

# FINAL REPORT

**July 2018**

on

**"Employments, Entrepreneurship  
And Business Opportunities Cre  
ated by PAF Nepal"**

**Submitted By**

***DMI & Bright Future International JV***

**Submitted To**

***Poverty Alleviation Fund  
Tahachal, Kathmandu***

## **ACKNOWLEDGEMENTS**

This study report is an outcome of the collective efforts made by the research team, PAF staff, individuals and institutions. First of all we express our sincere gratitude to Poverty Alleviation Fund (PAF) for entrusting our organizations DMI and Bright Future International in JV to carry out this study. We would like to pay our profound gratitude and sincere thanks to the Vice Chairman of PAF Dr. Yam Bahadur Thapa and Executive Director of PAF Mr. Nakahul K.C. for their encouragement and support to enroll this study successfully. We are especially grateful to Mr. Laxman Pandey, Mr. Mohan G.C, Mr. Brikha Pun, and Ms. Subarna Pandey of PAF for their continuous guidance during the study period and for providing valuable feedbacks on the draft report.

We are grateful to Prof. Dr. Chitra Bahadur Budhathoki, Dr. Laxmi Narayan Sah, Mr. Subarna Man Shrestha, Mr. Nagendra Bahadur Amatya, and Ms. Shova Poudel for putting their efforts together until the advance of report. We are grateful to our field researchers and supervisors who helped us with collecting data from six sample districts and quality control ensured. We are equally thankful to household head/ respondents, members of sample community organizations (CO), staff of partner organizations (PO), local leader and key informants of the study. We would not have completed this study without their support.

**DMI & Bright Future International JV.**  
**Anamnagar, Kathmandu.**

## TABLE OF CONTENTS

ACKNOWLEDGEMENTS.....	ii
TABLE OF CONTENTS .....	iii
LIST OF TABLES .....	v
LIST OF FIGURES.....	vi
<b>CHAPTER 1: INTRODUCTION.....</b>	<b>1</b>
1.1 BACKGROUND OF THE STUDY.....	1
1.2 OBJECTIVES OF THE STUDY .....	2
1.3 SCOPE OF THE STUDY.....	3
<b>CHAPTER: 2 METHODOLOGY.....</b>	<b>4</b>
2.1 APPROACH AND METHOD .....	4
2.2 RESEARCH DESIGN.....	4
2.3 PLANNING AND ACTIVITIES TO BE UNDERTAKEN IN DIFFERENT PHASES .....	4
2.4 STUDY AREA AND SAMPLING DESIGN FOR THE SURVEYS.....	6
2.4.1 Sampling Design for household Survey .....	6
2.4.2 Data Collection Tools .....	8
2.4.2.1 Household Survey Questionnaire: .....	8
2.4.2.2 Focus group discussions (FGDs):.....	9
2.4.4.3 Key Informant Interview (KII): .....	9
2.4.4.4 Case Study:.....	9
2.4.4.5 Quality control and pilot survey:.....	9
2.5 DATA ANALYSIS .....	9
2.6 LIMITATION .....	9
<b>CHAPTER 3. FINDINGS OF THE STUDY .....</b>	<b>10</b>
3.1 SOCIO- DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS.....	10
3.2 HOUSING CONDITION AND ACCESS TO BASIC FACILITIES .....	11
3.3 HOUSEHOLDS' INVOLVEMENT IN PAF ACTIVITIES.....	12
3.4 INCOME GENERATION ACTIVITIES WITH THE MOBILIZATION OF REVOLVING FUND (LOAN) .....	13
3.4.1 Sector-wise Loan Distribution .....	13
3.5 FREQUENCY OF LOAN BORROWED, LOAN AMOUNT AND OUTSTANDING LOAN .....	15
3.6 IMPACTS ON EMPLOYMENT OPPORTUNITIES .....	17
3.6.1 Self-Employment.....	17
3.6.2 Employment Opportunities .....	17
3.7 IMPACTS ON ENTREPRENEURSHIP, ENTERPRISE DEVELOPMENT AND BUSINESS CREATION .....	17
3.7.1 Entrepreneurship.....	18

3.7.2 Ownership and Legal status of the Enterprises .....	18
3.7.3 Enterprise Development .....	18
3.7.4 Business Creation and Profitability .....	18
3.7.5 Foreign Employment Reduction .....	19
3.8 IMPACTS ON SOCIO ECONOMIC EMPOWERMENT .....	19
3.8.1 Women Empowerment .....	19
3.8.2 Income Generation .....	19
3.8.3 Child Education .....	20
3.8.4 Social Status .....	20
3.9 CHALLENGES FACED BY THE BENEFICIARIES.....	20
3.10 SUGGESTIONS MADE BY THE RESPONDENTS .....	20
3.11 SUMMARIZATION OF CASE STUDIES.....	21
<b>CHAPTER 4: CONSLUSION AND RECOMMENDATIONS.....</b>	<b>23</b>
4.1 ACHIEVEMENTS.....	23
4.2 IMPACTS OUT OF ACHIEVEMENTS .....	23
4.3 RECOMMENDATIONS .....	23
REFERENCES.....	25
ANNEX-1: Household Questionnaire .....	26
ANNEX-2: FGD (Focus Group Discussion Questionnaire).....	31
ANNEX-3: KII (Key Informants Interview- Questionnaire) .....	33
ANNEX 4: List of Individuals for FGD .....	34
ANNEX 5: List of Individuals for KII .....	36
ANNEX 6: Case Studies .....	37
ANNEX 7: Photographs .....	42

## LIST OF TABLES

Table 1: PAF Sample Districts .....	7
Table 2: Summary Design and Sample .....	8
Table 3: Gender and Age group of Respondent .....	10
Table 4: Ethnicity of Respondent .....	10
Table 5: Education of Respondents .....	10
Table 6: Types of Dwelling house (in % age) .....	11
Table 7: Sources of Drinking Water .....	11
Table 8: Types of Toilet .....	11
Table 9: Sources of Lighting .....	12
Table 10: Participation in infrastructure Development (Geographic Activities) .....	12
Table 11: Type of Infrastructure Development by Geographical Region .....	12
Table 12: Sector Wise Loan Distribution .....	13
Table 13: Number of Loan Taken by Agriculture sector wise .....	13
Table 14: Number of Loan taken by Livestock sector wise .....	14
Table 15: Loan Issued in service sub sector .....	14
Table 16: Loan issued in Trading sub sector .....	14
Table 17: Frequency of Loan Borrowed .....	15
Table 18: Number of Loans for subsectors .....	16
Table 18: Employment Status By Geographic Region by IGA Sector .....	17

## LIST OF FIGURES

Figure 1: PAF Program Districts .....	2
Figure 2: Overall Methodology at Different Stage .....	5
Figure 3: PAF 6 Districts.....	6

# EXECUTIVE SUMMARY

## Introduction

The Nepal Poverty Alleviation Fund (PAF), established under the Poverty Alleviation Fund Act 2063, is a specially-targeted program to improve the economic situation and enhance quality of the lower strata of the society and marginalized communities through income generating activities and small scale infrastructure development programs. It has been implementing its targeted programs in 60 districts through Community Driven Development (CDD) Approach with the financial support from the World Bank (WB) and (International Fund for Agriculture Development (IFAD). As of the FY 2073/74, PAF has provided financial support to more than 31,880 Community Organization (COs) to implement various sub-projects of Income Generating (IG) and Community small-scale infrastructure. The total household beneficiaries reached out by PAF until 2017 was accounted 988,879 in 60 districts. The study on Employment, Entrepreneurship and Business creation by PAF would present the accrual impact created in person job and business enterprises through PAF interventions in rural community.

## Objectives

The main objective of the study was to conduct situation analysis on employment opportunities and business creation in poor communities through PAF interventions. Other objectives of the study included the identification of the most profitable income generating activity, identification of the indirect effects of the PAF in terms of socio economic empowerment of the targeted communities and understand the trend of sectors/services (mostly livestock) chosen by CO members. In addition, the study is supposed to come up with key recommendations for next level interventions, challenges on business sustainability of CO and drawbacks to improve the future project.

## Methodology

This study used both qualitative and quantitative methods. The mixed method has been a useful approach to strengthen both reliability and validity of data and to deepen our understanding of the program's outcomes and impacts. Quantitative data were collected through household survey using structure survey questionnaire. Qualitative data were generated through key informant interview, focus group discussion and case interview. The required sample size, a  $\pm 5$  percent of acceptable margin of error at 95 percent confidence level was used. A total 1563 sample households were surveyed using a systematic random sampling method. Digital data collection tool, KoBo tool and mobile technology were used to collect quantitative data from sample households.

## Findings

### *Socio-demographic information of Respondents*

Out of 1563 sample respondents, 66% female and 34 % male participated in this study.

The major proportion of the respondents were from Brahmin/Chhetri category (35%), followed by Adibasi/Janajati (30.6%), Dalit (23.8%) and others (9.1%).

Among the sample beneficiaries, 34.0% had formal education. Of those who had not attained formal education, 40.1% were illiterate. About 3.1% of total respondents had passed secondary school.

### ***Housing condition and access to basic facilities***

It was observed that most of the respondents (99.8%) had their own house. In hill/mountain, it was reported that 99.80.percent household had their own house. However, in Terai all respondents (100 %) had their own houses.

Among the total respondents, 88.1% were reported that their house were Kacha, however 11.9 % reported that their houses were Pakka.

The access to drinking water supply; piped water supply was recorded the maximum (77%) followed by hand pump/tube well (22.5%) and others (0.5%).

The type of toilet used by the respondents was mostly the flush toilets connected to septic tank (60.3%) where non-flush ordinary toilets were used by 36.1% of the total respondents. About 2.4% of the total respondents did not have any toilet.

The source of fuel used for cooking by most of the respondents was firewood (96.6%) and LP gas was used by the rest.

It was reported that the majority of households used electricity (72.4%) for lighting. The solar power was used by 26.7% of the respondents whereas Kerosene and Biogas was used by nominal households about 0.9%.

### ***Selection of sample districts***

The sample district selection process followed the composition of first and second phases of PAF intervention so that the longer period of program intervention could be considered for household survey.

### ***Income generating activities with the mobilization of revolving fund***

The study revealed that the highest loan (68.6%) was issued in livestock, of which, the investment in goat/sheep was the most (52.63%), followed by agriculture (14.6%), trading (13.1%), service sector (3.5%) and manufacturing sector the least (0.2%)

Most of the respondents (30.4%) had borrowed loan from revolving fund for at least three times and lowest number of respondents (0.2%) had an access to revolving fund for even seven times.

The size of borrowing loan from revolving fund in Hill/Mountain was bigger than the size of borrowing revolving fund in Terai. The average outstanding loan in revolving fund was found to be 21.7% which indicated the repayment of 78.3% of loan disbursed was accounted by CO.

### ***Employment and entrepreneurship created by PAF and their business profitability***

In an average, each loan product of revolving fund has been able to create 1.7 person jobs.



Livestock remained the most (68%) contributor in employment creation. In total 3,382 people were found to be engaged in household business or self-employment. In agriculture, vegetable farming became the most (66%) successful sector of investment.

While interviewing with respondents during sample survey, we found the IGAs were not much effective to contribute in reducing foreign employment.

The status of enterprises was reported running (95.4%) that were started through the loan revolving fund of which, 96.1% of enterprises were found to run in Hill/Mountain while 93.1% of enterprises were in Tarai.

Most of the enterprises (85.5%) were running in profit. The highest profit maker was the service sector (95.2%) followed by trading (89.5%), agriculture (79.1%) and manufacturing (60%).

### ***Contribution of PAF in household well being***

It was found that 60.4% of total IGAs were supported by revolving loan fund that made increase of 25% to 50% of household income.

The greater part (41.6%) of the income has been utilized in child's education.

About half (56%) of the respondents believed that IGAs helped them increase their social cohesion

The revolving loan fund was not much utilized for asset accumulation by CO members, 48.2% reported there had been nominal usage of revolving loan fund for physical facilities.

The voice of women for their right and access of services has been the most powerful impact seen with CO members.

### **Key Recommendations**

There is a significant opportunity of more job creation if the household business could be linked with financial services and marketing. Thus, it is recommended for facilitating CO members to connect with commercial banks and educating them in production and marketing possibly through pocket area development. It was reported that the loss of business was due to insufficient fund, lack of training and market problem the most.

