



NGO - FUND PROJECT
Reflections: Capacity building
for self-help promotion

1995-2000

Towards Happier Societies

NGO - FUND PROJECT

1995-2000

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ABBREVIATIONS

BMZ	Ministry of Economic Cooperation for Development
CBOs	Community Based Organizations
ChFDP	Churia Forestry Development Project
DDC	District Development Committee
FfW	Food for Work
GTZ	German Technical Cooperation
HMG/N	His Majesty's Government/Nepal
HRD	Human Resource Development
IG	Income Generation
IGAs	Income Generation Activities
LSOs	Local Support Organization i.e. Local NGOs
MADE	Multi-dimensional Agricultural Development
MoF	Ministry of Finance
NPC	National Planning Commission
PC	Project Committee
PFK	Project Progress Review
PHCP	Primary Health Care Project
PMU	Project Management Unit
OD	Organizational Development
NGO	Non-governmental Organization
RO	Resource Organization
RP	Resource Person
SHG	Self-Help Group
SHI	Self-Help Initiatives
SHO	Self-Help Organization
SHP	Self-help Promotion
SWC	Social Welfare Council
VDC	Village Development Committee
VDRC	Vijay Development Resource Center
WDO	Women Development Office
ZOPP	Objective Oriented Project Planning

FOREWORD

“I feel that by participating in the processes facilitated by the NGOFP, I have become a happier person. I can contribute financially to the family. My children have better chances of education and health care. It is not that we could not afford these before. But now we are aware and know the need for saving, cutting down unnecessary expenses and also earning more from different income generating activities. I feel that I have been able to make my family members happier.” –*A self-help group member*

“I feel very happy today that I can make personal contributions towards the social as well as economic development of our community.” –*A member of the local NGO facilitating in the process of self-help development in Parbat District.*

“We feel, today, much happier than the day we received a grant from the NGO Fund Project. After three years, we are able to give grant money to needier communities.” –*Members of a self-help group in Kapilvastu District which provided a revolving fund to a group of needier community members.*

“We as an organization are very happy today that we have been able to facilitate the process of creating capable development NGOs. We had a very good learning ground with NGOFP and now we are disseminating the learning from NGOFP in different districts in the country through different development agencies.” –*An organization involved as resource organization for capacity building of local organisations.*

“I am very happy to see that my VDC people are making significant contributions to the development process of my VDC. Moreover, I feel happy to be a part of the whole process and assist whatever I can as the VDC chairman.” –*Chairperson of the Shivapur VDC in Kapilvastu*

“As a DDC member, I feel very happy to be able to support the people in my district in the process of self-help development. I think, together with NGOFP, the people in my district have been able to identify and own a very effective process of development which seems to be the only way to sustainable development.” –*A DDC member in Parbat District*

“We have been looking for committed and capable local partner NGOs in many districts to work with. We are so happy to find a number of such organizations promoted by NGO Fund Project in Kapilvastu District.” –*A representative from an international development agency, which has started partnering with the local NGOs promoted by NGOFP in Kapilvastu District.*

“I feel very happy to be a part of the NGOFP team because I feel that together with the NGOFP team I have been able, personally, to facilitate self-help development for poverty reduction in social, institutional, as well as economic terms in our working areas. I feel even much happier to realise that the process is being owned by the people at local level and also being replicated in other parts of the country through our partners.” –*A team member of the GTZ-NGO Fund Project*

These are the expressions we very often hear from different people participating in the process facilitated by NGO Fund Project in different capacities or the government and international agencies collaborating with the local NGOs promoted by project. This has made me feel that whatever efforts the project has been making with its partners, the ultimate result has boiled down to one basic thing; that is:

HAPPINESS. Our work is actually about facilitating in the process of creating HAPPIER people, families, societies, communities and their organisations.

I personally also feel happy that the NGO Fund Project has been able to make a contribution in that regard. I am sure that there have been many other factors which had direct or indirect influence in the whole process. But one thing that I firmly believe in is that the project has really been able to facilitate to create an environment in which the local people and their organizations can realise their potential on of collectively and constructively for their own cause. I do also believe that we have facilitated in the process of creating confident, capable and committed organizations locally. Some of them are now making their part of contribution at the national level. I am happy that now many more government agencies and international development agencies are comfortable in working with local NGOs.

Having said all that, I am quite aware that the project has just made a small contribution by facilitating the process, every other detail goes to the credit of the people who are our partners. As already mentioned, I am very happy to be a part of this very empowering process.

I do realise that it was not always a very harmonious situation. Many times we had to face conflicts at various levels. We did have to stir, grind and cook many times. That is perhaps, what is called the 'Learning Process'. We were always able to come together for the purpose of our own learning and better collaboration. I feel that we have grown together with our partners and have been able to facilitate mutually in our transformation processes. This is certainly a very valuable experience which all of us have made. Perhaps our work has made a difference and added value and quality to results of our work.

With this paper, we are making one more effort in sharing our experiences with all of you. Since HAPPINESS seems to be the ultimate aim of every human being, we are making an attempt to elaborate as to how the NGO Fund Project has been able to facilitate in a process that increases happiness of the people and helps create 'happier organizations'. We truly believe that whatever endeavors we are taking up, we are actually working towards happier societies. I am sure that many of you who are involved in the process of development can see yourself at certain points in the process presented in this paper.

I would also like to take this opportunity to express my sincere thanks to all of you who have inspired us on our path towards self-help development. I am very grateful to every single person and the organisations at all levels for accepting us as we are and for the wonderful experience of working together with us.

Thank you and have fun.



Sushma Bajracharya
Team Leader
GTZ-NGO Fund Project

INTRODUCTION

Content

GTZ-NGO Fund Project is one of the initiatives conceived during the 1990s envisioning the augmentation of self-help through local NGO support programs. The project implementation started in 1995 aiming to enable NGO sectors to contribute substantially to the development of country through professional support to local self-help initiatives by bringing sustainable improvement in NGO qualifications and self-help capacities and activities of community groups. The project recognizes the potential role of local NGOs for embarking upon grassroots' development activities with emphasis on self-help, complementing the government efforts, advocating cross-sectoral topics of environment, gender, caste ethnicity and poverty in development. They are rightly considered to play a vital role in the process of development, which not only means economics, but also social justice, human dignity, social security and equality (Brandt).

The project is operationalised through two major support components. The first is the institutional support to the NGOs. The institutional support to the local NGOs is provided through NGOs that can operate as resource organizations. The second support component is institutional and financial support to community groups for complementing their self-help initiatives. These three community groups or self-help groups, local NGOs, and resource organizations constitute the partner structure of the project. The project facilitates the capacity building of all these organizations at different levels.

The project believes mainly on three basic elements of self-help promotion; a) development from within, meaning building on what exists, b) inside out capacity building, which involves providing opportunities to people's organizations and performance based support and c) organizational development at the grassroots' for their socio-economic and institutional empowerment.

