

Nepal: Poverty Alleviation Fund Combines Participatory Approach with Radio and Telecommunications Platforms to Engage Communities

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Synopsis

The Government of Nepal's Poverty Alleviation Fund (PAF) has integrated community driven development methodologies with feedback mechanisms supported by local radio as well as telephone and web platforms to empower communities to design, implement, and manage their own development projects that serve the poorest of the poor.

Challenge

In 2004, when the government of Nepal established the Poverty Alleviation Fund the country was mired in conflict. A Maoist insurgency and years of political instability had hindered Nepal's attempts to improve its economy and strengthen its governing institutions. An uneasy peace was achieved with the signing of the comprehensive peace agreement in 2006, but equal access to society's resources remains a formidable challenge.

"Substantial inequities existed along ethnic, caste, and geographic lines, resulting in excluded and marginalized communities in need of essential services and income earning opportunities," says World Bank Senior Economist Gayatri Acharya. "The PAF was set up to support the poorest, most marginalized, most geographically remote, and most socially isolated communities in the country." Within these communities the social dynamics are often very complex. Disparities also exist among the poor, which has meant that those who are worse off may be unable to use project resources to climb out of poverty as effectively as others.

"While PAF has reached over 2.9 million people and reduced food insecurity, increased incomes, and improved access to services, PAF's responsibility is to constantly evaluate the program to understand who is still being left out or why some communities may still not be able to make good use of these resources," said Acharya.

Approach

The PAF approach puts beneficiaries in the driver's seat by mobilizing them to form community organizations. These community organizations design and implement projects and also manage revolving funds. Telecommunications platforms such as internet and radio are used to create avenues of feedback that ensure accountability and transparency.

By combining national level data on poverty with participatory social assessment tools, the PAF identifies the poorest of the poor in communities throughout Nepal. PAF then partners with local government and civil society organizations (CSOs) to provide community mobilization and facilitation services, establish community organizations, and elect a committee representative. Regular community organization meetings ensure good communication regarding finances and setting project priorities.

The performance of the CSOs responsible for community mobilization and facilitation is evaluated by both PAF and directly by the community organizations receiving the support. The evaluation of CSOs by the community organizations counts for 50 percent of the performance evaluation. This ensures that the project closes the feedback loop and that the voices of communities are heard.

Beneficiary Results

The PAF feedback mechanisms have enabled the project to capture and respond to beneficiary input and deliver promising results. New feedback mechanisms implemented by the project include:

- A grievance system that consists of both a phone hotline and a website where beneficiaries can voice complaints
- The launch of an FM radio program that allowed beneficiaries to ask questions, make complaints, or ask questions from a live, on-air PAF spokesperson
- Ongoing and regular monitoring from the Office of the Prime Minister and the Council of Ministers
- Full integration of local government officials into the monitoring process

This sense of accountability has led to tangible and readily quantifiable results. An impact evaluation carried out in six districts indicated the following:

- a 19 percent increase in household consumption in the PAF program areas
- a 14 percentage point increase in school enrollment
- a 19 percentage point drop in food insecurity.

In addition, there has been significant growth in both the number and maturity of community organizations acting as viable, self-regulating bodies capable of performing autonomously and managing their own development finances.

“There is continuous confirmation from beneficiaries that there is value to the approach of empowering communities to develop institutions and income earning opportunities,” said Acharya.

Lastly, women and members of lower castes that were previously marginalized groups in Nepali society are gaining recognition and a sense of agency through the leadership roles they have filled within the project.

“This can be seen in a number of ways across the communities where the project is working,” said Acharya. “For instance, women initially wanted to invest in livestock such as goats, which they saw as a sensible first-time investment since it is a relatively small investment and in their control. Now they are asking to invest in bigger, higher-risk opportunities such as vegetable farming which also have higher income earning potential.”

World Bank Contribution

The Nepal Poverty Alleviation Fund project (PAF II) is a US\$164.5 million project funded under the World Bank’s International Development Association portfolio. The PAF also received an additional US\$10 million from the Global Food Response Program multi-donor trust fund to focus on food insecure households, in recognition of the remarkable impact seen on reducing food insecurity in poor households. In addition to financial assistance, the World Bank provides technical assistance, drawing upon its extensive experience in community driven development projects around the world and in other conflict-affected countries in South Asia such as Afghanistan and Sri Lanka.

Partners

Community organizations, as the recipients of PAF financing and the local responsible bodies managing the revolving funds, are the key partners of the project. Beyond this, PAF contracts with civil society organizations that serve an important facilitation and mobilization role particularly in the early stages as a community decides to participate and form a community organization. Local governments and line agencies are increasingly working with the PAF to improve service delivery to these previously marginalized communities.

Moving Forward

In the next phase of the program, the priority will be to increase impact, in particular to enable community organizations and households supported by the PAF to increase economic and social capital formation. PAF will also be reaching out to parts of the country not yet supported by the program.

An additional emphasis of PAF in its upcoming phase will be to solicit more participation of counterpart ministries in monitoring the project’s success and ensuring good alignment with other ministry programs. While PAF has instituted several mechanisms to encourage interaction between community members, the future will focus on connecting communities to share learning and experiences so that they become fully aware and able to engage with the opportunities available to them.