine the objectives which are related to the socio-economic condition of the HHs and the availability of PAF programme on quality and coverage which impacts in local development situation. In total 50 persons of the HHs had been examined during the study by using purposive sampling.

The Summary of the Study

- The main occupation of the sampled participant was agriculture and livestock-poultry. Among the sampled households, 94 percent of people were involved in agriculture occupation, and 6 percent are related to others profession. All of them were fully dependent on forest resources because it was accessible for livelihood with short distance.
- Lying on the study area education status or level was in-between. Most of them were literate, only few were illiterate and less was higher educator. In the percent; literate 40 percent, illiterate 18 percent, primary 10 percent, SLC 10 percent and I.A. above 8 percent respectively.
- Among the sampled households, the average agricultural land holding per households was 9-12 *Ropanis*. Many of the household (18 percent) were survived only for three months from agricultural production. So, they needed to do secondary service and wage-labour for their livelihood.
- Participation of all the peoples was equal in community development management activities as well as benefit sharing also.

- Among the sampled households, *Dalit* represented the largest population of 52 percent, *Brahmin/Chhetri* represented 30 percent, *Matwali* represented 14 percent and *others* represented 4 percent.
- On the study area capacity development, income generating activities, infrastructure development like *road, irrigation, drinking water, bridge, electricity* and *telephone* facilities were used by households in present.
- In the process of community organization management *Helper* were sharing their time on the promotion of organization programmes.
- In the local developmental activities PAF had played vital role in management and conservation of the community based organizations.
- Directly the PAF and its activities were helping in income generating activities as well as capacity development and social mobilization also.
- Among the sampled households, 66 percent of them had got *Kachhi* house pattern but 34 percent were in the process of making Pakki house and it was growing orderly. After formation of COs and Pos, majority households were changed slowly.
- Out of total respondents, majority of respondents reported that they used poverty related programmes as mouth talk before PAF. After PAF formation; this types of thinkers were decreased and organized for the community affairs for poverty reduction.
- Only few of the respondents gave the negative attitude of PAF but mass respondents told the positive attitude and works done by PAF in the study area. Nevertheless, the condition after PAF is being increased and improved and numerous benefits have been gifted to socio-cultural change of Sunarpani VDC's households and local environment.
- After the emergence of PAF, total developmental outcomes achieved by local communities were as social, economic, infrastructure, capacity building and ecological respectively.
- Sufficient management and protection of PAF is for sustainable development and poverty reduction, which shows the programme "*Garibiko Pahichan*", which programme had helped to empower the local people in income generation.
- In conclusion, PAF was trying to change the rural poverty with urban facilities. This example you have seen also in *Sunarpani* VDC.

6.2 Conclusion

The Poverty Alleviation Fund first phase (PAF I) began with US\$15 m in 2004, and during the project period another fund of US\$ 25 m was added. Thus under PAF I the total fund support from the World Bank was US\$ 40 m. Under the PAF II, the World Bank has committed US\$ 100 m and the International Fund for Agriculture Development (IFAD) to US\$ 4 m for four years from the year 2008-2012. This phase is equally and evens more challenging to Poverty Alleviation Fund. Under PAF II, Poverty Alleviation Fund will move simultaneously on five fronts.

1. Expansion of PAF Programme in new districts: Currently PAF is operating in 25 districts. It has added 15 districts in the year 2007/08 which got late start. It will add another 15 districts in the year 2008/09 and then cover 55 districts with its regular programme. Finally 20 districts will be added under “Poverty Pockets Programme” in the year 2009/10. This is highly ambitious and challenging targets. But PAF is committed to reach to all poor of Nepal directly through its programme as soon as possible. Therefore this expansion is central to PAF programme in Phase II.
2. Institutionalization of PAF programme in old districts where programme has been already been in progress for the last three and more years. Institutionalization will lead to sustainability of the programme. COs will be organized into cooperative or other such organization with their decision and linked with financial and institution marketing.
3. Capacity Building i.e. improvement in the quality services by social mobilizer. Partner Organization and Portfolio Manager is extremely important for the success of PAF. The CO’s capacity also needs to be improved.
4. Coordination with other sectoral line agency, donors, INGOs and NGOs in its activities. PAF doesn’t want to walk alone. It will promote the partnership with other agencies in the field and finally;
5. Advocacy of PAF in order to spread its knowledge and working modalities. PAF is not understood in many agencies, governmental and non governmental. It is here that the role of media is extremely important. Media should be used extensively for advocacy of PAF programme (PAF Annual Report, 2006/7).