The most profitable income was observed in livestock investment particularly sheep/goat, further investment in this sector might have less risk of business going in loss. Thus, it is recommended to increase investment in sectors like sheep, goat, poultry, buffalo and piggery in livestock, ginger farming, bee keeping and crops in agriculture and skilled work like metal works, agro processing, repair and maintenance, electrical goods in service sector.

The introduction of basic capacity building program in enterprise development including market management and entrepreneurship have a potential factors to increase the employment significantly.

## ACRONOMYS AND ABBREVIATIONS

BEP	Break-even point
BFI	Bright Future International
BS	Bikram Sambat
CBO	Community Based Organization
CBS	Central Bureau of Statistics
CDPS	Central Department of Population Studies
CM	Centimeter
CO	Community Organization
DMI	Development Management Institution
DLSO	District Livestock Service Office
DPHO	District Public Health Office
FGDs	Focus group discussions
HHs	Households
IFAD	International Fund for Agriculture Development
IG	Income Generation
IGAs	Income generating activities
Kg	Kilogram
KII	Key Informant Interview
NGO	Non-Governmental Organization
NLSS	Nepal Living Standard Survey
NPC	National Planning Commission
PAF	Poverty Alleviation Fund
PDO	Project Development Objective
PO	Partner Organization
PRSP	Poverty Reduction Strategy Paper
PSU	Probability Sampling Unit
RM	Rural Municipality (Gaunpalika)
SADO	Senior Agriculture Development Office
SME	Small Medium Enterprise
SPSS	Statistical Package For Social Science
VDC	Village Development Committee

# CHAPTER 1: INTRODUCTION

## 1.1 BACKGROUND OF THE STUDY

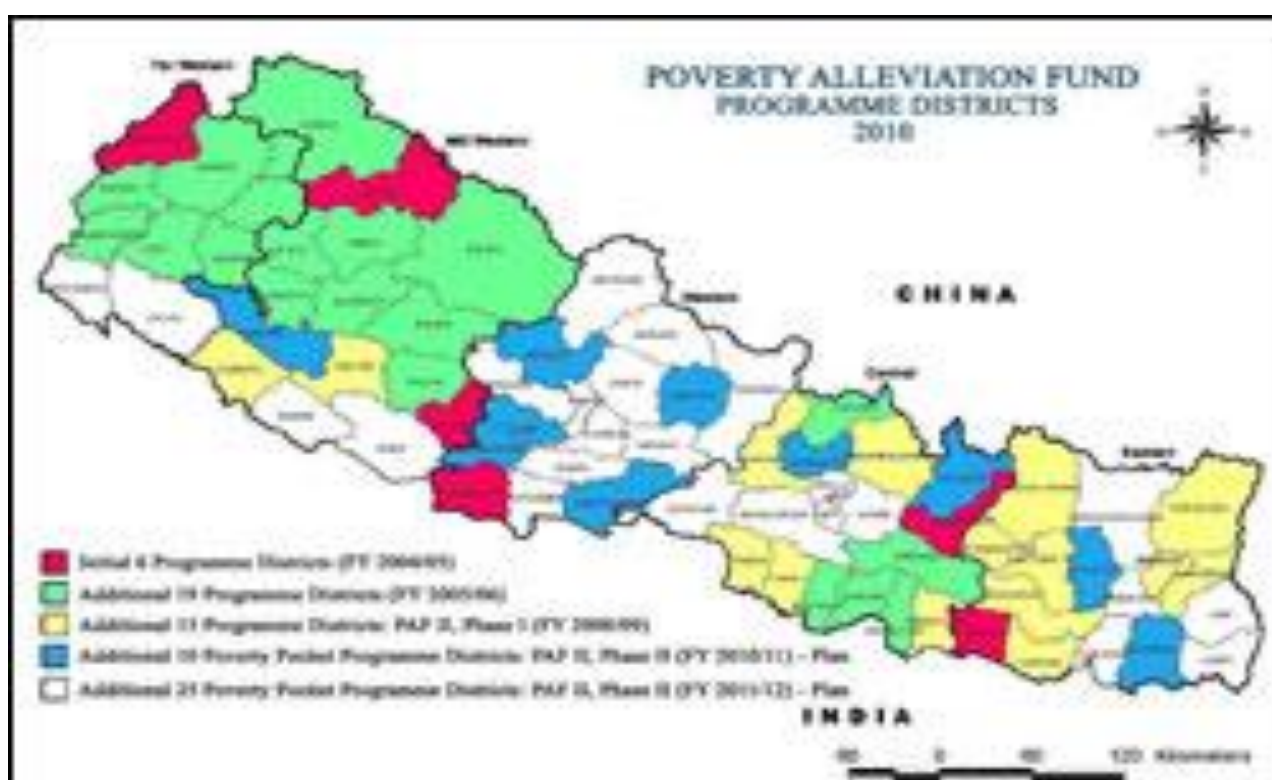
The Nepal Poverty Alleviation Fund (PAF), initially established in 2004 through **“Poverty Alleviation Fund Ordinance 2004”**, is a specially-targeted program to improve the economic situation of the lower strata of the society with particular attention to groups that have traditionally been excluded due to reasons of gender, ethnicity, caste, and location. PAF has been established as autonomous organization and governed by the Poverty Alleviation Fund Act since 2006. The Act allows it to implement special and targeted program to bring poor and marginalized groups into development efforts. (PAF, 2013). PAF focuses on enhancing an area’s potential strength by direct community involvement. It has been implementing its targeted programs in 58 districts through Community Driven Development (CDD) Approach with the financial support from the World Bank and IFAD.

The PAF programs mainly focus on community-driven development approaches to identify and implement feasible income-generating activities to the poor and marginalized group of people. It implements program through local NGOs as Partner Organizations (POs). PAF has partnered with various organizations that are working at the village, district, and national levels to ensure holistic development intervention to create a visible impact on poverty reduction. The main interventions implemented by PAF at community were (i) income generating activities (IGA), capacity building, social mobilization and small scale community infrastructure (PAF, 2013). As of the FY 2073/74, PAF has provided financial supports to more than 32,196 Community Organization (COs) to implement various subprojects under the category of Income Generating and Community small-scale infrastructure.

Until June 2018, PAF reached out to 988,879 poor HHs with aim to improve their livelihood (Result Framework, 2018). Among total beneficiary (poor) COs, majority (64%) belong to hardcore poor 'Ka' category (with food sufficiency for three and less than three months), 26 percent medium poor, 'Kha' (with food sufficiency for more than three and less than six months), nine percent poor 'Ga' (with food sufficiency more than six months but less than a year) and a very small fraction of members as non-poor 'Gha'. These HHs are engaged in income generating activities through the support of revolving fund grants.

About 87% of total investment made by PAF in CO went into income generation sub-projects to establish community-level revolving funds. The average fund size of such RF in CO was NRs. 400,000.00 and the size of revolving fund and saving was in increasing trend. Most of CO members were self-employed and their family was engaged in different activities of income generation activities. Agriculture, livestock, cottage industries, and trade and skill-based services were the most common and frequently demanded IGAs by communities. In this context, every beneficiary HH was engaged in self-employment, entrepreneurship and business through the support of revolving fund. PAF investment was significant in income generation, small scale infrastructure and capacity building as well, which had direct impact on empowerment and economic development. During the original design of the project, focus was not found on the “employment” issues. Hence, there was no deliberate activity for employment generation. However, the field observations revealed the outcome of these IGA and infra activities were contributing in self-employment and wage employment, resulting the increased demand of larger loan size through higher level institutions like cooperatives.

Figure 1: PAF Program Districts



(Source: PAF Nepal)

As PAF has already intervened in 58 districts, the RF must have good impact on employment and additional income of every HHs. An impact evaluation conducted by CEDA (2014) covering six sample districts, showed that the programme had impacted on growth in consumption and decline in poverty head count in the programme districts. Likewise, PAF I and PAF II interventions had positive impacts on employment rates and income generation activities of households (NAREC Nepal, 2013). PAF now seeks the impact of RF on employment and business creation among CO members or within the settlement where COs were located. This remains as one of the key achievements and outcome of PAF programs at national level impact on employment creation.

## 1.2 OBJECTIVES OF THE STUDY

The main objective of the study was to measure the impact created by PAF on employment opportunities and business creation in poor communities. The results of the study should be used for feeding learning of project with the recommendations for next-level interventions. The whole thrust of the study was to capture the best practices, innovations, achievements the project had obtained, so to replicate those in future projects and use them as institutional assets. Also, to consider the challenges and drawbacks that will be improved future projects.

The objective of the assignment was to assess situation of employment opportunities and business creation through PAF intervention in poor communities.

Specific objectives of the study were to:

- i To understand the impacts of PAF on the targeted households in terms of creation of employment opportunities, business creation, income generation
- ii To identify IG activities which have become most successful and profitable in creating employment in poor communities over last ten years
- iii To identify the indirect/ spillover effects of the PAF in terms of socio economic empowerment of the targeted communities and HHs
- iv To understand the trend of sectors/services (mostly livestock) chosen by CO members and CO cooperatives and identify any constraints.

### **1.3 SCOPE OF THE STUDY**

As per the ToR, the study should be principally based on primary data. However, secondary data was used wherever required to cross verify the findings. The scope of the assignment comprised of situation analysis of employment opportunities, entrepreneurship and business created by income generation activities of the PAF programs. assessment and documentation were also considered whether PAF has made difference in terms of income opportunities, employment, job creation and remittances.

The team also recorded and documented some representative case stories (describing both positive and negative changes) from the field with relevant photographs. A minimum of representative case story in line with the project expected result areas were collected from the COs of the target districts. Similarly, the scope of work covered all the components on a participatory way. The consultants were equipped with the scientific methodology in consultation with PAF team.

The time available for the study limited its scope. The team visited to the district all concerned line agencies and political parties where top government officials namely Senior Agriculture Development Officer (SADO) have been interviewed and received feedbacks from them. It prevents statistically significant field data collection for analyzing impacts; random sample of clients, etc. Therefore this study could not include any statistical analysis of impacts. However, evidence was collected and cross-referencing interviews were used to provide as much of a view of institutional changes as well as impact as was possible. The analysis of impacts is, therefore, circumstantial meaning that it tells something of the story based on unconfirmed reported results.

## CHAPTER: 2 METHODOLOGY

### 2.1 APPROACH AND METHOD

This study used both qualitative and quantitative methods. The mixed method has been a useful approach to strengthen both reliability and validity of data and to deepen our understanding of the programs 's outcomes and impacts. Quantitative data were collected through household survey using structure survey questionnaire. Qualitative data were generated through key informant interview, focus group discussion and case interview.

### 2.2 RESEARCH DESIGN

Pre- and Post-Program would be an appropriate research design to measure outcomes of the PAF programs on lives of the people. But lack of data related to employment opportunities and business creation in baseline survey, we did not used pre-and post-program evaluation design in this study. Sample household survey design was used to assess current situation of employment opportunities and business creation by this project intervention's districts and communities.

The consultant after critical reviewed of the objectives and the scope in the TOR that has evolved a scientific study methodology to accomplish the project in the stipulated time frame. The study methodology of the project has been described in the following phases. The methodology has been described in the flow chart.

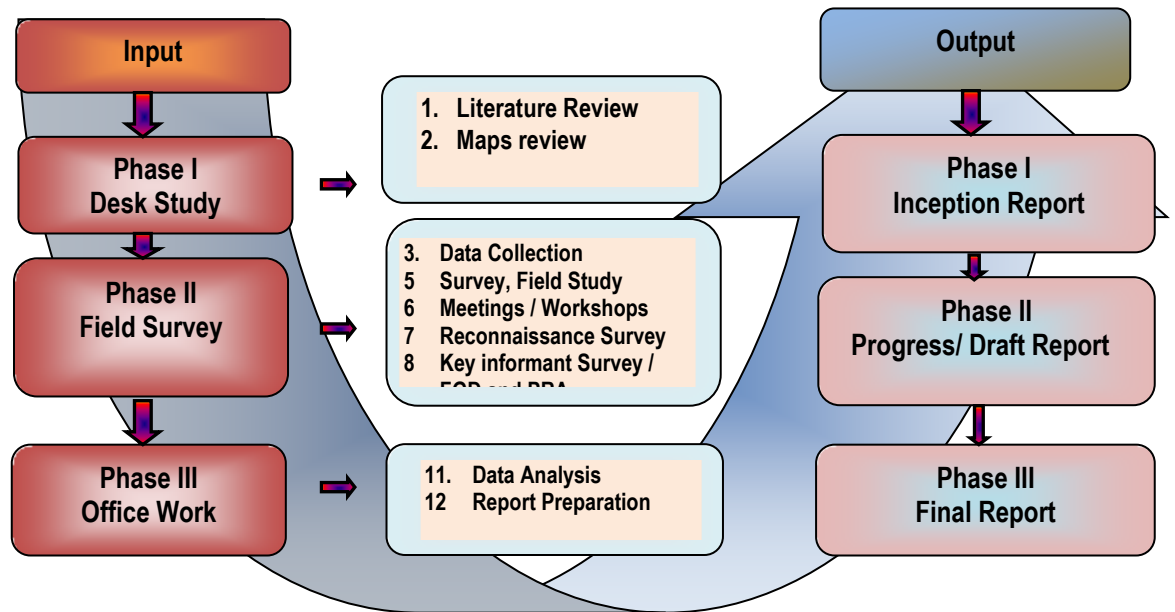
### 2.3 PLANNING AND ACTIVITIES TO BE UNDERTAKEN IN DIFFERENT PHASES

The steps of evaluation methodologies were followed such as phase I (literature review/ desk study): phase II (field work that included data collection; and phase III (office work including data analysis and reporting).