Major roles of the project lie in:

- ◆ Build Capacity of local NGOs and people's organizations.
- ◆ Facilitate promotion of self-help for poverty reduction.
- ◆ Facilitate learning environment creation and mutual learning system.
- ◆ Facilitate creating information and knowledge base support system at all levels: self-help group, local NGO, resource organizations and the project.
- ◆ Facilitate alliance building for greater impact and the synergy effect.
- ◆ Co-ordinate and disseminate the learning.

GEOGRAPHY

Practically, the Project Operates in Two Ways:

1. Operation in focus areas for action research and trying out innovations in terms of self-help promotion through organization building. Wider dissemination of the experiences in order to contribute substantially in Poverty Reduction in those areas.
2. Collaboration with other GTZ supported projects in order to make their partner organizations perform better in the process of self-help promotion and sustainable development.

Keeping diversity of the country in view, this project endeavors to work out situation specific workable approaches for different regions in the country. For this purpose, the NGO Fund Project facilitates capacity building of the people's organizations at local level in different ecological zones of Nepal. With this, the project aims at developing different approaches that can be disseminated/replicated by various actors involved in the development process of the country. The project is facilitating the process by creating organizational infrastructure in different ecological zones in the country as follows:

- ◆ Kapilvastu District in the Terai
- ◆ Parbat, Bhojpur and Southern part of Sankhuwasabha Districts in the mid hills
- ◆ High mountain region in the northern part of Sankhuwasabha District

NGOFP collaborates with other GTZ supported projects in mainly three ways:

1. It facilitates the process of creating organizational infrastructure at different levels in the districts. The project can then partner with those local organizations.
2. Other GTZ projects work in partnership with the NGOs promoted by the NGOFP. Example: **Improved Situation of Child Labourers (ISCL)** in Doti District
3. It is also involved in the capacity building process of NGO partners of other GTZ supported projects such as:

Food for Work Project in Banke, Kailali, Kanchanpur, Baglung, Dadelhdhura and Achham Districts.

Churia Forestry Development Project in Siraha, Saptari and Udayapur.

Primary Health Care Project in Dhading District.

In this way, the project aims toward facilitating the synergy effect and quality results of the different projects supported by GTZ for a greater impact on sustainable development. This has proven to be a very commendable effort.

PROCESS OF CAPACITY BUILDING FOR HAPPINESS

At the end of the second phase, an external review of the project progress was made. The review mission found that the project has successfully facilitated the process of self-help and achieved significantly more than what was mentioned in the project documents. Everyone involved in the processes facilitated by the project do also feel that it was not just physical achievements which the project has facilitated. It is something more that has added value and quality to the achievement. It has to do something with the human emotion and feeling.

That feeling expressed by all the participants made us feel the need to explore that 'something' which was different than income or any kind of physical achievements. A process of exploration started and it was facilitated by our partners at different levels from the very grassroots to the resource organisations and local government bodies. This process of exploration led us to the finding that basically the participants from different levels are happier. Happier, not only because they have earned more income.

They have a unique feeling of satisfaction and happiness. They feel that the concept of Swabalamban (self-reliance) has helped them understand the 'role of self' in many facets of societal living. There has been a significant change in the perception of the role of self in the development process. As compared to the situation five years back, they feel that they have been able to contribute meaningfully towards better living as well as to the society. Initiatives take through self-help promotion have effectively contributed to the societal *value formation* discouraging outside dependency, which means a kind of liberation. Perhaps the people at that stage are happier than people who are entangled in the vicious cycle of dependency.

The highest level of indicator for happy or good livelihood is perhaps that the people are not only concerned about their own well being, but they also start caring for other's well being. For that purpose, they start sharing what they have acquired. This is felt as the highest level of empowerment by self-help group members as well as members of local support organisations.

It is due to this belief that a very unique process has started in the project areas. Self-help groups and local support organizations have started not only promoting new self-help groups, they have also started funding them. While giving, they realise that they feel happier than when receiving funds. This shows that the capacity building process of the project has facilitated them to really reach their peak where they are able to realise their fullest potential.

In the course of experience in process facilitation, the project has identified three basic elements that craft HAPPINESS for the people and their organisations at various levels. They are:

1. Security (social organizational and economic)
2. Access to capacity enhancement (contact to outside world, exposure, information, skills etc.)
3. Recognition (accept and appreciation and affirmation) basically calls for an interdependent process of give and take (sharing)

These are the basics that make a person or an organization happy. The degree of course varies at different levels.

PARTNERS AND COLLABORATORS INVOLVED

1. Self-Help Group as a Primary Partner

Traditionally, Nepal is a group-based society for common activities for social development. Many self-help groups existed for irrigation management, forest protection, temple improvement, trail maintenance, drinking water user groups, etc. For economic activities, many forms of group-based activities existed: like *Dhikuri* for savings, *Parma* for labour exchange, *Dharma Bhakari* for cereal grain savings, *Guthi* and *Bheja* for socio-economic/cultural activities with different ethnic communities. These informal organizations were/are working with the true spirit of voluntarism. Over due course of time these organizations became dysfunctional and some even disappeared totally. This form of group-based activities, which represent the informal sector of social economy, was totally ignored while formulating development strategies. Revival of this sector would mean to give high attention to the stronger part of the social economy. For this matter, NGOs could play a major role in reviving group-based culture of Nepalese social economy.

A normative definition of SHG is the basis for the promotion of self-help at the community level. Self-Help groups are the primary partners of the project and members must be from defined target populations. Since the NGO Fund Project started work through local NGOs, the project has directly partnered with about 300 SHGs comprising of more than 10,000 member households, making the total number of beneficiaries count to more than 70,000 people belonging to different communities. Many more SHGs have been formed through the multiplier effect the processes project has facilitated.

While selecting target groups, NGOFP emphasizes mainly on resource poor households: women and Dalits are a major focus. 73% of participating members are female and 30% belong to the Dalit and other resource poor families.

In case of Bhojpur and Northern Sankhuwasabha, more than 50% of participating members are from ethnic communities like Rai, Magars, Bhote, Sherpa and Dalit.

2. LSO as a Secondary Partner in Self-Help Promotion

Outgrowth of NGOs in Nepal as an aftermath of the democratic movement in 1990 was also an expression of freedom to the right of association long withheld and now ensured by the new democratic constitution. NGO evolution and democratic movement in Nepal also coincided with the gradual realization for the need of development strategy that stresses the democratisation and devolution of development in favour of the poor people.

NGOs can play a prominent role in facilitating this process so that people can *enlarge/encompass* their capacities and choices in self-help development. Many thousand NGOs are registered in different parts of the country for the cause of social development, relief works, sports and cultural activities as non-profit making organizations. Members of these NGOs are mainly composed of local school teachers, social workers and youths. Some of these organizations have working emotions but lack clear organizational vision and socio development concepts.