Poverty Alleviation Fund (PAF) is a targeted programme initiative to support the third pillar of the 10th plan, which is a targeted programme. Broad based and sustainable economic development, social development and good governance have been enunciated as the other three major pillars of the plan, which is also known as Poverty Reduction Strategy Paper (PRSP).

Researcher observed Sunarpani VDC as well as I is also a member of this village. It is improving as compared to other areas because of increased ownership feeling and various sound forests management strategies. Various improvements like employment generation, reduction in poverty level, increasing level of awareness, Self-confidence, community development, capacity development, social-mobilization etc.

The relation between PAF executive committee and local people was good. Because the PAF had positive impact on gender equity and indirect impact on socio-culture change, employment and poverty reduction that were limiting factors of socio-economic change of rural people. It is forwarding towards sustainable basis and local development oriented. The poverty reduction program was very high speed in the way. The ecological, social, economical, and other sector it has a vital role to change the current situation. The main example is PAF oriented programmes or institutions management, protection and conservation practice. The ecological components had also been promoted due to the enactment of PAF. Supply of rural people subsistence needs availability of forest products, utilization of forest products in home stead, management of forest, rehabilitation the degraded lands, conservation and maintenance of the soil fertility, facilitation to be the sound forest ecosystem and major ecological benefits. The level of awareness had risen after PAF and its benefits. Participation had increased in the use, management and conservation of poverty related organizations. It was the way of equitable achieving both long-term sustainability and local development.

To sum up, it has provided several income generating activities thus, the individual income level and PAF fund have also increased in *Sunarpani* VDC in *Ramechhap* district. The generated community organization fund has been used to develop community infrastructure, human skill trainings, social awareness and very less amount to out of higher class people.

6.3 Recommendation

Above mentioned statement and findings of the study area has the following recommendations and suggestions to get significant impact of PAF programme.

- For the betterment of community organization members, close co-ordination between the DDC, village leader and local members is essential.
- Members need to encourage and promote others developmental practice.
- Continue and regular visits by *Supervisor, Co-coordinator and Organizer* should be increased.
- People should be encouraged to use improved cooking stove, biogas, and solar energy to reduce the consumption of extra expenditure.
- The co-ordination between local government and local political body should be increased.
- Organization members should keep their relation with INGOs to get support in poverty reduction activities.
- In decision making process equity and inclusiveness should be increased to participate all caste/ethnic representation.
- Local people should be made aware about the importance of PAF to human being and socio-economic balance.
- PAF should provide extra training, seminar, workshop, tour, visual programme and research programme. These types of programme should be concentrated in the aware and sustainable to community organizations.
- Common sentiment of the organization members should be taken into consideration rather than the little political interest.
- The implementation of the programme should be managed for the sustainable poverty reduction and community development.

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ANNEX-1

Interview Schedule for Sampled Households Survey

QUESTIONNAIRES FOR INTERVIEW

1. The respondent:

Name: _____ Age: _____ Sex: _____

Address: _____

Ethnicity: _____

Religion: _____

Education: _____

Occupation: _____

VDC: _____ Ward No: _____

Name of CO: _____ Settlement: _____ Ward: _____

2. Family Background:

SN.	Name	Sex		Age	Marital Status	Relation To Head	Education	Occupation		Remarks
		M	F					Main	Others	

3. What do you mean by community organization?

4. How do you form community organization? Is it benefit for the community?

Yes

No

5. What is your position in the organization?

Key position

General position

6. If the key position, what is the status?

Chairperson

Treasure

Secretary

7. What is the reason for you to join in the organization?

8. What is the status in the organization according to the well being ranking?

Group- A

Group- B

Group- C

Group- D

9. What kind of activities did you launched in your community organization?

10. What kind of trainings did members receive in the organization?

11. Did you use those training skills in the community?

12. What are the main sources of income?

13. How many months does food have sufficient?

0 - 3 months

3 - 6 months

6 - 9 months

9 - 12

months

14. What is the coping mechanism while food is not enough from your own production?

15. Why did you form community organization?

16. Are you satisfied from your activities?

Yes

No

If not, give the reason.