**Phase I: Desk Study/ Inception Report:** Desk study was an important method, which was used to collect secondary information. Relevant documents and maps were identified, collected and studied during this period to obtain preliminary information on the project plan, design, and suitability of the structures proposed in the study area.

The overall methodology is presented in Figure 1 that explains the basic ideas considered at different stage of research methodologies.

Figure 2: Overall Methodology at Different Stage



**Organization of Team and Delegation of Responsibilities:** The team members were under leadership of team leader. A number of meetings were organized amongst team members to create a complemented coordination system.

**Collection of Secondary Data:** Secondary information was collected from baseline report, monitoring and follow-up survey reports (2009, 2010 and 2014), reviewed of performance of revolving fund under PAF Project (M-CRIL, 2016), social assessment report, social mobilization and social mobilization and performance of community organization reports, annual reports of PAF, Policy and Project Documents provided by PAF proposal, whereas primary information was gathered from quantitative data from household survey. Similarly, qualitative information was collected through FGDs, KIIs, case studies, and interviews of implementing partners.

The team consulted key personnel at PAF to acquire essential information and knowledge, suggestions and for applicable coordination with in the organizations and outside of organization those were interrelated.

**Development of Checklists for HHs and qualitative Surveys:** Checklist formats were developed to obtain field data and information through HHs and qualitative surveys focusing on household in terms of creation of employment opportunities, business creation income generation activities.

**Phase II: Field Mobilization and Data Collection Phase:** The trained researchers/surveyors were mobilized in field to collect the data both quantitative and qualitative associated with field supervisors and study team. The team closely monitored filed data to ensure the quality those have been completed by surveyors. The completed HHs questionnaires uploaded each day from field and monitor each day, one by one. Thereafter, HHs questionnaire converted into SPSS format and carried out data entry.

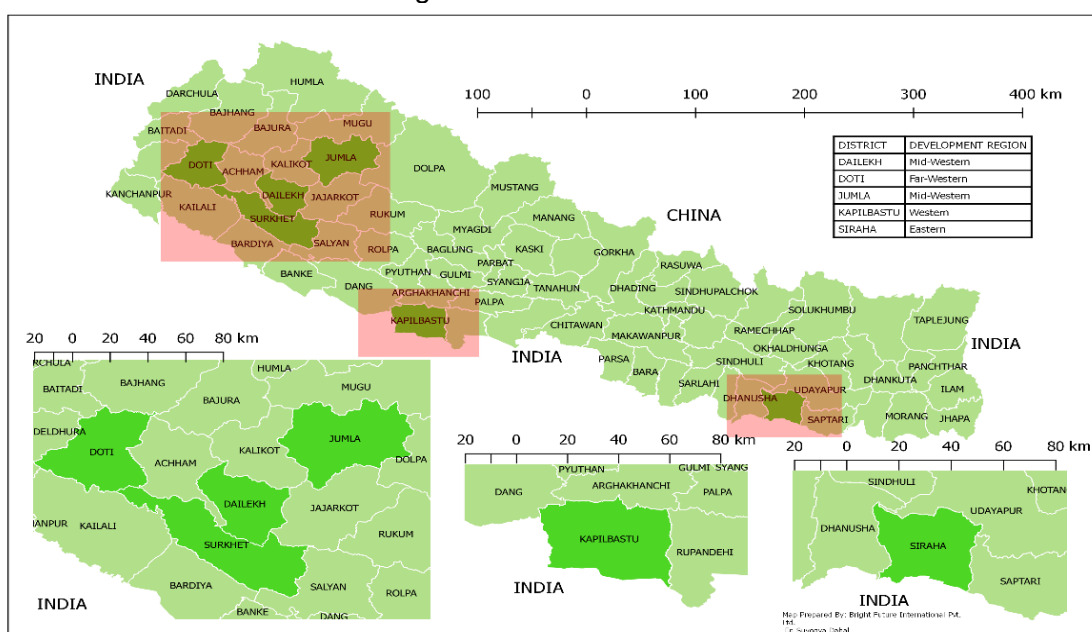
**Phase III: Office Work (Data Entry, Data Analysis and Report Writing):** The team developed the data entry files in the software Statistical Package for the Social Sciences (SPSS). The household survey questionnaires were thoroughly reviewed

and checked by the consultant team for consistency and clarity prior to entering into the computer database. The data were subsequently, processed and analyzed and frequency and percentage were computed using the SPSS program. Quantitative data and descriptive information were generated in terms of simple tables and cross-tabulation. The qualitative data generated from KIIs and FGDs were primarily analyzed by qualitative way using content and domain analysis.

## 2.4 STUDY AREA AND SAMPLING DESIGN FOR THE SURVEYS

This study was conducted in 60 Community Organizations (COs) of six districts: Jumla, Pyuthan, Doti, Dailekh, Kapilbastu and Siraha. These six districts were selected in consultation with PAF staff.

Figure 3: PAF 6 Districts



The selection of the VDCs for the KIIs, FGDs and case studies was done based on ranking system, which was designed by evaluation team in consultation with PAF. The ranking system included a set of criteria according which the samples VDCs were chosen. The criteria's were the following: year of project implementation, vegetables and essential oil farmers, the development status of the VDC, geographical variance, diversity on ethnicity, intensity to support and remoteness and distance from market. From the ranking tool, the team selected project VDCs for the household survey and the map of sampled districts for HH survey is presented in Figure 2.

Random sampling procedure was used in household survey whereas non-random/purposive sampling was followed to select participants for qualitative interview and focus group discussion.

### 2.4.1 Sampling Design for household Survey

Sample size was influenced by consideration of many factors such as time and cost, administrative concerns, minimum acceptable level of precision, confidence level, variability within the population (stratum) of interest, and the sampling method. The Household survey was conducted on basis of multi stage systematic random sampling



method. Total sample size be 1563 use the given formula at 95% confidence level and with 0.025 marginal error. Assuming  $p = 0.5$ .

*The formula used for the sample size calculations was:*

$$\text{Sample size (n)} = \frac{\chi^2 * N * (1-P)}{ME^2 (N-1) + (\chi^2 * P * (1-P))}$$

Assumptions

**P** = probability of success = 0.5

confidence level = 95%

$\chi^2$  = Chi square for the specified confidence level at 1 degree of freedom

**N** = Population size = 180849

**ME** = Desired Marginal error (expressed as a proportion) = 0.025

**n = required sample size = 1563**

#### **Stage 1**

Following six districts were purposively selected for the study in consultation with PAF staff.

Table 1: PAF Sample Districts

FY 2004/05 Initial 6 districts	Pyuthan	Kapilbastu	Siraha
FY2005/06 Additional 19 district	Jumla	Doti	Dailekh

#### **Stage 2:**

All those household members of PAF affiliated COs were considered as primary sampling Unit (PSU) for sampling. Furthermore the COs were categorized into two groups on the basis of its type income generating group (IGG) and infrastructure group.

**Stage 3.** The average CO member in each CO varied from district to district, hence sample was taken average member of size of CO of corresponding district which is shown in the Table 2.2.

**Stage 4.** Selection number CO randomly from list of CO of corresponding district. During selection at most two COs was selected from each rural municipality (VDC). Households who were associated with the sample COs were randomly selected from the list of members of COs on spot due to unviability of member list. During this selection of household caste ethnicity and religion were also considered. A total of 1563 CO members were selected from 60 COs in six sample districts.

Table 2: Summary Design and Sample

S.N.	District	CO Member HH	Total Number of Beneficiary	Number of CO		Total	Average No. member per COs	Number of sample COs	Sample IG. Cos.	Sample Inf. Cos	Sample size
				IG.	Inf.						
1	Siraha	23785	54423	1865	109	1974	12	17	12	4	220
2	Jumla	15072	25038	494	103	597	25	5	3	2	147
3	Dailekh	30996	26482	694	101	795	39	7	5	2	261
4	Doti	36818	32684	800	104	904	41	8	5	2	310
5	Pyuthan	55548	46662	1152	333	1485	37	13	9	3	468
6	Kapilbastu	18630	47261	1180	133	1313	14	11	9	3	157
TOTAL		180849	232550	6185	883	7068	169	60	43	16	1563

**Note:**

- i) Beneficiaries were selected from 3-4 wards in each VDC based on outreach of beneficiaries, program intervention, accessibility, climatic conditions etc.
- ii) The detail beneficiaries list VDC wise, program intervention wise was sent to the enumerators and supervisors while going to field for data collection.
- iii) 25% additional name list was selected if in case of absentees

A total of six districts were selected for sampling from five development regions and three ecological belts is described in Table 2.2. These districts were selected specifically on the basis that lowest composite index of socio economic development. The study team also considered districts, which were included in first, second and third baseline study in order to address the maturity level of community organizations. One district was selected that included in the first baseline survey (2006), two districts included in the second baseline survey (2007) and two districts included in the third baseline survey (2011).

The HHs member of PAF affiliated COs were considered as primary sampling Unit (PSU) for sampling and considered as experimental unit. Furthermore the COs were categorized into three group on maturity of COs as 2 - 4 Years, 5 - 8 Years and more than 8 Years. The number of COs were considered on basis ratio of maturity period of COs. A total of 15 members HHs from each COs was considered for selecting random sampling method among the member of CO.

**2.4.2 Data Collection Tools**

Following tools and techniques were used to collect data from the field.

**2.4.2.1 Household Survey Questionnaire:**

Structured and pre-coded survey form has been developed to carryout sample household survey. This survey questionnaire was piloted/pretested and finalized.

The team used digital data collection tool "Kobo toolbox". *Kobo Toolbox* is an open-source software. Finally, the set of household survey questionnaire was designed and installed in Kobo toolbox and installed in mobile of field enumerators to collect data from household.

#### **2.4.2.2 Focus group discussions (FGDs):**

Qualitative information regarding various impacts, benefits and support mechanism were collected through members of community organization and cooperatives. A total of nine FGDs were conducted from 6 districts.

#### **2.4.4.3 Key Informant Interview (KII):**

A total of 18 KIIs were conducted with local leaders, representative of partner organizations, PAF staff at local level, Senior Agriculture Development Office (SADO), District Livestock Service Office (DLSO), Gaunpalika/Rural Municipality representatives, District Public Health Officers, Representative of teaching professions.

#### **2.4.4.4 Case Study:**

The study team collected ten case studies from sample districts.

#### **2.4.4.5 Quality control and pilot survey:**

A two-day digital data collection intensive orientation workshop was organized on 4-5 January 2018 in Kathmandu for enumerators and supervisors before moving ahead to field for data collection. The workshop cum orientation training was carried out in which discussions on each question on household survey questionnaire and collection tool "Kobo toolbox", checklists (FGD and KII) and sampling method. Enumerators were actively participated in the training and understood all clearly on sample collection method and tools. Prior to field survey, data collection tools was pilot-tested in Dhading district to be familiar with sampling method, data collection process and procedures. On the basis of results obtained from pilot test, data collection tools were incorporated and finalized. During field survey data were monitored online in every day and file supervisor and expert were monitored at field during survey.

### **2.5 DATA ANALYSIS**

The collected data were downloaded in SPSS format for further analysis. The collected qualitative data summarized and used for triangulation for justification field surveyed finding. Data analysis was carried out by using the SPSS and Excel work sheets.

### **2.6 LIMITATION**

This report is based on sample data and qualitative survey of selected sample districts. However, result from this finding may differ in other districts. This could be due to difference in study methodology as this study was conducted in 6 sample districts only.