With this understanding, NGO Fund Project of GTZ was formulated in 1995 to tap the potential of organized youth through NGOs in self-help promotion in the nearby communities. District based local NGOs are termed as Local Support Organization (LSO) and are a “Secondary Partner”.

Altogether there are 55 LSOs who entered an agreement with NGO Fund Project. Out of these 55, 4 LSOs are inactive due to various reasons. Four LSOs are solely run by women and are very active.

WHY LOCAL SUPPORT ORGANIZATIONS:

1. They have the best knowledge about the local context.
2. As they are also from the same area, they will be the most interested and committed people to improve the situation.
3. They can guarantee continued facilitation of SHGs in need. External organizations will move out after the phasing out of the funding agency.
4. They can facilitate the formation of stronger organizations of the poor in that area.
5. They can bridge the gap between the 'poor' and 'not so poor'.
6. They retain the local youth in the area, and they can play a significant role in regional development. Especially now and then when most of the youth are attracted towards relatively easier money from employment outside. NGOFP cannot claim to retain all youth but at least some of them.
7. LSOs take care that the money flowing into the districts from different sources are utilized for the cause of self-help.
8. Strong organizations at different levels are very essential for development, advocacy, and lobbying for people centred development.

DDCs, VDCs and Line Agencies at the district level form a group of collaborating partners to NGOFP. There are some programmes being conducted at VDC and district levels in partnership with those agencies. Different local government bodies have started partnering with local support organizations and SHGs for various activities. Local support organizations are conducting activities such as livestock farming, literacy classes, drinking water schemes and small irrigation canals with those agencies.

Other development projects supported by different international agencies like Helvetas, MS-Nepal, FINNIDA, World Bank, Vision 2000, PACT Nepal, BNMT etc. are some agencies working in collaboration with the local NGOs and SHGs promoted by the project.

PROCESS INVOLVED

Development is often described in terms of economic and social outcomes. But development is a PROCESS of CHANGE. Changes are taking place in two forms as self-evolutionary and as human intended change processes. Many factors influence and determine the outcome of this process including the motive force that drives social change, the essential preconditions for that change to occur, the barriers that obstruct the process, a variety of resources including capital and technology, along with several types and levels of infrastructure. All these factors need to find an appropriate place in a comprehensive set of frameworks.

Human systems are purposeful systems. A purposeful system can produce the same outcome in different ways in the same environment and can produce different outcomes in the same and different environments. It can change its ends under constant conditions which exemplifies free will. Such systems can learn, adapt and create the future.

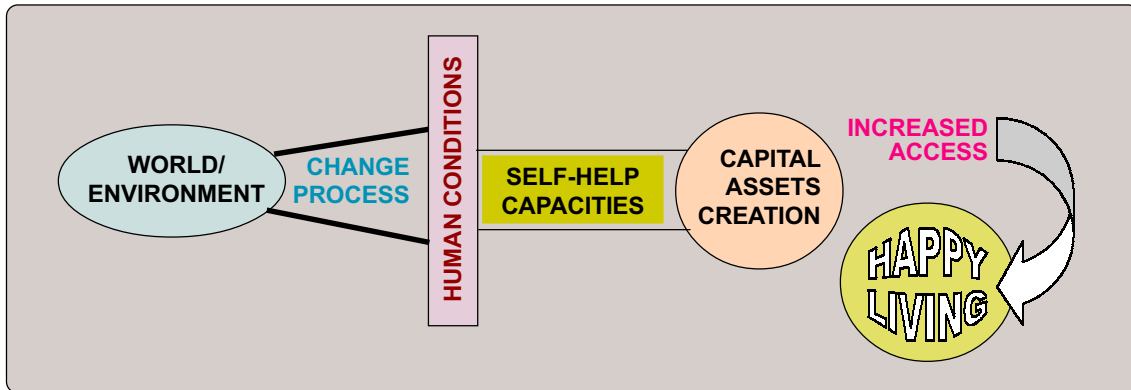
The appropriate purpose of a human system conceptualised is 'self-help development'. **Self-Help Development** is a process of increasing the abilities of individuals and groups through the creation of 'assets' for the best utilization of human potential with life long learning and application in various spectrums of making livelihoods happier.

Every human being has potential of doing something irrespective of whether two person is materially rich or poor. The only thing poor people have and can best utilize for further self-help development is the potential self-help which can create a leeway in their livelihoods.

Characteristically Self-Help Development is encouraged and facilitated at the level of individual/group and called PEOPLE-CENTERED approaches of development. In this process of development, human needs are superseded by human potential. The human potential can be harnessed by creating various forms of 'assets,' this in turn will contribute to poverty reduction vis-à-vis acquiring happier livelihoods for the poor and disadvantaged. The purpose of self-help development is purely assets creation as identified in the forms of capitals. People's asset creation, particularly human and social capital, creates a platform for further all round development. These assets are as follows:

1. Human capital – Knowledge, Skill, Education, Information, Spiritual aspects, etc.
2. Social capital – Group, Network, Committee, Coalition, etc.
3. Financial capital – Savings, Credit, Investment, Income, etc.

4. Physical capital – School, Road, Electricity, and House, etc.
5. Natural capital – Land, Water, Forest, Soil, etc.



Assets created in the form of human and social capital can generate the remaining assets in the process of development which ultimately increases access to resources to make living better. There is better access to avail opportunities, feeling of empowerment and future security. At this very point of journey, members from self-help groups feel great and share experiences of joy with others. Not only this, SHG members express their heart felt happiness while giving others whatever little they have to offer. It is a feeling of gratitude of give-and-take equilibrium of 'help for self-help' to the people with similar human conditions. So here the happiness of the poor and disadvantaged counts most: they share and contribute to uplift others in similar conditions at the level of peak happiness level he/she has achieved. This of course requires a spiritual touch in the overall process of development facilitation, meaning a change in attitude. This essentially requires behavioural change which incorporates appreciation, sharing and caring for others.

Commenced in 1995, NGO Fund Project has enjoyed a treasure of learning opportunities to facilitate development process that makes a difference to the people's life. It has not only facilitated the creation of economic opportunities for the people involved, but has also been able to facilitate a process of human development. It has facilitated a process of change that has produced a whole mass of people and organizations that care for others as well.

In its endeavour to facilitate poverty reduction by bringing the change processes through promotion of self-help capacities of poor and disadvantaged people, NGO Fund Project works on two aspects of Self-Help Capacity Building.

1. Double-pronged approach of Organizational Development along with Financial Support for Income Generation Activities to complement the self-help initiatives and potential of the target community.
2. Local NGO's Organizational Capacity Building.