17. How many persons are decided in your organization and whose decision would be final?

18. How does your decision happen in the organization?

19. Do have a plan for revolving fund management?

Yes

No

20. In what way, organization does communicate the message to other members?

21. In your organization, what types of trained persons are available?

22. What services and facilities could you get from these trainings?

23. How many female are holding in the organization?

24. Could you say that decided matters might be documented? If does, who document for recording?

25. Have community peoples` attitude changed to send their children at school now?

Yes

No

26. Did you have kitchen garden?

Yes

No

27. Did you take green vegetables in your daily meal?

Yes

No

28. What type of changes did you feel before and after project implement?
29. What government services do you use in your community?
30. Do have any advice and recommend making the project work effective?

Yes

No

If yes, give the advice and recommendation.

31. Among them what are the failure activities of the project to have been launched your VDC?

32. What do you do when your livestock is sick?

33. Do you have any trend to use traditional healer for illness?

Yes

No

34. After phase out of project how to continue programmes?

35. Does the source of income change after project launched?

Yes

No

36. What is your opinion on local social mobilization of Sunarpani VDC of CDS staff?

37. How do you feel when you are a member of your organization?

38. Is social harmony increasing now than before?

Yes

No

If yes, what is that?

39. Did you do face any problems during the withdraw of money from Bank, Manthali?

Yes

No

If yes, please justify.

40. How did you identify the priority of the project in the organization?

41. How the partner organization did organization facilitate to use of local resources?

42. What is your business being run?

43. How much money do you earn from your business per month?

44. Did the target members benefit from the PAF fund programmes?

Yes

No

If no, give the reason.

45. Do you have skill of report writing, recording meeting minutes and planning of project?

Yes

No

If no, illustrate the causes.

46. How did you prove that your project run as transparently?

47. Do you know your responsibility in your organization?

48. Did you start coordination with VDC, DDC, NGOs/INGOs and other line agencies?

Yes

No

If yes, what is the purpose?