## CHAPTER 3. FINDINGS OF THE STUDY

### 3.1 SOCIO- DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

The total respondents of the study were 1563 of which 66% were female respondents and 34 % were male respondents who participated in this study. The highest percentage of the respondents belong to the age group of 36-50 years (47.9%), followed by the age group of above 50 years (27.8%), 26-35 years (21.7%) and 16-25 years (2.6%).

Table 3: Gender and Age group of Respondent

1	Gender of Respondent	1 Male	33.8%
		2 Female	66.1%
		3 Trans Gender	0.1%
2	Age Group of respondent	16 – 25 year	2.6%
		26 – 35 year	21.7%
		36 – 50 year	47.9%
		above 50 year	27.8%

Most of the respondents (91%) were reported married, 7.5 percent widow, 0.8 percent single, 0.6 percent separated and 0.1 percent was forbidden/given up respondent. About 59.2% percent were from nuclear family and 40.8 percent from joint family structure.

The major proportion of the respondents were from Brahmin/Chhetri category (35%), followed by Adibasi/ Janajati (30.6%), Dalit (23.8%) and others (9.1%).

Table 4: Ethnicity of Respondent

1	Chhetri/ Brahmin (Hill and Terai)	35.1%
2	Adibasi/ Janajati (Hill, Terai)	30.6%
3	Dalit ( Hill, Terai )	23.8%
4	Muslim	1.5%
5	Others	9.1%

Among the respondent, the majority were found Hindu (98.1%) , Janajati were 30.6% of the respondents, Dalits were 23.8%, Muslims were 1.5% and others were comprising 9.1% of the total respondents.

Most of the respondents were found illiterate. Only 3.1% of the respondents were educated above SLC. In total 34.0% of respondents were involved in informal education. Illiterate respondents occupied 40.1% of the total respondents.

Table 5: Education of Respondents

1	Illiterate	40.1%
2	Literate (informal education)	34.0%
3	1- 4 class	9.2%
4	5 - 8 class	9.6%
5	9 - SLC	4.0%
6	Above SLC	3.1%

### 3.2 HOUSING CONDITION AND ACCESS TO BASIC FACILITIES

It was observed that most of respondents (99%) live in their own house. In hill/mountain, it was reported that 99.80.percent household had their own house. However, in Terai 10% had their own houses.

Table 6: Types of Dwelling house (in % age)

S.N.	Type of Dwelling	Hill/Mountain	Terai	Total
		%	%	%
1	Kacha	98.5	53.5	88.1
2	Pakka	1.5	46.5	11.9
Total		100.0	100.0	100.0

Among the total respondents, 88.1% reported that their house were *Kacha* however 11.9% reported that their houses were *Pakka*.

The study reveals the access of drinking water was significant in the community. Piped water supply had been mostly used in Hill/ Mountain than in Terai. in Terai 98.1% of respondents used hand pump or tube well for drinking water. Other water sources were reported less significant as presented in table 6.

Table 7: Sources of Drinking Water

S.N.	Sources of Drinking Water	District		
		Hill/Mountain	Terai	Total
		%	%	%
1	Piped water supply	99.4	1.7	77.0
2	Covered well	0.2	0.0	0.2
3	Hand pump/ tube well	0.0	98.1	22.5
4	Open well	0.2	0.3	0.2
5	Spring water	0.1	0.0	0.1
6	River	0.1	0.0	0.1
7	Other Source	0.0	0.0	0.0
Total		100.0	100.0	100.0

Most (60.3%) of surveyed households had access to flush toilets that were connected to pits/tanks. Non flush toilet or ordinary toilets were used in 36.1% of respondent's house. The study said 2.4% of the respondents did not have toilet in their houses as presented in table 7.

Table 8: Types of Toilet

S.N.	Type of Toilet	Hill/ Mountain	Terai	Total
		%	%	%
1	Flush Toilet (connected to public sewer)	0.2	0.3	0.2
2	Flush Toilet (connected to septic tank)	52.0	88.0	60.3
3	Non-flush Toilet (Ordinary)	46.4	1.4	36.1
4	Communal Latrine	1.3	0.0	1.0
5	No Toilet	0.1	10.3	2.4
Total		100.0	100.0	100.0

The study reports electricity being the mostly (72.4%) used sources of lighting. In Terai 98.1% of people used electricity for lighting. Very few people used Kerosen for lighting purpose.

Table 9: Sources of Lighting

S.N.	Source of Lighting	Hill/ Mountain	Terai	Total
		%	%	%
1	Electricity	64.8	98.1	72.4
2	Solar	34.6	0.3	26.7
3	Biogas	0.5	0.0	0.4
4	Kerosene	0.1	1.7	0.4
5	Other	0.0	0.0	0.0
Total		100.0	100.0	100.0

### 3.3 HOUSEHOLDS' INVOLVEMENT IN PAF ACTIVITIES

Of total respondents, 13.8% of households were involved in infrastructure activities among which 12.7% households belonged to Hill/Mountain whereas 17.3% households were from Terai. This signifies that PAF investment in Terai is comparatively more than Hill/Mountain for community infrastructure. It was confirmed from FGD that PAF's investment in community infrastructure was more in Terai.

Table 10: Participation in infrastructure Development (Geographic Activities)

			Hill / Mountain		Terai	
Infrastructure	S.N.		Number	%	Number	%
Involvement in Infrastructure development	1	Yes	153	12.7	62	17.3
	2	No	1051	87.3	297	82.7
	Total		1204	100.0	359	100.0

The household who participated in community building was found 40% (including CO federation for infrastructure) of the total sample followed by small irrigation (30%), water supply and sanitation (22%) and rural access (8%) in hill /mountain district. This result contradicts with PAF's other findings that reported PAF has more investment in water supply schemes. In Terai, PAF has larger investment in rural access (Road) as shown in Table 10.

KII findings supported quantitative results that more infrastructure support went for road construction, community building construction, health institution construction, school building construction and likewise water tap, irrigation canal, water well construction.

Table 11: Type of Infrastructure Development by Geographical Region

S.N.	Type of infrastructure	Hill / Mountain		Terai	
		Number	%	Number	%
1	Rural Access	12.0	8.0	62.0	100
2	Community Building	61.0	40.0		
3	Rural Energy	0.0	0.0		
4	Small Irrigation	46.0	30.0		
5	Water Supply & Sanitation	34.0	22.0		
6	Miscellaneous	0.0	0.0		
Total		153	100	62	100%

### 3.4 INCOME GENERATION ACTIVITIES WITH THE MOBILIZATION OF REVOLVING FUND (LOAN)

#### 3.4.1 Sector-wise Loan Distribution

The analysis results the largest portion (68.6%) of RF was applied in livestock sector by CO followed by agriculture (14.6%), trading (13.1%), service (3.5%) and the lowest loan issued was reported in manufacturing (0.2%) as described in Table 11. A qualitative study explored the majority of revolving fund of CO was consumed for livestock; goat raising becoming the popular among other IGAs. During the qualitative analysis it was also found out that the CO members had taken multiple loans and invested in different sectors than previous one. This reveals that CO members kept on changing the sector of investment.

By geographic location, the borrowed loan on livestock sector was found the highest (71.9%) in hill/mountain and 58.4% in Terai followed by agriculture (15.2%) in hill/mountain and (12.6%) in Terai district, similarly, in trading sector, 8.4% was found in hill / mountain and 28% in Terai as presented in Table 11.

Table 12: Sector Wise Loan Distribution

S.N.	Sector	Geographical Location (%)		
		Hill / Mountain	Terai	Total
1	Agriculture	15.2	12.6	14.6
2	Livestock	71.9	58.4	68.6
3	Manufacturing	.2	0.0	.2
4	Service	4.3	1.0	3.5
5	Trading	8.4	28.0	13.1

The study team tried to identify the main sub sector of CO's investment in members through quantitative and qualitative methods. It was found in both methods, among major sectors, vegetable farming in agriculture; goat/sheep raising in livestock; tailoring in service and retail shop in trading (Table 12) were the mostly adopted sub sector by CO members. The frequency of sample who took loans from CO for vegetable farming were 338 out of 1563 i.e. 22% of total respondents and 77.52% of agriculture sector. The result has been conformed from qualitative as well.

In agriculture sector, the number loan issued was recorded the highest (77.5%) in vegetable farming followed by bee keeping (8.49%) and cereal crop (8.03%) as presented in Table 12.

Table 13: Number of Loan Taken by Agriculture sector wise

Sub sector	Number	%
Vegetable farming	338	77.52
Ginger Farming	18	4.13
Cash crops	4	0.92
Bee keeping	36	8.49
Cereal crops	35	8.03
Agriculture support	3	0.69
Others	2	0.23
Total	436	100

Similarly, the highest loan issued was documented in goat/Sheet (52.63%) followed by buffalo (31.19%), Cow/Ox (8.09%), poultry (4.58%) and others (3.51%) in livestock sector as presented in Table 14.

Table 14: Number of Loan taken by Livestock sector wise

Sector	Number	%
Buffalo	640	31.19
Cow/Ox	166	8.09
Goat/sheep	1080	52.63
Poultry	94	4.58
Pig	42	2.05
Others	30	1.46
Total	2052	100

Likewise, the maximum number of loan issued was documented in tailoring (63.8%) followed by repair & maintenance (8.6%), rickshaw (6.7%), metal works (3.8%) and others ( 15.2%) in service sector as presented in Table 15.

Table 15: Loan Issued in service sub sector

Sector	Number	%
Communication	2	1.9
Metal works	4	3.8
Repair & maintenance	9	8.6
Barber	0	0.0
Tailoring	67	63.8
Rickshaw	7	6.7
Others	16	15.2
Total	105	100

The study found out the retail shop remained the most popular sub sector in trading. About 79.8% of the total respondents believed retail shop being the most profitable sub sector of investment followed by other sub sector like electrical goods, agro, or garment as presented in table 16.

Table 16: Loan issued in Trading sub sector

Sector	Number	%
Electrical goods	6	1.53
Retail shop	312	79.80
Agro & forestry	5	1.28
Livestock related	5	1.02
Garment	7	1.79
Others	56	14.58
Total	391	100

In trading sector, the maximum number of loan issued was reported in retail shop (79.8%) as presented in Table 9.

Similar observation were documented during qualitative survey (FGD, KII and field observation). During filed visit female members of the households were found commonly involved in income generating activities funded by PAF.



### 3.5 FREQUENCY OF LOAN BORROWED, LOAN AMOUNT AND OUTSTANDING LOAN

The access of revolving fund by CO members had remained quiet easy process. The study indicated that there were multiple loans issued for CO members based on their demand. The qualitative analysis showed some multiple loans of CO member were outstanding but most of the borrowed loans were paid back before issuing new loans. The table 17 presents 23.3% of the CO members had taken loan for only one time. There were members who had accessed revolving fund for seven times. This can be concluded that PAF had been able to establish revolving fund in CO where 30.4% of CO members had accessed money for at least three times.

Table 17: Frequency of Loan Borrowed

Frequency Loan Borrowed	Number	%
1	696	23.3
2	736	24.6
3	910	30.4
4	483	16.2
5	157	5.3
7	7	0.2
Total	2989	100

Both the quantitative and qualitative results complements that CO members had taken more loans for vegetable farming. About 77.5% of the respondents were engaged in vegetable farming. Other potential sectors having most of the CO member's investment were identified as goat raising, retail shop and tailoring. Similar findings were revealed while conducting FGD and KII where the frequency of informants saying their sub sector of investment was goat and retail shop was highest.

The interesting findings were made with CO members who were engaged in some innovative approach of IGAs like selling forest products, ginger farming, cash crops and handicrafts the most. This would support on successful implementation of CDD approach by PAF in addressing the poorest of the poor.