In this process, NGOFP emphasizes mainly on the following points:

1. Motivating Local Youth for Social Economy

Due to limited scope of the informal sector, the active forces of youth workers from rural and urban areas are migrating to economically prosperous countries for employment as labourers. There is evidence that NGOFP facilitated processes that have been able to motivate people to remain in their areas. NGOFP has been able to mobilize more than 5,000 youth as members of LSOs and cooperatives.

The processes facilitated by the project have been able to create economic opportunities for the local youth. Although they cannot make as much money as they would have in other countries, there are other values added in 'staying' in the villages. They really see their part of contribution in the development process of their own communities as far more 'paying'.

Different partners involved in the process have been able to create a youth power which is not only involved in income generation for themselves but also take responsibility in steering socio-economic changes positively.

2. Self-Help and Self-Help Promotion (SH/SHP)

We mean self-help when individuals or groups act at a political, social or cultural level under their own initiative in an effort to meet their individual and common needs, ensure their continued survival or enhance their conditions and thus acquire a greater measure of independence or self-reliance. Self-help comprises of more than target groups making a financial or labour contribution. It implies the step from passivity to activity.

Self-help promotion is a term given to external support for processes of this sort. It involves promoting people in their efforts to get together and set up their own organizations, promot-

ing their individual and collective skills and opportunities to develop and manage activities and schemes on their own. (These definitions are adapted from the BMZ/GTZ document, money is not everything).

Hence, self-help means individuals or groups taking up their own initiatives for their development in all spheres of human life leading to a better quality of life.

Self-help promotion is a process which facilitates self-help based on their functional (visible and invisible) potentiality.

Self-Reliant Society

Ultimate desire of all the activities related to self-help and self-help promotion is to create self-reliance in societies. NGOFP believes in process facilitation towards evolutionary development of self-reliant societies. Self-reliant societies are independent entities with their own system of internal support and decision-making. They involve independent individuals living in an interdependent way in a society and also independent organizations having interdependent relationship for greater impact or synergy effect at different levels. Those societies will be able to:

- ♦ Mobilize internal resources,
- ♦ Seek external support when required,
- ♦ Motivate each other for support for their own continuity, and
- ♦ Facilitate the creation of other similar self-reliant societies, ensuring the continuity of the whole process, resulting in a self-propelling sustainable process.

In other words, NGO Fund Project works towards facilitation of the processes of capacity building for self-help development, self-help promotion and creating self-reliant societies. All these processes will ultimately make a positive impact towards poverty reduction and human as well as economic level.

3. Local Resources Mobilization

Sustainability of any development project lies on how much local resources can be generated to run programs successfully. Participating SHG and local NGO members have been able to generate significant amount in kind through services and cash. Cash contributions came from SHG members, local governments like DDC/VDC, Members of Parliament (MPs), and

donations and also from cultural programs like Deusi/Bhailo festivals, special occasions, etc. Besides this, individual members are contributing their kindness and services to complete agreed self-help schemes of individual members as well as the community.

4. Savings and Cooperatives

Savings and Credit Cooperatives in the context of NGOFP are self-emerged organizational entities. They have come into existence after the self-realization of 'what the fate of the SHGs and LSOs will be after phase-over of project activities from the working areas'. The immediate answer was to start a bigger scale of organizational activities with increased participation to maintain the economies-of-scale. For this reason, savings and credit cooperatives was the only alternative which could serve the broader objectives of the participating members. Although it was not intended in the beginning, many cooperatives have emerged due to the genuine need of participating members to sustain the organizational and economic activities. They not only serve LSO members and SHG members, they also serve the entire communities of their area. Thus they facilitate in up-scaling the impact of the project to a bigger section of the population of that area.

5. Facilitate the Process of Democracy and Good Governance

A sound base of the civil society is a precondition for democratic processes to function. Arriving at a better governance situation should have a number of positive effects for people who are poor and marginalized. There should be greater opportunity for involvement in public policy-making; a higher likelihood of being treated equally by the law; more room to associate and pursue interests; and a better chance of bureaucrats behaving responsibly towards them.

For civil societies (voluntary organizations, NGOs, etc.) it should mean greater autonomy and more "space" for their work. In short, good governance entails a more enabling environment with greater inclusion and reduced marginalization.

In the process of making governance more inclusive and just, civil society is believed to play the following significant functions:

- ♦ Provide space for the mobilization, articulation and pursuit of interests by individuals and groups;
- ♦ Provide the institutional means for mediating between conflicting interests and social values;
- ♦ Give expression and direction to social religions and cultural needs;
- ♦ Limit the inherent tendency of governments to expand their control;
- ♦ Nurture the values of citizenship required for democracy.

Nevertheless, the task at the micro-level is to stimulate and facilitate the forming of their capacity; to engage with each other, with the state and with the market.

That includes:

- ♦ Improvement of people's livelihoods and physical well-being in sustainable ways;
- ♦ Building up the capacities of people's organizations; and
- ♦ Empowering in the sense that, individually and collectively, people are able and willing to make claims on development processes, as well as instigating their own.

In this line, the process of capacity development facilitated by the NGOFP has actually contributed significantly in the creation of a strong base of civil society in its working areas. The people's organisations at all levels, from SHGs to the LSO and to the ROs are practicing democratic norms by including all concerned in the process of decision-making, maintaining transparency, conducting public audit, etc. Subsidiarity can be best experienced in the self-help groups.

6. Knowledge Based Technology Promotion

Experiences in the project have shown that the people are in a better position to learn technical skills after participation in the social mobilisation process for a certain period of time. They can better absorb new skills once they learn how to participate and learn actively. In order to enhance economic opportunities for them, the project gives small funds to self-help groups as well as to the local NGOs. They use those funds for income generation activities of individual members or in collective ventures for the whole group or organization.

Based on the knowledge and the potential of the groups and the NGOs, NGOFP supports them in their endeavour with some technical training. The skills thus acquired by them enhance income generation. Training on micro-enterprise development and market analysis is also provided so that they can make profitable businesses. As most of the participants belong to farming communities, the skills demanded by them also revolve around agriculture, like off-season vegetable production, better crop production, livestock management, food processing, etc. In the Terai, small enterprises such as retail shops, cycle repairing, stalls tile factories, leather processing, petty trading, etc., are also popular.

With small training support from the project, most of the self-help group members have been able to generate significant amount of income. The NGOs are also making organizational income from different activities.

SUSTAINABILITY

“It is not the strongest species that survives, nor the most intelligent, but the ones most responsive to change.”

- Charles Darwin

Since organizations are ‘organic’ human constructs, Darwin’s theory applies very well to the organizations. Sustainability is not a ‘thing’. It is a condition, a particular status of human behaviour within natural systems and of organizations with social institutions. Those systems are dynamic and therefore sustainability requires a selected, continuous dynamic response.

With regard to capacity building sustainability has to be observed from three different angles:

1. Enduring Impact
2. Continuity in resources
3. Organizational viability

Sustainability of the organizations at any level depends on creating a balanced link between the three categories in a positively reinforcing way.

