

● Annual Report 2005/06

PAF

Poverty Alleviation Fund, Nepal



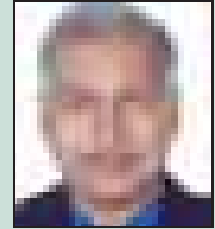
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Foreword

Poverty is a grim reality of Nepal as nearly one third of the population is still below the poverty line. The poor are deprived of the basic amenities of life such as food, clothing, health, education and shelter. In most of the rural development programmes in the past, the poor were left out and marginalized. PAF has been established primarily to address them. PAF works with five guiding principles:



1. Antodaya i.e. bringing prosperity of the poor who are at the bottom of the economic ladder
2. Social Inclusion,
3. Transparency
4. Demand Driven Program
5. Direct Funding to the Community Organizations (COs).

Since its inception almost two years ago, Poverty Alleviation Fund (PAF) has been concentrating its efforts on bringing the excluded communities into the mainstream of development and in line with targeted programmes (Social Inclusion) of the Poverty Reduction Strategy Paper (PRSP) which is also known as the Tenth Periodic Plan.

During the reporting period, as you all know, our efforts were mainly concentrated on expanding the programme coverage in six pilot districts and on introduction of the programme in the newly added 19 districts. As a part of its strategy to address the social inclusion, PAF is addressing the spatial exclusion by focusing on these most deprived 25 programme districts and it is also providing services in other poverty stricken areas of additional 19 districts through its innovative window.

As a Vice Chairman, it is heartening to see that the poor have been organized into 1,973 community organizations through PAF initiatives and the cumulative household beneficiaries crossing 63,000 mark, till the end of fiscal year 2005/06. During its two years of operations, PAF has instilled hope and represented the voices of the voiceless, who have remained excluded for a lengthy period of time due to gender, ethnicity and caste.

It is also encouraging to see that out of total 46,784 CO member beneficiaries households, 67 per cent are from the absolute poor category and 22 per cent from medium poor category. While segregating the beneficiaries CO member households, 45 per cent are Dalits, 30 per cent are Janajatis while 60 per cent of total beneficiaries are female.

The building up of trust towards PAF - ranging from the grass root level to the national level - is another valuable achievement of PAF. As a part of its strategic thrust towards networking and partnership, PAF has joined hands with many like-minded institutions and organizations and is working jointly to promote the sustainable livelihood of the poor.

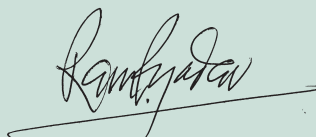
As we move ahead in our crusade, we need to consolidate our strength and rectify our weaknesses in various fronts of the demand led community development initiatives. Our role is even more relevant in the context of post-conflict community re-integration.

Literacy and school drop out at the primary level are highly correlated with poverty. Therefore in order to help the poor, finding a sustainable path out of poverty, a functional literacy programme for reducing illiteracy particularly of rural youth (boys and girls) and certain visible efforts to reduce the primary school drop outs are essential aspects of poverty alleviation. PAF is keen and ready to undertake such activities in its future programme.

I consider the achievement of the program has been mainly due to active participation and interest shown by the communities involved. I am very grateful to them for their active participation and would also like to thank partner organizations for their assistance to the communities.

The co-operation and support provided by the district authorities, the line agencies, the World Bank and various ministries are highly appreciable.

I would also like to appreciate the motivation and commitment of PAF staff to serve the poor and also their hard work in carrying out PAF activities to reach out the poor in such a short time span. I hope that motivation of the PAF's professional staffs will remain intact in coming years.



Dr. Ram Prakash Yadav
Vice Chairman
PAF
February 2007

Acronyms

CAP	Community Action Plan
CBS	Central Bureau of Statistics
CO	Community Organization
CI	Community Infrastructure
CB	Capacity Building
CCP	Community Contribution Plan
CBOs	Community Based Organizations
CG	Community Group
DDC	District Development Committee
EIA	Environmental Impact Assessment
FMR	Financial Management Report
GOs	Governmental Organizations
GTZ	German Technical Cooperation
GON	Government of Nepal
IG	Income Generation
IEE	Initial Environmental Examination
IESE	Initial Environmental and Social Examination
IDA	International Development Agency
LDO	Local Development Officer
LDF	Local Development Fund
MDGs	Millennium Development Goals
MIS	Management Information System
NGOs	Non Governmental Organizations
NPC	National Planning Commission
NOA	Non Operating Account
OA	Operating Account
OAG	Office of the Auditor General
O and M	Operation and Maintenance
PAF	Poverty Alleviation Fund
PO	Partner Organization
PSOs	Private Sector Organizations
PM	Portfolio Manager
PMR	Project Management Report
RBB	Rastriya Banijya Bank
RCIW	Rural Community Infrastructure Works
R & D	Research and Development
SM	Social Mobilization
SAs	Service Agents
TAC	Technical Appraisal Committee
UG	User Group
USD	United States Dollar
VDC	Village Development Committee
VCDP	Vulnerable Community Development Plan
WB	World Bank

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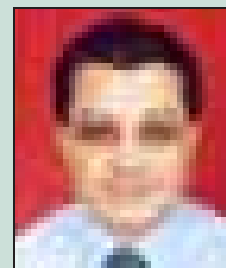
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Reaching Out to the Poor :

Executive Director's Report

During last year, our entire focus was concentrated on the effective implementation of the programme, which is directly supporting the third pillar of PRSP/Tenth Plan (Poverty Reduction Strategy Paper) of the Government of Nepal (GoN). The reporting year witnessed strengthening of the programme coverage in the six initial pilot districts and expansion of program in 19 more districts. To implement the program in these 19 new districts, preparatory work had been carried out with recruitment and orientation of Portfolio Managers; selection and orientation of Partner Organizations (POs) to orient the PAF work programs at district level and to their engagement in facilitating community to organize and prepare community plan for implementation. Implementation of community sub-projects were also initiated in some districts. Poverty Alleviation Fund (PAF) is now covering 25 poorest districts as categorized by Centre Bureau of Statistics (CBS) based on 28 poverty related indicators.



While implementing the program, PAF mainly focused on:

1. Reaching out to the poor and vulnerable groups socially excluded based on caste, ethnicity and gender (Poor women, Dalits, Indigenous People)
2. Plan and Implement Demand - Driven programs to promote income generating activities and community infrastructure for the poorest and socially excluded groups in rural communities through their own organizations
3. Finance directly to community organizations on cost sharing basis to implement and manage their program by poor themselves.

The PAF is undertaking fundamental challenge to reverse the present trend by reaching to the poorest of the poor with more resources and bringing them into the mainstream of development. PAF is pursuing VDC coverage approach by undertaking programs on settlement basis. The program includes all the poor households in the community and socially excluded groups. Again, ensuring the benefits to the poor, infrastructure related projects covers all the households in the community by bringing social harmony in the community. In the post-conflict scenario, PAF model has become even more relevant for community re-integration as the poor are seeking service delivery and are looking forward to come out of the vicious cycle of poverty. The demand-driven, direct funding, pro-poor targeting mechanism, social inclusion strategy, flexible menu and collaborative approach of PAF have been widely acclaimed by all, especially by the community themselves. PAF will be working with these communities for the next couple of years to institutionalize and enable them to undertake sustained path for poverty alleviation. The sub-projects demanded by the poor are meant to improve their livelihood and to be managed by themselves.

REACHING OUT TO THE POOR

Targeted poor households in the community settlements were identified by the community themselves through participatory well being ranking process. Through rigorous social mobilization and

sensitization local people's capacity to get organized has also increased tremendously in our programme districts across the country. Till the end of July 16, 2006, the poor had been organized in 1973 Community Organizations (COs), of which 1303 are in six initial pilot districts, 487 in special 19 districts and rest 183 in innovative special window programme districts namely Baglung, Dhadhing, Jumla, Kanchanpur, Makwanpur, Morang, Nawalparasi, Rasuwa, Sarlahai and Surkhet. Out of 1973 registered COs, agreement has been signed with 1674 COs (of which 1138 are in PAF six initial pilot districts, 358 in 19 Special districts and rest 178 in innovative special window program districts) to implement the community proposed sub-projects.

So far, 46,784 poor households have directly benefited as Community Organization members of which 68 percent beneficiary households falls in hardcore poor category (i.e. food sufficiency less than 3 months among criteria fixed by community), 22 percent households fall in medium poor category (i.e. food sufficiency more than 3 months but less than 6 months) , and 9 percent household falls in poor category (i.e. food sufficiency more than 6 months but less than a year).

The Social Inclusion strategy of PAF further emphasized to include the groups that are excluded by the reasons of gender, caste and ethnicity. Beneficiaries CO member households constitute 45 percent Dalit, 30 percent Janajati, 25 percent other ethnicity (3 percent Brahman, 1 percent Chettri, 2 percent, Muslim and 6 percent others). Among members of Community Organization (CO), 60 percent are female. The three key positions of the CO viz. Chairperson, Secretary and Treasurer are occupied by 58 percent Dalits and 24 percent Janajatis of which 50 percent are women.

As has been the case in the earlier years, a wide array of activities under Income-Generation Sub-Project and Infrastructure Sub-project have been received and supported for implementation as the community projects are prepared and proposed by the community.

Agriculture and Agro-Forestry, Livestock/ Animal Husbandry, Manufacturing/ Cottage Industry, Trade Sector, Service Sector are some of the major income generation sub-projects chosen by the target groups.

Similarly infrastructure sub-projects like micro-irrigation, small village link roads, culverts, wooden bridge, Wire Bridge, micro-hydro, water supply, sanitation, extension/rehabilitation support for school building, and health post building were demanded by the communalities. The infrastructure projects are being managed primarily by the PAF's Community Organization. However, infrastructure project also covers other community members since it benefits the larger community members. Including infrastructure sub-project, the cumulative beneficiaries has reached 63,885 households.

Furthermore, PAF is undertaking programs under innovative special window to harness innovative ideas and cover specific target groups. Under this window, a total of 258 Sub-projects are being undertaken which also includes 12 sub-projects from World Bank sponsored Nepal Development Market Place (NDM) 2005. These projects set examples to generate demands to replicate. Innovative Program covers 19 additional districts apart from 25 regular program districts, which adds up to a total of in 44 districts under PAF activities.

Till date, the agreement made with 1674 COs amounts to Rs. 712.8 million. In the FY 2062/63 alone, the agreement has been made with 1132 additional COs amounting to Rs 526.2 million. In Fy 2062/63, Rs. 383.9 million was disbursed to community non-operating account and Rs. 226.3 million

disbursed to community operating account. Direct payment to CO brings financial transparency and ensures ownership by the community.

The community is sharing 18 percent of the total sub-project cost (both in cash and kind) while PAF is investing 80 percent of the total sub-project cost and 2 percent is being shared by other organizations. The 18 percent contribution by the community amply demonstrates the community's interest towards sub-projects chosen by them. Communities have also shown willingness to assume full responsibility for operation and maintenance of their infrastructure sub-scheme and to run income generation sub-projects with revolving fund.

Some communities have even proposed second level proposal after completing implementation of different activities and sub-projects. Community capacity has been enhanced to demand and generate second level of sub-project that seeks greater linkages and co-ordination for technical support, marketing and institutional coalition leading them towards sustained path of poverty alleviation.

In order to facilitate the community, 214 Partner Organizations (POs) are working with communities (73 in six initial PAF districts and 118 in special program districts, 23 in other districts under the innovative special program window including 12 under NDM) in 636 VDCs (of which 236 in six initial PAF districts, 344 in special program districts, 56 in innovative special window program districts). POs are just acting as facilitators to support and facilitate communities to reach to the poor targeted groups, to organize and prepare demand-driven community proposal. Further, POs are providing required technical assistance and feedback to the community with monitoring the project during implementation.

CO-ORDINATION, LINKAGES, MONITORING AND REVIEWS

One of the key strategic thrust of PAF is to establish coordination and forge partnership with other stakeholders in relation to poverty alleviation as it cannot be done in isolation. In several cases, linkages have been established with other program activities to supplement the program from each other's activities.

The co-ordination with DDCs/VDCs has been maintained from very beginning when district orientation was carried out. Partner Organizations (POs) have been selected on the basis of transparent eligibility criteria with verification of their local track record in the field with co-ordination and consultation with VDC/ DDCs. The proposed sub-projects by the community were field appraised and considered for implementation in co-ordination with DDCs/VDCs that they are either already in DDC plan or they are recommended by DDC to be included in the district plan. The updated status of implementation is sent regularly to DDC to facilitate monitoring and further planning.

Monthly sharing meetings have been carried out between Partner Organizations and other stakeholders and encouraged to carry out monitoring with DDC/VDCs.

A national Level review workshop had been organized in May 2006, which reviewed the progress and shared lessons with the wider strata of the society.

The Management Information System (MIS) is being developed based on monitoring data and used simultaneously in order to meet the information needs to directly support the decision making in implementation process by providing computer based interface. Subsequently, updates were made

in the guidelines for POs so as to better mobilize, facilitate and build community capacity for the implementation purposes and strengthen monitoring with MIS system.

FINANCIAL MANAGEMENT

In FY 062/063, the total PAF expenditure of about Rs.493.5 million is 97.1 percent of allocated budget i.e. Rs. 508.2 million. Of the total expenditure, direct payment to COs is 77.8 percent, to the cost for POs services is 13.3 percent, the monitoring, training, studies and other support services is 2.5 percent, the infrastructure cost is 1.9 percent and PAF's operational cost is 4.5 percent. Of the total expenditure, 85 percent is from IDA Grant (the World Bank) and rest 15 percent is from Government of Nepal.

THE WAY FORWARD

PAF is experiencing a very high demand from the community and still the major challenge is making trade-off between fast disbursements and improving quality with sustained community institutional development. PAF will work for preparing additional financing through IDA to meet immediate demand of the community and simultaneously PAF will focus on the following aspect:

- Driving Community for rapid growth with informed choices at different level of demands
- Emphasize the linkages of community with existing service providers, line agencies and local bodies
- Enabling community to pool resources from different donors/programs and bring synergy effects with partnership
- Institutional development of community to enable to sustain the efforts

In this connection, a long-term vision plan will be prepared which will identify main thrust of PAF to alleviate poverty, formulate exit strategies, project duration of project and resource needs to cover and alleviate poverty.

Since the parliament has been re-instated, PAF is also seeking to replace the current PAF ordinance by a separate Act of parliament.



Raj Babu Shrestha
Executive Director
PAF



● CHAPTER 1

PAF

Brief Introduction

● The Context

Nearly one third of the Nepali population is still living in absolute poverty—deprived of basic amenities of life such as food, clothing, shelter, health, education and drinking water.

The poor live predominately in rural areas and engage in subsistence agriculture on small plots of low quality land, have limited access to credit, infrastructure, markets and basic social services, often because of remoteness and distances, and rely heavily on seasonal migration and remittances.

Certain caste, ethnic groups, women and those living in remote areas are socially excluded and lag seriously behind in terms of income, assets, and most human development indicators. Nepal cannot ever imagine development by excluding this large population.

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

The PAF starts with the recognition by Government of Nepal that ad hoc efforts to assist the marginalized groups in the past did not work effectively, and that government institutions face inherent difficulties in allocating its limited resources to those who are out of the mainstream of development.

So the main issues before PAF are

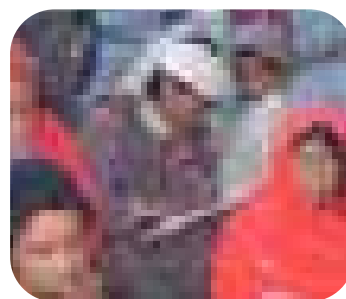
1. Reaching out to poor and excluded communities (Poor women, Dalits and Indigenous people)
2. Plan and implement demand driven programme to improve access to income generation and community infrastructure for the groups that have been excluded by reasons of gender, ethnicity and caste as well as for the poorest groups in rural communities through their own organizations
3. Finance directly to community organizations on cost sharing basis to implement and manage their programme by poor themselves. The main challenge before PAF is to provide resources directly to the poor and the need to bring them into the centre of development.



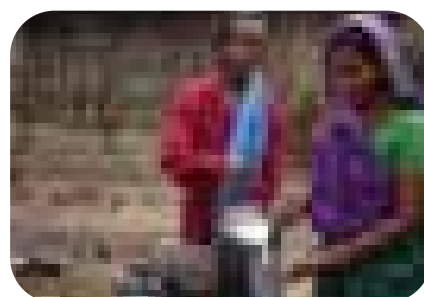
The main issue before PAF is to reach out to poor and excluded communities (Poor women, Dalits and Indigenous people)



CAPTION -1: A DISPLAY BOARD IN DARCHULA



CAPTION -2: WOMEN CO MEMBERS FROM MUGU



CAPTION -3: A WOMAN CO MEMBER IN SIRAHA

● The Strategy

To implement the programme, PAF envisages the following strategies:

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

● Social Inclusion

Primary Elements of Social Inclusion in PAF program are:

1. Addressing spatial exclusion through focusing on most deprived districts, but at the same time providing services in other poverty-stricken areas

2. Reaching out to the poor – the targeted beneficiaries, and at the same time ensuring social harmony,
3. Focusing on marginalized communities ensuring community cohesiveness and solidarity.

PAF has adopted a demand-led community-based approach to poverty alleviation, keeping the target communities at the centre to its attention with decision-making authorities to prepare, implement and manage their sub-projects.

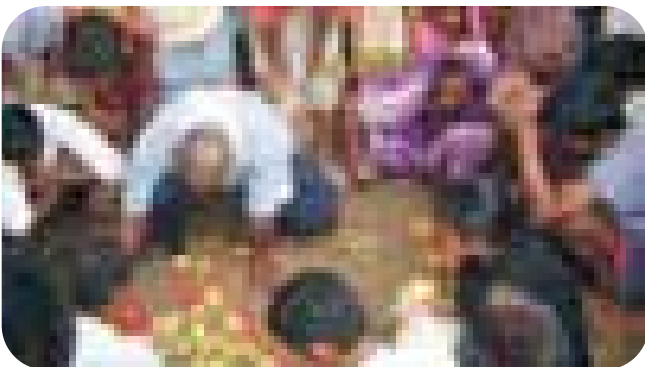
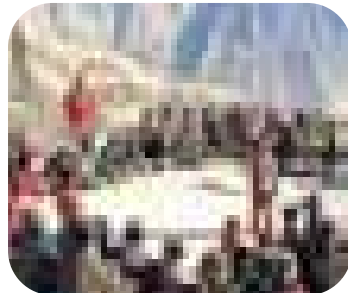
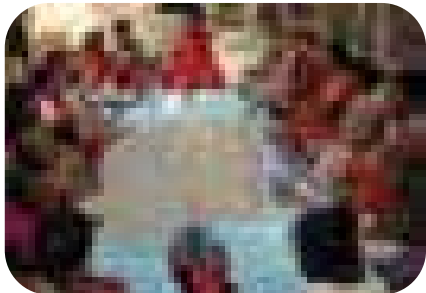
PAF's Social Inclusion Strategy includes:

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

PAF provides funds directly to the community organizations (COs) for implementation of programmes proposed by them, and thereby expecting to bring efficiency and transparency in work and ensuring community ownership.

● Social Mobilization

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



CAPTION -1: COMMUNITY MEETING IN MORANG DISTRICT

CAPTION -2: APPRAISAL OF CO IN TIPLA VILLAGE, DOLPA

CAPTION -3: SOCIAL MAPPING IN KATHRIYA VDC, RAUTAHAT

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

Only hardcore poor, medium poor and poor are organized into community organization (CO) to ensure "poor take decision" for themselves. Community organization (CO) is formed with membership from the defined households during social assessment. At least 80 percent of the CO members are supposed to be poor women, dalits and janjatis. It is also mandatory that 50 per cent members of a CO should be women and key positions (chairman, treasurer and secretary) must be filled by poor women, dalits and /janjatis. Keeping the target communities at the driving seat, it encourages them to take initiatives to improve their livelihoods, particularly organizing them into community organizations. Such community organizations (COs) are registered in Poverty Alleviation Fund (PAF) and the institution building and capacity building of COs are initiated and it is continued in whole project cycle. All this mobilization is facilitated by partner organization (PO). Community organization with active participation of each member lists problems, interest, needs and aspirations. After seeking necessary and relevant information, community organization identifies and prioritizes community sub-projects based on informed choice and participatory methods.

Community organization also seeks necessary help and facilitation from partner organization (PO) for technical assistance particularly in survey, design, market study, pre-feasibility and feasibility studies. Economically, socially and environmentally viable community sub-projects, prepared with participatory Community Action Planning (CAP) process, are selected and developed into the community proposals and related projects are implemented in the community.

● Income Generation and Micro Enterprises

Income Generation and Micro-Enterprise Promotion is considered as the core activity of PAF in order to enable target groups to gain access to food security, education and health

PAF has been providing sustainable source of capital to target groups in order to launch and operate various economic activities as per their interest and capacity. The capital is provided as a grant to the Community Organizations (COs) from which the community Revolving Fund (RF) is created in order to cater to the capital requirement to launch and expand various economic activities to the target groups.

The grant provided is not for individual. It is for the target groups as a whole, who are organized under the specific CO of the area to enable them to have rapid and easy access to capital resources required to launch and expand various income generating activities. After selling the products they gradually pay back to the RF.

PAF believes in demand driven approach. While launching the economic activities the groups members have autonomy to choose the activities of their own interest and capacity. During the activity selection, local resource potential, appropriate technology, skill and market potential is fully considered.

The trainings like entrepreneurship skill development and business literacy/book keeping is provided to target groups in order to enable them to launch and operate IGAs & MEs profitably and sustainability. Apart from this, if the particular target group/CO members require skills and technology upgradation on specific economic activities, their capacity is strengthened by providing them activity related training, orientation and exposure.

● Community Infrastructure

Physical infrastructures such as health center, rural water supply, small irrigation channels, rural road, trail, bridge and micro-hydro power which provide the community different types of services and facilities to improve their livelihood, and socio-economic standards directly or indirectly, may be termed as community infrastructure.

Poverty Alleviation Fund (PAF) aims to enable the poor, women and vulnerable groups including dalits, ethnic minorities and other socially excluded groups to gain access to community infrastructures and advocates demand led community based approach for the implementation of community infrastructure. Thus community themselves identify, demand, take part in planning, implementation, operation and maintenance of community infrastructures. There are two types of community infrastructures being demanded and implemented by communities. Those are

1. Social Infrastructure which provides basic services and contributes to improving basic health and enhancing human capital such as: drinking water supply, sanitation facilities, health post, school, community building, biogas, improved stoves etc. and
2. Economic Infrastructure which contribute in increasing agricultural production, ensuring access to the market centers, providing energy to run cottage industries and small enterprises etc. such as: irrigation, rural road, trail, bridge, culvert, micro hydro etc.