Table 18: Number of Loans for subsectors

Major sector	Subsector	Number of Loan Issued	%
Agriculture	Vegetable farming	338	77.5%
	Ginger Farming	18	4.1%
	Cash crops	4	0.9%
	Bee keeping	37	8.5%
	Cereal crops	35	8.0%
	Agriculture support	3	0.7%
	Others	1	0.2%
	<b>Total</b>	<b>436</b>	<b>100.0%</b>
Livestock	Buffalo	640	31.2%
	Cow/Ox	166	8.1%
	Goat/sheep	1080	52.6%
	Poultry	94	4.6%
	Pig	42	2.0%
	Others	30	1.5%
	<b>Total</b>	<b>2052</b>	<b>100.0%</b>
Manufacturing	Forest product	2	40.0%
	Handicraft/ Artisan	1	20.0%
	Others	2	40.0%
	<b>Total</b>	<b>5</b>	<b>100.0%</b>
service	Communication	2	1.9%
	Metal works	4	3.8%
	Repair & maintenance	9	8.6%
	Tailoring	67	63.8%
	Agro processing	4	3.8%
	Others	12	11.4%
	Rickshaw	7	6.7%
	<b>Total</b>	<b>105</b>	<b>100.0%</b>
Trading	Electrical goods	6	1.5%
	Retail shop	312	79.8%
	Agro & Forest	5	1.3%
	Livestock related	4	1.0%
	Garment	7	1.8%
	Others	57	14.6%
	<b>Total</b>	<b>391</b>	<b>100.0%</b>

An average loan borrowed by CO members from RF in Agriculture sector was NRs.18,882 in Hill/Mountain and NRs. 21,628 in Terai region. These figures matched with PAF's per capita consumption of NRs. 5,500. The respondents reported that the size of loan was bigger in livestock, trading and service sector and the size of loan was smaller in agriculture and manufacturing.

### 3.6 IMPACTS ON EMPLOYMENT OPPORTUNITIES

#### 3.6.1 Self-Employment

The study identified that each loan product had been able to create 1.7 person jobs (extracted from table 15 and table 18). This means each loan product engaged 70% time of one additional human resource in IGAs. Though it was not the case of full employment of an additional human resource, but partial employment creation at households level was observed. Job creation was found maximum (68%) in livestock. The FGD findings also confirmed that most of the people who were involved on poultry were found better than other business. This correlates with table 14 which reports the majority of loans were disbursed for livestock. The qualitative findings had an explanation of self-employed (full time) in IGAs started with RF. Informal involvement in IGAs by other family members was accepted by FGD participants at household level though the income was not propagated into standard measurement of employment.

In agriculture, the self-employment was maximum around 66% in vegetable farming. Other sub sector of agriculture looked interesting but the engagement was very less. Table 18 contains a detail information on number of family members engaged in household IGAs. It was observed that full employment was created at nominal level.

Table 19: Employment Status By Geographic Region by IGA Sector

	family member involved (number )				employee involved (number)			
	Geographical Location				Geographical Location			
Major sector	Hill/ Mountain	Terai	Total		Hill/ Mountain	Terai	Total	
Agriculture	556	261	817	16%	0	0	0	
Livestock	2810	572	3382	68%	7	2	9	
Manufacturing	7		7	0.14%	0		0	
Service	184	12	196	4%	1	0	1	
Trading	284	320	604	12%	1	0	1	
G. Total	3841	1165	5006	100%	9	2	11	

#### 3.6.2 Employment Opportunities

PAF interventions were supposed to create employment opportunities at community level. While extracting this information, more from the FGD, it was observed that self-employment had enough evidences but labor employment was found insignificant but PAF's interventions had promoted the fund receiving households from farming to service sector.

### 3.7 IMPACTS ON ENTREPRENEURSHIP, ENTERPRISE DEVELOPMENT AND BUSINESS CREATION

The term business in this study was defined as household level transaction of income and expenditure. The study found out the opportunities of business was noteworthy. The support of revolving fund ranging from twenty thousands to hundred thousand had potential factor to grow and investing in wider sector of business by the CO members.

### 3.7.1 Entrepreneurship

Most of the members who had taken loan from revolving fund were female and their active participation in household business had greater impact on their esteemed IGAs. Therefore, the study reports the women empowerment was clearly visible in community and women entrepreneurs developed the most. Though the entrepreneurship was not confirmed at higher level or income realizable level, due to the limitations of market, road access, scale and technical support, CO members resulting as entrepreneur had larger scope in business growth.

**Note:** For the purpose of this study, the “self-employed” is defined as those directly engaged in establishing and managing the enterprise themselves or owing the enterprise with their family members.

### 3.7.2 Ownership and Legal status of the Enterprises

The quantitative analysis attributed that 94.2% of the enterprises were not registered under any of the private or government units. They were self-created, self-invested and self-running within the limitations of household’s resources. The registered enterprises were 5.8% of the sample respondents. They were registered with cottage and small industrial development board and department of cottage industry in their respective district. The registered enterprises were mainly from Hill/ Mountain.

### 3.7.3 Enterprise Development

The study found out that 95.4% of enterprises owned by the CO members were running. CO Revolving fund being the major contributor in starting the enterprises, there was a matching fund backed by the member as well. The enterprise here is assumed as a household business ran by the CO member. This ensures that PAF has been able to appoint an enterprises though the initial interventions were different.

The findings said 4.6% of the total business were not running. The major reason behind the failure of the enterprises was the business could not gain profit. The total of 76.8% respondents said the enterprise were shut down due to loss. Some 13% of the respondents said they went into the business which they did not have interest. Also there were 8% of the respondents who said the lack of human resource caused the business failure. The overall impact in enterprise development remains as the CO members were able to run their business at household level and they came to understand the factors they would need to run and sustain their business. This area could be the potential reason where future PAF could work on.

### 3.7.4 Business Creation and Profitability

The study found out that the main sector of business was livestock which aligned with the results generated by PAF’s other studies published in annual report 2017. About 85.6% of the business having investment in livestock were running in profit. Similarly the investment made in service sector like Metal Works, Repair and Maintenance, Tailoring and Rickshaw were running in profit. There were about 10.7% of businesses running into breakeven and 3.8% were in loss.

In agriculture, vegetable farming was the most popular sub sector of investment but Ginger Farming and Bee Keeping had maximum profits. In livestock, Goat Raising was the most popular sub sector of investment and 89.4% responded that their business of Goat Raising was running in profit followed by Buffalo and Piggery being

other sub sector of business running in profit. The study found out there were other very interesting subsectors of investment made by CO members but the frequency of sample remained less as determined by the methodology of the study. Namely, business of Garment, Meat, Electrical Goods, Agro and Forest, Retail Shop, Poultry, Cereal Crops, Rickshaw and Handicraft items were running in profit.

### **3.7.5 Foreign Employment Reduction**

While interviewing with respondents during sample survey, a very few respondent reported that the IGAs implemented by this project were not found to contribute to change to deliberations to go foreign employment. Therefore, these IGs activities have been not contributing to reduce the foreign employment trend in the project area. In contrary, during qualitative survey, people's perception on foreign employment was reported different.

The findings from field are mixed in order of migration type and place. The qualitative approach was used for testing the reduction in migration. The FGD findings said there had been the reduction in foreign migration after the intervention of PAF programs. All KII participants agreed that there was a significant reduction in youth migration. They further elaborated that seasonal migration to India had been reduced by the program. They though around 20% reduction in internal migration was achieved by PAF program.

## **3.8 IMPACTS ON SOCIO ECONOMIC EMPOWERMENT**

### **3.8.1 Women Empowerment**

PAF's earlier studies showed remarkable achievement in women empowerment. This study also showed there was the decision making by women had improved significantly. The voice of women had been raised for their rights and justice which is an absolute achievement of PAF though spillover effects existed but CO members gave credit to PAF the most. The FGD had a finding that the treated women group believed that they were not dependable to their husband; they were dependable to their husband before the program intervention.

### **3.8.2 Income Generation**

Income generation was the key component of PAF interventions. The quantitative analysis reports that the revolving fund had supported on their IGAs which certainly had income impact. The study tried to find out the level of support enjoying by the CO members through their income specifically generated through RF investment. Majority of the respondents (60.4%) said there was a moderate (25% to 50%) support to household income. That were about 13.2% of respondents who thought the support to household income through PAF interventions was high. The study also reports the people in Terai had better experience of income than in Hill/ Mountain; 83.1% of people in Terai said there was a moderate support to household income from PAF intervention where Hill/ Mountain people said it was 53.3%. Similarly, 29% of Hill/ Mountain people said the support was very little, where, people from Terai believed the support was more than moderate.

The study also found out that the income from IGAs was applied in physical facilities by CO members. About 48.2% of the respondents believed that there was little support from IGAs on their increased physical facilities though the income was not

meant to increase physical assets. But it was obvious that CO members were enjoying their income for household consumption.

### **3.8.3 Child Education**

The respondents were asked about the application of income. Majority of the respondents (41.6%) had a view that the income from IGAs was moderately supporting for their child education. Since the purpose of the income was not to support in child education, the result could be claimed as, social mobilization would have helped them not applying their income from IGAs for their child education. There was 15% of the respondents who did not apply their income from IGAs into their child education. The qualitative study could have produced enough evidences on income indicators but the result produced here is fully based on quantitative analysis.

### **3.8.4 Social Status**

There has been an obvious change seen among the CO members of PAF that can be accounted to PAF interventions. The study found that CO members had become aware of group benefits, running institutions, issuing loans and repayments, accounting and planning through the trainings provided by PAF. This awareness had results in improving their income and coming out of poverty line. The quantitative results said 78.1% believed that there was little support of the PAF interventions on improving their social status contradicts with the qualitative findings. The qualitative findings noted that there was a significant social changes brought by PAF interventions. They were able to earn respect in their family and society. They could now solve the small financial problems by themselves and they did not have to reach out to local money lenders.

## **3.9 CHALLENGES FACED BY THE BENEFICIARIES**

The key challenges faced by the beneficiaries could be listed out as follows:

- i There was a lack of transportation facility for marketing of agricultural products
- ii There was lack of advanced seed and provision of technical skill
- iii Lack of veterinary services
- iv Low pricing on vegetable production
- v Lack of sufficient irrigation facility
- vi Lack of capacity building training
- vii Most of the women were found uneducated
- viii Community people are expecting more training on technical skill on vegetable farming
- ix Larger loans required to scale up their production

## **3.10 SUGGESTIONS MADE BY THE RESPONDENTS**

- i The participants advised that provision of JTA should be an urgent for technical backstopping
- ii Replication of similar activities in other remote VDCs
- iii The service providers like PAF and its partners should continue for longer period of time may be 3 years more
- iv Strengthen monitoring activities and ensure that the program would continue even after PAF exits

### 3.11 SUMMARIZATION OF CASE STUDIES

CASE STUDY I: The story of Mr. Gopal Nepal from Jumla district who applied revolving fund (NRs. 50,000) in furniture business and succeeded to earn NRs. 30,000-35,000 per month. He employed 5 people in his business. He believes that his social status has heightened. He further plans to invest in handmade paper in upcoming days. He is counted as a model entrepreneur in his village.

CASE II: The story of Mr. Dinesh Sunar from Jumla district who invested the revolving fund into seasonal vegetable farming such as Garlic, Cauliflower, Cucumber and Mustard in 1 ropani (495 sq. m) of land and yielded worthy returns from vegetable farming. He took second loan from RF and invested into Cow for milk selling. Currently he has 3 cows and sells 15 liter milk every day. His earning from vegetable was NRs. 80,000 per month and earning from milk selling was NRs.30,000 per month.

CASE STUDY III: The story of Mr. Narajeet Damai from Jumla district who was engaged in wage labor in India before becoming the member of PAF CO. He borrowed NRs 17,000 from CO for starting tailoring business. He consistently focused to grow the tailoring business and now his total business net worth was NRs 170,000 and employed 4 staff.

CASE STUDY IV: The story of Ms. Amirka Devi Yadav from Siraha district having 10 family members. She started regular saving and borrowed NRs.18000 from PAF CO for a retail business. She earned profit and subsequently repaid the loan on installment basis. She earns NRs. 1,200 per day. She purchased 5 kathas (1,650 m<sup>2</sup>) land. Furthermore, to enlarge her business, she borrowed loan NRs 50,000 to acquire additional profit. She became an example in her community.

CASE STUDY 5: The story of Mr. Mangal Prasad Kurmi residence of Kapilbastu district having 28 members in his family and spending their life as community change agent in vegetable farming. Before joining the PAF, Mangal and his wife used to depend on private moneylender for borrowing the loan at high interest rate (36%) to meet their livelihood and other household expenses. PAF invested in irrigation scheme for the same community which made all family members to engage in agriculture. Now, he and wife are providing agriculture inputs and technical suggestions to other group members. He has become a leader of farming.

CASE STUDY 6: The story of Ms. Tika Thapa from Dailekh district. She took loan amounting NRs. 40,000 from CO RF in the year 2068 BS for a buffalo and started selling milk and yogurt that helped her support her living with her 2 children and her parents. Ms. Tika has been taking all responsibility of both child including her father and mother after her elder sister left home. She wishes to start animal husbandry as enterprise if she gets loan NRs. 100,000.