Sustainable impact requires interventions that link systems, processes and outputs. Those processes should lead the people and their organizations to better PHYSICAL WELL BEING, ORGANIZATIONAL CAPABILITY AND EMPOWERMENT in the context of given ECOLOGICAL, SOCIAL and ECONOMIC systems. There are evidences that NGO Fund Project, with its two-pronged approach to capacity building has been able to facilitate a process that generates sustainable impacts.

In terms of resource generation and continuity, NGOFP facilitates organizations to create their own resources. That means the project prepares them for self-resource generation. It reduces vulnerability and reinforces autonomy of the organizations. Thus the organizations will be able to continue with their vision even if there are no funding agencies. Only for scaling up and wider dissemination will they require external funding.

Organizational viability calls for regeneration, which can be brought through a. ACTION-BASED LEARNING, b. ORGANISATIONAL CHANGE and c. LEADERSHIP. NGO Fund Project attempts to facilitate a process of capacity building which involves all the three aspects of sustainability. Some of the evidence that illustrate the sustainability of the processes facilitated by the project are described in the following pages.

“Development can only be achieved by improving the relationship between men and women in a family:”

- A woman from a low caste family in the Terai

About 200 Self-help groups have been promoted in Kapilvastu District with the assistance of NGO Fund Project. Kapilvastu is a district in western Terai. As usual in the case of Terai communities, it is very difficult to get women involved in any development activities. With the help of local NGOs, the NGO Fund Project has been able to reach and make women participate in every walk of the development activities within the project framework. This short case study briefs readers on how a local NGO (KASWEPT) has been making attempts to involve women actively in their community development works with one of the groups as an example.

The local NGO faced a lot of problems in making women come out of the house and participate in self-help activities. So with the advice of some of the more outspoken women in the community, they facilitated the formation of a group including both husband and wife (couple) as group members. This approach has sort of brought about revolution in that community in terms of equal participation by women. Both men and women are very happy with the outcome of this approach.

Women say:

“Our husbands were always out of the house and we never knew what they were doing. We were not allowed to participate in any kind of activities outside the farm and the household. This created a lot of misunderstanding in the families. We always felt that the men were wasting time and money by conducting different activities that are not productive at all. Now we are always together in the meetings and doing different income generating activities together. Women know that men are not just doing ‘nothing’. They also realize that women can do meaningful work also in the community. Both of us are contributing significantly in bringing about positive changes in our society. This has certainly improved in the relationship between men and women. This is very important for the family and also for the society. We realise that real development can be only achieved by improving the relationship between men and women.”

Men say:

We always had disputes in the family because our women thought that we were wasting money and time. We never wanted our women to participate in any activities outside the house and farm. We felt that if they go out they will just talk nonsense about us. But we now realise development at the household level as well as at the society level can be better achieved by involving women. Now we understand each other better and both of us are engaged in different activities which enhance self-help at the household level as well as the community level. We understand that men and women play equally important roles in development.

This is one example as to how the support provided by NGOFP is making impacts at the household and community levels. Many more groups of that kind have been formed. The group is also very proud to be the pioneer in 'couple membership'. Many people from neighbouring villages come to see their groups and learn from them. They are also facilitating others in forming such groups.

Cooperatives with a difference

The major thrust of the NGO Fund Project from the very beginning has been facilitating the process of organizational infrastructure creation at the local level. This process aims essentially towards creating 'strong' organizational base in the districts, so that those organizations can contribute in the pro-poor mobilization and utilisation of the available internal resources as well as external resources made available to the districts. 'Strong' in this regard means competent, committed and confident organisations.

As mentioned earlier, the primary focus of the NGO Fund Project has been strengthening local NGOs to enable them to participate in the process of self-help development for poverty alleviation. In this line they have been working towards building their own organizational capacities as well as building organizational capacities at the grassroots' level, that is of the self-help groups.

Savings has been an integral part of the whole process. Realising the benefits of saving, which was not only economic, but also social, many other people, who were not involved in groups, also wanted to participate in the program. The group funds of the SHGs and the LSOs also increased constantly. Many self-help groups did feel that their savings needed another level of management. Looking at all these points, the SHGs, LSOs, and other community members came up with an idea of joint cooperatives.

Due to the increasing number of savings and credit schemes, not many people were going to the local moneylenders anymore. So they were also looking for a platform to make productive use of their money. They also started to deposit their surplus in the cooperatives. Thus resource poor people have an access to that money against the interest rates decided by themselves. THIS GAVE BIRTH TO A VERY UNIQUE TYPE OF COOPERATIVE, which is owned by everyone in the community from the SHG members to LSOs to other community members: children, youth, men and women, rich and poor.

The membership size of such cooperatives varies from 600 to 1400. The management of the cooperatives is taken care by the LSO members. The loan approval is taken care by the SHGs themselves. In this way, the self-help groups have access to bigger loans to take up larger economic activities, either individually or collectively. More than 70,000 people (members) are benefiting from these cooperatives.

People do not need any co-lateral to take a loan. They just need the approval from the self-help group. The repayment rate is reported to be more than 90 percent.

The groups keep certain percentage of their savings and the revolving fund provided by the project with themselves, so that needs of smaller loans can be taken care at the group level. Those cooperatives have really proven to be a different kind of cooperative which not only deal with financial transaction, but also with social aspects as well as organizational strengthening aspects of SHGs and LSOs. SHGs and LSOs have merged in to one organization reinforcing interaction in the future.

From a community based organization to a small 'NGO Fund Project'

Siddhartha Youth Club was established as a community based organization to promote sports and culture of the local communities in Kapilvastu District. When NGO Fund Project first came in contact with them, they used to say that the only way the project could support them and the community was by providing some sports articles or some music instruments.

Now within the period of five years, this organization has transformed into a very strong and committed NGO. They have already promoted more than 30 groups and about eight local NGOs to work towards self-reliance and the happier societies. They have proven to be very capable and have already provided technical support to the NGO partners of GTZ Food for Work Project. They, together with all the groups promoted by them have established a very committed saving and credit cooperative. It has a membership of 1,300 people and mobilises 20 million rupees worth of transactions. They are also successfully running different enterprises to sustain the organization. They own a tile factory, a leather factory, and provide secretarial services to many other organizations. In this way they have ensured organizational sustainability. The cooperative provides productive loans to its members as well.

They are also involved in community development works through the DDC and the VDC. They are now partnering with four different international development agencies in the district. In this way, the Siddhartha Youth Club has systematically managed to run two different wings.

1. Financial wing through its cooperative activity
2. Organizational or social wing through the NGO together with community development works

This example clearly indicates that Siddhartha will continue to work with the two-pronged approach of NGOFP even after the project phases out. This illustrates how a community-based organization has graduated itself to a capable and committed human development oriented organization. We can be sure that this organization will certainly be able to create happier societies.