Type of Community Infrastructure Demanded:

1. Rural road
2. Engineering trail
3. Wire Bridge
4. Culvert
5. Small irrigation (surface, lift, pumping, sprinkle)
6. Water supply and sanitation
7. Micro-hydro, Peltrik set
8. Water mill (improved ghatta)
9. Market shed
10. School building
11. Community building
12. Improved Cooking Stove

Implementation Process:

Proposals of the community infrastructure sub-project prepared by the community organization (CO) with the help of partner organizations (PO) are submitted to PAF for needed support.

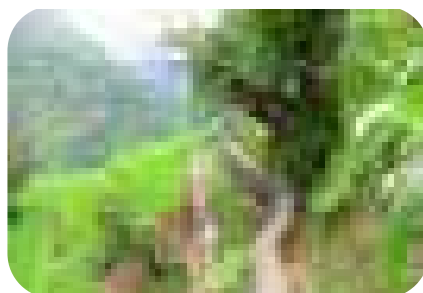
The proposals include:

1. Infrastructure, which contributes to improving basic health conditions especially of women, children and vulnerable groups such as drinking water, sanitation facilities, alternative source of energy like micro-hydro, improved stoves etc.
2. Infrastructure that will increase agriculture production, cropping pattern and intensity such as community based irrigation etc.
3. Infrastructure that will ensure access to the market center for local products such as agriculture roads, trails, culverts, bridges and community buildings etc.
4. Infrastructure that will enhance human capital such as primary schools, health posts, conference halls etc.
5. Infrastructure with innovative ideas and technology

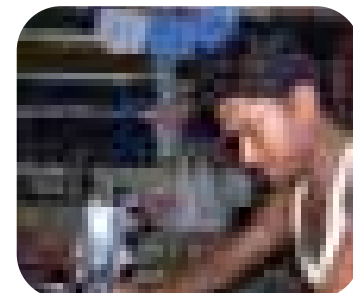
● Monitoring and Evaluation

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

CO as an autonomous (target community) institution at grass roots level is given full responsibility to plan, implement, monitor and evaluate their sub-projects with collective effort and active partic-



CAPTION -1: COMMUNITY IRRIGATION IN DARCHULA



CAPTION -2: BIRENDRA DAMAI, A CO MEMBER FROM KANCHANPUR INVOLVED IN TAILORING

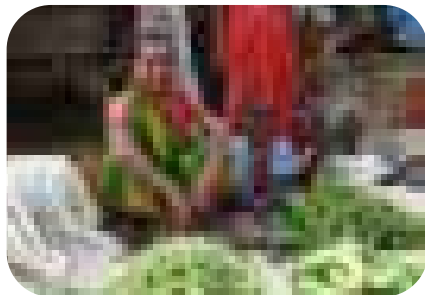
CAPTION -3: PO STAFFS FROM JUMLA ON A EXPOSURE VISIT



ipation of its members. Monitoring and evaluation sub-committee of CO is responsible for regular supervision and monitoring of their sub-project implementation progress. The progress and constraints of the sub-project are regularly shared among the CO members during regular meetings, which take place at least once a month. After discussions and decision in the meeting, CO takes necessary steps to address any problems regarding procurement and implementation. They go for collectively action and ensure effective implementation.

PO also closely watches and regularly monitors COs and their activities. Social mobiliser stationed in the VDC is the first outsider party to monitor CO activities followed by frequent monitoring visit by PO staffs (i.e. Programme Coordinator (PC); supervision). Once CO is formed, sub-project proposal prepared and approved by PAF, PO's role is more inclined and bent toward monitoring side in addition to facilitate CO, provide necessary technical support and build their capacity. PO tracks the progress of the CO's sub-project implementation against CO sub-project proposal and community action plan (CAP) which is also an integral part of the agreement. PO reports the progress of all COs under its facilitation to PAF through PM. Monthly sharing and review meeting of all POs working in the respective districts is organized every month. PM adjust his/her field visits to coincide the sharing and review meeting. The meeting became an effective tool - a good opportunity to share each other among the POs. PM can get all POs at one place to interact directly, disseminate information and share experiences, skill on development programme management and appropriate technology.

POs carry out periodic monitoring of COs through its board executives and members. They also coordinate with local government bodies (DDC, VDC) and organize monitoring field visits by the DDC/VDC in the working area. In addition to DDCs and VDC, keen concern from the CDO about the PAF programme implemented in the field has created a congenial environment to strengthen the system further. A quarterly review meeting at district level (DDC) is designed to strengthen and make effective involvement of DDC and other government agencies in coordination with DDC.



*CAPTION -1: SUGIYAA RISIDAV,
A CO MEMBER FROM MORANG, SELLING VEGETABLES*

*CAPTION -2: COMMUNITY OF BHARVITA CO,
HEMENTAWADA VDC, BAJHANG DISTRICT, MAKING
FURNITURE FOR A COMMUNITY BUILDING*

CAPTION -3: COFFEE PROCESSING IN SYANGJA



Portfolio Manger (PM) is directly responsible to monitor and track the progress of all partner organizations working in their respective districts. POs are monitored and tracked against their proposal and ToR, which is the part of the agreement and work progress based on PO report. PM frequently visit his/her assigned district for monitoring.

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

PAF being an effective instrument for inclusion and poverty alleviation, concern is there for both GON and World Bank. GON has put PAF at the top priority programme and bank has also given it due priority. Government officials from the Prime Minister's Officer (PMO) and NPC have visited field activities of PAF. Similarly World Bank officials from country office and head office in Washington D.C. pay frequent visits to the field regularly, which is a good gesture towards PAF and its mission.

PAF participatory monitoring and evaluation system approach has been found to be effective. As a process approach with flexibility and transparency, it provides room for strengthening and improvement in due course of time based on the experience gained in the field. An institutional framework is devised at different level for effective and participatory monitoring system to ensure successful implementation of the different and diverse community sub-projects at the settlement level.

● Research and Development

Research and development (R&D) is an inextricable and important part of PAF's mission, providing an analytical basis for programmatic decisions, allowing PAF to learn from its experiences, and share the impact and lessons with different stakeholders. R&D facilitates to/or undertake various research/studies under the guidance of MER division and in cooperation with other units of PAF, enriching organization's overall programmes and strategy. It also aims to help in modifying and/or improving the strategies and identifying new programmatic issues, which are to be addressed.

The specific objectives of the R&D is to:

1. Provide timely feedback to the programme operations and management;
2. Serve as the basis for a comprehensive review of the provisions and operational policies and strategies of the PAF
3. Evaluate PAF activities undertaken by POs/COs as well as overall evaluation of the PAF Project.

● Human Resource Development and Capacity Development

Human resource development and Capacity Building is one of the main thrusts of Poverty Alleviation Fund. Effective capacity Building/ Human Resource Development is the key factor for PAF's success.

Effective and efficient capacity building procedure reinforces sustainable development for communities for their livelihood income generation and infrastructure efforts regularly.

The success of PAF largely depends upon how much the community members are able to utilize their available resources and able to establish linkages to other groups.

The main objective of capacity Building and Human Resource Development is the effective implementation of PAF's overall activities for Poverty Reduction of the targeted group through motivated, committed and trained manpower and to strengthen the community member's capability for sustainable development by involving the poor themselves to undertake their needs for poverty alleviation and improved quality of life. The concept of Capacity building is "Help the communities to help themselves"

The areas

1. The capacity building of Community organization (at the grassroots level)
2. Capacity building of Partner organizations
3. Capacity building of PAF officers and staff
4. Observation study tours for staff and Board Members
5. Briefing and reporting information and sharing them with concerned line Ministries, Prime Minister's Office, Auditor, Generals office, National Planning Commission, Ministry of Finance, Financial Comptroller General office, Ministry of Local Development; World Bank.
6. Programme Orientation for the local bodies and Micro entrepreneurs
7. Interaction workshops with RB Bank for fund flow mechanism
8. Dissemination of information and coordination with INGO and NGO
9. Linking development and access to available local resources.

● Operational Modality

PARTNERSHIP WITH POS

Based on the eligibility criteria, PAF first selects POs working in its operational areas. Community based Organizations; Non governmental Organizations (NGOs), Private Sector Organizations (PSOs), Local bodies such as District Development Committee (DDC), Municipalities and Village Development Committee (VDC) and line agencies are the potential POs for PAF. PO helps in social mobilization, facilitation, capacity building and technical assistance to CO. PO facilitates CO to identify, plan, design, execute, operate and maintain the community sub-projects. It also provides necessary technical support for successful completion of the sub-project, and carries out monitoring of the sub-projects.

SELECTION OF DISTRICT AND VDC

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

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

SELECTION OF HOUSEHOLDS/SETTLEMENTS

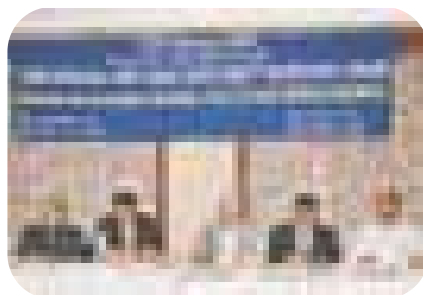
PO is assigned in one or more VDCs to identify the settlements with higher concentration of PAF's target communities. Participatory social assessment is done at selected settlements. All households of a settlement are categorized into hardcore poor, middle poor, poor and non-poor based on participatory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

COMMUNITY ORGANIZATION (CO)

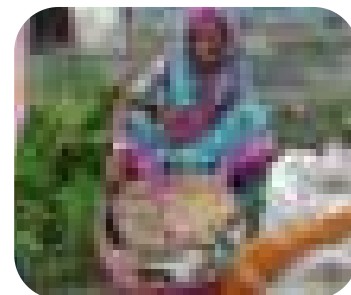
Community Organization (CO) is formed with membership from the defined household during social assessment. Only hardcore poor, middle poor and poor are organized into CO to ensure that "poor decide" for themselves. At least 80 per cent of the CO members are to be poor women, Dalits and Janjatis. It is also mandatory that 50 per cent members of a CO should be women, and key positions—chairman, treasurer and secretary—must be filled by poor women, dalit and / or janjatis.

COMMUNITY SUB-PROJECT FUNDING

CO with active participation of each member enlists problems, interest, needs and aspirations. After seeking necessary and relevant information, CO identifies prioritized community sub-projects based on informed choice through a participatory manner. CO also seeks necessary help and facilitation from PO for technical assistance particularly in survey, design, market study, pre-feasibility and feasibility studies. Economically, socially and environmentally viable community sub-projects, prepared with participatory Community Action Planning (CAP) process, are selected and developed into the community proposals.

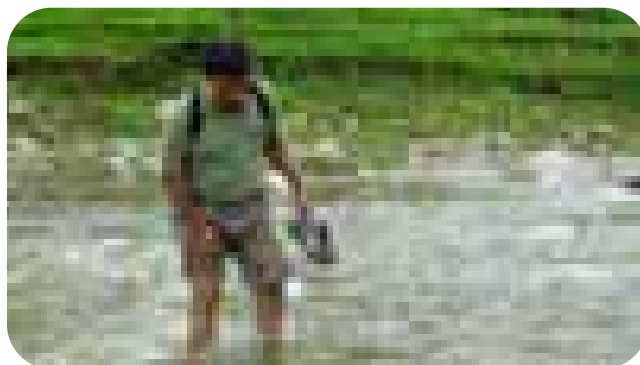


CAPTION -1: NATIONAL PLANNING COMMISSION SECRETARY RAM K TIWARI (IN THE MIDDLE) AND WORLD BANK REPRESENTATIVE DILIP PARAJULI (FAR LEFT) WITH PAF OFFICIALS AT A WORKSHOP IN KATHMANDU



CAPTION -2: A CO MEMBER FROM MORANG DISTRICT INVOLVED IN INCOME GENERATING ACTIVITIES

CAPTION -3: AN OFFICIAL FROM WORLD BANK COUNTRY OFFICE NEPAL ON A MONITORING VISIT IN DADELDHURA



Upon receipt of such community sub-project proposals from the registered COs, the proposals are assessed and approved for funding. However, such community sub-projects must be either be already incorporated in the VDC/DDC plan or ensure to be incorporated in the coming fiscal year VDC/DDC plan. An agreement is signed between PAF and CO and fund is disbursed directly to the CO's non-operating account immediately after the agreement. While the first installment is transferred to operating account immediately, the subsequent installment payments are made after the CO accomplishes some progress and meets key milestones, which include physical progress report, financial progress report, PO monitoring report, status of community contribution and revolving fund, among others.

COMMUNITY SUB-PROJECT IMPLEMENTATION

CO or beneficiary community is fully responsible for implementation of an agreed community sub-project. If required, CO revises community action plan (CAP) and ensures community contribution by developing community contribution plan, purchasing plan and revised implementation schedule. In doing so, CO sometimes, seeks necessary help from PO. PO facilitates CO for smooth implementation by ensuring necessary technical assistance and capacity building. Community is fully responsible for the operations and management of the sub-project and its sustainability.

MONITORING OF THE PROGRAMME

Participatory monitoring and supervision is adopted to monitor PAF activities in the field and ensuring timely and effective implementation of the community sub-projects. PAF monitoring system monitors regularly and periodically at COs, POs and PAF levels. PAF adopts participatory planning, monitoring and evaluation to ensure participation and inclusion of the poor in their developmental activities. A system of public auditing and public display of community sub-project information is mandatory to ensure transparency.

● Unique features of PAF

DEMAND DRIVEN PROGRAMME

PAF has adopted a demand led community-based approach for poverty alleviation. Keeping the target communities in the driving seat, it encourages them to take initiatives to improve their livelihoods, particularly organizing them into community organizations.

The target communities are the sole actor. They plan what they need and prioritize on the basis of their capacity and local resource potentials.

TARGETING AND SOCIAL INCLUSION

PAF is directly linked with the third pillar of the Tenth Plan/PRSP of Government of Nepal i.e. the 'Targeted Programme' which emphasizes the need for special programs to bring the excluded communities in the mainstream of development. PAF intends to bring prosperity of the poor who are at the bottom of the economic ladder.

PAF envisions the creation of an inclusive society by addressing the plight of the marginalized and excluded communities. PAF's Social Inclusion Strategy includes: (i) Targeted Beneficiaries are Poor Women, Dalits and Janajatis, (ii) at least 80% of Community Organization (CO) members are from Targeted Beneficiaries, (iii) at least 50% of CO members are Women, (iv) the Office Bearers (Chairperson, Secretary and Treasurer) of COs are from among the Dalit, Janajati and Female members of the CO.

DIRECT COMMUNITY FUNDING

PAF has developed direct-funding mechanism to community for effective implementation of the sub-projects proposed by the community.

It provides resources directly to the poor, and thereby expects to bring efficiency and transparency in work, and ensures community ownership. PAF is guided by the principle that the poor themselves are the best source of information and the best to manage their needs and resources.

COMMUNITY COST SHARING

Community cost sharing/community contribution is mandatory for sustainability and ownership building of the sub projects. Furthermore, a minimum of 20 percent community contribution for infrastructure sub projects and 10 percent for income generating sub projects is needed.

COMMUNITY INSTITUTION BUILDING

PAF envisages developing the Community Organizations (CO) as an established institution in the long run. For this purpose, the Community Organizations are being facilitated by Partner Organizations for planning, designing and management of the sub projects by themselves.

HIGH TRANSPARENCY IN PROCESS

PAF believes in transparency in technical and financial process of the sub projects. For this purpose, the PAF has made provisions for maintaining display boards at the project sites and carry out public audit periodically or at the end of the sub projects

● Special Window Programme

Besides its regular 25 districts, PAF has a special window programme for implementing innovative programmes.

As a special window programme, PAF has been focusing to address innovative programme that could help to improve livelihood of targeted community. Private sector, NGO, GOs, Community organization and civil society are eligible for working as partner organizations. Its implementation strategy is demand driven, community funding and holistic development approach. PAF has been allocating 10 percent annual programme budget for special window programme implementation.

During fiscal year 2061/062, PAF had first announced letter of interest call for selecting innovative concept/idea/ proposal from all over the country. A total of 146 proposals were received from interested NGO/ GOs/ private sector/ Community Organizations. As per criteria developed by PAF only 49 proposals/ concepts were selected for further processing, and only 16 concepts had been accepted finally. Till date all 16 innovative concepts are in the implementation stages in different VDCs of 18 districts.

Among those selected innovative proposals implemented in the community, some are focusing technology transfer like breed improvement of goats, pigs and seed improvement in vegetable production, organic vegetable production, agro forestry, and plastic water harvesting pond construction. Some are process focused like vegetable production in leasing land for landless people, some are targeting community like livelihood improvement programme focusing on Chepang and freed Kamaiya while others

are related to rehabilitation infrastructure project like irrigation cannel, bridge, micro hydro projects, ropeway etc. Some are vocational skill development education like ANM for Dalit women and education loan for study skill development education for dalit, janjati students.

● Organizational Overview

PAF Secretariat is an independent, autonomous and professional organization established under a separate Poverty Alleviation Fund Ordinance B.S. 2060 on August 19, 2004. The 10 member PAF Board includes the Chair, Vice-Chair, Secretary National Planning Commission, Chairperson of District Development Committee Federation, Village Development Committee Federation, National Women's Commission, National Dalit Commission, NGO Federation, and two (including a women)



Certain caste, ethnic groups, women and those living in remote areas are socially excluded and lag seriously behind in terms of income, assets, and most human development indicators.

from persons contributing substantially to poverty alleviation in Nepal. The Board's role is to approve strategies, programmes and operational policies of PAF, mobilize resources, approve annual budget and staffing of PAF secretariat, and support the monitoring/impact system and review results. The PAF secretariat will play a leading role in:

1. Implementing project activities in line with strategies, policies and priorities set by the Board,
2. Designing and implementing capacity building initiatives,
3. Designing targeting mechanism,
4. Coordinating with DDCs and VDCs under PAF,
5. Preparing periodic progress report including the PAF Annual Report,
6. Designing and implementing M/E system, including baseline, and designing and implementing communication and dissemination campaign.

The chairperson of the PAF Board is the Prime Minister and Vice-Chair is the Chief Executive. The Executive Director, who functions as the Board Secretary also, heads the PAF Secretariat. A small team of competent professional and support staff has been managing the PAF Secretariat. PAF has a total of 37 professionals including the Vice-Chairperson, an Executive Director, Executive Officers (Division Chiefs)-5, officers – 6 and Portfolio Managers -25. Thirteen support staff including – 7 secretarial assistance, 3 messengers and 3 drivers who have been supporting the secretariat. As the volume of work expands, PAF Ordinance provides provision for expansion. The day-to-day management of PAF secretariat is the responsibility of the Executive Director. The Executive Director is assisted by a team of core executive staff who are senior sector specialist heading the following functional divisions of PAF:

Finance and Administration Division.

Monitoring, Evaluation and Research Division.

Human Resource Development Division

Community Infrastructure Project Division.

Programme Coordination and Communication Division

As per approved organizational structure of PAF, 36 expert and professional and 12 support staff have been recruited on the basis of competitive examination. Orientation workshop on PAF for professional staff was carried out at PAF Office. As an end product of workshop, PAF work plan was prepared. Similarly, Technical Orientation Workshop including experience sharing for Professional staffs of PAF was organized during the period.

● The Programme Coverage

Initially, in the Fiscal Year 2061/062 (2004/05), PAF started programme implementation in 6 districts (Siraha, Ramechhap, Pyuthan, Darchula, Kapilbastu and Mugu).

Based on the experience gained in these 6 districts, PAF has expanded programme coverage to an additional 19 districts from the fiscal year 2062/063 (2005/06). The new districts include Accham, Baitadi, Bajhang, Bajura, Dadeldhura, Dailekh, Dolpa, Doti, Humla, Jajarkot, Jumla, Kalikot, Mahottari, Rasuwa, Rautahat, Rolpa, Rukum, Sarlahi and Sindhuli, thus covering all 25 districts belonging to the category of most deprived districts in Nepal. Besides PAF has also working other 19 districts through Innovative Special Window Programme to capture innovative initiatives of different organizations/communities at different places.





CHAPTER 2

PAF

Progress Overview

This chapter discusses the achievements made by PAF during the fiscal year 2062/063 in various programme components.

● Social Mobilisation

PAF as a targeted programme has given utmost emphasis to reach the target communities. Proper targeting or selecting DDC, VDC, Ward, settlement/community and household is a crucial step for overall programme implementation.

COMMUNITY ORGANISATION REGISTRATION

During the reporting period, a total of 1284 COs were registered in PAF of which 632 were from the six pilot districts, 487 from 19 special districts and remaining 165 were from innovative special window programme districts. (See Table -2.1).

TABLE 2.1 CO Registered in PAF

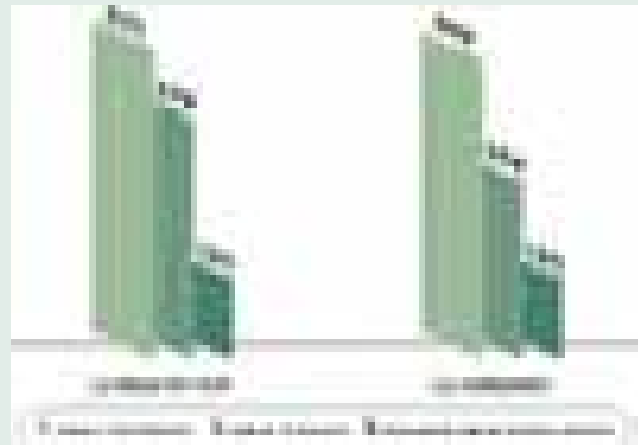
DESCRIPTION	TOTAL
Initial 6 Pilot districts	632
Special 19 districts	487
Innovative Special Window Programme districts	165
Total	1,284

Out of 1284 CO registered with PAF during the reporting period, 1,132 CO have entered into an agreement with PAF to implement various community sub-projects. (See Table 2.2)

TABLE 2.2 No of CO entering into an agreement with PAF

DESCRIPTION	TOTAL
Initial 6 Pilot districts	609
Special 19 districts	358
Innovative Special Window Programme districts	165
Total	1,132

CO Registration Vs CO Agreement by district Category



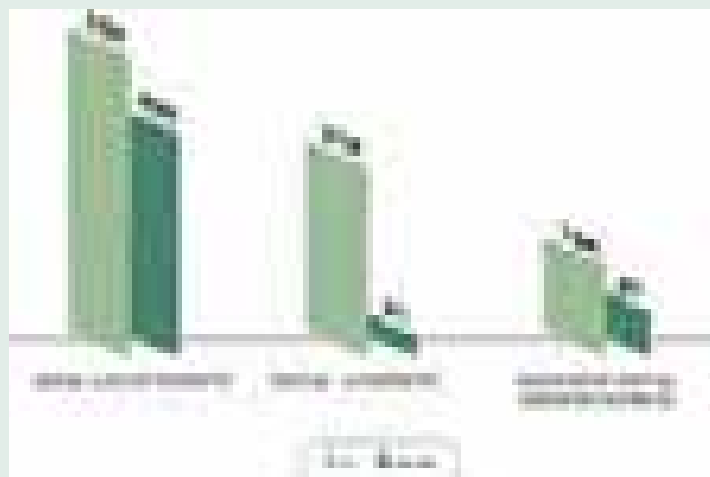
CO SUB PROJECT AGREEMENT

A total of 1568 CO sub-projects were approved by Technical Appraisal Committee (TAC) and entered into an agreement with the community for the implementation (see Table -2.3) in the reporting period. Initial six PAF pilot districts share around 61 per cent sub-projects followed by 19 special districts with 24 per cent and Innovative Special Window districts with 15 per cent of the sub-projects.