CASE STUDY 7: The story of Mr. Judha Bahadur Khadka from Pyuthan district. After having loss in goat raising, he purchased sewing machine from second loan. Now he operates 5 sewing machines and had trained 60 to 70 individuals. He saves about 30 to 35 thousand rupees every month.

CASE STUDY 8: The story of Ms. Dhana Maya Giri from Pyuthan district. Her family condition was very poor. After taking loan from the revolving fund, she invested in vegetable farming. Now she has better livelihood. With the income from vegetables like tomato, cauliflower, she was able to buy buffalo and selling milk. Now she earned respect in a community.

---

<sup>1</sup> Detail case studies are attached in Annex 5

CASE STUDY 9: The story of Ms. Mamata Gurung from Doti district. She took loan from the revolving fund and invested in poultry. Now she ranches 1000 chickens in her farm and earns NRs. 150,000 per month from poultry. She is selling chickens to Silgadhi and Dipayal. If she gets technical training and support, she could upgrade her business.



## **CHAPTER 4: CONSLUSION AND RECOMMENDATIONS**

The study team has come up with the following set of conclusion and recommendations on the basis of its findings from both qualitative and quantitative analysis.

### **4.1 ACHIEVEMENTS**

- With a mandate to reach out the poorest of the poor, majority of PAF's CO members were belonging to 'Ka' category at the time of interventions but the situation has changed now. The 'Ka' category poor members have income at livelihood level.
- PAF has been able to empower women specially Dalit and Janajati. The empowerment effect has brought changes in social status of women; women are now taking decisions in their family and society.
- The revolving fund has been able to help CO members with required funding for their IGAs, as a result, many success stories have evolved and pathways to poverty reduction on track.
- The income generation took place in all households; people are spending their income from IGAs on enterprise building, child education and accumulation of physical assets.
- PAF succeeded in creating employment at household level with an engagement of 1.7 person jobs on each loan product. Some cases were found on business creation having profits and entrepreneurship.
- PAF has been able to implement CDD approach successfully. There were about 24 subsectors of investment by CO members and most of them were running above average.
- Some cases were found where people go for wage labor within or outside the country, but the IGA supported by PAF helped them stay their home and invest into their business.

### **4.2 IMPACTS OUT OF ACHIEVEMENTS**

- Women empowerment being the major impact of PAF interventions, people who were not been able to fulfill their basic needs are now able to generate income for their informal livelihood.
- The social status of Dalit and Janajati has been raised and they find the survival in a village has become relatively easy
- The continuous access to revolving fund has supported in scaling up their business and realizing the income
- People are spending their income from IGAs in better education of their children and household physical facilities increased
- In an average, 2 members of every household who have taken loans from CO RF were fully engaged in their IGAs though full time employment was not calculated
- PAF interventions have helped in reducing migration specially India as they have better options at home due to access to RF for IGAs

### **4.3 RECOMMENDATIONS**

The findings and conclusion of this study led the following recommendations to PAF:

#### **4.3.1 Pocket Area Development**

PAF should continue with pocket area development for sustainable IGAs. this would need linkages with various district level government services for livestock and agriculture. Further, pockets of handicraft and service sector should be promoted in future.

#### **4.3.2 IGAs of Investment**

The study recommends to continue investment in livestock sector specially Goat or Sheep. This has been the most adopted IGAs by CO members and has better result on income.

#### **4.3.3 Financial Inclusion and Market Access**

CO RF has limitations on size of loan; Some of the CO members has succeeded in their IGAs but could not upscale due the lack of larger funds.

#### **4.3.4 Capacity Building**

Capacity building on enterprise development and technology would help CO members manage their business good and apply new forms of farming mechanisms respectively.

#### **4.3.5 Monitoring and Evaluation**

A close monitoring will be required at local level as well as at central level for debt recovery and avoiding the chances of RF erosion as RF being the heart of CO.

## REFERENCES

- PAF (2015): Annual Report 2015. Poverty Alleviation Fund, Kathmandu, Nepal
- PAF (2017): Annual Report 2016. Poverty Alleviation Fund, Kathmandu, Nepal
- PAF (2013): “Poverty Alleviation Fund Annual Progress Report 2012/2013,” Discussion paper, Poverty Alleviation Fund, Nepal. 6
- CEDA and PAF (2015): Monitoring and Evaluation, Follow-Up Survey 2014.
- NAREC Nepal (2013): Impact Evaluation of Poverty Alleviation Fund PAF, Program I and II. Evaluation Report Submitted to National Planning Commissions by National council for Economic and Development Research, NAREC Nepal, Kathmandu
- MCRIL (2016): Review of Performance of Revolving Fund Under Poverty Alleviation Fund Project. Final Report Submitted to the World Bank by Micro-Credit Ratings International Limited, Gurugaon, India.

## ANNEX-1: Household Questionnaire

### Household Survey of Employment, Entrepreneurship and Business Opportunities Created by PAF Nepal Household Questionnaire

Date:

Information of Interviewer

Name of Interviewer :

1.1. Interview Date:

1.2. Time of interview:

#### Q.2. Information of Respondent

Q. No	Description	response	code	Remarks
2.1	District:			Single choice
2.2	Name of town Municipality or village Municipality			String
2.3	Name of place :			String
2.4	Ward			Numeric
2.5	House Number			No. Provided by Project
2.6	Name of Respondent:			String
2.7	Mobile Number			
2.8	Gender of Respondent		1= Male, 2= Female 3 =Other	Single choice code
2.9	Age of Respondent:			Numeric
2.10	Education member :			Single choice code
2.11	Marital status		1= single( never married), 2= Married, 3 = Widow , 4 = Separated, 5 = Forbidden/ Given up *	Single choice code
2.12	Caste of respondent			Single choice code
2.13	Religion of Respondent		1= Hindu, 2 = Buddha, 3=Islam, 4= Kirant, 5=Jain, 6=Christian 7=Shikh, 8 = Bahat 9=Other*	Single choice code
2.14	Type of Family structure		1= Joint , 2 = Nucleus	Single choice code
2.15	Name of Affiliated CO			Single choice code

\* CBS 2011

#### Q.3 Family member detail

Q. No	Description	Response	Q.No	Description	Response
<b>3.1 Number of Family member by gender</b>			<b>3.3 Number family number by Age *</b>		
3.1.1	Number of Female member		3.3.1	0 – 5 aged children	
3.1.2	Number of Male member		3.3.2	6 – 15	
3.1.3	Total family member		3.3.3	16 – 45	
<b>3.2 Number of family member by education *</b>			3.3.4	46 – 60	
3.2.1	illiterate		3.3.5	Above 60	
3.2.2	Literate				
3.2.3	Professional degree				
3.2.4	1 - 4 Class				
3.2.5	5 – 8 class				
3.2.6	9 – SLC				

3.2.7	Above SLC				
-------	-----------	--	--	--	--

\* CBS 2011 ( incorporated)

#### Q.4 Housing condition and well being

Q. No.	Description	response	code	Remarks	Ref
4.1	Is this dwelling yours?		1=yes (go 4.2) 2= No( go to 4.3)	Single choice	CBS (2011)
4.2	What is Type of dwelling?		1= Kachha. 2 = Pakka	String (if Ans 1 go	Base line
4.3	What is your present occupancy status?		1 = Rent, 2= Free, 3 = squatting, 4 = others	string	CBS (2011)
4.4	Where does your drinking water come from?		1= piped water supply 2= covered well, 3=hand pump/ tube well, 4= open well, 5=spring water, 6=river 7= other source	Numeric	CBS (2011)
4.5	What kind of fuel is most often used by your household for cooking?		1=firewood 2=dung 3 =leaves/ rubbish/straw/thatch, 4= cylinder gas, 5= kerosene , 6 = bio-gas, 7= other	Single choice code	CBS (2011)
4.6	What type of stove does your household mainly use for cooking?		1= open fireplace, 2= mud, 3= smokeless oven, 4= kerosene stove 5= gas stove , 6= other	Single choice code	CBS (2011)
4.7	What type of toilet is used by your household?		1= household flush (connected to municipal sewer),2 = household flush (connected to septic tank), 3= household non-flush, 4 = communal latrine, 5 = no toilet	Single choice code	CBS (2011)
4.8	What is the main source of lighting for your dwelling?		1 = Electricity, 2= solar, 3= Biogas, 4= Kerosene 5= Other	Single choice code	CBS (2011)

#### Q.5 Association with PAF

Q. No.	Description	response	code	Remarks	Ref
5.1	In which PAF activity you involved (multiple choice)				Discussion with PAF M&E expert
	5.1.1 Income generating		1 = yes ( go to Q.6) 0 = No		Discussion with PAF M&E expert
	5.1.2 Infrastructure development		1 = yes ( go to Q5.2) 0 = No		Discussion with PAF M&E expert
	5.1.3 Pocket Area		1 = yes 0 = No		Discussion with PAF M&E expert
5.2	In Which infrastructure you family involved		1 = Rural Assess, 2 = Community Building ,3 Rural Energy, 4= Small Irrigation, 5= Water Supply & Sanitation, 6 = Miscellaneous		Discussion with PAF M&E expert

5.2.1	Is any support or benefit getting for your family involved infrastructure to improve your family income or Income generating activity?		1 = yes( go to 5.3 = No		Discussion with PAF M&E expert
5.2.2	If yes mode of support, or benefit				
5.2.3	If No why?				

#### Q.6. Income generating Activity Related

**Instruction for enumerators:**

**one HH may borrow more than 1 time loan in same IG activity or other IG activity so follow the 1 loan fist and follow by second and so on. If more than five fill in separate sheet numbering 6 7 and so on...**

6.1	6.2	6.3	6.4	6.5	6.6	6.7	6.8	6.9	6.10	6.11
Serial Number Loan	Major sector 1 = Agriculture 2= Livestock, 3= Manufacturing, 4=Service, 5= Trading	Subsector (see the code table if 1 follow subsector of 1, if 2 follow subsector of 2, and so on)	Loan issued year	Loan amount In (x000)	Amount of outstanding	% of Loan used in same sector	% of Loan used in other than sector	Currently Number of family member involved in this sector	Currently Number of employee involved in this sector	Number of employee month involved during year
1										
2										
3										
4										
5										

#### Q.6. Income generating Activity Related (cont..)

	6.12	6.13	6.14	6.15	6.16	6.17	6.18	6.19
Serial Number Loan	Salary paid for employee/ month (000)	Current status 1 = profitable 2 = break even 3 = running in loss	ownership type 1 = proprietorship 2 = partnership	Legal registration 1= Yes 0 = No	Is this activity currently running 1= Yes 0 = No	If No Why 1 = Not Profitable 2 = Not of My interest 3 = lack of raw material 4 = Lack of workers 5 = Others	Is any family member or employee changed his/her foreign employment plan involving in this IG activity? 1= yes , 0 =No	Types of problems facing in this IG (Multiple choice ) 1 = insufficient funding 2 = Market problem 3 = lack of training 4 = Transportation 5 = Raw material 6 = lack of technical support 7 = Skill manpower 8 = workers 9 = Others
1								

2							
3							
4							
5							

#### Q.6. Income generating Activity Related (cont..)

	6.20	6.21	6.22	6.23	6.24	6.25	6.26
Serial Number	At what extent this IG support in household income 1 = No support 2 = very little 3 = Moderately support 4 = Highly supported 5 = very highly supported	At what extent this IG support in <b>employment</b> 1 = No support 2 = very little 3 = Moderately support 4 = Highly supported 5 = very highly supported	At what extent this IG support education of children 1 = No support 2 = very little 3 = Moderately support 4 = Highly supported 5 = very highly supported	At what extent this IG support health sector of family 1 = No support 2 = very little 3 = Moderately support 4 = Highly supported 5 = very highly supported	At what extent this IG support Social status of family 1 = No support 2 = very little 3 = Moderately support 4 = Highly supported 5 = very highly supported	At what extent this IG support to increase physical facility 1 = No support 2 = very little 3 = Moderately support 4 = Highly supported 5 = very highly supported	At what extent this IG support to increase p 1 = No support 2 = very little 3 = Moderately support 4 = Highly supported 5 = very highly supported
1							
2							
3							
4							
5							