The chairperson of Siddhartha says:

The people from as far as Germany are contributing to support poor Nepalese for improving their living conditions. So why should we not do our level best to support our own people?

With this vision, Siddhartha has started promoting more self-help groups without the project's support. They are also facilitating other local NGOs in setting their vision and objectives. They are supporting VDCs in preparing strategic long-term plans.

This is just an example. There are at least 20 examples in Kapilvastu and Parbat Districts and some more are on the way.

From a self-help group to a transport cooperative

ENPRED was established by a group of young people in Lunkhu village in Parbat District. They also started with the vision of enhancing sports and culture in the community. After they came in contact with the project, they realised a different potential within the organization. Since then, they have been involved in the local development work in their VDC and in the neighbouring VDCs.

With the support of NGO Fund Project, ENPRED has supported about 35 groups. It has also established a saving and credit cooperative together with the groups. This cooperative has about 2,000 members and has a saving of more than 5 Mio. They are investing in productive sectors and members have produced fairly good amount of vegetables to sell in the market. They are also producing honey and are constantly involved in strengthening the VDC and self-help groups. They have constructed a community house for conducting different training and meetings.

With the support of the VDC, they have facilitated the communities in constructing toilets. They are working towards making all the people in the community literate. They are also collaborating with different other national and international development organisations in constructing bridges and drinking water schemes, etc. Now they have purchased a passenger bus to run on the newly constructed road from the village to Syangja (neighbouring) District. It will bring them a net profit of about Rs. 20,000 a month. Part of that amount, they want to invest in different community work that lead towards self-reliance.

This organization is also continuously working towards self-help development. They are working with the most resource poor people of their VDC. They have also started funding self-help groups in smaller scales. This example also indicates that the work and the approach disseminated by the NGOFP will continue through those organisations even after NGOFP is phased out.

There are many examples where LSOs or self-help groups have taken up collective enterprises to generate income for their own sake as well as to be able to support others who are in need. Some popular collective 'enterprises' are: tile factories, fair price shops, candle making, bakery, collective vegetable farming, etc.

First dairy cooperative run by women in South Asia

- Mahila Sewa Tatha Jagaran Samuha

Mahila Sewa Tatha Jagaran Samuha is a group of women in Kapilvastu which started as a self-help group and slowly graduated to a LSO with the support of NGOFP and promoted 19 women's self-help groups for socio-economic empowerment. In the year 1999, that organization, together with all the women members of the SHGs promoted by them, have joined together to start a dairy cooperative. To begin with, they have started a milk chilling plant of 1000-liter capacity. They collect milk from different communities and bring it to the chilling plant. They have an agreement with the dairy development cooperation in Butwal that they will purchase the milk collected and also pay a charge for the chilling. They also provided training support needed to manage the collection and chilling plant to the LSO members.

The LSO, together with the women self-help group members, have invested about a million rupees in that plant. The plant is financed partly by a loan from Agriculture Development Bank of Nepal. The LSO members, as well as the group members, are very happy to own their chilling plant. "This is the first dairy cooperative run by women in the whole SAARC region", they report very happily.

"We did have to struggle in the beginning. The chilled milk is sometimes not collected on time. In dry seasons, we do not get sufficient milk to meet the capacity. But we are confident that we will manage and we will even be able to diversify our activities. Gradually, we would like to go into production of different dairy products. We will certainly expand in terms of the people benefiting from this activity," says the president of the LSO.

Resource creation: poverty reduction

As the overriding goal of all technical cooperation of the GTZ, the ultimate goal of the NGOFP is also poverty alleviation. With its two-pronged approach of capacity building, this project facilitates the process of poverty alleviation at different levels:

1. Social
2. Organizational
3. Economic

NGOFP's facilitation in the process of creating social and organizational assets have been dealt in detail in earlier chapters. This box only shows the facilitation provided in terms of economic aspects. As of September 2000, the project has spent an amount of **Rs. 46,907,073** in the project areas. This figure includes all the expenditures in the field pertaining to resource organizations, local support organizations, self-help groups (revolving fund as well as others) and all the resource persons involved so far in the project.

The calculation of the net income generated by the participating members of the self help group and the local support organizations shows the following picture:

Income from

Sale of vegetables from October 1998
to September 2000:

Rs. 30,105,900

Profit from self-help schemes

(October 1998-September 2000):

Rs. 104,060,000

This figure shows that altogether, the income generated by the participants is far higher than what has been directly spent by the project in the field.

That gives a total of **Rs. 134,165,900** of net income after repaying the credit taken in **two years**. It does not include consumption either. If a straightforward calculation is to be made adding the net income from the schemes and from the vegetable sale, in average, at least 70% of the participating household has been able to earn a minimum of **Rs. 28,364 in two years**. **That means, they have been able to earn Rs. 14,182 (\$191) a year**. Thus it has directly contributed in poverty reduction of the participating households in terms of economics.

Besides making net income by the SHG members, there are various kinds of funds accessible to the members. They are listed below:

SHGs' cash contributions to savings	= Rs. 1,548,109
Cooperative savings	= Rs. 16,097,549
Current revolving funds	= Rs. 11,579,556
Total funds accessible to SHG members	= Rs. 29,225,214

This indicates that each participating household (100%) has a credit access to about Rs. 4325/- as of September 2000 and, this amount will increase continuously.

Positive influence on local politics: good governance

The two-pronged approach of the NGO Fund Project has facilitated in the creation of a strong base of the civil societies in its working areas. Its main focus has been in assisting the people and their organizations to improve their quality of life as well as the quality of their organizational achievements.

At the onset of the project, a kind of rivalry prevailed among the community organizations at different levels and the local government and government agencies providing services in those districts. The organizational atmosphere was predominantly characterised by mistrust and misunderstanding.

While government agencies perceived the NGOs as dollar-harvesters, NGOs felt that the government agencies were just 'doing nothing' for the cause of the people. On the other hand, the general public had also a very negative perception about NGOs. Overall the image of the NGOs was not very positive in the districts. The NGOs were also not very clear about their roles. Many NGOs lacked in leadership capacities and were not necessarily practicing democratic norms within their organizations.

The first and foremost task facilitated by the project is value clarification and goal setting. This process resulted in positive image building of the NGOs. Within a short period of time, the scenario has completely changed in the districts. The NGOs and government agencies have started working together and they complement each other very well.

In this line, the process of capacity development facilitated by the NGOFP has actually contributed significantly in the creation of a strong base for civil society in its working areas. The people's organizations at all levels, from SHG to the LSO and to the ROs are practicing democratic norms by including all concerned in the process of decision-making, maintaining transparency, and conducting a public audit, etc. Subsidiarity can be best experienced in self-help groups.