TABLE 2.3 CO Sub-project Agreement with PAF

NO. OF AGREEMENTS	DESCRIPTION		TOTAL
	IG	INFRA	
Initial 6 Pilot districts	540	404	944
Special 19 districts	338	41	379
Innovative Special Window districts	164	81	245
Total	1,042	526	1,568

Sub project agreements by type and programme type Districts



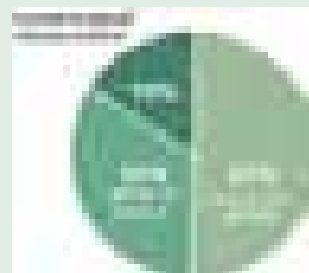
TARGETED HOUSEHOLDS

In the Fiscal year 2062/063, a total of 31,257 households of target communities were organized into CO (see Table-2.4). Of them, 51 per cent households were from pilot districts, 33 percent from Special 19 districts and 16 percent from Innovative Special Window districts.

TABLE 2.4 Target HH Organized in COs

DESCRIPTION	FY 2062/63
Initial 6 Pilot districts	15,810
Special 19 districts	10,459
Innovative Special Window districts	4,988
Total	31,257

Proportion of HHs organized in COs by district category





Participation of poor woman, *Dalits* and *Janajatis* in CO has been remarkably encouraging from the perspective of empowerment, targeted programme implementation, poverty alleviation and inclusion.

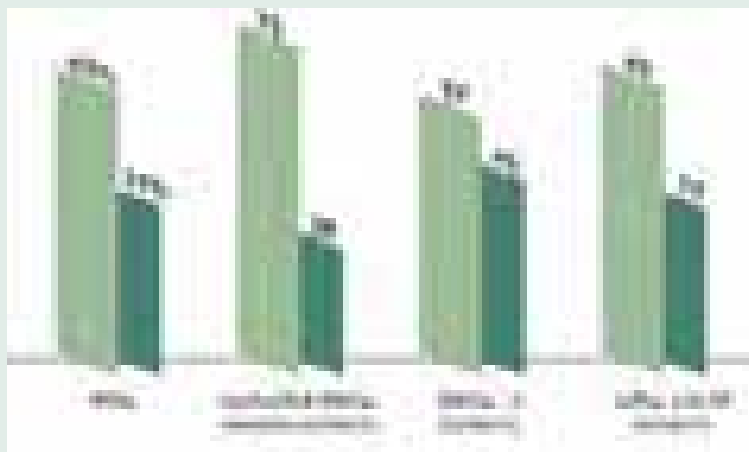
WOMEN PARTICIPATION

Participation of women members in COs is comparatively higher than men. Out of 31,257 households organized into COs in the fiscal year, about 63 per cent households are represented by women as member in COs (see Table 2.5).

TABLE 2.5 Gender Dimension of CO Members

DESCRIPTION	MALE	FEMALE	TOTAL
Initial 6 Pilot districts	5,814	9,996	15,810
Special 19 districts	4,494	5,965	10,459
Innovative Special Window districts	1,401	3,587	4,988
Total	11,709	19,548	31,257

Proportion of CO members by Sex



SOCIAL INCLUSION

Participation of the *Dalits* and *Janajatis* in CO has been remarkably encouraging from the perspective of empowerment, targeted programme implementation, poverty alleviation and inclusion prospective. Among CO members organized in this fiscal year, *Dalits* and *Janajatis* comprise of 47 % and 28 % respectively followed by 15 per cent Chhetris (see Table 2.6)

TABLE 2.6 CO Members by Caste/Ethnicity

DESCRIPTION	CASTE/ETHNICITY						TOTAL
	DALIT	JANAJATI	BRAHMIN	CHHETRI	MUSLIM	OTHERS	
Initial 6 Pilot districts	6,662	4,643	468	2,451	526	1,060	15,810
Special 19 districts	6,491	1,950	175	1,513	33	297	10,459
Innovative Special Window districts	1,731	2,053	348	726	45	85	4,988
Total	14,884	8,646	991	4,690	604	1,442	31,257

Proportion of CO members by Caste/Ethnicity



CO MEMBERS BY POVERTY RANKING

Hard core poor medium poor, poor and non-poor household of a settlement are getting benefits from PAF. In some cases, some of the non-poor are also benefiting from infrastructure sub-projects like road, drinking water, community hall etc. PAF has successfully reached the hard-core poor of the society. Among the beneficiaries, 73 percent are hard-core poor followed by 20 percent medium poor (see table 2.7).

Proportion of CO members by Poverty Ranking

**TABLE 2.7 CO Members by Poverty Ranking**

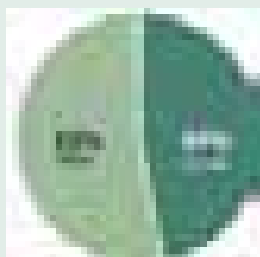
DESCRIPTION	POVERTY RANKING				TOTAL
	HARD CORE POOR	MEDIUM POOR	POOR	NON-POOR	
Initial 6 Pilot districts	11,393	3,278	1,067	72	15,810
Special 19 districts	7,691	2,028	738	2	10,459
Innovative Special Window districts	3,481	1,020	473	14	4,988
Total	22,565	6,326	2,278	88	31,257

KEY POSITION HOLDERS IN COS

PAF has taken an affirmative action for key position holders (Chairperson, Treasurer and Secretary) while constituting a community organisation (CO). PAF has made it mandatory that at least one position holder should be a female and two from Dalits or Janajatis wherever possible.

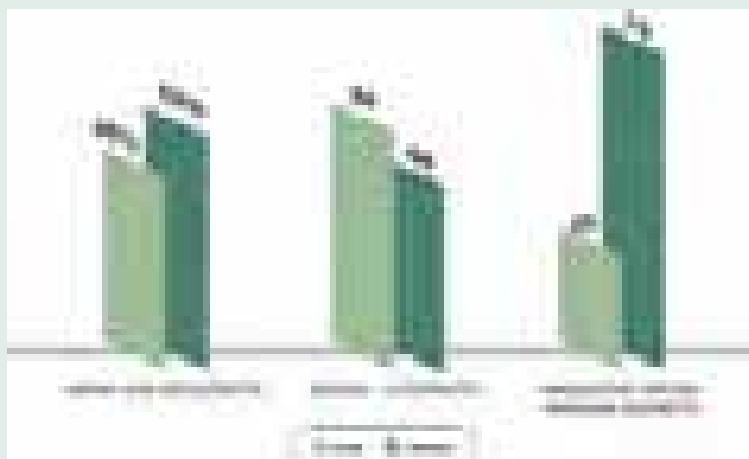
In this fiscal year, out of total 2,107 key position holders in different COs, 53 per cent are female and 47 per cent male members (See fig. below)

Key position holders by Sex



Similarly, when gender-wise representation is segregated by type of programme districts, key female position holders are dominant in pilot districts and innovative special window districts and male position holders are dominant in special districts (See the diagram below).

Key Position holders in COs by sex and district type



Out of the total representation, when analyzed in terms of caste/ethnicity, dalits represents 59 per cent, janajatis represents 21 per cent, Chhettri represents 15 per cent followed by Muslim and others, (See fig below).

Key Position holders in COs by Caste/Ethnicity



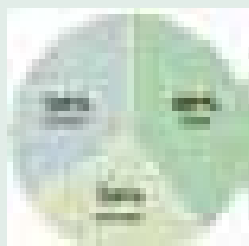
TOTAL BENEFICIARIES

While further segregating the data in terms of beneficiary households that also includes the CO members, a total of 41,704 have benefited, of which dalits are 40 per cent, janajatis are 26 per cent and others are 34 per cent.

TABLE 2.8 Beneficiaries Households and Population

DESCRIPTION	NO. OF HOUSEHOLDS				NO. OF POPULATION			
	Dalit	Janajati	Others	Total	Dalit	Janajati	Others	Total
Initial 6 Pilot districts	7,876	6,145	10,316	24,337	48,570	40,002	69,232	157,804
Special 19 districts	6,672	2,279	2,682	11,633	40,427	13,971	16,200	70,598
Innovative Special Window districts	1,980	2,474	1,280	5,734	10,728	13,574	7,539	31,841
Total	16,528	10,898	14,278	41,704	99,725	67,545	92,971	260,243

Proportion of Beneficiaries by Caste/Ethnicity



PARTNER ORGANISATION

In addition to POs already working with PAF, additional 138 POs were selected through rigorous process and entered into agreement in the reporting period. Both the old and newly recruited POs are working in VDCs that were already covered in previous year as well as a new set of additional 375 VDCs covering 1,057 settlements with a target to reach 162,739 targeted poor beneficiary households (see Table 2.9).

TABLE 2.9 Coverage by POs

DESCRIPTION	NEW POs	OLD POs		TOTAL	NEW DISTRICT	NEW VDC	TARGETED HH
		Agreement renewed	Ongoing Agreement				
Initial 6 Pilot districts	12	31	30	61	-	40	55,539
Special 19 districts	118	0	0	0	19	344	98,566
Innovative Special Window districts	8	2	13	15	7	43	8,634
Total	138	33	43	76	26	427	162,739

Similarly, a total of 427 VDCs were covered by the POs where social mobilization, planning and preparatory works are underway. COs have been already constituted in 235 VDCs while agreement with COs to execute community sub-sub projects have been made in 202 VDCs (See Table 2.10)

TABLE 2.10 VDC's Coverage trends by different stages of programme cycle

DESCRIPTION	POS WORKING VDCS (SOCIAL MOB. & PLANNING PHASE)	COS REGISTERED VDCS	COS AGREEMENT VDCS
Initial 6 Pilot districts	40	44	42
Special 19 districts	344	168	135
Innovative Special Window districts	43	23	25
Total	427	235	202

● Capacity Building and Human Resource Development

The following are the major tasks carried out in the capacity building and human resources development front in the reporting period—that include both the activities at the central level as well as the local level. Development of Human Resource Development and Capacity Building Strategy, Market Salary Survey for PAF Secretariat, Organisation and Management Survey and are some of them.

AT THE CENTRAL LEVEL

A. Workshop on “Experience Sharing For Future Programming

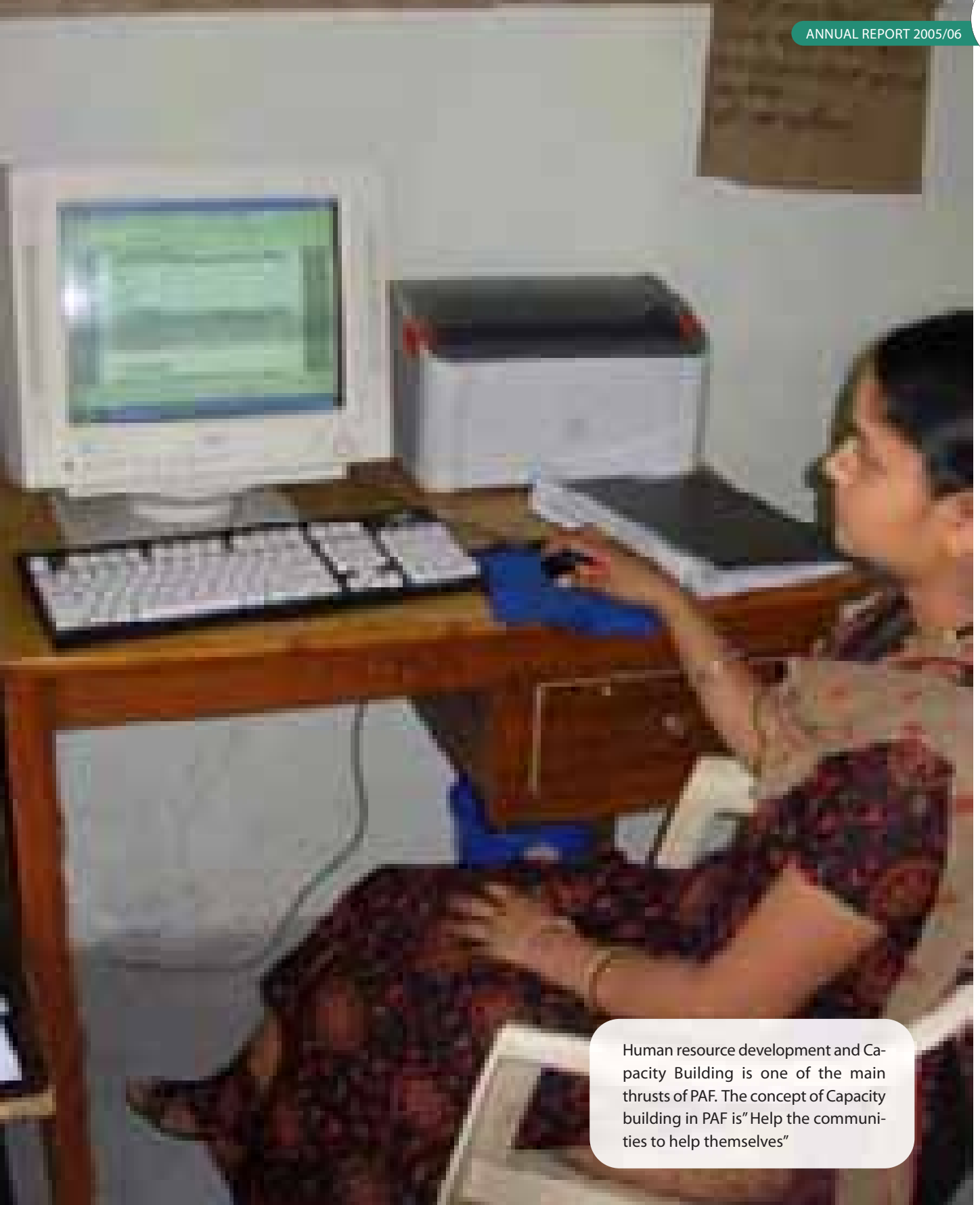
A three-day workshop on “experience sharing for future programming” was organized by PAF at Hotel Himalaya. The participants of the workshop were PAF professional staff, PAF stakeholders from various sectors such as POs, COs, World Bank and concerned ministries like Prime Minister Office, ministry of finance, ministry of local development, national planning commission and Rastriya Ban-ijya Bank. Altogether there were 62 participants including 13 women.

B. Exposure Visit To Madhya Pradesh, India

A study tour was organized to state of Madhya Pradesh in India to observe the district poverty initiative programme (DPIP). The study tour was organized in two lots. The first lot visit lasted from 24 July 2005 to 31 July 2005 and other lot from 6 August 2005 to 13 August 2005. Altogether 13 professional staff of PAF comprising of the executive director participated were part of the visit. The objective of the visit was to observe the overall DPIP model and approach and to replicate those models, which are applicable to PAF context.

C. Orientation Workshop To District Level Line Agencies

23 orientation events on PAF were organized at district level. The participants in those orientation



Human resource development and Capacity Building is one of the main thrusts of PAF. The concept of Capacity building in PAF is "Help the communities to help themselves"

were from district development committee (DDC) and district level line agencies. The objectives of the orientation workshop were to socialize and disseminate the PAF programme among district level line agencies and forge partnership, linkages and networking among district level line agencies and NGOs/INGOs. Altogether there were 815 participants including 23 women.

D. Interaction Programme with Rastriya Banijya Bank

With an objective to review the fund flow mechanism, an interaction programme was organized on January 16, 2006 in the Training Hall of Thapathali Branch Office, RBB where Senior Finance/Operation Specialist, World Bank, Executive Director, Division Chiefs of PAF and all the 25 District Managers of the RBB and PAF professional staff participated. The objective of the programme was to review the experience and issues and concerns about the fund flow modality and the lessons learned from the six pilot districts so as to plan and prepare fund flow to the POs and COs of the additional 19 districts.

Indeed, it was an excellent opportunity for the 19 new Portfolio Managers to learn about the fund flow modality and to have face-to-face familiarization and interaction with the RBB Branch Managers. The RBB was serious enough to address and share the issues and concerns regarding the fund flow to the POs and COs during the interaction programme.

However, some of the Districts Managers of RBB, particularly from the Far Western Region somehow failed to attend the programme. Moreover, the RBB do not have district offices in the four PAF districts of that region namely: Jajarkot, Rukum, Dolpa and Rolpa. In this regard, an understanding has been reached with the RBB to transfer the fund through Nepal Bank Limited (NBL) with the same terms and conditions. At the end of the programme, it was decided that one more such interaction programme would be held in Nepalgunj in order to ensure the participation of the RBB District Managers who failed to attend the current programme and the Branch Managers of NBL of Mid and Far Western Regions.

Similarly, a one-day Interaction Programme was organized at Nepalgunj on June 19, 2006 where RBB District Managers of Mid and Far Western Region, NBL Managers and Division Chief, Finance and Administration and concerned Portfolio Managers attended.

AT THE DISTRICT LEVEL

In order to socialize and disseminate PAF programme among district level line agencies & NGOs/INGOs, various orientation programmes on PAF process and modalities were organized at the DDC office in all PAF's newly added 19 districts. The participants of orientation workshop were DDC members and Line agencies officials. The objectives of the orientation workshop was to forge partnership and establish linkages and networking among district level line agencies and NGOs/INGOs.

Similarly, in order to orient the PAF Partner organisations (POs) on PAF policy, strategy, working procedures and VDC selection criteria, various orientation workshops were organized for the POs exclusively in all PAF districts. The participants of the orientation workshop were POs PAF programme related staff and broad members.

In order to build the capacity of POs in various fields related to PAF programme components, training on social mobilization, account keeping as per PAF financial management norm, micro-enterprise development and social and environment screening of the sub-project was organized in PAF districts. The objective of organizing such training was to enable POs to facilitate COs in day-to-day activities and transfer the skill, knowledge and technology they acquired to them as well.

The following information gives an overview of the training conducted at the district level.

TABLE 2.11 Overview of the Trainings

S.N.	NAME OF THE TRAINING	DISTRICT	TOTAL EVENT	OBJECTIVE	PARTICIPANTS		
					M	F	Total
1	ToT on social mobilization	Ramechhap Siraha, Kapilbastu,	3		50	35	85
2	Training on PAF financial mgmt. /account keeping	Siraha, Kapilbastu, Ramechhap, Mugu, Darchula	8		155	41	196
3	Social & environmental Screening	Siraha, Kapilbastu, Ramechhap, Mugu, Darchula,	4		69	10	79
4	Micro-enterprise promotion	Siraha, Kapilbastu, Darchula, Pyuthan, Mugu, Ramechhap	5		121	11	132
5	Orientation on PAF to DDC members & line agencies officials	All 19 districts	25		852	29	881
6	Orientation on PAF to PO staff & board members	All 19 districts	57		771	264	1035
Grand total:			102		2018	390	2408

District Level Trainings, Workshops and Orientation Programmes Organized by POs

District level PO programme coordination meeting are held regularly in order to strengthen the coordination among PAF Partner Organisations (POs). During the meeting they share their experiences with each other. The meeting has enabled POs to operate PAF programmes smoothly. In some meetings representative from World Bank also participated.

To implement the programme smoothly and on time, PAF has delegated responsibility to POs for their capacity building at the district level. The amount required for training is transferred to POs account. During the coordination meeting they decide what and when to organize the training. Therefore, in order to equip the PO staff on basic skill and techniques on social mobilization like how to deal target communities and how to sensitize, motivate them to be organized for their livelihood improvement, a five day training on social mobilization was organized by POs on the behalf of PAF. The participants were programme coordinators, field supervisors and social mobilizers.

Similarly, in order to transfer skill and techniques to identify and operate the potential micro-enterprises and income generating activities in the district, 10 days training on micro-enterprise development was organized by POs on the behalf of PAF in Darchula district. The trainers were given TOT training earlier by PAF. The majority of participants in the training were social mobilizers. The following table gives an overview of the activities conducted by PO at the district level.

TABLE 2.12 Lists of district level activities conducted by PO

S. N.	NAME OF THE TRAINING	DISTRICT	TOTAL EVENT	OBJECTIVE	PARTICIPANTS		
					M	F	Total
1	ToT on Social Mobilization	Dadeldhura, Mahottari, Rautahat, Kalikot, Jajarkot, Doti, Jumla, Rukum, Mugu, Ramechhap, 13 Dailekh	13	To Capacitate the Pos to Organize & Manage COs for their sustainable development	210	102	312
2	3 days saving & credit mgmt to Social Mobilizers	Siraha,	1		21	5	26
4	Micro-enterprise promotion	Darchula			30	10	40
5	District Level Coordination Meeting With Line Agencies	Mahottari, Dadeldhura, Humla, Mugu, Bajura,	7				
6	District Level PO Coordination & Review Meeting	Ramechhap, Siraha, Kapilbastu, Pyuthan, Mugu, Darchula, Dadeldhura, Mahottari	26				
	Saving-credit MGMT	Siraha	1		21	24	45
	Training on PRA	Kapilbastu	1		12		12
7	Training On W/S	Siraha	1		17	3	20
GRAND TOTAL			48		311	144	455

COMMUNITY ORGANISATION (CO) LEVEL

Various trainings, orientations and exposures related to PAF programme components were organized at CO level in order to strengthen the capacity of CO members to run and operate activities, which are sustainable. Most of those were organized by PAF through PO. Few of them were organized by POs through coordination of other district level agencies. A total of 1025 such events were organized during the reporting period.