#### Code

Agriculture (Major 1)	Livestock (Major 2)	Manufacturing (Major3)	Service ( Major 4)	Trading (Major = 5)
1 = vegetable farming	1= buffalo	1 = agro processing	1 = communication	1 = electrical goods
2 =Ginger Farming	2 = Cow/Ox	2 = forest product	2 =metal works	2 = retail shop
3 = cash crops	3 = Goat/sheep	3 = fruit processing	3= repair & maintenance	3 = agri & forest
4 = fruit farming	4= yak	4 = off farm related	4 = barber	4 = livestock related
5 = bee keeping	5 =poultry	5 = Handicraft/ Artisan	5 = Tailoring	5 = garment
6 = agro forestry	6 = pig		6 = agro processing	6 = others
7 = fishery			7 = livestock support	
8 = cereal crops			8= hotel & restaurant	
9 = agriculture support			9= others	

#### Q.7 Social and Economic Empowerment at current period

Q. No.	Description	response	code	Remarks	Ref
7.1	Who make decision on Household Economy mater after participation?		1 = Male, 2 = Female 3 = Both		
7.2	Who make decision on Child Education mater after participation?*		1 = Male, 2 = Female 3 = Both		
7.3	Who make decision on Land Buy/Sell mater after participation?		1 = Male, 2 = Female 3 = Both		

7.4	Who make decision on Household Activity mater after participation?		1 = Male, 2 = Female 3 = Both		
7.5	Who make decision on Household Activity mater after participation?		1 = Male, 2 = Female 3 = Both		
7.6	Who make decision on Social welfare mater after participation?		1 = Male, 2 = Female 3 = Both		
7.7	Who keep house hold income in your house?		1 = Male, 2 = Female 3 = Both		
7.8	Who fix the price of IG activity product		1 = Male, 2 = Female 3 = Both		
7.9	Who goes to market to sell the product		1 = Male, 2 = Female 3 = Both		
7.10	Who keep the money?		1 = Male, 2 = Female 3 = Both		
7.10	Have you ever taken loan from cooperative/ community organization/ financial institution?		1 = No, 2 = Yes		
7.11	If yes, what are the purpose?		1 = Income generating skill/Activities/ business, 2= Social welfare, 3 = Assets purchase, 4 = child education, 5 = For Treatment, 6 = to send family member aboard, 7 = Other		

\*Thank You for your cooperation\*



## ANNEX-2: FGD (Focus Group Discussion Questionnaire)

### Guideline for FGD with Community Organization

District: .....

Municipality/ Rural Municipality .....

Ward No:

Place.....

Date:

Name of FGD moderator

Number of Participants: (Maximum 10)

S. N.	Name	Age	Sex	Caste/ Ethnicity	Education
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

#### Introduction and getting started (5-10 minutes)

Greetings and introduction of participants and moderators

Briefing the purpose of the study

Assuring confidentiality

Obtaining verbal consent from the participants

#### Topics of Discussion and Guiding Questions

##### 1. Formation and Community Organization and Its activities

- When was CO established by the PAF? Initially how many people were associated with this CO? At present how many members are affiliated to this CO? Ask number people from different caste/ethnic background as well as gender category?
- What types of activities have been conducted by your CO with supports from the PAF?
- How do you support poor households through revolving fund? Probe process of selecting households and terms and condition for getting revolving fund?

##### 2. Business creation

- What types of business/major areas of IGA have been created by your organization in your community?
- What types of IGA activities have been initiated and continued by the members of your CO? Probe Agriculture Sector, Service Sector, Trading Sector, livestock and manufacturing

##### 3. Creation of employment opportunities?

- To what extent employment opportunities have been created by your CO through business creation? Probe, self-employment in Agriculture sector, Livestock, Service Sector, Trading Sector and Manufacturing sector?
- Which sectors are successful to create employment opportunities in your community? Ask about success story
- How many members of this CO have continued and expanded same business since their affiliation with your organization?
- Do you think that employment opportunities created by the PAF have contributed to decline in labour migration?
- What is the trend of migration and foreign employment in your community? Probe seasonal migration trend in India? Other countries

4. Income Generation Activities
  - Could you share past and existing situation of income generation of CO members through IGA activities supported by PAF
  - Do you think that IGA activities have improved socio-economic status of CO members' household? Probe economic empowerment of women and ultra-poor households?
  - Which IGA activities are most successful or best in your community in terms of increasing income, improving socio-economic status and empowerment? Which IGA are worst? Probe reasons for unsuccessful?
5. Trend of Sector-wise IGA and employment
  - What is a trend of IGA activities in agriculture and Livestock sector? Probe investment, business activities, employment and income, increasing and decreasing trend?
  - What is the trend in service sector, trading and manufacturing sector? Probe investment, business activities, employment and income generation.
  - What are challenges in promoting IGA and creating employment in different sectors
6. Community infrastructure
  - Road
  - Irrigation
  - Drinking water
  - Electricity
  - Others....

How community infrastructure and facilities contributed to IGA activities? Employment opportunities?

#### **7. Challenges and problems**

- What are major challenges faced by poor households to initiate and continue IGA activities?
- What problems have been faced by the households in getting benefits and sustaining income from IGA activities?
- What are problems of self-employed households?
- What are challenges in employing required manpower in IGA business?

## **ANNEX-3: KII (Key Informants Interview- Questionnaire)**

### **Poverty Alleviation Fund (PAF) Employments, Entrepreneurships and Business Opportunities created by PAF Nepal**

#### **Interviews with Key informants**

Site:

Date:

Time:

Name of Interviewer

Name of Informant/interviewee:

Informant Age:

sex:

Address:

Educational Qualification

#### **Key questions**

- Could you please briefly mention about current situation poverty alleviation and income generation activities in this area?
- In your area, when was poverty alleviation programs started? How has been poverty alleviation activities implemented?
- What types of activities have been conducted by your CO with supports from the PAF?
- What types of business/major areas of IGA have been created by PAF interventions through COs in your area?
- What types of IGA activities have been initiated and continued by the CO members Probe Agriculture Sector, Service Sector, Trading Sector, livestock and manufacturing
- To what extent employment opportunities have been created by PAF interventions through business creation and income generation activities? Probe, self-employment in Agriculture sector, Livestock, Service Sector, Trading Sector and Manufacturing sector?
- Which sectors are successful to create employment opportunities in your area?
- Do you think that employment opportunities created by the PAF have contributed to decline in labour migration?
- What is the trend of migration and foreign employment in your community? Probe seasonal migration trend in India? Other countries
- Do you think that IGA activities have improved socio-economic status of CO members' household? Probe economic empowerment of women and ultra-poor households?
- Which IGA activities are most successful or best in your community in terms of increasing income, improving socio-economic status and empowerment? Which IGA are worst? Probe reasons for unsuccessful?
- What is the trend in service sector, trading and manufacturing sector? Probe investment, business activities, employment and income generation.
- What are challenges in promoting IGA and creating employment in different sectors
- How community infrastructure and facilities contributed to IGA activities? Employment opportunities?
- What are major challenges faced by poor households to initiate and continue IGA activities?
- What problems have been faced by the households in getting benefits and sustaining income from IGA activities?
- What are problems of self-employed households?
- What are challenges in employing required manpower in IGA business?

## ANNEX 4: List of Individuals for FGD

S. N.	Name of the Respondent	Age	Sex	Contact No.	District
1	Chakra Bahadur Damai	45	Male	9748069720	Jumla
2	Janu Devi Malla	40	Female	9848315253	
3	Maan Bahadur Karki	40	Male	9748175988	
4	Devi Laxmi Devkota	43	Female	9868365524	
5	Karna Singh Damai	60	Female	NA	
6	Umesh Damai	59	Male	NA	
7	Dhankala Damai	35	Male	NA	
8	Nili Kami	35	Female	NA	
9	Savitri Kami	34	Female	NA	
10	Rajesh Damai	34	Female	NA	
11	Ujjeli Kami	45	Female	NA	
12	Sundari Kami	46	Female	NA	
13	Raati Kami	45	Female	NA	
14	laalsari Damai	60	Female	NA	
15	Panchakali Damai	47	Female	NA	
16	MayaKkami	48	Female	NA	
17	Govinda Damai	28	Male	NA	
18	Challi Kami	45	Female	NA	
19	Chanka Thapa	51	Female	NA	
20	Khamba Damai	65	Male	NA	
21	Baisange Kami	49	Male	NA	
22	Laxmi Kala Damai	30	Female	NA	
23	Bhim Bahadur Malla	64	Male	NA	
24	Gajendra Bahadur Malla	40	Male	NA	
25	Singh Kami	35	Male	NA	
26	Dhan Kami	30	Male	NA	
27	Laal maya Kami	50	Female		
28	Kaali Kami	29	Female	NA	
29	Tek Kami	31	Male	NA	
30	Devilal Kami	38	Male	NA	
31	Manu Kami	28	Female	NA	
32	Mumapa Damai	31	Female	NA	
33	Sasi Kala Damai	31	Female	NA	
S. N.	Name of the respondent	Age	Sex	Contact No.	District
1	Napasara Rana Magar	47	Female	9848196985	Dailekh
2	Amrita Khatri	52	Female	9812431060	
3	Imaan Singh Thapa	45	Male	9812477780	
4	Pahal Singh Basnet	59	Male	9848131831	
5	Dil Maya Thapa	49	Female	9818385015	
6	Tika Nepali	37	Male	NA	
7	Devi Pariyar	20	Male	NA	
S. N.	Name of the Respondent	Age	Sex	Contact No.	District
1	Amrita Nepali	62	Female	NA	Dailekh

2	Pushpa Nepali	23	Female	9822464291	
3	Sushma Thapa	22	Female	NA	
4	Tika Thapa	22	Female	9813303750	
5	Hira Kumari Thapa	25	Female	9822580961	
6	Bachu Rawat	60	Female	NA	
7	Nanna Kala Khatri	68	Female	NA	
8	Bishna Thapa	53	Female	NA	
9	Basanti Thapa	21	Female	NA	
10	Karna Thapa	57	Female	NA	
11	Tek Bahadur Khatri	60	Male	NA	
12	Gammar Singh Thapa	54	Male	NA	
13	Jayasara Thapa	40	Female	NA	
S. N.	Name of the respondent	Age	Sex	Contact No.	District
1	Laxmi Devi Gurung	42	Female	NA	Doti
2	Rita Singh	25	Female	9848625222	
3	Mamta Gurung	35	Female	9848642270	
4	Ganga Mijar	60	Female	NA	
5	Diya Rana	36	Female	NA	
6	Usha Singh	58	Female	NA	
7	Draupati Shrestha	47	Female	9848488897	
8	Kaushalya Shrestha	30	Female	9848642271	
9	Anjita Shrestha	39	Female	9848436848	
10	Sudarshan Adhikari	40	Male	NA	
11	Ashok Pandey	35	Male	NA	
S. N.	Name of the respondent	Age	Sex	Contact No.	District
1	Lal Bahadur Gharti	46	Male	NA	Pyuthan
2	Deepak Gharti Magar	34	Male	NA	
3	Chandra Gharti	27	Male	NA	
4	Pun Kala Gharti	52	Female	NA	
5	Kali Gharti Magar	41	Female	NA	
6	Chabilal Shree Magar	46	Male	NA	
7	Rima Gharti Magar	33	Female	NA	
8	Yam Bahadur Gharti Magar	50	Male	NA	
9	Kamal Gharti Magar	30	Male	NA	
10	Sudarshan Adhikari	30	Male	NA	
11	Ashok Pandey	28	Male	NA	

## ANNEX 5: List of Individuals for KII

S. N.	Name of the respondent	Age	Sex	Contact No.	District
1	Narajeet Damai	38	Male	9842105327	Jumla
2	Sajana Shahi	30	Female	9848300519	
3	Maya Laxmi Shahi	40	Female	9848308059	
S. N.	Name of the Respondent	Age	Sex	Contact No.	District
1	Purna Prasad Upadhyay	50	Male	9844870844	
2	Lal Bahadur Basnet	37	Male	9815550366	
S. N.	Name of the respondent	Age	Sex	Contact No.	District
1	Sanu Maya Limbu	39	Female	9848628541	Doti
2	Manju Malsi	37	Female	9848434625	
3	Topendra Bahadur Shah	48	Male	9858440326	
4	Ram Chandra Khatri	45	Male	9858440194	
5	Rabindra Joshi	30	Male	9848474532	
S. N.	Name of the respondent	Age	Sex	Contact No.	District
1	Deuman Somai Magar	29	Male	NA	Pyuthan
2	Kamal Gharti Magar	31	Male	NA	
3	Um Bahadur Khamcha Magar	40	Male	NA	
4	Bashanta Bahadur Thapa	40	Male	NA	
S. N.	Name of the respondent	Age	Sex	Contact No.	District
1	Ram Prasad Koirala	38	Male	NA	Kapilvastu
2	Bishnu Kumar Jaiswal	34	Male	NA	
3	Dinesh Kumar Yadav	40	Male	NA	
S. N.	Name of the respondent	Age	Sex	Contact No.	District
1	Kamal P Sah	36	Male	NA	Siraha

## **ANNEX 6: Case Studies**

### **CASE STUDY 1: IGA Change for Better Future**

Gopal Nepal is 35 years old living in Triveni, Ward-5 in Jumla district. He has three children (one girls and two boys) with his wife. The village Triveni is located high on the hills at the elevation of 2100 meters. The days are full of work, because Gopal and his wife were engaged in agriculture farming, which was not profitable business to combat his financial stresses in the family.