There is evidence that people from self-help groups have been able to influence local politics. Positively more space is being provided by the local government and government agencies to people's organizations in the process of development in various fields. Some self-help group members and LSO members have entered into the local politics and they advocate for the cause of the people and people centred development. These are perhaps the essential characteristics of good governance. There is still space for improvement and the process itself is going in the right direction.

Giving makes people happier than taking: a day for celebration

After five years of facilitation and support, self-help groups and local support organizations of Kapilvastu and Parbat seem to have started to take social development and the poverty reduction of their areas in to their own hands. A very historic event took place in Kapilvastu on 7th December. 11 self-help groups promoted by Siddhartha Club, a local NGO partner of this project have joined hands to support other needier communities. Each group contributed Rs. 1,500 from the interest of their revolving fund, the local NGO contributed Rs. 5,000 and the VDRC, another NGO partner of the project, also contributed Rs. 5,000. Altogether they created a fund of Rs. 26,500. Out of that amount Rs. 20,200 was provided to a self-help group of Kumal community of Kapilvastu as a revolving fund.

The community is comprised of 28 landless households. They have also formed a very unique group where a couple (husband and wife) is member of the group. Both men and women are involved equally in the process. This will certainly improve in the gender relationship. These people are very happy that they can start economic activities as well as social activities with the help of the NGOs and 'donor self-help groups'. An agreement was signed between the recipient self-help group and the donor self-help group on the 7th of December.

That was the happiest moment for all of us in the project. In place of the project team leader, the representatives of the self-help groups were signing the agreement. One could really feel that they were at the peak of empowerment at that moment. It really felt great and we felt that our hard work was paid off. To our knowledge, this is the first of its kind of effort where local people provided financial support to a community to start a revolving fund, at least in Nepal.

In their appeal to other self-help groups, those 11 self-help groups have made a statement, which reads like this:

“With the support of NGO Fund Project and the NGO partners, Siddhartha Club and VDRC we have been able to uplift our social as well as economic condition significantly. We are very grateful to the German citizens who gave us these opportunities. As respect to them, we also would like to contribute towards the positive change of other fellow Nepalese people who are in need of support. If our small support can be of big help to those people as has been the small support of GTZ-NGOFP to us, why shall we not start doing so?”

“The most important aspect of this whole story is that the process started by this project is going to be continued by the people in those districts. There are more such groups coming up. Many more self-help groups and local NGOs are on their way to support many other groups. There will at least be 30 such groups supported locally. So this is perhaps the ‘sustainability’ that we all are striving for. And it surely will continue.”

In the end, the members of the donor self-help group expressed that they felt much happier while giving than receiving support from the project. Was that not a day for celebration?

LESSONS LEARNED AND CHALLENGES

1. Targeting the Target Groups

Most of the NGOs registered in the districts are organized by 'not so poor' people. Many of the organisational members belong to upper section of the community, either socially or economically. It is very difficult to find NGOs comprised of the people belonging to the lower section of the communities.

If a project partners with those organizations to work with the resource poor population of their communities, the NGOs will automatically go for the resource poor people within their 'in group'. Those people will not necessarily belong to the most resource poor.

This is a very natural phenomenon. Everyone wants to help people who are in their vicinity in the first place. Therefore, if the project is not sensitive to the goal, it will very quickly end up working only with the 'not so poor' people. Any organization working for the cause of those who have less must always educate and gear the partners in this regard. They should also facilitate a process of promoting NGOs belonging to the lower stratum of the communities. The process will of course take a little longer.

But once organizations are aware of the whole concept and approach, they themselves will make the process flow. This is a very valuable lesson learned by this project.

2. Overwhelming Collaborators

Another experience we have is that once there are good NGOs locally, many international aid agencies as well as government agencies are willing to work with them. This gives the whole NGO scenario in the district a new dimension.

But there is also another part of the story. After we felt that our local NGO partners were capable enough to lead development processes in their areas, we started making 'advertisements' for those NGOs among the international aid agencies as well as within the government.

Many of them were very happy to find good NGOs locally. So they were very enthusiastic in partnering with them. At times it even looked, as if local NGOs were getting too many 'projects' and that their capacities were over-stretched. It should be the concern of all the partners working with local NGOs that they do not deviate from their original goal of self-help promotion and self-reliance development. A regular interaction of all involved in this regard is very essential.

3. Network

Local NGO partners of the NGOFP who are working in the field of self-reliance development have formed a network of like-minded NGOs. Those networks have been able to keep the members on line with the original goal. This has provided a very good forum for mutual capacity building, experience sharing and lobbying.

In the beginning, the network used to meet every week. But now they meet once a month and as and when required. It has provided a stronger voice to local NGOs.

At times, the network faces the problem of conflicting interest and roles among member organizations.

4. Motivation at Different Levels

Motivation of the people working in the various levels of partnership is very important for a project to work: motivation of the self-help groups, local support organizations, resource organizations, and the project team is important. The most beautiful part of the NGOFP is that everyone motivates the other. It is in real sense a mutual motivation process.

Mutual trust plays a very significant role in this process. Once all partners at different levels trust each other, the process becomes very empowering for all the people involved.

We have found that creating organizational challenges also motivates the members of respective organizations. We have really taken care that there is always a challenge for the organizations from self-help groups to LSOs, ROs, and the project team.

5. Creation of Critical Mass at Different Levels

Critical mass is inevitable for any idea to work. In its facilitation process, NGOFP has always involved as many people as possible from an area to influence the change process. Not only has it maintained a good relationship to everyone in a locality, where it works, but they have been involved from the orientation onwards. This has created a very supportive system for the project.