49. Did you ever think on food habit change?

Yes

No

50. How did you manage the procurement in your organization as well as individual members?

51. How did you monitor of your sub- project in organization and their roles?

52. Do you know about the PAF programme?

Yes

No

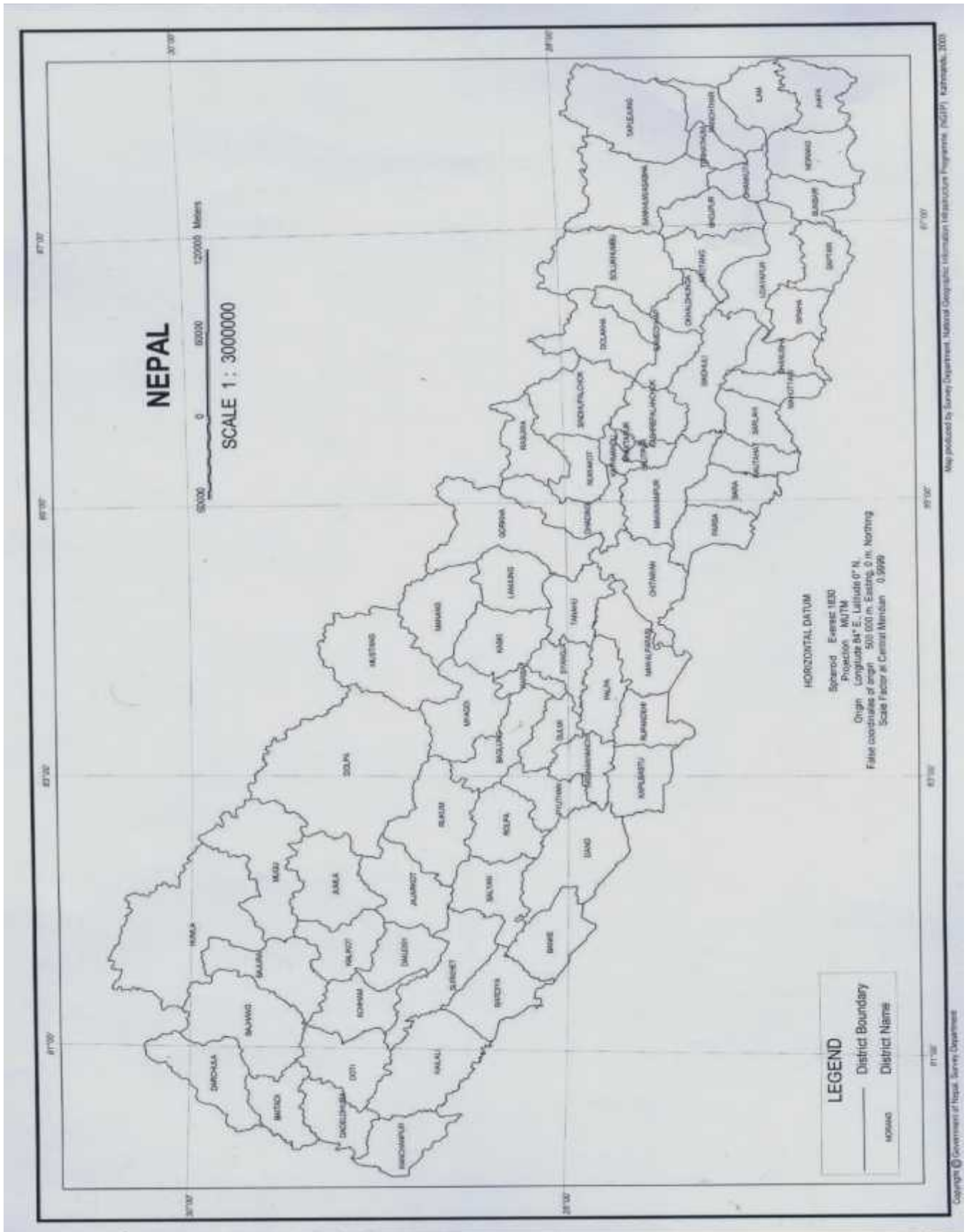
ANNEX-2

Checklist

- Past and present PAF condition.
- About PAF programmes and practices.
- Contribution of the programmes.
- Role of local community organizations.
- Decision making process.
- Income and expenditure of the members of CO.
- Suggestion and comments about PAF programmes.
- Do you agree that PAF is for Socio-cultural change?
- Social mobilization and capacity building of members.
- Impact of PAF in study area.
- Relation between DDC, NGO, VDC and PAF.