TABLE 2.13 CO Level Capacity Development Activities

S.N.	ACTIVITIES	DISTRICT	TOTAL EVENTS	PARTICIPANT		
				M	F	Total
1	Leadership development & group Mgmt. training	Siraha, Ramechhap, Kapilbastu, Darchula, Dailekh, Dadeldhura, Mugu, Bajhang, Jumla, Rukum,	184	2421	2758	5179
2	Book keeping training	Siraha, Kapilbasu, Ramechhap, Darchula, Mugu, Dadeldhura, Bajhang, Jumla, Rukum, Dailekh	78	936	664	1600
3	VDC level Orientation on PAF	Kapilbastu, Sarlahi, Rautahat, Mahottari, Dadeldhura, Jajarkot, Humla, Dailekh	109	7522	4570	12092
4	Ward level orientation on PAF	Kapilbastu, Sarlahi, Rautahat, Mahottari, Dadeldhura, Jajarhot, Humla, dailekh	591	18737	21515	40252
5	Settlement level orientation on PAF	Siraha, Kapilbastu, Sarlahi, Rautahat, Mahottari, Dadeldhura,	200	9287	5359	14646
6	Vegetable farming training	Siraha, Kapilbastu, Ramechhap, Darchula, Mugu,	41	402	485	887
7	Improved seed production training	Siraha,	2	25	29	54
8	System of Rice Intensification (SRI) orientation	Siraha	1	13		13
10	Operation & maintenance training	Darchula, Mugu	4	47	0	47
11	Livestock Management (goat, buffalo & pig raising) training	Siraha, Kapilbastu, Ramechhap Darchula, Mugu,	156	1899	2543	4442
	Agro Vet. training	Siraha	1	5	13	18
12	Poultry farming training	Kapilbastu, Darchula, Mugu,	4	61	51	112
13	Bee keeping training	Kapilbastu, Mugu,	2	18	1	19
14	Study tour	Siraha, Kapilbastu, Mugu,	15	316	233	549
15	Retail business & market management training	Siraha	2	16	29	45
16	Yak husbandry training	Mugu,	1	25	5	30
17	Leaf plate making training	Kapilbastu,	1	0	12	12

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S.N.	ACTIVITIES	DISTRICT	TOTAL EVENTS	PARTICIPANTS		
				M	F	Total
18	Bag making training	Kapilbastu,	1	0	15	15
19	Entrepreneurship development training	Darchula	2	0	50	50
20	Saving-credit mobilization training	Siraha, Kapilbastu, Darchula, Dadeldhura,	48	517	676	1193
21	Tailoring training	Siraha, Darchula,	11	2	80	82
22	Carpet weaving training	Darchula,	2	12	28	40
	Local resources identification & mobilization orientation	Siraha	9	88	87	175
23	Forest resource inventory training	Darchula,	4	45	15	60
24	Shoe making training	Darchula,	1	20	0	20
25	Fish culture training	Kapilbastu	1	12	2	14
26	Carpentry training	Darchula,	2	20	0	20
27	Metal utensil making training	Darchula,	1	15	0	15
28	Self-reliant training	Kapilbastu, Doti	3	7	64	71
29	Driving training	Kapilbastu,		1	0	1
30	Orientation on project planning Sub-project preparation	Kapilbastu,	6	140	69	209
31	TOT to literacy class facilitators	Siraha, Kapilbastu	6	58	31	89
32	Fruit farming training	Ramechhap,	14	144	274	418
33	Herbal nursery management training	Ramechhap,	1	10	2	12
34	Awareness on HIV AIDS	Kapilbastu	1	1	0	1
35	Awareness orientation on health & hygiene	Siraha	4	80	78	158
36	Awareness orientation on basic literacy	Kapilbastu	1	15	12	27
37	PRA training	Kapilbastu	1	12	0	12
38	Issue related advocacy	Kapilbastu	1	14	7	21
Total			1512	42943	39757	82700

Income Generation and Micro Enterprises

Income Generation and Micro-Enterprise Promotion is considered as the core activity of PAF in order to enable target groups to improve their livelihood, gain access to food security, education and health.

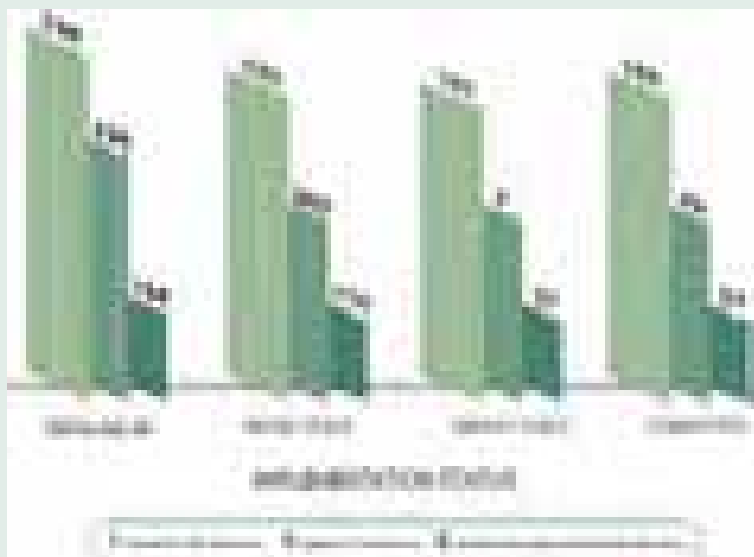
PAF has been providing sustainable source of capital to the target groups in order to launch and operate various economic activities as per their interest and capacity.

Of the total 1042 income generating sub-projects agreements, 157 have already been completed, 135 are at the middle stages of implementation and rest 750 are in initial phase of implementation. The following chart shows stages of implementation against the sub projects agreements.

TABLE 2.14 Subproject status by implementation stage

DESCRIPTION	TOTAL NO. OF AGREEMENTS	IMPLEMENTATION STATUS		
		Initial Stage	Middle stage	Completed
Initial 6 Pilot districts	540	335	101	104
Special 19 districts	338	305	7	26
Innovative Special Window districts	164	110	27	27
Total	1042	750	135	157

Implementation status of IG sub projects Vs Total no. of Agreements



PAF INVESTMENT AND COST SHARING IN COMPLETED IG SUB-PROJECTS

PAF wishes to develop the sense of ownership among the target groups to run and operate the activities in a sustainable way. Therefore, contribution from the CO members is sought compulsorily in the form of cash or kind while launching the activities. Apart from this, resources from that of Local Government Bodies and Line Agencies are also mobilized.

The total investments for the completed 157 subprojects are to the tune of Rs.56,776,808.5. Among which, Rs. 51,752,855.50 was contributed by PAF and rest of Rs. 5,023,953.00 was handed over by COs and others—both in the form of cash and kind. The following chart shows the per centage of investment in completed sub-projects by PAF, COs and other agencies.

Proportion of contribution in Completed sub projects



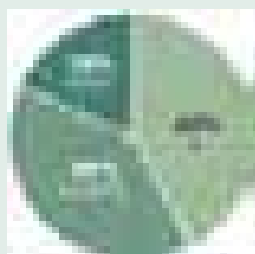
HOUSEHOLDS INVOLVED IN SUB PROJECT ACTIVITIES

PAF approach is targeted and inclusive. Its major beneficiaries are dalit and janajatis and other hard core poor. Till date, out of the total 41,704 households involved in various activities, 17,659 households' beneficiaries are involved only in IG activities while a total of 16,550 beneficiaries' households are involved both in IG and Infra activities. The number of beneficiary households involved only in community infrastructure sub-projects stands at 7,495.

TABLE 2.15 Beneficiaries by Sub project type

DESCRIPTION	ACTIVITIES TYPE			TOTAL
	IG	IG+INFRA	INFRA	
Initial 6 Pilot districts	5,740	13,739	4,858	24,337
Special 19 districts	9,655	62	1,916	11,633
Innovative Special Window districts	2,264	2,749	721	5,734
Total	17,659	16,550	7,495	41,704

Proportion of Beneficiaries by Sub-project type



DIVERSE TYPE OF DEMAND FOR IG ACTIVITIES

The economic activities demanded by target groups are diverse hence, they are broadly categorized as follows:

- Agriculture and Others
- Animal husbandry
- Manufacturing and others
- Service sector
- Trade

Agriculture and Other

The category agriculture and others include seasonal and off-seasonal vegetables, mushroom, ginger, garlic farming, horticulture, NTFP/herbal farming and collection high value cereals and cash crop like seed farming, agro-forestry, fishery and apiculture.

Animal husbandry

The category animal husbandry includes buffalos, cows, Yaks, mules, horses, goats, sheep, pigs, bores, rabbits and poultry (including chicken, duck & pigeon).

Manufacturing and other

The category manufacturing and others include juice production, carpet and cloth weaving, furniture, improved stove, various metal product/utensils, shoes, various handicrafts like Madal & Sarangi, candle, garment, umbrella, incense stick etc.

Service Sector

The category service sector includes self employed type activities like tailoring, agro vet business, rickshaw business, cart service, hotel business, photo studio, electronic & electric goods like radio, TV, refrigerator, computer repair & maintenance, house wiring & painting, plumbing, carpentry, masonry, vehicle, motorcycle, rickshaw and bicycle repair and maintenance, driving, beauty & barber parlor and communications services etc.



PAF has laid a strong focus on Income Generation (IG) and Micro Enterprise Promotion activities in order to combat poverty.

Trade

The category trade include stationary and mobile retail shops of various commodities like cereals, vegetables, fruits, meat/fish, cloth, stationary, fancy items (cosmetics & cloth etc.), jewelry, various metal utensil (kitchenware & agriculture tools), stamp making, herbal and medicine, milk & milk products & electric goods etc.

BOX: 1 POTENTIAL SECOND GENERATION PROJECTS

As PAF is supporting the first generation projects demanded by the communities, the communities are now demanding the second generation projects to supplement and create additional value to the initial efforts. Such activities are crucial for economic transformation with the help of infrastructure and technology.

In Siraha, farmers of Bishnupurkatti have come up with a demand to establish chilling centre after their initial demand of buffalo-raising. The land for the construction site has been already identified in coordination with the VDC while the communities have also established link to the local dairy centres to supply milk.

In another case, the farmers from Phulkahakatti have also demanded to establish collection centre for vegetables as part of the generation demands. Similarly, the communities of ward 7 and 9 of Fulbariwa VDC, Siraha are also demanding the construction of link road to connect all-season Mirchaiya-Katari road so as to establish a market linkage for their local agriculture and livestock related products. Proposals for such second generation projects are also coming from other districts as well.

● Community Infrastructure

Physical infrastructure such as health centre, rural water supply, small irrigation, rural road, trail, bridge and micro-hydro which provide the community different types of services and facilities to improve their livelihood, and socio-economic standards directly or indirectly are considered as community infrastructure

For the fiscal year 2005/06, there has been more demand of social infrastructures than that of economic infrastructure; the reasons behind this may be that the communities first opt to construct infrastructure for their basic needs rather than infrastructure for economic proposes.

PAF approach is targeted and inclusive. Its major beneficiaries are dalit and janajatis and other hard core poor. Till date, out of the total 41,704 households involved in various activities, the number of beneficiaries households involved only in community infrastructure sub-projects stands at 7,495 while a total of 16,550 beneficiaries' households are involved both in IG and Infra activities.

COMPLETED SOCIAL INFRASTRUCTURE PROJECTS

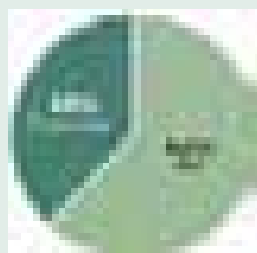
As of fiscal year 062/63, the total number of completed social infrastructure activities is 398, in which PAF cost is Rs 9,512,295.00 while community contribution has remained at Rs 585,386.00 which is about 38 per cent of the total cost of Rs 15,366,163.00 (see table 2.16).

TABLE 2.16 List of Completed Social Infra Sub-Projects

DISTRICT	TYPE	NO. OF ACTIVITIES	PARTICULAR FEATURES	BENEFITED POPULATION HH
Siraha				
Drinking Water	Hand Pump	23		23
	Well	2		40
Latrine	Pit	8		8
	Sulabh	1		School
Building Construction	School	1		200
Ramechhap				
Drinking Water	Maintenance	5	No of taps:8	129
Latrine	Pit	70		70
Kapilvastu				
Drinking Water	Hand Pump	17		105
	Hand Pump	4		24
Latrine	Pit	19		100
Mugu				
Drinking Water	Gravity	5	No of taps:15	161
Building Construction	Dhaki Okhal	2		
	School	5	Plinth area:840sq ft	102
Improved Stoves	ICS	142		142
Darchula				
Drinking Water	Gravity	5	No of taps:39	25
Latrine	Pit	82		82
Innovative District				
Drinking Water-Makwanpur	Gravity	7		129

Total investment for 2540 social infrastructure related sub projects that include both completed as well as ongoing projects has remained Rs 78,272,472.00 with community contribution of Rs 23,319,543.00, which is about 30 per cent of the total cost.

Investment sharing in Completed Social Infrastructure sub Projects



Investment Sharing in Total Social Infrastructure Sub projects



ONGOING SOCIAL INFRASTRUCTURE PROJECTS

As of fiscal year 062/63, the number of ongoing social infrastructure activities is 2142 for which PAF investment has remained Rs 45,440,634.00 while the community contributed Rs 17,465,675.00, which is about 28 per cent of total cost of Rs 62,906,309.00 (see table 2.17).

TABLE 2.17 List of Ongoing Social Infra Sub-Projects

DISTRICT	TYPE	NO. OF ACTIVITIES	PARTICULAR FEATURES	BENEFITED POPULATION HH
Siraha				
Drinking Water	Hand Pump	12		56
Ramechhap				
Building Construction	Construction	7		62
Drinking Water	Gravity	1		25
Latrine	Pit	129		129
Kapilvastu				
Building Construction	School Support	16 rooms		
	Health Post	1		
Drinking Water	Hand Pump	470		1522
	Hand Pump	276		1180
Drainage Construction	Surface	1	Length:250 m	72
Washing Plateform	PCC	108		108
Latrine	Pit	531		672
	Pit	160		501
Improved Cooking Stove	ICS	124		124
Pyuthan				
Drinking Water	Gravity	4		154
Latrine	Pit	84		84
Improved Cooking Stove	ICS	70		70
Mugu				
Building Construction	School	6		48
	Storage and Aron	2		40
	Fencing	1		75
Drinking Water	Gravity	7		313
Improved Cooking Stove	ICS	48		48
Darchula				
Drinking Water	Gravity	36		1316
Latrine	VIP	37		37
Innovative - Districts				
Building Construction-Jumla	Construction	2		267
Building Construction-Bajhang	Construction	9		

COMPLETED ECONOMIC INFRASTRUCTURE PROJECTS

As of fiscal year 062/63, the total number of completed economic infrastructure activities is 178, for which PAF cost has remained at Rs 15,057,957.00 with community contribution of Rs 4,341,626, which is about 22 per cent of total cost Rs 19,399,583.00. (See Table 2.18 and 2.19).

TABLE 2.18 List of Completed Economic Infra. Sub-Projects

DISTRICT	TYPE	NO. OF ACTIVITIES	PARTICULAR FEATURES	BENEFITED POPULATION HH
Siraha				
Rural Road	Gravel	4	Length:13 km	1176
Culvert	Pipe	1	Span:7.5 m	572
Irrigation	Dhiki Pump for irrigation	142	18.9 ha	153
	Deep Boring	8	3 ha	8
Kapilvastu				
Culvert	RCC slab	2		67
Irrigation	Dhiki Pump	6	6.4 ha	24
	Deep Boring	1	10 ha	18
Mugu				
Trail Road	Earthen	1	Length:2.24 km	43
Bridge	Wooden	3		152
Irrigation	WHT	2	1.15 ha	36
	Surface	1	25 ha	60
Electricity Extension	Electricity	1		64
Darchula				
Irrigation	Surface	3	20 ha	119
Innovative District				
Irrigation-Makwanpur	Surface	3	13.6 ha	131

Investment sharing in Completed Economic Infrastructure Sub projects



Investment Sharing in Total Economic Infrastructure Sub Projects



SUCCESS STORY 1

Plastic Pond Changed Face of Chepang Village

Polaghari is a remote village located in Manahari VDC-2 of Makawanur district. It is a settlement of fast disappearing Chepang community. Hilly terrain and arid land makes the place highly unproductive and productions do not meet villager's food requirement for even 3 months. Millet and corn are the major productions of the village. But this arid slope of Polaghari has now turned colourful with green vegetables, tomato, chilli and radish, among others that locals have successfully grown. Green vegetables are grown in abundance and banana trees are generating excellent yield. People who reach the village today said they find it difficult to believe it is the same village they traveled few years ago.

Poor Chepang community that earlier failed to earn livelihood for even three months from their farms are now reaping maximum profits from vegetables and banana farming. Such an opportunity was created after a plastic pond was constructed in the village under the Special Innovative Programme of PAF. Gone are the days when drinking water and irrigate facility was unavailable. People no more are required to travel for hours to get hold of a pitcherful of water. Neither do they have to wait for rain for irrigating their land.

Under the facilitation of Manahari Development Institution, a local non-governmental organization, Churiya Mai Community Organization was constituted including Chepangs in it. "On demand of the organization, a

drinking water project and plastic pond was constructed in the village with Rs 239,782 worth financial assistance from PAF and Rs 168,000 equivalent of labour donation (contribution) of the villagers," says Sher Bahadur Praja, chairman of the organization.

The completion of drinking water project has enabled villagers to enjoy easy and convenient access to clean water. It has saved their time and enabled them to use it productively in household chores and farms. "Water flows from the tap throughout the day," says Buddhi Maya Praja, a member of the organization, adding "when it is not in use, we collect the water in the pond and use it for irrigation purpose through an extension pipe. This has eased irrigation of vegetables and fruits farms."

The organization constitutes 19 chepang households. They have installed 4 water taps, and a 4-meter long and 1.5-meter wide plastic pond which holds 23,000 liters of water through a span of 3 months. With the availability of irrigation facility, almost all members of the organization have started vegetables and banana farming from the seeds they received from various institutions.

"Banana farming alone fetched me a profit of up to Rs 1,500 per month," said Santa Bahadur Praja, a local. "Not only me, other villagers also enjoy a sound profit from the sales of vegetables and bananas. This has eased our livelihood," said he.

Of the total project cost, the organization members saved Rs 19,000 and spent it in goats rearing. "This has generated additional income opportunity for us," said Seti Maya Praja, a member of the organization.

According to a statistics of Nepal Chepang Association, the population of Chepang in districts including Chitwan, Makawanpur and Gorkha stands at 70,000. Thirty-seven percent

of them live in Makawanour alone. A large number of Chepang household can not sustain living with their production for more than 6 months. For the remaining 6 months, they work as daily wage earners and depend on tubers to sustain life. The Special Innovative Program of PAF has contributed to raise the level of awareness of Chepang community and helped in their economic development as well.

TABLE 2.19 List of Ongoing Economic Infra. Sub-Projects

DISTRICT	TYPE	NO. OF ACTIVITIES	PARTICULAR FEATURES	BENEFITED POPULATION HH
Siraha				
Irrigation	Dhiki Pump for farming(IG)	7	1 ha	7
Ramechhap				
Trail Road	Earthen	1	Span:150 m	1333
Kapilvastu				
Rural Road	Gravel	38	Length:79km	1102
Bridge	Minor	2	Span:35 m	1806
Culvert	RCC Slab	39		5553
Irrigation	Deep Boring	89	890 hector	146
	Dhiki Pump	668	470 hector	1816
	Surface	3	40 hector	138
Drainage Construction	Surface	1	Length:250 m	72
Washing Plateform	PCC	108		108
Pyuthan				
Irrigation	Surface	2	15 hector	138
	Pond	1	1 ha	46
Mugu				
Trail Road		1	Length:1.5 KM	69
Irrigation	Water Harvest Tank	4	5.72 Hector	57
	Surface	2	30.5 Hector	116
Micro Hydro		7	Capacity:42kw	615
Darchula				
Irrigation	Surface	4	45 hector	223
Micro Hydro		3	Capacity:55.9kw	708
Innovative-Districts				
Irrigation-Makwanpur	Surface	2	19 hector	66
Irrigation-Rasuwa	Surface	1	169 hector	2414
Irrigation-Surkhet	Lift	1	189 hector	655
Micro Hydro-Baglung		1	Capacity:17 kw	140
Bridge-Nawalparasi		1	Span:170m	703

Similarly total investment for 1164 economic infrastructure activities (that included both completed and ongoing) is Rs 131582358.00 and community contribution of Rs 39929000.00, which is about 30 per cent of the total cost (See Table 2.17).

ONGOING ECONOMIC INFRASTRUCTURE PROJECTS

As of fiscal year 062/63, the number of ongoing economic infrastructure activities is 986 for which PAF investment has remained at Rs 76,595401.00, while community has contributed Rs Rs 35587374, which is 32 per cent of the total cost of Rs 112182775.00.

The total investment for 1164 different economic infrastructure activities has remained at Rs 131,582,358.00. Thus the number of social infrastructure activities is approximately more than the

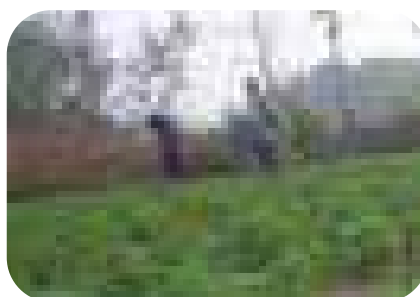
TABLE 2.20 Details of selected innovative Programme/ proposals

S.N.	PARTNER ORGANISATION	INNOVATIVE CONCEPT, PROCESS/TECHNOLOGY	WORKING AREA	STATUS
1	Multipurpose Development Management Services (MDMS) Nepal, Morang	Breed improvement of Goat and Pig Seed improvement in vegetable production	Sisbani Badahara VDC, Morang District	Ongoing
2	Mahila Bayabasayik Kirshi Samuha, Morang	Organic fertilizer production for community livelihood improvement	Tankisunawari VDC and Baijanathpur VDC, Morang District	Ongoing
3	Manohari Developmet Institute (MDI) Nepal, Makawanpur	Integrating livelihood improvement of Tribal communities (Chepang and Tamang) community through agro forestry, Plastic water harvesting tank construction and link road construction.	11 VDCs from Makawanpur District	Ongoing
4	Jaldevi Ghat Community Organisation, Nawalparasi	Construction of Suspension bridge through target community	Dadajheri Tadi VDC, Ward No. 1, Nawalparasi	Ongoing
5	Marshyandi Khola Completed Micro Hydro Project Users Committee , Baglung	Construction of Micro Hydro Project in Coordination with REDP Through Target Community	Amarbhumi VDC ward no 6 & 7, Baglung	
6	Phalakhu Khola Bogatitar Irregation Project, RASHUWA	Joint Collaboration with other donor agencies and Community Based Irrigation Project	Laharipouwa VDC ward No.1,2,3, Rasuwa District	Ongoing
7	Bhari Water Irrigation User's Committee (Gumi Irrigation Project), Surkhet	Community Based Rehabilitation Irrigation Project	Gumi VDC-2, Seraphant , Surkhet.	Ongoing

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S.N.	PARTNER ORGANISATION	INNOVATIVE CONCEPT, PROCESS/ TECHNOLOGY	WORKING AREA	STATUS
8	Council for Technical Education and Vocational Training (CTEVT), Sanothimi, Bhaktapur	Partnership with Madanjeet Singh Scholarship, South Asia Foundation to provide ANM Training Scholarship for Dalit women	6 PAF Districts	Ongoing
9	Madan Bhandari Memorial Institute, Urlabari, Morang	Study loan for vocational education for target community students	Siraha, Sunsari, Morang and other PAF district	Ongoing
10	Made- Nepal, Chitawan	Leasing of land for vegetable farming as an IG activities for landless poor (agriculture labor),	Chitawan	Ongoing
11	FOCUS-Nepal, Dhading	Targeting Chepang Community for livelihood improvement programme	Five VDC of Dhading	Ongoing
12	NNSWA, Kanchanpur improvement	Targeting freed Kamaya community for livelihood	Kanchanpur	Ongoing
13	DEPROSC, Jumla	Livelyhood improvement and community Infrastructure development programme in Jumla District	5 VDC of Jumla District	Ongoing
14	CEAPRED, Sarlahi	Agriculture, livestock and other Technical inputs support for target community in Sarlahi	4 VDC of Sarlahi District	Ongoing
15	Nepal Water Conservation foundation (Rope-Way), Lalitpur	feasibility study of Rope way system in Lalitpur	Lalitpur District	Ongoing
16	Women, Childrend and Environment Development. Centre, Makawanpur	Targeting Chepang Community for livelihood improvement programme in Makawanpur district	7 VDC of Makawanpur District	Ongoing



CAPTION -1: CO MEMBERS INVOLVED IN VEGETABLE FARMING IN SIRAHA

CAPTION -2: A CO MEMBER FROM KANCHANPUR DISTRICT

double the number of economic infrastructure activities but the investment cost of economic infrastructure activities is about more than double the investment cost of social infrastructure activities

● Innovative Special Window Programme

STATUS OF INNOVATIVE PROJECTS

During fiscal year 062/063, PAF focus has been to implement already selected innovative programmes. Besides the twenty five PAF regular districts, all together 16 Innovative concept/ Ideas/ Programme are being implemented in different VDCs of 18 districts. The details of innovative programmes under implementation are as follows:

Out of the total beneficiaries, the hard core comprises 69 per cent in case of special innovative window programmes. Similarly the women participatioent followed by dalits with 33 per cent of the total CO members. PAF investment in such projects has remained 80 percent while community contribution has remained at 13 percent (CO cash 7 percent and CO kind 6 per cent) and 7 percent was met by other sources. Contrary to the PAF regular programme districts, the infrastructure related activities drew over 70 per cent of the PAF investment while 30 per cent was invested in IG related activities.