Gopal has been member of Dadhyan communication organization since year 2071. He is depositing NRs 150 each month. While asking the purpose of his saving, the reply comes without hesitation. "Of course for the future" he says. Also his children have very clear vision what they would like to be as a profession. When the girl wants to become a nurse, the boy dreams of a career as a teacher. It is good to have clear aims for the future and motivation to realize them.

To scale up his business, he borrowed 1st loan NRS 50,000 (UD \$ 490) and 2nd loan NRs 30,000 (US\$ 294) from community organization for furniture for manufacturing door, window, bed etc. He is very confidence and resourceful in manufacturing the furniture. This is the reason, he borrowed loan on it. Thus, this business turned his foreign plan and engaged in his own community. He says, " Currently, market for furniture products is good in local area". Now, he is earning NRs 30,000 to 35,000 (US\$ 294 to 343) per month. He has been mentoring a total of 5 staff for this business. People respect him because his social status in the society has heightened. He further pronounces, " He provides more employment opportunity to others."

Income from furniture that contributes meeting his financial demands on educational, medical and household expenses. He has been planning to invest in handmade paper (Pahadi Hatey Kaagaj in the days to come. He has become model entrepreneur in his village. He proved that increased income through income generating activity has increased socio-economic status of family.

### **CASE STUDY 2: Hard Work Brings Positive Change**

Dinesh Sunar, 51 aged, is living with his wife and children in Chandanath Municipality, Jumla district. Mr Dinesh was an active member of Shiv Community Organization (CO).

He has been concentrating on vegetable farming and animal husbandry. He has total of 3 ropanis of land, he grows vegetables like cauliflower, tomatoes, cucumbers, beans, garlic and onion. She also grows corn and different kind of grains. In addition she has one cow and two goats.

The 1<sup>st</sup> loan he received from CO NRs 20,000 (US\$ 196)) for vegetable farming that used for seasonal vegetables such as garlic, cauliflower, cucumber, mustard etc. in 1 ropani (495 sq. meter) of land and yielded worthy returns from the farming. He further borrowed 2nd loan NRs 40,000 (US\$ 392) for vegetable farming buffalo rising. Now, she has 4 goats and 3 cows and sells milk 15-litre per day @ NRS 50-55 per liter. In addition, she earns about NRS 80,000 (US\$ 784) from vegetable farming and NRS 30,000 (US\$ 294) from selling the milk annually

This agricultural area produces well and he earns NRS 20000-25000 (US\$ 196-245) per month. He is very hard working person. Besides the everyday work on the field, he carries all the crops of agriculture by himself to the roadside.

### **CASE STUDY 3: Income Generating Activity has Increased Socio-Economic Status of Family**

Narajeet Damai, 38 aged, is living with his wife and children in Chandanath Municipality, Jumla district. Mr Narajeet was an active member of Shiv Community Organization (CO). Before, he joined PAF; he was engaged in wage labor in India.

He knew that PAF has been operational its activities in Chandan Nagar since year 2062/63. Program was implemented according to the need of the people. He decided to be a member of CO and started to deposit monthly. Thereafter, he became the active member of the CO where he joined. He intended to lead a tailoring business to create an employment generation in his own community. He borrowed loan NRs 17,000 (US\$ 166) for his tailoring business from PAF's supported CO. The amount he received was not adequate to run the business and he is not professionally trained on the profession he chosen. At the initial stage of his business, earning was not satisfactorily. He consistently focused to grow the tailoring business. At the moment, total net worth NRs 170,000 (US\$ 1,666) along with 4 staff.

Income from tailoring that contributes meeting his monetary stresses on educational, medical and household expenses. He has been scheduling to invest added financial resources to scale up his business in the days to come. He has become model entrepreneur in his village. He proved that increased income through income generating activity has increased socio-economic status of family.

### **CASE STUDY 4: A Woman Entrepreneur Ideal for Business Success**

Amirka Devi Yadav lives in the ward 3, Laxminiya VDC, Siraha district having 10 family members. Before program intervention, she had no experience and skills to expand her business to increase the income encountering the needs of the family members. After PAF's intervention in 2063, she started regular saving and borrowed loan NRs.18000 (US\$ 176) from community organization (CO), thereafter established a retail business. Afterward selling the grocery items, she got profit and subsequently repays the loan on installment basis.

She felt confidence to run her business in the community where she lives. To scale up her business, she borrowed another loan NRs 35,000 (US \$ 343) and NRs 10,000 (US \$ 98) respectively. With this business, she started to get profit NRs 1,200 (US \$ 12) on daily basis. As a result, she purchased 5 kathas (1,650 m<sup>2</sup>) of land. Furthermore, to enlarge her business, she borrowed loan NRs 50,000 (US \$ 490) to acquire additional profit. Her husband also joined his hands in her business intensely grocery items from the district headquarter that makes business more easier.

As she become an example in her community. She articulated that this kind of program should be continued to uplift the economic situation of the poor. Ms. Amirka felt comfortable to spend yearly on education, medical expenses, agriculture farming and others. She has become model entrepreneur in her village. She proved that increased income through income generating activity has increased socio-economic status of women and also increased income can contribute to women's access to and control over land and capital. Her husband also made a contribution to purchase the grocery items. She said" CO has become a change agent in awareness, saving mobilization;



women recognize that she can do something for the society". She has been playing an inspirational role to minimize the food insecurity in her home and community.

#### **CASE STUDY 5: Mangal Prasad Kurmi become a Lead Farmer**

**Mangal Prasad Kurmi**, 36 years aged, residence of Balarampur VDC of Kapilbastu district. Mr. Mangal having 28 members in his family and spending their life as community change agent in vegetable farming. Before joining the PAF, Mangal and his wife used to depend on private moneylender for borrowing the loan at high interest rate (36%) to meet their livelihood and other household expenses. They just meet food necessity of his family members and children. One day he listened that PAF is working in his community subsequently he joined the CO group.

His situation was changed after joining the Shree Ganesh Organization. The 1st loan he borrowed NRs 4,500 (UD \$ 44) in year 2062 to run the business in agriculture farming that yielded worthy returns from the farming. Similarly, he borrowed NRS 20,000 (US \$ 196) for irrigation scheme for better irrigation facility. This made all family members to be engaged in agriculture farming.

He received regular backstopping from the field technician if he feels some support needed. He has been cultivating vegetables twice per year whereas corn/maize, barley etc. one time. Now, he and wife able to provide inputs and technical suggestions to other group members as experienced leader farmer. He said" There is good understanding among themselves and also he wanted to be model parent for their children".

#### **CASE STUDY 6: Income Source Helped to Increase my Confidence**

I'm **Man Rupa Thapa**, aged 43 years and member of Gai Khore Community Organization, Dailekh. In my family, we two daughters-in-law live and I am 43 years old now. My husband has remarried to some other women and now living away from our family.

I have taken 35000 loan in 2070 BS, I paid interest for few months however not yet able to pay back the whole amount. It is because my husband ran away taking all the money and now he is out of contact.

I took loan to start raising goats. I trusted my husband and gave him all the money. Now I have loan in my name and my husband is somewhere lost. My neighbors and villagers say that they have paid the loan but I have no income source to return the loan.

Now however I am able to live my life, I eat just rice with chilly. I sell alcohol and income from that is what I get, enough for living.

Before whatever the money I used to have, my husband used to forcefully take it away. when I didn't have money, he used to scold me using dirty words. Now even this home I have kept as collateral for loan. I feel really bad why I took loan. I am having difficulty for food and, also problem of shelter.

### **CASE STUDY 7: Small Loan Turned into life Changing Incident**

**Tika Thapa**, 24, is the secretary of Gai Khore Community Organization of Dailekh district. She used to look after marketing being involved in the Narayan Multipurpose cooperative. After the program of Poverty Alleviation Fund came in the village, he took a loan amount of NPR 40,000 in the year 2068 BS and bought a buffalo.

Started selling milk and yogurt and able to support and taking care of 2 children; 1 daughter and 1 son of my elder sister who have been living with our family. Daughter of my elder sister was affected by fire affecting her both lower limbs resulting into physical disability.

Ms. Tika Thapa, though she is unmarried has to take care of 2 children. Boy studies in class 6 and girl studies in class 5. After elder sister left her son and daughter, Ms. Tika has been taking all responsibility of both child including caring father and mother.

She has already paid back NPR 30,000 out of 40,000 loan amount. If I would get more loan, I have a plan to start animal husbandry as enterprise. If I get loan of about NPR 100,000, I would start enterprise. I want to be independent and not depend on other and do on my own. My aim is not only to move towards poverty reduction but to become independent.

### **CASE STUDY 8: Tailoring was Boon for my Family**

I'm **Judha Bahadur Khadka** from Swargadwari Municipality, Ward # 4, Gothibang, Pyuthan. I'm involved in Aapkhola Community Organization supported by PAF. My family condition was very poor earlier. It was difficult to manage food even for 3 to 4 months for my families. When I was young as 8 years, my father passed away. There were no senior people in the family to take care after father died. Elder sister passed SLC in hard times.

After revolving fund supported by PAF implemented in the village in the year 2065 BS, I took loan of NPR 15,000 to invest on goat farming. I had to face loss in that too. After that, I learn to operate sewing machine. In the year 2068 BS, I again took loan of NPR 30,000 from the same revolving fund and bought sewing machine.

Gradually things improved. My earning started increasing. I used to provide service from outside before but now I operate machine inside the house. Now I have 5 sewing machines that I bought from earnings and, also from loan taken from revolving fund. I have trained about 60 to 70 individuals. I have 7 members in my family. I save about 30 to 35 thousand rupees every month. Now, condition of my family has improved. I have no problem for household expenditure.

### **CASE STUDY 9: Vegetable Farming helped in Economic improvement of Family**

**Dhana Maya Giri** is the member of Shrijanshil Community Organization of Pyuthan Municipality, Ward # 8, Takura, Pyuthan. Her family condition was very poor. Her family was under "KA" category of the community organization. After taking loan from the revolving fund, she invested in vegetable farming. Now she has better livelihood as a result of vegetable farming. With the income from vegetables like tomato, cauliflower, she was able to buy buffalo and now she has respected life in her community.

## **CASE STUDY 10: Mamata's jump towards Economic Prosperity**

My name is **Mamata Gurung**. I'm 35 years and living in Dipayal Silgadhi Municipality of Doti district. It was in the 2071 BS when I was in the "KHA" category of the community organization. I had difficulty to afford food even for 5 to 6 months for my family. When revolving fund started in the community organization supported by PAF, I took loan from the revolving fund and invested in poultry farm. Now my income source has improved, and earning has increased. I have about 1000 chickens in my farm now and earn approximately NPR 150,000 per month from this business. My husband was in foreign country and after seeing income here in own village, he has returned to home and now work together for this business. In 4 years of time, I sell eggs, chickens and meat too and my earning has increased significantly and so does my livelihood.

I have market of chickens to Silgadhi and Dipayal of this district and I'm able to produce chickens as per the market demand. If I get technical training and support, I've plan to expand my business further.

## ANNEX 7: Photographs



**PAF INCEPTION PRESENTATION: 2017-06-16**



**Discussion in Office: 2017-07-14**



**Discussion in Office: 2017-07-17**





Orentation in Office: 2018-01-03



Pre-Test Dhading

Orentation in Office: 2018-01-03



Pre-Test Dhading



Pre-Test Dhading



Pre-Test Dhading





**FGD- dAILEKH**



**CASE STUDY- Dailekh**



**KII-Doti**

**FGD- Jumla**



**CASE STUDY- Jumla**







**CASE STUDY- Puthyan**



**FGD- Puthyan**



**FGD- Puthyan**



**FGD- Puthyan**



**CASE STUDY- Kapilbastu**



**FGD- Kapilbastu**





**CASE STUDY- Siraha**



**FGD- Siraha**