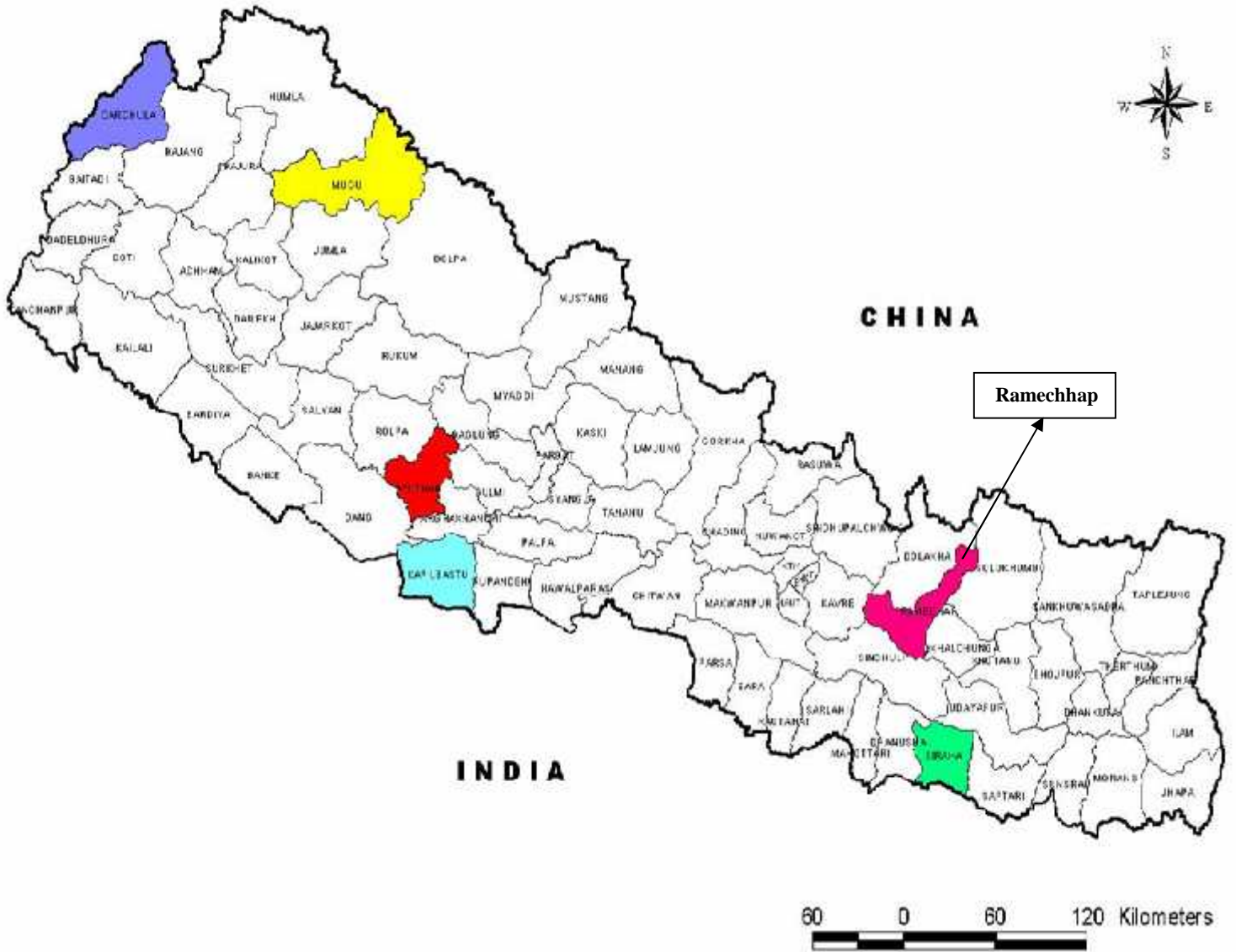
ANNEX-3

Map of Nepal



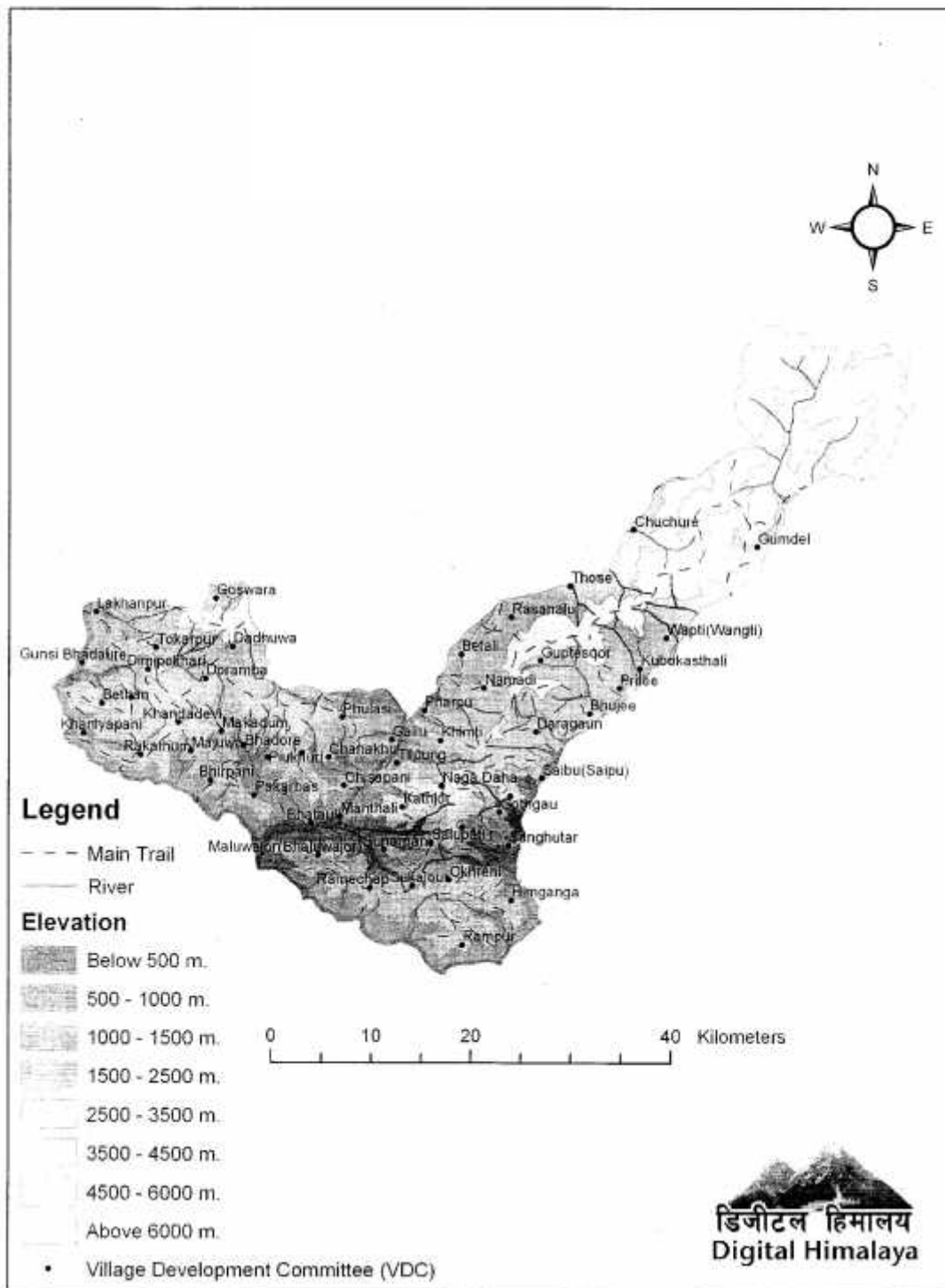
ANNEX 4

Ramechhap District in Map of Nepal