NEPAL DEVELOPMENT MARKETPLACE (NDM) 2005

World Bank had announced Nepal Development Marketplace 2005, branded locally as the "Lau Na Aba Ta Kehi Garaun!" contest. The objective of the initiative was to deliver basic services in conflict affected areas. For this contest all together 1,037 eligible entries were received from across the country. The competition was sponsored by Nepal Poverty Alleviation Fund (PAF) and the World Bank, in partnership with Kantipur Publications Pvt.Ltd. and the Society of Economic Journalist, Nepal (SEJON), with the intention of generating fresh thinking about the delivery of basic services to the poor, living in conflict affected areas.

Of the 1,037 proposals from across the country, 20 concepts were awarded funding to implement their innovative concept. Poverty Alleviation Fund has funded 12 concepts and rest were being

TABLE 2.21 List of PAF Funded Initiatives

S.N.	PARTNER ORGANISATION	INNOVATIVE CONCEPT, PROCESS/TECHNOLOGY	WORKING AREA	STATUS
1	Environment and Public Health Organisation	Micro financing and subsidy Scheme for Arsenic Filters to the community People	2 VDCs of Parsa	Completed
2	Global Multiple Cooperative Organisation	Pigeon keeping for IG	17 VDCs of Saptari	Completed
3	Fewa matsya Byawasayi Samitee	Fish cultivation in Lake (Cage system) and rice field for IG	Sahadev & Taulaha of Kailali and Shoba Taal of Kanchanpur	Completed
4	District Agriculture Dev. Office, Morang	Rice intensification	Morang and Pachthar	Completed
5	Suspa Educational Dev. Committee	Cardamom cultivation in Community forest	Suspa VDC, Dolakha	Completed
6	FECOFUN, Parphing	Briquette Production	Dhakshinkali VDC, Kathmandu	Completed
7	NEST	Integrated Approach in agro based IG Project	Biryuwa Archale VDC, Syangja	Completed
8	District Coffee Producers' Association, Syangja	Orange And Coffee Production and marketing management, Establish collection centre	Arcjunchaupari, Dahathum VDCs and Putalibazar Municipality, Syanja	Completed
9	MILAN, Myagdi	Healthy women for sustainable Development	Myagdi	Completed
10	Himanchal High School with technical support of ICAST, Myagdi	Introducing WI-FI technology to rural areas	Six villages of Myagdi	Completed
11	Salt Trading Corporation	Evaporative cooling technology for IG and food preservation	Chitwan and adjoining districts	Completed
12	GIFT Bajura	Livelihood Improvement and empowerment of Women through production and Marketing linkage of Hemp product in Bajura	Two VDCs of Bajura District	Completed

TABLE 2.22 List of World Bank Funded Initiatives

S.N.	PARTNER ORGANISATION	INNOVATIVE CONCEPT, PROCESS/ TECHNOLOGY	WORKING AREA	STATUS
1	Group for Rura Infrastructure Development Nepal	Solar pump for W/S	Bhujikot VDC, Tanahun	Completed
2	Remote area Women and Children Empowerment Centre	Drinking water supply Scheme	Kimri VDC, Mugu	Completed
3	SUPPORT Foundation	Market oriented livestock Production	Kanchanpur and Kailali	Completed
4	Khotang Development Forum	Khotang Agricultural Resource Centre	Khotang	Completed
5	ITD Nepal	Mechanized Bridge across Seti River	Tanahun	Completed
6	Khotang Development Forum	Development of Skilled Manpower at Village level	Khotang	Completed
7	Centre for Renewal Energy	Solar Tuki-Light for all	Dang and Siraha	Completed
8	Jeevan Bikash Samaj*	Microfinance for the community people	19 VDCs of Morang District	Completed

funded directly by the World Bank. Monitoring and Supervision of the World Bank funded eight projects is also carried out by PAF. These NDM programmes covered different VDCs of 19 Districts.

Now, agreement period of these NDM awarded projects have been completed. Some of the NDM awarded Innovative programmes have been replicated in other districts and remaining programmes are also being processed for extension/ expansion and replication in working areas as well as in PAF regular districts too.

The detail information of Nepal Development Marketplace Innovative programmes are as follows:

● Coordination, Linkages and Partnership

Coordination and partnership forging with development partners and related stakeholders is the basic working process for PAF to reduce the extreme form of poverty. PAF seeks to build partnership with various organisations in the working areas - at the village, district and national level to ensure

BOX:2 PARTNERSHIP

The following is the details of the ongoing partnership activities in various districts, both in initial six pilot as well as in 19 special districts.

Darchula

Existing community organisation formed under DLGSP programme are registered in PAF and financially supported by PAF in Gyani VDC of Darchula. Type of support from PAF is a 25 KW micro hydro project.

Similarly groups formed under RCIW/GTZ programmes are supported by PAF. Under technical support of RCIW programme and funding support from PAF has been initiated in five community groups in Bramdew and Dethala VDC. The support is related to horticulture nursery and micro irrigation.

Mugu

Maaiti Mahila Community Organisation in Karkiwada VDC-9, Mathitum has completed installation of solar home system with the support of PAF, Participatory Conservation Programme (PCP) and Decentralize Finance and Development Programme (DFDP). PAF and PCP have also jointly supported the Jhyarikhola Micro-hydro power project and Improved Cooking Stove project in Pina VDC.

Ramechhap

PAF is working in partnership with Micro-enterprises Development Programme (MEDEP) in building Capacity of 14 different community organisationorganisations related with different income-generation activities demanded and approved by PAF.

Similarly vaccination programmes in partnership with District Veterinary office had been conducted in 31 community organisations covering about 2500 goats of four different VDCs.

Likewise, PAF has worked in partnership with District Health office in Distributing 19 Health kit-box to 8 community organisation of Rampur VDC in connection of their ongoing programme with primary health seed fund.

Bajhang

A Partnership has been established with REDP for Thalarigad Micro hydro schemes of 65 kW at Kotbirav VDC. Besides PAF and REDP, CARE, DDC and VDC are also investing for the scheme.

This project was in pending for over 3 years as communities' inability to share require counter-funding. Now project is under construction and targeted to complete by Mid-April 2007.

holistic development intervention and bring about an discernible impact on poverty reduction and scaling up the programmes.

PAF works in close coordination with Prime Minister's Office, National Planning Commission (NPC), Ministry of Finance including District Treasury Office, Kathmandu, Financial Comptroller General Office, Audit General Office and World Bank. Experience in the course of coordination with these agencies has enriched PAF..

PAF has given equal priority of coordination with Partner Organisation (PO) and Community Organisation (CO) along with Rastriya Banijya Bank (RBB), the official bank of PAF. Since effective fund flow system has a vital role in the successful implementation of the PAF programmes, the coordination with RBB is very crucial to ensure that fund gets to CO on timely basis. The facilitating role of POs also has been felt equally important in this regard.

● Monitoring Evaluation and Research

MONITORING AND EVALUATION INITIATIVES

In terms of the monitoring and evaluation, the year saw few major initiatives relating to District Social Assessment and VDC Prioritization, Baseline Data Establishment for Evaluation, M&E Indicator Development and District social assessment study of six pilot districts, among others.

District Social Assessment and VDC Prioritization

The Multi-Disciplinary Pvt. Ltd. was selected on a competition basis and assigned for district social assessment study of six pilot district of PAF for programme implementation purpose. VDCs of these districts were prioritized based on different poverty related index such as concentration of the dalits and janjatis, accessibility including other demographic, poverty related socio-economic indicators. Vulnerable Community Development Plan (VCDP) has been developed based on secondary and primary information.

In spite of prevailing conflict situation in the country and with short span of inception time, PAF has extended its coverage to additional 19 districts reaching poorest 25 districts (categorized into C category by the CBS) as special programme districts. The Multi-Disciplinary Pvt. Ltd. was also assigned for VDCs prioritization of these additional 19 districts. VDCs were prioritized based on secondary data.

Appraisal and Monitoring of CO Sub-projects

Among the different sub-project proposals received from different COs at different times, a total of 1,580 sub-projects were appraised this year (see Table -2). These sub-projects are monitored regularly by CO and PO, to ensure proper implementation and timely completion. PAF has directly monitored 971 sub-projects in the field in this year. This monitoring is done by CPMs/PMs monitoring field visits. Periodic monitoring is also done by other PAF professionals, GON officials particularly from PMO and NPC. Time to time monitoring including field visits were done by the World Bank officials both from country office, regional office and headquarters.

TABLE 2.23 Sub-project Appraisal and Monitoring/Evaluation

DESCRIPTION	FY 2062/063
Environment and Social Assessment	1,644
Appraisal of Sub-projects	1,580
Monitoring of Sub-projects	376

Baseline Data Establishment for Evaluation

Based on major indicators of the programmes mentioned in the programme Document, M&E base line survey instrument was developed with demographic, social and economic indicators. The centre for population studies (CDPS) / Tribhuvan University (TU) was selected on competition basis. CDPS

is assigned to carry out the survey in six pilot districts (Darchula, Mugu, Phyuthan, Kapilvastu, Siraha and Ramechhap) and three control districts (Okhaldhunga, Dang and Bjjhang). A total of 2,175 household (1995 in experimental and 180 in control wards) were selected and surveyed this year to establish base line data for the purpose of programme evaluation.

M&E Indicator Development

Based on the 2 year of experience programme implementation PAF has able to develop indicators for regular and periodic monitoring of sub-projects. Rigorous interaction, series of discussion and sharing among the PAF professionals formed a basis for development of M&E Indicators prepared in the draft form.

RESEARCH AND DEVELOPMENT

Various studies/visits were undertaken during the FY 2062/063 to help in implementation of PAF programmes with appropriate intervention; modify and/or improve the programme strategies and identify new programmematic issues to be addressed.

During the year, District Social Assessment for VDC prioritization of 19 new special districts was carried out based on the primary and secondary information. The specific objectives were to:

- Review the criteria and processes for VDC ranking adopted in the initial phase (in 6 pilot districts) and propose improvements, if any;
- Collect secondary data and information related to identify indicators for poverty assessment in the suitable format and
- Analyze the VDC level data using composite index and prepare a prioritized list of VDCs for immediate programme implementation.

Similarly, MER Unit organized a stakeholder workshop on "Monitoring and Evaluation Baseline Survey for Streamlining Poverty Monitoring and Evaluation Indicators" to develop baseline indicators and finalize the baseline survey instruments for conducting the baseline survey in the 6 pilot districts.

TABLE 2.24 Major Studies Initiated during FY 2062/063

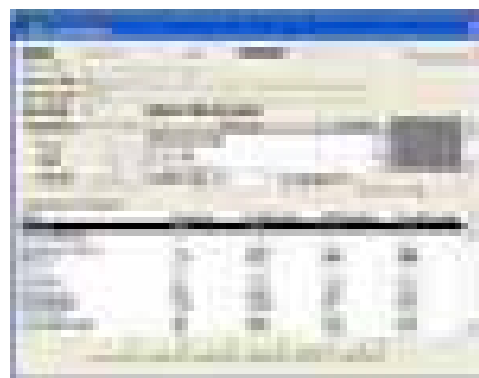
DESCRIPTION	CONSULTING AGENCY	DATE	OUTPUTS
D istrict Social Assessment for VDC prioritization of 19 new special districts	MULTI Disciplinary Consultants (P) Ltd	October, 2005	Prepared prioritized list of least developed VDCs within each of the 19 districts to assist the PAF in reaching out the most vulnerable communities on priority basis.
M&E Baseline survey of 6 pilot districts	CDPS/TU	March, 2006	Established Baseline Data sets for evaluation;Produced a primary analytical report on Baseline survey

A comprehensive M&E Baseline survey of 6 pilot districts (Darchula, Mugu, Pyuthan, Kapilvastu, Ramechhap and Siraha) including three control districts (Dang, Okhaldhunga and Bajura) was conducted in order to establish a strong baseline data for the impact evaluation of the project in future.

Furthermore, based on regular as well as periodic monitoring and field visits, various issues such as revolving fund management, livestock insurance, cost effectiveness of sub projects etc were identified for further studies. Among many issues, a research study on "Calculating Rate of Return and benefits analysis of the completed sub-projects of Community Organisations in 6 pilot districts" was initiated in FY 2062/063.

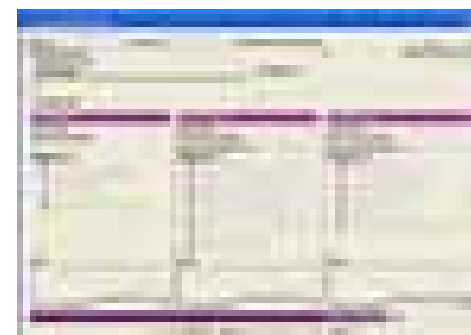
MANAGEMENT INFORMATION SYSTEM DEVELOPMENT

PAF envisions Management Information System (MIS) to maintain effective flow of information at all levels (PAF, PO, CO). The major areas of information flow will include: the nature and sequence of activities implemented, inputs provided, sources from which the inputs are derived, output expected, target beneficiary and mechanisms adopted for the interaction with key stakeholders. MIS development of PAF during this fiscal year 2004/2005, was mainly concentrated on input monitoring



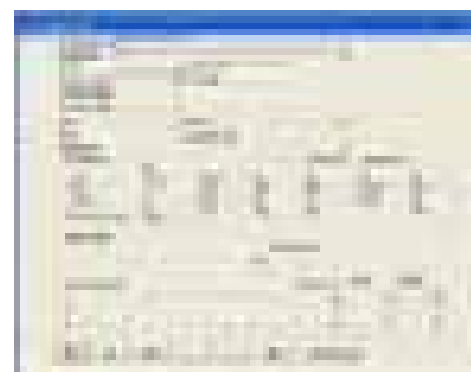
Database Development

During this year, all databases of previous year were further expanded. All the databases were developed in MS Access 2002. The major advancements are reflected in the database management of programme facilitation. The database has more than 27 users supplying information daily whereas more than 40 users regularly using the information for various purposes. The major components of the programme facilitation databases are:



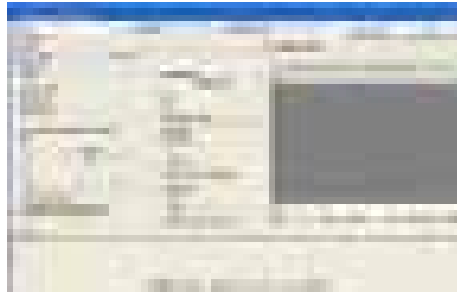
Information on Nepal

Database consist update information on gender and ethnicity of VDC level, District level and National level. This is secondary information where source of information is Central Bureau of Statistics of Nepal, National Census 2001. With this information, customized information are generated as required by PAF. Also, this information is prime basis in evaluating performance of Partner and Community Organisations.



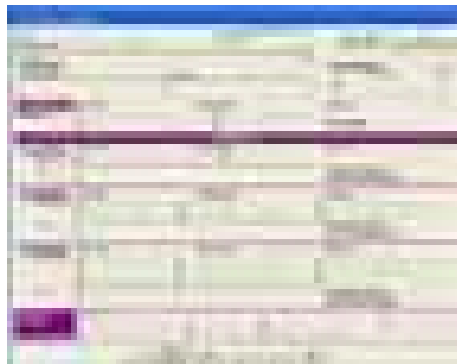
❑ **Contract Management of Partner Organisation (PO)**

This is an one stop information bank of our POs. The database holds all the information of POs starting from their letter of interest to contract. The details consist of PO primary information, their selection procedure, and contract information along with financial progress as well as PO commitments such as VDC Coverage, beneficiary coverage and so on. The information comes from districts where source is the concerned Portfolio Manager. It not only produces the management information, but also has facilitation part on day to day administration of portfolio managers such as automated memo and needful letters generations.



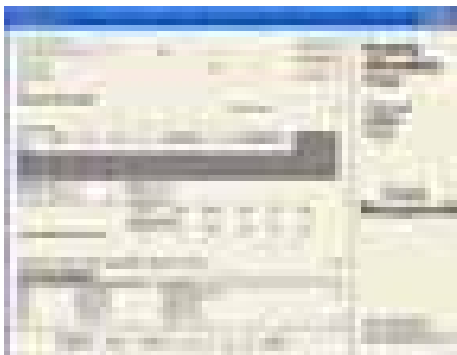
❑ **Contract Management of Community Organisation (CO)**

This is an another one stop information bank that provides an in-depth information about COs such as their composition in terms of targeting, their sub project details including activities that they are carrying out, their contract management along with financial progress and beneficiary households. The sources of information are POs and Portfolio managers. This module generates needful customized management information as well as helps in day to day administration of Portfolio managers with automated function of certificate, memos and needful letters generations.



❑ **Technical Appraisal Committee (TAC) Minute**

PAF primarily functions with every decision that is endorsed and agreed by TAC. Hence, to maintain TAC meeting minutes is one of the very important. This module manages information on TAC members and invitees, agendas and all the TAC decisions. Also, the module generates all the TAC minutes. The source of information is TAC members and invitees.



Other Databases

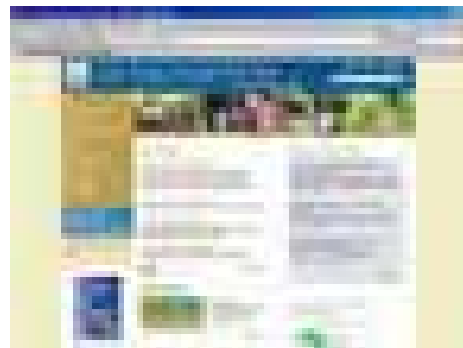
Other databases are personnel leave management, library management and inventory management. These databases have more than 5 users supplying information on regular basis. Based on information supplied, the reportings are customized for PAF management, internal and external auditors and PAF personnel. The source of information is PAF Administration Division.

Orientations and Trainings

Orientation and training are conducted for all the portfolio managers, support staffs and other concerned people on operating MIS system. All the concerned users can independently operate MIS system and produce needful reporting.

Information Dissemination to Stakes

Transparency is one of the major approach that PAF has adopted. MIS generates monthly status report that is disseminated to stakeholders. Also, PAF has to present progress report to local bodies in PAF districts, which is also automated in MIS. Besides, PAF has also redesigned its web site where MIS database is linked and information is kept transparent to all.



Future Vision

Further, MIS is in the process of developing Output Monitoring. For that, contract management shall be more advanced to PMIS. Also, the database shall be migrated to SQL Server. Once the database is migrated to SQL server, further, we can have our own Intranet that shall also require increasing the capacity of our server.

● Communications

International Experience suggests that raising consciousness and mobilizing public opinion are implicit in the process of successful social change. In the wider context of poverty alleviation, the PAF has endeavored to integrate this aspect with its implementation process. In recognition of the need of mainstreaming these activities, a dedicated programme coordination and communication division was established from the very beginning.

The division focuses on effective utilization of print and electronic media for dissemination of information on the nature and role of PAF and poverty related issues through various communication channels.

During FY 2005/2006 the unit has initiated some activities to raise the awareness about the PAF activities and mobilize the public opinion.

Brochures—both in English and Nepali have been updated, Annual reports have been published, dynamic websites have been created and most importantly a communication strategy has been formulated during the reporting period. As per the strategy, a fortnightly TV Coverage of PAF activities has begun from Nepal Television since June 2005. Similarly Saipal FM from Bajhang is covering PAF activities through another fortnightly programme "Gujara" in and around the district for the local audiences. Another radio programme at the national level from Radio Nepal has been also continued this year. Various success stories have been collected from the field to validate the PAF outreach and achievements.

SUCCESS STORY 2

Women Lead Social Transformation

Women of Fulkahakatti VDC of Siraha have proved how they can transform lives of the community if provided with a meager support and opportunity.

Limited to daily household chores till one and half years ago, women of Fulkahakatta are these days holding regular meeting, raising monthly installments and taking stock of investments made within the group. Women initiated activities to transform their lives after the PAF programme was launched in the community, which has majority of Dalit population.

PAF is implementing Model Programme in Siraha district since one and half years. It with the active engagement of a Partner Organization (PO), Bhawani Integrated Development Center, has helped poor and underprivileged women of the VDC organize in community organizations (COs) such as Kalyan Bhawani, Shiva-Parvati Bhawani, Jeevan-Jyoti Bhawani and Janaki Bhawani. Local women are actively participating in the leadership and operation of those COs.

Women are running agriculture, irrigation and electrification scheme for income generation. To implement these schemes, four COs have formed an executive group named Prakash Bhawani Group under the leadership of Maya Devi Kushawaha. The scheme was started in March 2005 was completed on 28 June 2006. The scheme has made irrigation facility easily accessible to all, says Kushawaha. "Being run by women, the scheme was executed well and smoothly," she states, adding that it has also enabled electrification of the village.

As a result of the scheme, 120 households, including households not involved in the group as well, are enjoying electricity facility. This has freed them from burden of using kerosene lamps, enabled children to study till late and facilitated household members to carryout their household chores till late. This has also enabled them to watch television and listen to radio, connecting them to national and international events and affairs.

Of those, 109 households are enjoying irrigation facility as well, which has enabled them pursue seasonal and off-season vegetable and paddy farming.

"Households that earlier used to cultivate mere 1 kattha of land due to the lack of irrigation facility has now started farming in 4 katthas of land," said Ganga Ram Mahato, a local. Bringle and cauliflower are among the popular off season vegetable productions. Owing to transportation facility, there is no problem of market access.

For the implementation of the scheme, PAF provided Rs. 1,960,500 in grant, and locals contributed Rs. 315,416 in kind and Rs. 182,358 in cash.

Male members of the community also pledged equal support in implementing the scheme. This has helped bridge gender gap. "In fact, this has reduced economic burden of male members by half," said Mahato. He added village was undergone a major social transformation with the implementation of the PAF programme.

Besides, monthly district review meeting among POs, PAF and DDC have been held for experience sharing and coordination. Management Information System was continuously being developed as per the needs to support the Portfolio Managers and PAF management. Portfolio Managers and other staff carried out several field visits in the reporting period as regular monitoring.

Orientation programme on PAF to the local bodies, local agencies/donors and local NGOs was carried out at Mugu, Pyuthan, Siraha, Ramechhap, Kapilbastu and Darchula Districts. A short-meeting was also held with Local Development Officers (LDOs) of Ramechhap, Siraha, Mugu and Pyuthan in Kathmandu.

The challenging task of PAF communications unit in the coming years will be to pro-actively engage with other unites of the PAF, keeping abreast of the important developments and disseminating the information at national and international forums

● Financial Management

FINANCIAL STATUS FOR FISCAL YEAR 2062/63

In FY-2005/06 (2062/63), total PAF expenditure of Nrs. 49,35,05,927.29 (which is 97.1 per cent of allocated budget), 91.1 per cent in programme implementation through COs and POs, 2.5 per cent in monitoring, training, studies and other support, 1.9 per cent in capital investment for PAF and 4.5 per cent in PAF operation/ recurrent cost. Out of the total expenditure, 85 per cent is from IDA grant and the rest from GON source.

Project implementation period for Poverty Alleviation Fund has been designed for four years. Estimated disbursement from the IDA for the project period is US\$ 15 million. The IDA disbursement by the end of FY 2005/06 has been US\$ 46, 23,289.33 under different categories. The remaining IDA expenditure is slated to be reimbursed/ replenished at the beginning of FY 2006/2007.

In FY 2005/06 (062/063), the annual budget was estimated to be Rs.50, 81, 00,000. Out of which 5.5 per cent was provisioned under recurrent cost and the rest 94.5 per cent was under programme and capital cost. The detailed budget Vs. Expenditure is shown in the following table.

Project Expenditure - FY 062/063



TABLE 2.25 Poverty Alleviation Fund, Fiscal Year 2062/063

NO.	BUDGET HEAD	ANNUAL BUDGET				EXPENDITURE FOR FY-2062/63				in '000	
		GON	IDA	TOTAL	GON	IDA	TOTAL	BUDGET BALANCE			
BUDGET 30-4-220											
	HEAD	PROGRAMME COST	GON	IDA	TOTAL	GON	IDA	TOTAL	GON	IDA	TOTAL
501		Furniture	131	742	873	131	742	873	0	(0)	(0)
502		Vehicle	688	3,898	4,586	570	3,230	3,800	118	669	787
503		Machinery & Equipment	722	4,089	4,810	722	4,089	4,810	-	-	-
401		Income Generating Activities	32,927	127,413	160,340	27,671	127,413	155,084	5,256	-	5,256
402		Partner Organization (IG)	844	16,757	17,601	844	16,757	17,601	-	-	-
403		Physical Infrastructure Construction	30,903	61,812	92,715	30,903	59,827	90,730	-	1,985	1,985
404		Partner Organization (INFRA)	912	16,808	17,720	912	16,808	17,720	-	-	-
405		Innovative SP	7,712	130,570	138,282	7,712	130,358	138,070	-	212	212
406		Partner Organization (INNOVATIVE)	633	30,556	31,189	-	30,556	30,556	633	-	633
302		Training/Workshop	51	6,176	6,227	51	6,176	6,227	-	-	-
301		Consultancy Fee	904	5,121	6,025	904	5,121	6,025	-	-	-
		Total Programme Cost	76,427	403,942	480,369	70,420	401,076	471,496	6,007	2,866	8,873
30-3-220											
Operating /Recurrent Cost											
101		Salary	3,351	13,402	16,753	2,386	9,543	11,929	965	3,859	4,824
102		Allowance	55	221	276	26	102	128	30	118	148
103		Medical	65	260	325	65	260	325	-	-	-
201		Utilities	51	205	256	51	205	256	-	-	-
202		Communication	114	457	571	95	381	477	19	75	94
203		Office Operating Cost	601	2,405	3,006	601	2,405	3,006	-	0	0
204		Rent	223	892	1,115	223	892	1,115	-	0	0
205		Repair And Maintenance Expenses	94	375	469	72	287	359	22	88	110
206		Fuel	181	730	911	90	361	452	91	369	460
104		TADA	773	3,091	3,864	773	3,091	3,864	-	-	-
207		Miscellaneous	37	147	184	20	79	99	17	68	85
		Total Operating/Recurrent Cost	5,545	22,185	27,730	4,402	17,608	22,010	1,143	4,577	5,720
		Grand Total	81,972	426,127	508,099	74,822	418,684	493,506	7,150	7,443	14,593

DISBURSEMENT STATUS TO CO

Fund Disbursement has to be made against contracts (sub-project agreements) with Community Organisation (CO) in two or more tranches while it needs to maintain controlling mechanism based on agreed upon milestones. PAF is investing 80 per cent of the total sub-project cost. Community is sharing in an average 18per cent (11% in kind and 7% in cash) of the total sub-project costs and other organisations are sharing 2per cent in total sub-project cost on an average.

At the request of PAF, Rastriya Banijya Bank (RBB) the official bank of PAF, opened two accounts in the name of each CO. Non-operating Account will be under PAF control and Operating Account under CO's control. For the sake of PAF accounting purpose, once the fund from the Programme Account of PAF is transferred to the Non-operating Account of the COs, it is treated as expenditure of PAF.

Based on the community demand, several activities related to income generation and small infrastructure sub-projects are being implemented. In the FY 2005/06 (2062/63) PAF has disbursed NRs. 383,883,292.02 to the Non-operating Account of 1134 COs against the budget provision of NRs. 334,399,000. The increased disbursement to Non-operating Account as against budget is due to the fact that 19 additional districts are also included in this fiscal year. Out of the total fund disbursed to the Non-operating account, NRs 226,342,822.81 i.e. about 59 per cent has been transferred to the operating account. Attempt is being made to minimize the gap between the Non-operating Account and Operating Account for smooth and efficient financial management of PAF.

DISBURSEMENT STATUS TO PO

In the FY 2005/06 (2062/63) 214 Partner Organisations (PO) have been working with the COs in the PAF districts for which PAF has disbursed NRs. 65,877,073.66. Out of which NRs. 56577479.57 is allocated for Social mobilization and Monitoring and Evaluation and NRs. 9299594.09 is allocated for Capacity building activities.

TABLE 2.26 Disbursement Status to CO

DESCRIPTION	FUND DISBURSEMENT TO COs		% OF DISBURSEMENT FROM NOA TO OA
	NOA	OA	
Initial Six Pilot District	245,813,692.07	190,187,072.91	77
Special 19 Districts	101,321,073.11	12,163,574.00	12
Innovative Special Window districts	36,748,526.84	23,992,175.90	65
Total	383,883,292.02	226,342,822.81	59

INVESTMENT AND COST SHARING IN COMMUNITY SUB PROJECTS

PAF has a provision of cost sharing in community sub projects from the community and other agencies for its sustainability and successful implementation. PAF seeks 10per cent and 20per cent contribution from the community themselves for income generation and infrastructure related sub projects respectively. However, such contribution may be in the form of cash or in kind.

TABLE 2.27 Disbursement Status to PO

DESCRIPTION	FUND DISBURSEMENT TO POs		TOTAL
	SM and M&E	CB	
Initial Six Pilot District	30,491,725.93	4,829,556.23	35,321,282.16
Special 19 Districts	19,654,926.00	2,772,509.50	22,427,435.50
Innovative Special Window districts	6,430,827.64	1,697,528.36	8,128,356.00
Total	56,577,479.57	9,299,594.09	65,877,073.66

Proportion of Fund Disbursement to POs by Program district Type



BOX: 3 FINANCIAL MONITORING REPORT (FMR)

The Financial monitoring report is the comprehensive report that includes various reporting formats, which cover financial, physical progress, contract expenditure and procurement information. PAF prepares this report on a trimester basis for the purpose of review by internal management and reporting to the World Bank. The report is comprised of different sections including brief description of project progress. The report 2A discloses the information on sources and uses of funds. Likewise, 2B provides information on uses of funds by project activity and 2C is the section that gives information on IDA eligible expenditure and the disbursement status. Section 2D is for reconciliation statement of special account and the projection for the forthcoming trimester.

Review of physical progress section provides all information on the achievement against planned with regards to major physical indicators set by PAF. Contract expenditure report has two parts- goods and consultants. Furthermore, goods and consultancy are categorized on the basis of prior or post review threshold. Similarly, procurement section has two parts -goods and consultancy. Furthermore, procurement of consultant has been categorized as individual consultant and firm consultant. Whether procurement is prior or post review depends upon the threshold for procurement of goods and consultants. So far FMR has been produced manually. The Financial Management System (Fin App) will generate the FMR within the coming six month.

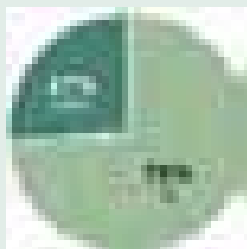
PAF investment in Community subprojects

In this fiscal year, PAF has invested a total of NRs. 491,239,968.36 for both the income generation and infrastructure sub projects. Out of the total investment, PAF has invested 73per cent in income generation sub projects and rest in infrastructure related sub projects (See table and diagram).

TABLE 2.28 PAF Investment in Sub-Projects by type

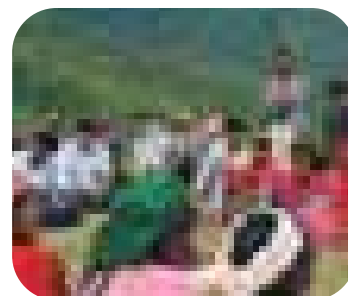
DESCRIPTION	TYPE OF SUB PROJECTS		TOTAL
	IG	INFRA	
Initial 6 pilot districts	170,560,774.20	103,986,716.87	274,547,491.07
Special 19 Districts	126,966,129.45	15,195,078.00	142,161,207.45
Innovative Special Window Districts	63,378,399.00	11,152,870.84	74,531,269.84
Total	360,905,302.65	130,334,665.71	491,239,968.36

PAF Investment in CO Sub-projects



CAPTION -1: PAF OFFICIAL INTERACTING WITH MEMBERS OF LALIGURANS CO, TOLENI VDC 6,7, RAWAL VILLAGE, DOTI

CAPTION -2: A DALIT CO MEMBER FROM KANCHANPUR DISTRICT



Investment sharing in community subprojects

In this fiscal year, out of total investment made in programme districts, PAF investment, and Community contribution and funding from other sources has remained at 82per cent, 16per cent and 2per cent respectively. In case of community sharing, cash contribution is 6per cent and remaining is in the form of kind. (See Table and diagram below).

TABLE 2.29 Investment sharing in community subprojects

DESCRIPTION	PAF	COMMUNITY		OTHERS
		Cash	Kind	
Initial 6 Pilot districts	274,547,491.07	17,167,865.65	50,587,011.52	2,423,950.00
Special 19 districts	142,161,207.45	11,184,829.50	7,411,897.79	7,168,416.00
Innovative Special Window districts	74,531,269.84	6,678,317.00	2,149,256.61	0.00
Total	491,239,968.36	35,031,012.15	60,148,165.92	9,592,366.00

Investment Sharing in CO Sub-projects




 SUCCESS STORY 3

Infrastructure Brings Smile on Gaura Villagers

Concrete culvert in puddle and wide road connecting the village with the main roads; Gaura village of Baskhor VDC-3, Kapilvastu has undergone a facelift in terms of infrastructure development in recent period. As a result, Gaura dwellers need not remain cut off from other parts of the district, neither they need to risk their lives while traveling in rainy season these days. Rather, they can bring in vehicles as and when they prefer and enjoy connectivity with major markets and any part of the country round the year.

Gaura dwellers were freed from centuries-long exclusion problem after PAF selected Kapilvastu district for model programme and implemented community infrastructure development sub-projects there.

Community members proposed road infrastructure and culvert construction as the foremost priority as soon as Sita Community Organization (CO) was formed in the village with support of PAF's local partner organization (PO) Kalika Self-Reliance Social Center. "Concrete culvert and fair weathered road constructed under PAF's small physical infrastructure development project has made the village easily accessible even during rainy season," says Hasnullah Musalman, former VDC Chairman. "Earlier, it used to be island."

Despite being close to Taulihawa, the district headquarter, Gaura village - largely inhabited

by poor community - was remote in terms of infrastructure development. After PAF programme, infrastructure development as well as income generation activities has marked the village. It has also undergone substantial transformation in education, health and other social sectors.

According to locals, villagers of Bimiha and Gaura were earlier in quarrel over the construction of the road and fought a case at the district court as well. Even though the court issued a verdict clarifying the position of land ownership, long-running rivalry and disputes of the two villagers had made road construction impossible. However, implementation of PAF programme in the villages not only healed the past wound but also brought the villagers together to jointly construct 2 kilometer road between Bimiha and Gaura village. Currently, vehicles ply on the road throughout the year.

Construction of road has benefited not just the residents of Gaura village but also residents of neighbouring villages such as Siddhipur, Nanda Nagar, Madhu Nagar, Mahadev and Rajawapur, says Ramendra Singh Rawal, programme coordinator of Kalika Self-Reliance Center.

Recollecting the risks and problems locals faced in the past during rainy season, Ramjani Gupta, a local, says that villagers earlier used to find it impossible to move to the markets to sell their

agricultural produce. Children used to find it difficult to go to school. In fact, many students did not attend school. "I even lost my 7-year old brother, as he was drowned in the puddle three years ago," states Gupta. But situation has improved these days. "We can move to the market easily and children also attend schools regularly," he adds.

According to Kamali Murau, a member of Sita CO, villagers had to carry fellow villagers whenever they fell sick and had to be rushed to the hospital. "Now ambulance can be called in case of emergency. In case of ordinary sickness

also, people can travel to hospital on vehicle," she says.

Community members constructed a slab culvert and a Hume pipe culvert in May 2006 with financial support of Rs. 1,367,335 from PAF and 20 percent labour contribution from local villagers.

Villagers of Gaura are happy that they successfully completed the construction of much-needed physical infrastructure with their own initiatives. They are hopeful that the infrastructure would support them transform their living standard as well.



● CHAPTER 3

PAF

Cumulative Achievements

This chapter discusses the cumulative achievements made by PAF by the end of the fiscal year 2062/63 in various programme components.

● Social Mobilization

Poverty Alleviation Fund (PAF) Programme was established and launched in FY 2060/061. However, the PO selection, social mobilization, targeting, CO registration and agreements with the COs were only possible in the FY 2061/062.

Therefore, the following section reflects the cumulative achievement of the FY 2061/062 and FY 2062/063.

CO REGISTRATION

A total of 1,973 COs are registered in PAF out of which 1,303 are in the six PAF pilot districts and 487 and 183 in 19 special districts and under innovative special window programme respectively (see Table 3.1).

TABLE 3.1 Cumulative CO Registered in PAF by programme category districts

DESCRIPTION	FY/2061/062	FY 2062/063	TOTAL
Initial 6 Pilot districts	671	632	1,303
Special 19 districts	0	487	487
Innovative Special Window districts	18	165	183
Total	689	1,284	1,973

No. of CO registration by Fiscal Year



Cumulative no. of CO Registration by District Category

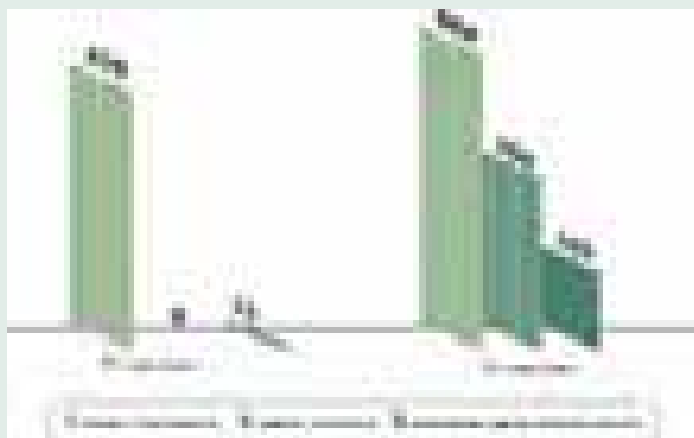


Out of the total registered COs in PAF, 1674 COs entered into agreement based on proposals prepared by COs for implementation with participatory planning process (of which 1,138 are in PAF initial six districts, 358 in nineteen Special Districts and rest 178 in innovative special window programme districts) are being implemented. Based on community demand, several different activities related to Income Generation and Infrastructure Sub-projects are being implemented.

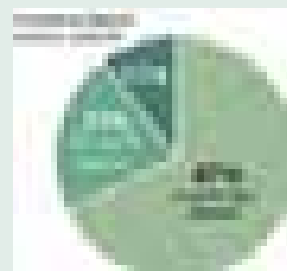
TABLE 3.2 Cumulative no of CO entered into Agreement with PAF by programme category districts

DESCRIPTION	FY 2061/0962	FY 2062/063	TOTAL
Initial 6 Pilot districts	529	609	1,138
Special 19 districts	0	358	358
Innovative Special Window districts	13	165	178
Total	542	1,132	1,674

No. of Co agreement by Fiscal Year



Cumulative no. of CO agreement by District Category



CO SUB PROJECT AGREEMENT

A total 2,445 CO sub-projects were approved by TAC and agreements were signed till the end of the fiscal year 2062/63. Six PAF pilot districts share about 67% sub-projects followed by 19 special districts 22 per cent and 11 per cent by innovative special window programme (see Table 3.3).

TABLE 3.3 Cumulative CO Sub-project Agreement with PAF

DESCRIPTION	FY 2061/2062			FY 2062/2063			G. TOTAL
	IG	INFRA	Total	IG	INFRA	Total	
Initial 6 Pilot districts	488	376	864	540	404	944	1,808
Special 19 districts	0	0	0	338	41	379	379
Innovative Special Window districts	0	13	13	164	81	245	258
Total	488	389	877	1,042	526	1,568	2,445

No. of Sub-project agreements by type and Fiscal Year



Proportion of Sub-project agreements by type



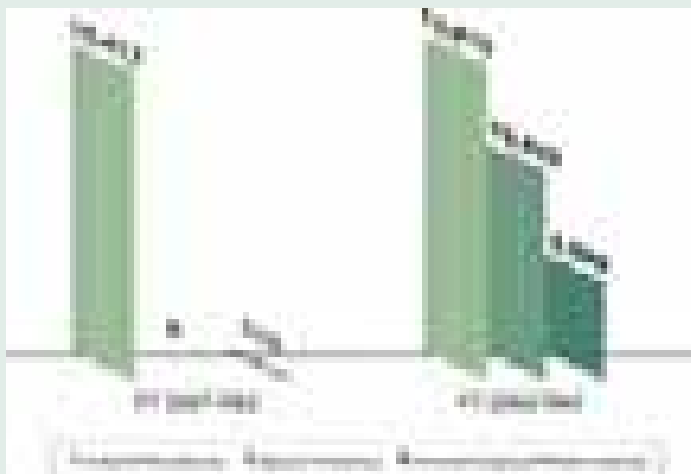
TARGETED HOUSEHOLDS

Till the end of the reporting period, a total of 46,784 households from target communities have been organized into 1,674 COs (see Table-3.4). Out of the CO member households, 67 percent are from pilot districts, 22 percent are from special 19 districts and 11 percent are from Innovative Special window districts.

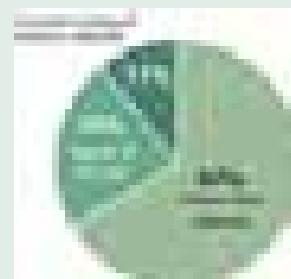
TABLE 3.4 Cumulative Target HH Organized in COs

DESCRIPTION	FY 2061/062	FY 2062/063	TOTAL
Initial 6 Pilot districts	15,412	15,810	31,222
Special 19 districts	0	10,459	10,459
Innovative Special Window districts	115	4,988	5,103
Total	15,527	31,257	46,784

No. of HHs organized in COs by Fiscal Year



Proportion of HHs organized in COs by district category



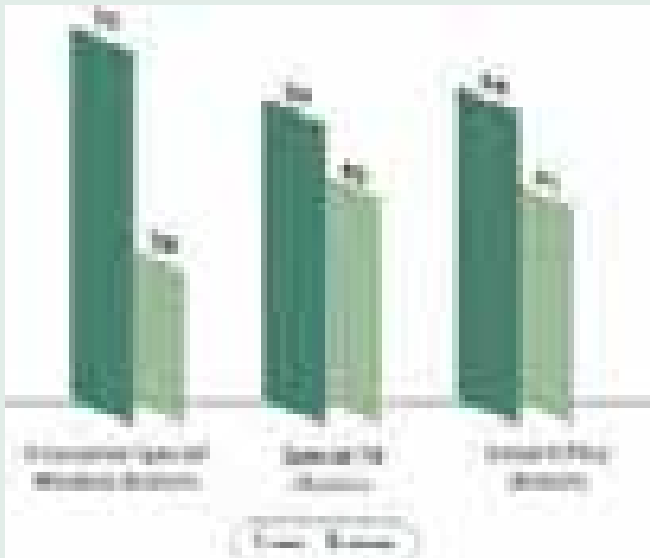
WOMEN PARTICIPATION

Out of 46,784 household organised into COs (see Table 3.4) 60 percent households are represented by women as member in COs. In terms of district category, 71 percent female are represented as CO members in Innovative Special Window districts followed by 59 percent in Pilot districts and 57 percent in Special 19 districts.