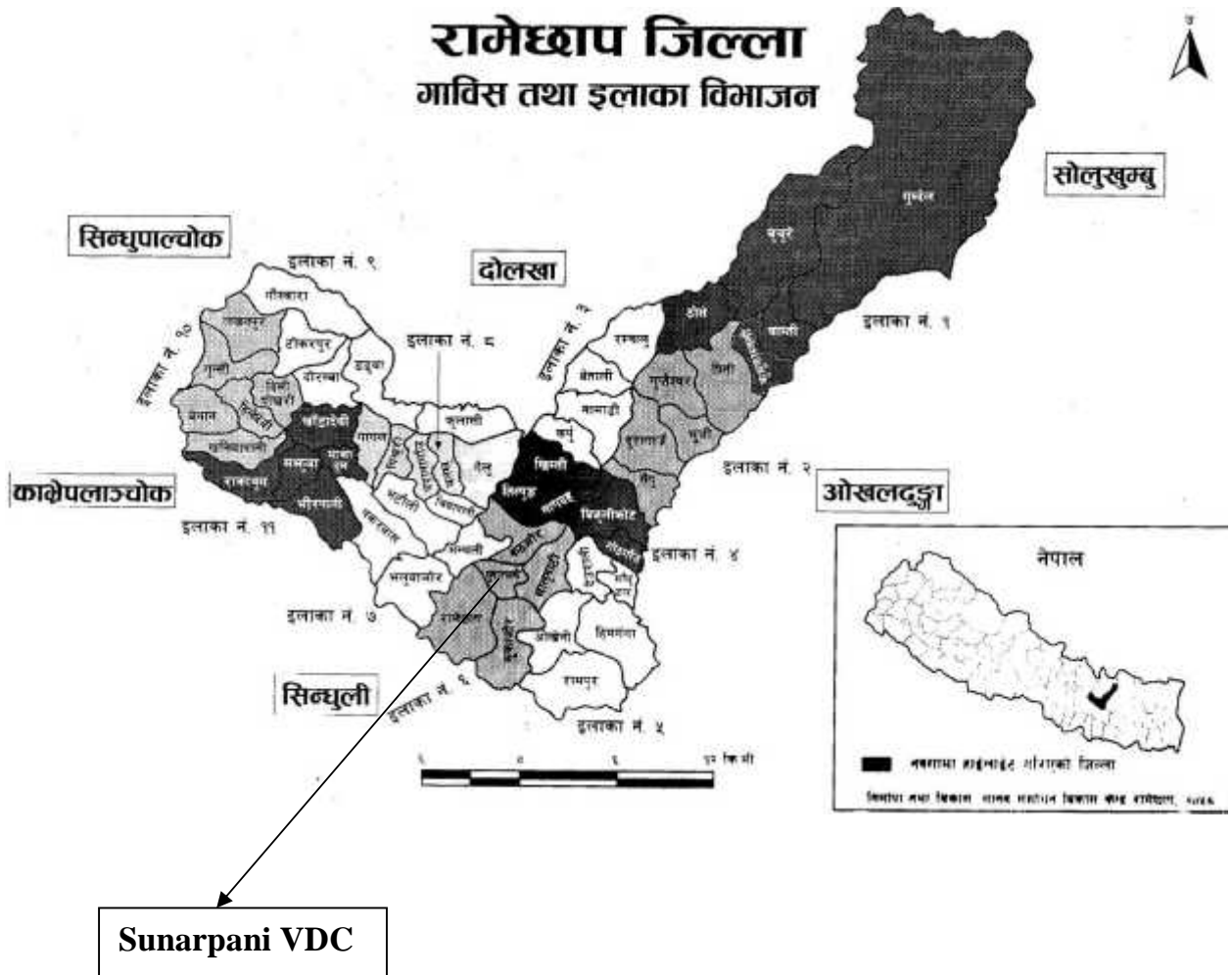
ANNEX 5

Map of Ramechhap District



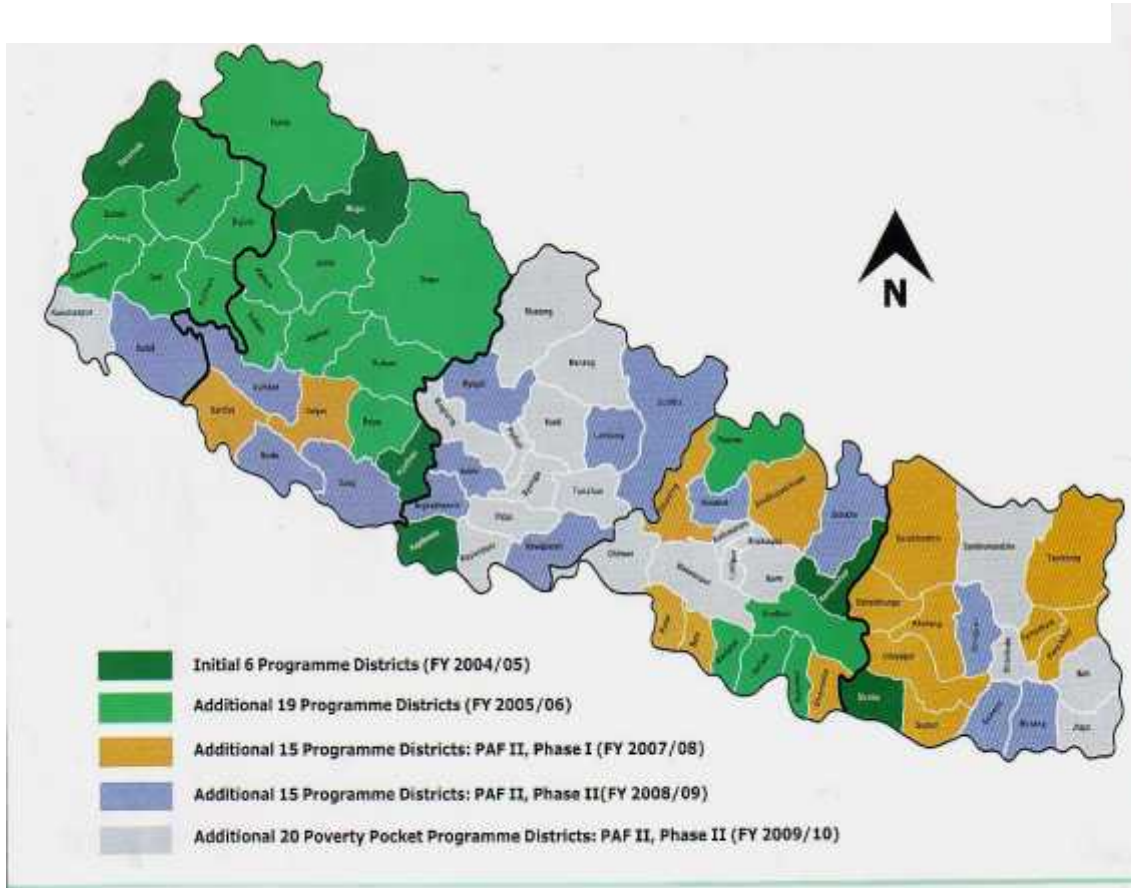
ANNEX 6

Sunarpani VDC in Ramechhap Map



ANNEX 7

Map of PAF Affected Areas of Nepal



ANNEX 8

Working VDCs of Partner Organization Ramechhap District