TABLE 3.5 Cumulative Gender Dimension of CO Members

DESCRIPTION	MALE	FEMALE	TOTAL
Initial 6 Pilot districts	12,840	18,382	31,222
Special 19 districts	4,494	5,965	10,459
Innovative Special Window districts	1,492	3,611	5,103
Total	18,826	27,958	46,784

Percentage of CO members by Sex and district category



Proportion of cumulative CO members by Sex



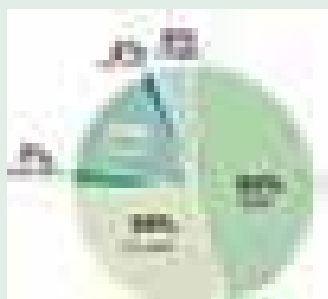
SOCIAL INCLUSION

Among the COs members so far organised, Dalit followed by Janajatis are in majority (see Table 3.6). Cumulative composition of Dalit and Janjatis in CO are 45 per cent and 30 per cent respectively.

TABLE 3.6 Cumulative CO Members by Caste/Ethnicity

DESCRIPTION	CASTE/ETHNICITY						Total
	Dalit	Janajati	Brahmin	Chhetri	Muslim	Others	
Initial 6 Pilot districts	13,127	9,792	773	4,448	887	2,195	31,222
Special 19 districts	6,491	1,950	175	1,513	33	297	10,459
Innovative Special Window districts	1,737	2,151	356	729	45	85	5,103
Total	21,355	13,893	1,304	6,690	965	2,577	46,784

Proportion of CO members by Caste/Ethnicity



CUMULATIVE BENEFICIARIES CO MEMBERS BY POVERTY RANKING

PAF beneficiaries are mostly hardcore poor (see Table 3.7) followed by medium poor and poor. Some of the non-poor are also involved in infrastructure sub-projects like road, drinking water, community center etc. The beneficiaries' ratio of hardcore poor, medium poor and poor and non-poor is 68, 22,9 and 1 respectively.

Cumulative CO members by Poverty Ranking

**TABLE 3.7** Cumulative CO Members by Poverty Ranking

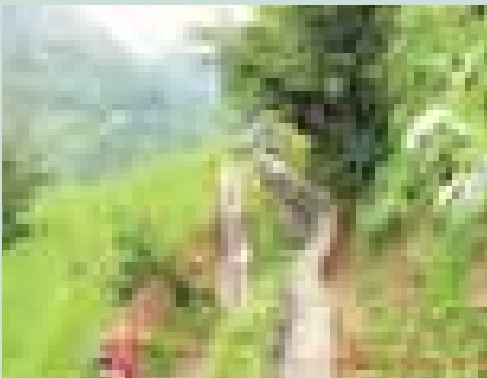
DESCRIPTION	POVERTY RANKING				TOTAL
	HARD CORE POOR	MEDIUM POOR	POOR	NON-POOR	
Initial 6 Pilot districts	20,796	7,002	2,939	485	31,222
Special 19 districts	7,691	2,028	738	2	10,459
Innovative Special Window districts	3,580	1,036	473	14	5,103
Total	32,067	10,066	4,150	501	46,784

SUCCESS STORY 4

Irrigation Means a Lot for Khar Villagers

This is an excellent example showcasing how an irrigation canal makes a difference in the livelihood of farmers living in the remote mountains.

The locals of Khar VDC-4, Khar are upbeat as they find the water flowing in their lands, even during the dry seasons. The Kharkhola Micro Irrigation Project is not only bringing water from near Kharkhola but also bringing hope and hap-



The irrigation canal

piness to the 71 beneficiaries' households of the Khar village, including four Dalit households.

It takes 7 hours walk to reach Khar, a small but beautiful settlement of Darchula, a mountainous district of the far west.

The 3.5 Kilometers canal, which irrigates over 11 hectares of land, was constructed on the aegis of three community organizations,

formed with the facilitation of Samaj Kalyan Samaj, a partner organization of PAF in Darchula.

After the completion of the canal, villagers are now able to plan varieties of crops in their land, which was otherwise only dominated by maize and wheat.

"We will never face drought with the construction of the canal," says a jubilant Bahadur Singh Bohara, chairman of the Latinath Samudyic Sanstha, a functional group of three community organizations.

The villagers are already planning to optimize the yields by diversifying the crop patterns.

"I am planning to plant paddy, vegetables and fruits in my land," added Manohari Bohara, secretary of the Samudyic Sanstha.

The villagers, inhibited by the poor Chhettri and Dalit community, said that the canal would increase their food security for additional three months.

"The canal would contribute to increase our food security by additional three months" said chairman Bohara.

The canal has not only secure food security for the villagers but also has contributed to promote social harmony amongst them.



Khar villagers

"Before we used to quarrel as the traditional canal was insufficient to irrigate our land, but now it has stopped," Pratap Singh Thagunna, 47 told the mission.

The project, with the total cost of Rs 1,640,854 started at 2062-1-20 BS and was completed in a year. Of the total cost, PAF contributed Rs 1,281,718 while community contribution remained at Rs 359,136.

KEY POSITION HOLDERS IN COS

Till the end of this fiscal year, out of total 3260 key position holders in different COs, the representation ratio of male to female is 1:1.

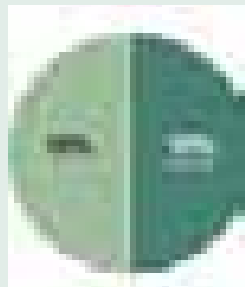
Furthermore, when the total key position holders are analyzed by caste/ethnicity, Dalits represent 58 per cent, Janajatis represent 24 per cent, Chhettris represents 12 per cent followed by Muslim and others.

Similarly, representation share between male and female in COs in terms of type of programme districts is illustrated in the figure below.

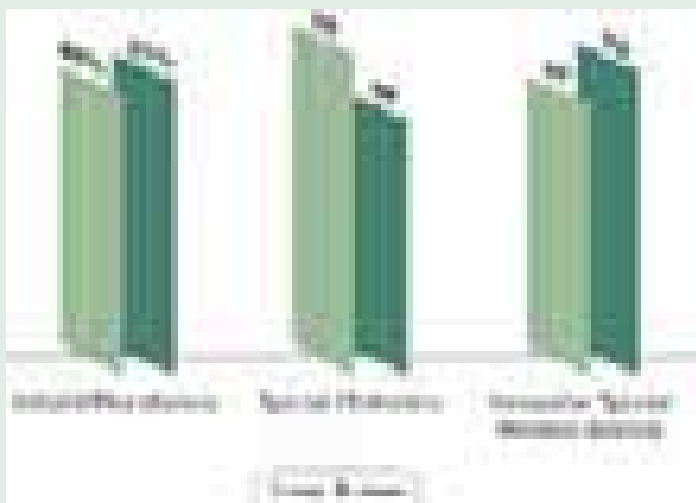
Key Position Holders in COs by Caste/Ethnicity




Key Position Holders in COs by Sex



Key position holders in COs by sex and district type





PAF envisions the creation of an inclusive society by addressing the plight of the marginalized and excluded communities. PAF also holds the conviction that the country's development is possible only when the issues and problems of the lower rung of the society are addressed equitably.

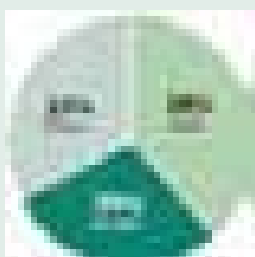
TOTAL BENEFICIARIES

Out of the total cumulative beneficiaries of 63,885, Dalits have a share of 38 percent followed by Janjatis at 29 percent and others 33 percent (see Table 3.8).

TABLE 3.8 Cumulative Beneficiaries by Caste/Ethnicity

DESCRIPTION	NO. OF HOUSEHOLDS				NO. OF POPULATION			
	Dalit	Janajati	Others	Total	Dalit	Janajati	Others	Total
Initial 6 Pilot districts	15,731	12,724	16,569	45,024	94,828	82,853	109,418	287,099
Special 19 districts	6,672	2,279	2,682	11,633	40,427	13,971	16,200	70,598
Innovative Special Window districts	2,188	3,285	1,755	7,228	12,309	19,381	11,332	43,022
Total	24,591	18,288	21,006	63,885	147,564	116,205	136,950	400,719

Cumulative Beneficiaries by Caste/Ethnicity



PARTNER ORGANISATION

A total of 214 POs are working with PAF in 44 districts for initial six pilot districts, 19 special districts and innovative special window districts. They have been implemented PAF programme in 658 VDCs with the target to reach 2,21,529 households (see table 3.9) to create awareness where target community concentration is comparatively high (See Table 3.8).

TABLE 3.9 Coverage by POs in Cumulative

DESCRIPTION	WORKING POS	WORKING DISTRICTS	WORKING VDCs	TARGETED HH
				TO COVER BY PO
Initial 6 Pilot districts	73	6	236	1,02,047
Special 19 districts	118	19	344	98,566
Innovative Special Window districts	23	19*	78	20,916
Total	214	44	658	2,21,529

Similarly, a total of 658 VDCs are covered by the POs where social mobilization, planning and preparatory works are underway. COs have been already constituted in 378 VDCs while agreement with COs to execute community sub-sub projects have been made in 332 VDCs (See Table 3.10)

TABLE 3.10 Cumulative no. of VDCs coverage by different phases

DESCRIPTION	POS WORKING VDCs (SOC. MOB. & PLANNING)	COS REGISTERED VDCs	COS AGREEMENT VDCs
Initial 6 Pilot districts	236	176	163
Special 19 districts	344	168	135
Innovative Special Window districts	56	34	34
NDM Districts	22	0	0
Total	658	378	332

● Capacity Building and Human Resource Development

PAF has been providing support for various capacity building related activities to COs and POs. At the end of the FY 2062/063, the cumulative achievements in capacity building activities are given in the Table 3.11.

TABLE 3.11 Cumulative Achievements in Capacity Building/HRD

CAPACITY BUILDING OF COS/ BENEFICIARIES	OUTPUT INDICATOR	FY 061-062	FY 062-063	TOTAL
Social mobilisation and Leadership training to Cos by Pos	no. of Cos	709	1,303	2,012
Orientation/training to Cos for preparation of demand- led proposal.	no. of Cos	709	1,246	1,955
Accounts/ Book keeping training to Cos by Pos	no. of Cos	0	745	745
Training on saving and credit to Cos by Pos	no. of Cos	0	334	334
Technical Training to Cos by Pos	no. of Cos	22	813	835
Study visits of Cos	no. of visits	4	7	11
Capacity building of Pos/ Local Bodies etc.				
Orientation to Pos	no. of PO staff	209	919	1,128
TOT to PO (SM, a/c, MED)	nos of PO staff	110	562	672
District Programme Review and Coordination	No. of Meetings	24	82	106

SUCCESS STORY 5

Micro-hydel Brings Cheers in Poor Community

Until a year ago, residents of Rowa VDC, Mugu, were required to move to forest and collect light(fire)-wood in order to lighten their homes. They had no escape from time and trouble they needed to bear through for the purpose, and smoke coming from the wood invariably used to leave still adverse impact. But, both these problems of Rowa dwellers have become a story of the past.

Thanks to a micro-hydroelectricity project that PAF supported, whole of the village has lit up.

Children who used to go to bed early now stay till late to study. Life has changed significantly after micro hydroelectricity in Salim river started generation. Cheers has come in the faces of the people living in the village.

A total of 169 households of the Rowa, Salim and Ryakchakati villages today enjoy electricity services. And it's been four months since the service started. The project was completed with financial support of Rs 2,726,820 from the PAF. The credit of project design goes to Laligurans, Joshilo Community Organizarion and Jana Kalyan Youth Groups. They have formed Salim River Working Group to lighten up the village. PAF provided Rs 2,493,107 for the construction and installation of the project. Local

community also put in labour contribution worth of Rs 33,713. Currently, 12 KW electricity is being generated from the project, according to Rup Singh Nepali, president of the working group.

Nepali said that the project has installed 225 watt of bulbs in each of the member households and distribute electricity from 6 in the evening to 7 in the morning. For the service, each household pays Rs 40 per month to the project. From the collection, the project has hired 2 local youths to look after and distribute the electricity service. Each of the staff are paid Rs 2500 per month.



The Power house

People of the village who were compelled to work under woodfire are happy after they managed to utilize water from the river otherwise left untillized. "It has freed us from working under firewood. That used to generate a lot of smoke, causing health problems. The project has prevented possible health hazards and enabled us to live healthy," said Paljun Makri, a local.

The service has also eased locals to carry out daily household chores and facilitated children's studies. It has checked deforestation as well.

The beneficiary villages have majority population of Chhetri community with few dalit households. Water has been brought thorough 500 metres long canal from local Salim river and poured in the power house to generate electricity.

Following the availability of electricity, people are developing ideas to utilize the service for employment generation activities. "The residents of the village are very poor. They are developing plans to start small industries operated through electricity," said Padam Bahadur Rawal, president of Jana Nepal Yuva Club.

● Research and Development

Under the MER unit, only one assessment was carried out during the FY 2061/062 and two studies were carried out during the FY 2062/063. The Cumulative achievement at the end of FY2062/063 are given in table 3.12.

TABLE 3.12 Assessments and Studies

DESCRIPTION	FISCAL YEAR	NO. OF DISTRICTS COVERED	REMARKS
District Social Assessment and Vulnerable Community Development Plan (VDCP)	2061/062	6	(Initial Pilot Districts)
District Social Assessment for VDC prioritization	2062/063	19	(Special Districts)
M&E Baseline survey	2062/063	6	(Initial Pilot Districts)

● Income Generation and Micro Enterprises

In terms of cumulative achievements a total of 1,530 IG related agreements have been reached so far. Of them 481 have been completed, 464 are at the middle stage of implementation and 585 are at the initial stage of sub-project implementation (see table 3.13).

TABLE 3.13 Cumulative Sub-projects Status

DISTRICT/SUB-PROJECTS	TOTAL NO. OF AGREEMENTS	IMPLEMENTATION STATUS		
		Initial Stage	Middle stage	Completed
Initial Six Pilot districts	1,028	170	430	428
Special 19 districts	338	305	7	26
Innovative Special Window districts	164	110	27	27
Total	1,530	585	464	481

CUMULATIVE INVESTMENT AND COST SHARING IN COMPLETED SUB-PROJECTS

While talking about the cumulative investment and Cost Sharing, PAF has invested 84 percent of the total project cost while 16 percent has been met by CO and other source of funding. The detail breakdown of investment is shown in Table 3.14

TABLE 3.14 Cumulative Investment and Cost sharing in completed sub Projects

DESCRIPTION	INVESTMENT SHARING		TOTAL
	PAF	CO & Others	
Initial Six Pilot district	124,152,248.70	24,860,402.63	149,012,651.33
Special 19 Districts	7,873,090.00	761,100.00	8,634,190.00
Innovative Special Window Districts	11,095,727.00	1,041,437.00	12,137,164.00
Total	143,121,065.70	26,662,939.63	169,784,005.33

Proportion of Cost sharing in Completed sub projects



BOX: 4 COMMUNITY REVOLVING FUND AS A QUICK AND EASY ACCESS TO CAPITAL FOR TARGET GROUPS

PAF has provided Community Revolving Fund as a grant to launch various income generating activities which PAF does not withdraw if the programme is phased out. After implementing the profitable economic activities, the members of CO return the total amount taken in installment basis. All the members of CO sit together to formulate rules and norms and deciding the time and amount to be returned to RF according to the nature of economic activities. They also decide the penalties to those who don't return the money on given timeframe. They also fix the interest rate themselves. The CO members also have autonomy to decide if they have to consider concessions if some of the members aren't able to pay back the loan by any means. The commonly prevalent norms and rules set by COs in PAF districts are as follows:

- For buffalo and cow raising, they pay back the installment in monthly basis.
- For retail business they pay back the installment in monthly basis
- For manufacturing businesses like bamboo crafts, wood crafts, furniture, tailoring, shoe making they pay back in a monthly basis.
- For goat and pig rearing, they pay back every six months.
- For vegetable farming too they pay back every six months.

Besides revolving fund, if the target groups want to expand the business and existing revolving fund is not sufficient, PAF establishes linkage to financial institutions for additional capital arrangement.

● Community Infrastructure Sub Projects

COMPLETED INFRASTRUCTURE SUB-PROJECTS

In terms of cumulative achievement related to community infrastructure, the following table shows the completed sub-projects in the five pilot districts and Makwanpur district under innovative programme.



CAPTION -1: MEMBERS OF CHEPANG COMMUNITY, GAJURI 1, BALIKANYA, DHADING, CONSTRUCTING A RURAL LINK ROAD

CAPTION -2: FARMERS IN SIRAHA IRRIGATING THEIR LAND WITH PAF SUPPORT

TABLE 3.15 Completed Sub-Projects—Cumulative Status

DISTRICT/SUB-PROJECTS	TYPE	NO. OF ACTIVITIES	PARTICULAR FEATURES	BENEFITED POPULATION HH
Siraha				
Rural Road	Gravel	4	Length:13 km	1176
Culvert	Pipe	1	Span:7.5 m	572
Irrigation	Dhiki Pump			
	for irrigation	142	18.9 ha	153
Drinking Water	Deep Boring	8	3 ha	8
	Hand Pump	23		23
Latrine	Well	2		40
	Pit	8		8
Building Construction	Sulabh	1		School
	School	1		200
Ramechhap				
Drinking Water	Maintenance	5	No of taps:8	129
Latrine	Pit	70		70
Kapilvastu				
Culvert	RCC slab	2		67
Irrigation	Dhiki Pump	6	6.4 ha	24
	Deep Boring	1	10 ha	18
Drinking Water	Hand Pump	17		105
	Hand Pump	4		24
Latrine	Pit	19		100
Mugu				
Trail Road	Earthen	1	Length:2.24 km	43
Bridge	Wooden	3		152
Irrigation	Water Harvest Tank	2	1.15 ha	36
	Surface	1	25 ha	60
Drinking Water	Gravity	5	No of taps:15	161
Building Construction	Dhaki Okhal	2		128
	School	5	840 sq ft	102
Electricity Extension	Electricity	1		64
Improved Stoves	ICS	142		142
Darchula				
Irrigation	Surface	3	20 ha	119
Drinking Water	Gravity	1	No of taps:5	25
	Gravity	4	No of taps:34	128
Latrine	Pit	82		82
Makwanpur				
Drinking Water	Gravity	7		129
Irrigation	Surface	3	13.6 ha	131

ONGOING INFRASTRUCTURE SUB-PROJECTS

The following is the cumulative status of the ongoing sub-projects in six pilot districts and other innovative districts so far.

TABLE 3.16 List of On Going Sub-Projects(Cumulative)

DISTRICT	TYPE	NO.OF ACT.	PARTICULAR FEATURES	BENEFITED POPULATION HH
Siraha				
Irrigation	Dhiki Pump	7	1 ha	7
Drinking Water	Hand Pump	12		56
Ramechhap				
Trail Road	Earthen	1	Length:150m	1333
Building Construction	Construction	7		195
Drinking Water	Gravity	1	No of taps:2	25
Latrine	Pit	129		129
Kapilvastu				
Rural Road	Gravel	38	Length:79 km	1102
Bridge	Minor	2	Span:35 m	1806
Culvert	RCC Slab	39		5553
Building Construction	School	4		
	School	2		
	Health Post	1		
	School	2		
	School	5		
	School	3		
Irrigation	Deep Boring	89	890 ha	146
	Dhiki Pump	668	470 ha	1816
	Surface	3	40 ha	138
Drinking Water	Hand Pump	470		1522
	Hand Pump	276		1180
Drainage Construction	Surface	1	Length:250 m	72
Washing Platform	PCC	108		108
Latrine	Pit	531		672
	Pit	160		501
Improved Cooking Stove	ICS	124		124
Pyuthan				
Irrigation	Surface	2	15 ha	138
	Pond	1	1 ha	46
Drinking Water	Gravity	4	No of taps:19	154
Latrine	Pit	84		84
Improved Cooking Stove	ICS	70		70

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DISTRICT	TYPE	NO.OF ACT.	PARTICULAR FEATURES	BENEFITED POPULATION HH
Mugu				
	Trail Road	1	Length:1.5 km	69
	Building Construction			
	School	6		62
	Storage and Iron	2		48
	Fencing	1		40
	Irrigation			
	Water Harvest Tank	4	5.72ha	57
	Surface	2	30.5ha	116
	Micro Hydro	7	Capacity:42 kw	615
	Drinking Water	7	No of taps:22	313
	Improved Cooking Stove	48		48
Darchula				
	Irrigation			
	Surface	4	45 ha	223
	Micro Hydro	3	Capacity:55.9kw	708
	Drinking Water	36	No of taps:278	1316
	Latrine	37		37
Innovative Districts				
	Irrigation-Makwanpur			
	Surface	2	19 hector	66
	Irrigation-Rasuwa			
	Surface	1	169 hector	2414
	Irrigation-Surkhet			
	Lift	1	189 hector	655
	Building Construction			
	Construction	2		75
	-Jumla			
	Building Construction			
	Construction	9		267
	-Bajhang			
	Micro Hydro-Baglung			
		1	capacity:17 kw	140
	Bridge-Nawalparasi			
	Wire	1	Length:170 m	703

● Financial Management

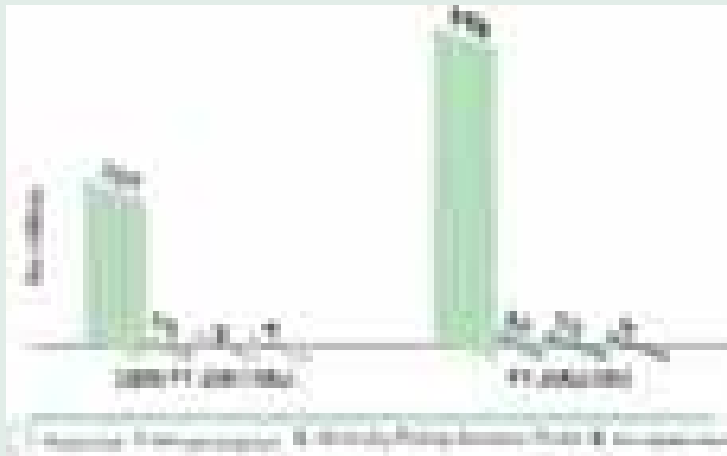
CUMULATIVE EXPENDITURES

Till the end of the fiscal year 2062/63, PAF total cumulative expenditure is Rs 746,609,911, of which 91 percent is the Project Cost, 2 percent is used for Monitoring, Trainings, Workshops and Studies, 5 percent is PAF Operating Cost and 2 percent is PAF capital cost.

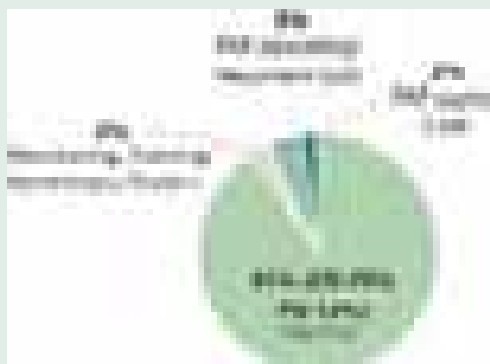
TABLE 3.17 Cumulative expenditures

DESCRIPTION	UP TO FY 2061/062	FY 2062/063	TOTAL
Project Cost	227,111,601.73	449,760,365.68	676,871,967.41
Monitoring, Training, Workshops, Studies	5,664,917.60	12,252,359.21	17,917,276.81
PAF operating/Recurrent Cost	15,782,687.32	22,009,606.68	37,792,294.00
PAF capital Cost	4,544,777.75	9,483,595.72	14,028,373.47
Total	253,103,984.40	493,505,927.29	746,609,911.69

Project Expenditure trend by Fiscal Year



Cumulative Project Expenditure



CUMULATIVE FUND DISBURSEMENT TO NOA AND OA OF COS

A total of Rs. 583.5 million has been disbursed to the NOA of 1,674 COs, who have signed an agreement with PAF. Out of the total in NOA, Rs. 290.4 million has been already transferred to the OA of COs.

TABLE 3.18 Cumulative Fund disbursements to NOA and OA of COs

DESCRIPTION	FUND DISBURSEMENT TO COs		% OF DISBURSEMENT FROM NOA TO OA
	NOA	OA	
Initial Six Pilot District	442,071,642.90	251,850,837.74	57
Special 19 Districts	101,321,073.11	12,163,574.00	12
Innovative Special Window districts	40,143,503.39	26,427,155.49	66
Total	583,536,219.40	290,441,567.23	50

CUMULATIVE FUND DISBURSEMENT TO POS

By the end of the Fiscal Year 2062/63, the total fund disbursement to POs has remained at Rs 92.8 million, in which the share of POs from Pilot District is 56.88 percent, special district is 24.14 and innovative district is 18.96 per cent.

Similarly Rs.80.2 million was allocated for social mobilization and M & E and Rs. 12.5 million was allocated for capacity building.

TABLE 3.19 Cumulative Fund disbursement to POs

DESCRIPTION	FUND DISBURSEMENT TO POs		TOTAL
	SM and M&E	CB	
Initial Six Pilot District	45,936,873.28	6,891,018.23	52,827,891.51
Special 19 Districts	19,654,926.00	2,772,509.50	22,427,435.50
Innovative Special Window districts	14,683,585.32	2,932,641.68	17,616,227.00
Total	80,275,384.60	12,596,169.41	92,871,554.01

CUMULATIVE INVESTMENT AND COST SHARING IN COMMUNITY SUB-PROJECTS

PAF investment in Community Sub-projects

Till the end of the fiscal year, PAF has invested a total of NRs. 712,517,526.30 for both the income generation and infrastructure related sub projects. Out of the total investment, PAF has invested 70 per cent in income generation sub projects and remaining 30 per cent in infrastructure sub projects (See Table 3.20).

TABLE 3.20 PAF investment in Community Sub-projects

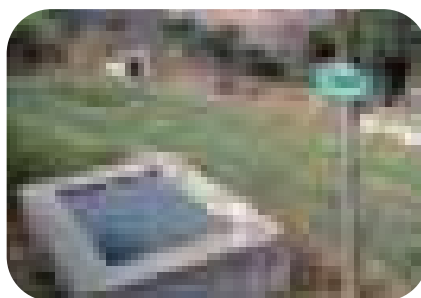
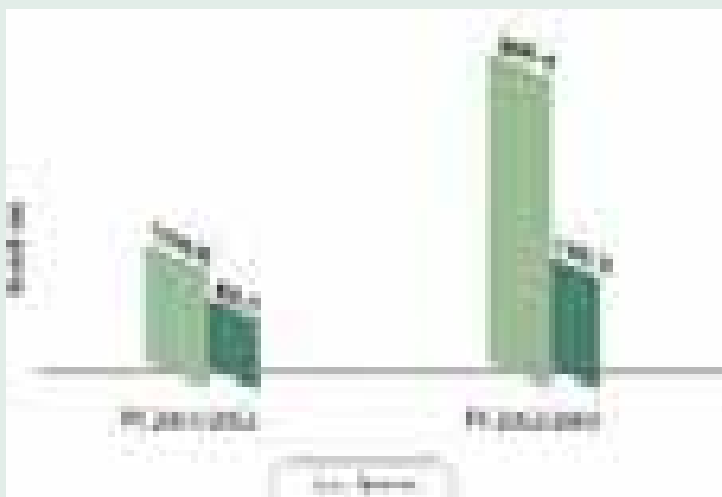
DESCRIPTION	TYPE OF SUB PROJECTS		TOTAL
	IG	INFRA	
Initial 6 pilot districts	309,643,830.81	180,256,670.54	489,900,501.35
Special 19 Districts	126,966,129.45	15,195,078.00	142,161,207.45
Innovative Special Window Districts	63,378,399.00	17,077,418.50	80,455,817.50
Total	499,988,359.26	212,529,167.04	712,517,526.30

Investment Trend in Community Sub-projects

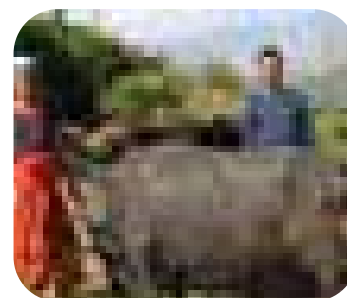
PAF's investment in community Sub-projects has increased in this Fiscal Year than in the previous year. This is due to the expansion of programme districts from the initial 6 pilot districts to the additional 19 special districts as well as in some of the innovative districts.

The investment in IG subprojects increased from NRs. 139 M to NRs. 360.9 M. In the case of infrastructure sub projects, the investment increased from 82.1M to 130.3M (See graph below).

PAF Investment trend in CO sub-projects by Fiscal year



CAPTION -1: A WATER HARVESTING TANK FOR IRRIGATION IN RAMECCHAP



CAPTION -2: A CO MEMBER FROM DAILEKH DISTRICT

CAPTION -3: LEADERSHIP AND GROUP MANAGEMENT TRAINING IN SIRAHA



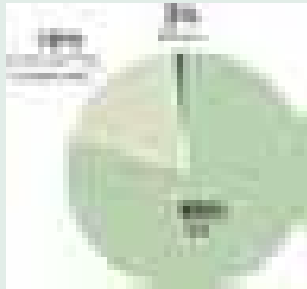
Investment sharing in community subprojects

Till the end of this fiscal year, out of total investment in sub projects in all programme districts, PAF investment, Community contribution and funding from other sources has remained at 80 percent, 18 percent and 2 percent respectively. Further more, in community share, cash contribution is 7 percent and rest is in kind form (see Table 3.21 and diagram below).

TABLE 3.21 Investment sharing in CO Sub Projects

DESCRIPTION	PAF	COMMUNITY		OTHERS
		Cash	Kind	
Initial 6 Pilot districts	489,900,501.35	40,756,126.04	87,478,378.40	3,682,479.00
Special 19 districts	142,161,207.45	11,184,829.50	7,411,897.79	7,168,416.00
Innovative Special Window districts	80,455,817.50	6,678,317.00	6,002,536.64	7,330,593.86
Total	712,517,526.30	58,619,272.54	100,892,812.83	18,181,488.86

Investment Sharing in CO Sub Projects



SUCCESS STORY 6

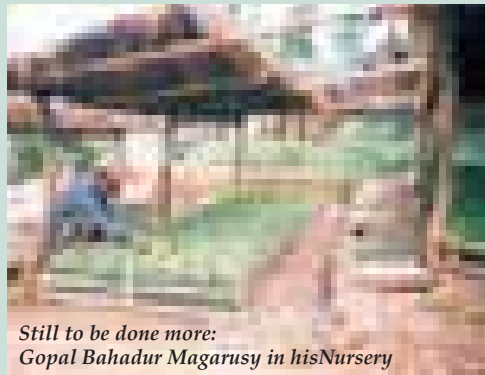
A Dream Turns into a Reality

Gopal Bahadur Magar is a former daily wage and conventional agricultural labourer.

He is now an entrepreneur.

Secretary of Khankari Community Organization, Ramechhap district Rampur Village Development Committee (VDC)-2, Magar recalled that the life was too hard before as he struggled to feed his families. His own production could hardly meet the food requirement for three months.

He came to know about Poverty Alleviation Fund (PAF) two years ago through a local Non Governmental Organizations (NGO) namely Charghare Sewa Samitee (CSS, which was one of the PAF partner Organization for the district. As he was willing to make a difference in his life and the community, he was truly impressed by



*Still to be done more:
Gopal Bahadur Magar in his Nursery*

PAF's intention and working modality. Magar was selected as the secretary of the community

Organizations. With a participatory process and taking an account of every members opinions, the community decided for pursue livestock rearing to raise their income.

For the purpose of sustainable fodder management required for the livestock's, community allocated Rs 5000. There was no fodder nursery around the community. Magar was ready to run a fodder nursery and produce saplings for his own community as well as for additional six nearby community organizations (COs). Initially, he was not much interested in producing seedlings, as he was not trained for the purpose. However, the agriculture technician Narayan Magar motivated and trained him to carry out the job of seedling production.

With the help of agriculture technician, he started nursery, beginning with Epil-Epil and Papaya seedlings. His dedication and devotion towards the profession makes him a professional nursery manager in no time. He prepared the first lot of 5000 seedlings by July 2006. Community members from neighboring villages too started buying seedlings from his nursery. Its exemplarily that he earned Rs. 25,000 by selling all the seedlings in the span of four months. Subtracting the total initial investment of 9,000, he managed to earned a net profit of Rs. 16,000. He is in cloud nine and thanks PAF for extending assistance to him. "It has really helped me in to manage daily household needs. I am now thinking of constructing my own home in the next 2-3 years," says Gopal Bahadur.

SUCCESS STORY 7

Rural Link Road Construction

The main inhabitants of the Gautari Village Development Committee (VDC) are ethnic community. The VDC is not connected with East West Mahendra Highway and the local had to travel Indian road to reach the market of Nepal. The people were facing a problem in market linkage due to inaccessibility and were unable to fetch good prices for their product. In emergency cases like delivery and firing etc., they did not have any alternatives means of transportation. Four women succumbed to death due to the lack of proper treatment while giving birth. The community people had requested most of stakeholders and leaders to construct a road to link with Mahendra highway.

To the delight of the villagers, PAF began to work in the VDC. The target community made demand of rural road and constructed it. The length of road is 2.7 Km and the total cost of the project was Rs.2, 367,581. Of the total cost, community contribution has remained at Rs 256,646 in the form of labour. The land required for the road is also contributed by community themselves. The road extends from Manaharwa of Rampurbirta VDC-2 to Dima River South Bank

of Gautari-2 (1.56 km) and Simara Kutti to Garahi Pokhari of Gutari VDC (1.18 Km).

After the construction of the road, a total of 570 poor households have been directly benefited whereas households of other adjoining VDCs are also indirectly benefited. As the rural road has established link with Mahendra Highway and market centers of the district, the land value



has also increased and women are getting access to the health service centre. The vegetable farmers have increased their profit by 100 per cent after the construction of the road.

"This is a dream come true for us", said elated Ms. Uttami Ms Sajana Paswan, 80, who is also a member of the *Pragati Sadak Nirman Community Organisation*.



● CHAPTER 4

PAF

Future Directions

● Lessons

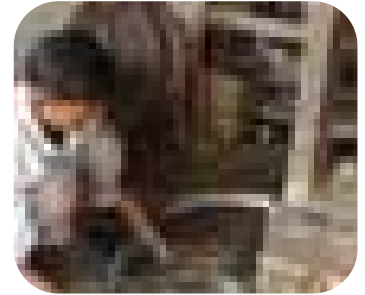
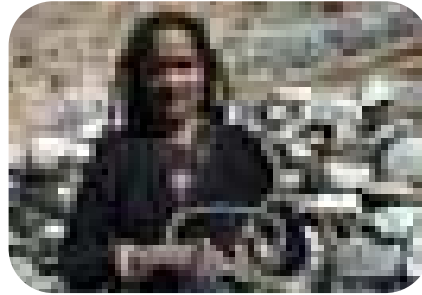
The target groups are choosing economic activities based on local socio-economic environment, local knowledge and potential, traditional skill like bamboo/wood crafts, food processing, tailoring etc. In order to make the business more profitable, their skill must be upgraded in order to produce diverse and value added products. Linkages must be established to better market their products. There is a need to establish market based incentive system. Enhancing the technical and management capacity of COs and POs is another area which needs immediate attention.

At present, the demand for IG activities is much higher than community infrastructure projects. However, development of economic infrastructure is equally important to get adequate benefit from IG activities, enhance production, and establish market link.

Adopting demand-driven approach, PAF and its PO must be proactive to inform the target communities about the potential options including available technology options for livelihood improvement to enable community to make informed choices.



PAF has focussed its programmes in poor households who are defined as the households whose food grain production from self-operated land and wage earnings is not sufficient to meet the food requirement of the family for a year.



CAPTION -1: A CO MEMBER FROM MUGU

CAPTION -2: A BICYCLE MAINTENANCE SHOP OWNED BY SILU CHAUDHARY, SIRAHA

CAPTION -3: PAF OFFICIAL INTERACTING WITH CO MEMBERS IN DADELDHURA DISTRICT



There is a high demand for the programme in programme districts as the sub-projects are originated at grass-root levels. Communities have demonstrated keen interest to undertake the programmes and take ownership. The current challenge is to build a trade-off between rapid implementation and institution building, enhancing the technical capability of the community organisations. There is also a need to emphasize on quick disbursement for immediate actions against poverty.

Some other areas that need improvement based on our experience and lessons learnt include centralised organisation structure, rigid and time consuming operating procedure, lack of vision and strategy to achieve long term sustainability including revolving fund management and less imagination and innovation in order to be more responsive to the needs of the poor.

● Issues and Challenges

In view of the wide variation of activities undertaken by the communities, a host of issues and challenges lie ahead to ensure effective and efficient implementation and also for sustainability of the sub-projects. Some of them are as follows:

- Linkage with market for sustaining income-generating activities.
- Community capacity development for forward and backward linkages for second generation projects.

- Providing appropriate technical support for different activities. Establish linkage with existing service structure.
- Availing insurance safety-net particularly for livestock.
- Explore alternative activities for landless poor.
- Build community capacity to manage revolving fund.
- Developments of cooperatives among the community organisations.
- Establish linkages with local government and line agencies and financial institutions to sustain Cos.
- Address health care needs of hard core poor and poor.
- Literacy campaign for the poor.
- Collection and processing centers for value addition including market development.
- Pulling additional resources from other sources like VDC/DDC etc.

● Future expansion and additional Funding

PAF needs additional funding beginning from coming Fiscal Year (2006-2007) to meet increasing demand and expectations of target communities and to maintain government's credibility to effectively reach the very poor and excluded groups.

With the additional funding, the programme will be intensively implemented mainly in current 6 pilot districts, 19 special programme districts and in other districts under the special innovative window programme.

It is estimated that additional 200,000 households with 1,100,000 population will be covered within next four years (2006/2007 to 2009/2010). The proposed second phase period includes an overlap of three years (2006/07, 2007/2008 and 2008/2009) during which the programme focus will be more intensified and the coverage will also expand as against the programme endeavors and expectations stipulated in the first phase.

The proposal for additional funding and scaling up of PAF programme has been discussed with last two IDA supervision missions (March 12 – 20, 2006 and Sept. 24 – Oct. 4, 2005). Both the missions had responded positively and recommended to the Bank management for a favorable consideration upon receipt of a formal request through the Government of Nepal. The Joint Secretary, Chief of the Foreign Aid Division of the Ministry of Finance, has made an informal request to last World Bank/ IDA mission for increased finance.

The World Bank has already indicated the possibility of additional funding of US \$ 25 million for PAF. The WB Board is likely to endorse the funding soon. Besides, PAF and World Bank are discussing the second phase of PAF programme i.e. PAF II and the preparatory exercises for the same are underway.



PAF

Annexes

ANNEX 1: CURRENT BOARD OF GOVERNORS

Chairperson	Hon'ble Mr. Girija Prasad Koirala, Prime Minister, Government of Nepal
Vice Chairperson	Dr. Ram Prakash Yadav
Member	Dr. Swayambhu M Amatya, Secretary, National Planning Commission Secretariat
Member	Mr. Krishna Pd. Sapkota, Chairperson, Association of District Development Committees of Nepal
Member	Mrs. Mahin Limbu, Chairperson, Association of Village Development Committees of Nepal
Member	Chairperson, National Woman Commission
Member	Chairperson, National Dalit Commission
Member	Five members appointed by the government (including a woman) who have contributed significantly for poverty alleviation
Secretary PAF Board	Mr. Raj Babu Shrestha, Executive Director, PAF

ANNEX 2: CURRENT LIST OF STAFFS

S.N.	Name	Position
1.	Mr. Raj Babu Shrestha	Executive Director
2.	Mr. Manoj Chipalu	Financial Analyst
3.	Mr. Murari L. Chaudhari	C&ID Expert
4.	Mr. Jhanka N. Shrestha	M&E Expert
5.	Mr. Shiv Bhakta Sharma	HRD Expert
6.	Mr. Govind B. Pun	Administrative Officer
7.	Ms. Anita Koirala	Micro Ent. Dev. Officer
8.	Mr. Kanchan Tamang Lama	R&D Officer
9.	Ms. Sunita Shakya	MIS Officer
10.	Mr. Shree Ram Subedi	Communications Officer
11.	Ms. Sumita Malla	Coordinating Portfolio Manager
12.	Mr. Akhilesh C. Das	Coordinating Portfolio Manager
13.	Mr. Nirmal Pant	Coordinating Portfolio Manager
14.	Mr. Jaya R. Pant	Coordinating Portfolio Manager
15.	Mr. Nabin Pokharel	Coordinating Portfolio Manager
16.	Mr. Om Pd. Paudel	Coordinating Portfolio Manager
17.	Mr. Arun Pandey	Portfolio Manager
18.	Mr. Bal Krishna Biswakarma	Portfolio Manager
19.	Ms. Bikam Karki	Portfolio Manager
20.	Mr. Bhupananda Biswakarma	Portfolio Manager
21.	Mr. Binod Bdr. Karmacharya	Portfolio Manager
22.	Mr. Buddhi Krishna Dulal	Portfolio Manager
23.	Mr. Dhana Raj Sah	Portfolio Manager
24.	Ms. Deepa Regmi	Portfolio Manager
25.	Mr. Kamal Bdr.Thing	Portfolio Manager
26.	Mr. Lal Bdr. Siwa	Portfolio Manager
27.	Mr. Manoj Kr. Gupta	Portfolio Manager
28.	Ms. Meena Nakarmi	Portfolio Manager
29.	Mr. Prabin Manandhar	Portfolio Manager
30.	Mr. Pramod Joshi	Portfolio Manager
31.	Mr. Rabindra Suwal	Portfolio Manager
32.	Mr. Ramesh Lama	Portfolio Manager
33.	Mr. Sandeep Nath Upreti	Portfolio Manager
34.	Mr. Tara Pd. Joshi	Portfolio Manager
35.	Mr. Dinesh Gautam	Office Assistant
36.	Ms. Roslina Maharjan	Office Assistant
37.	Mr. Parjun Sapkota	Office Assistant
38.	Ms. Kapila Prajapati	Receptionist/Secretary
39.	Ms. Lalita Kayastha	Finance & Admin Asst.
40.	Mr. Madhab Rimal	Driver
41.	Mr. Krishna Bdr. Khatri	Driver
42.	Mr. Bir Bdr. Tharu	Driver
43.	Mr. Rajendra Dhakal	Messenger
44.	Mr. Prem Lama	Messenger
45.	Mr. Suvash Rai	Messenger

ANNEX 3: ORGANIZATIONAL STRUCTURE



ANNEX 4: MEDIA CLIPS

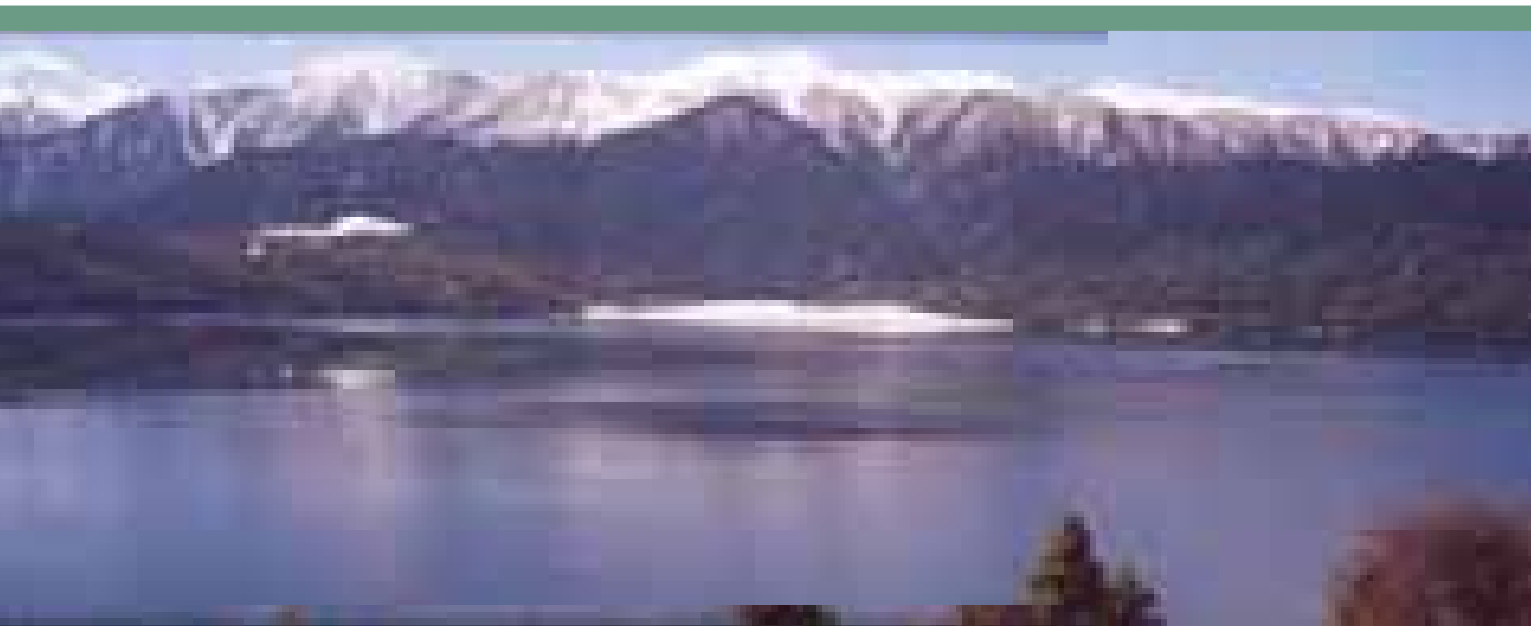




Annual Report 2005/06

PAF

Poverty Alleviation Fund Nepal



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