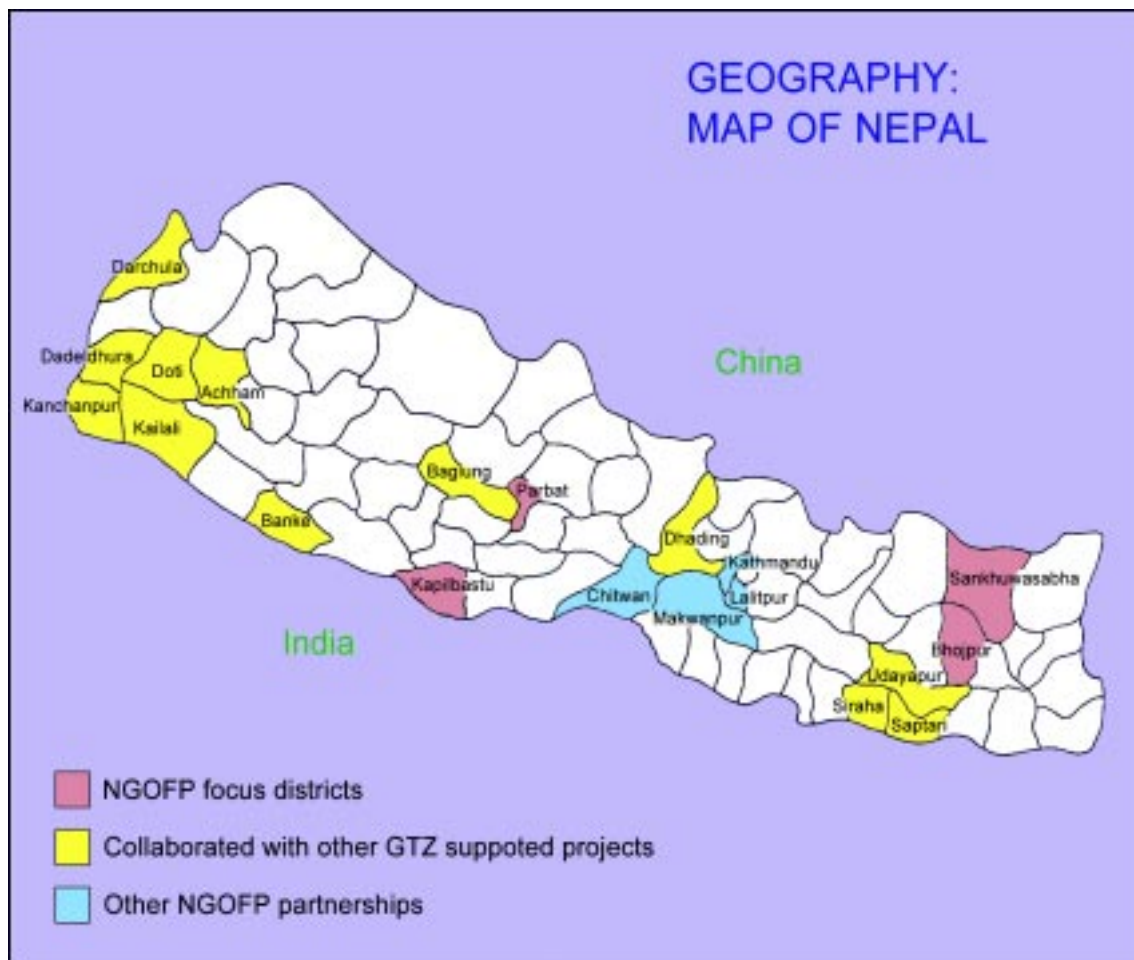
In addition to that it has mobilised at least 5000 local youth for the process of self-reliance development. About 70,000 people are participating in the cooperatives movement and 10,000 women and men are involved directly in the self-help groups. This has constructed a very strong critical mass for the self-reliance. It has gained a momentum, which will continue to have a lasting impact.

That is the mass with abundant mentality, which do not believe in competition, but in complementarities. They are gearing a very efficient and effective process of merging social progress with financial profit in a well-balanced manner.

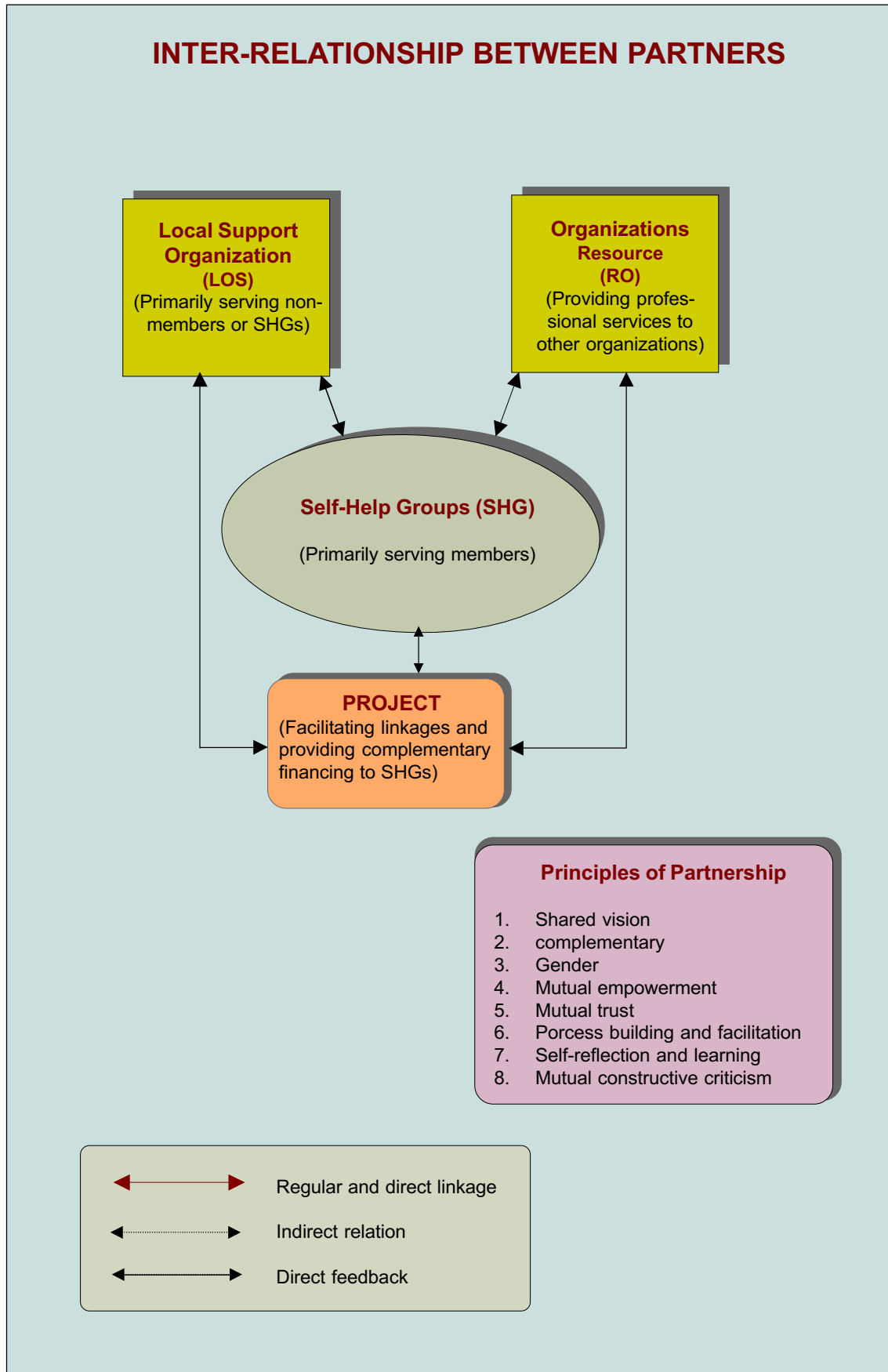
6. Local Politics can be Influenced Positively

As described in the earlier chapters, human value based on socio-economic development influences politics positively and creates more space for the marginalized. The strong base of the civic organizations created with the facilitation of the project has influenced the local politics positively.

ANNEX 1

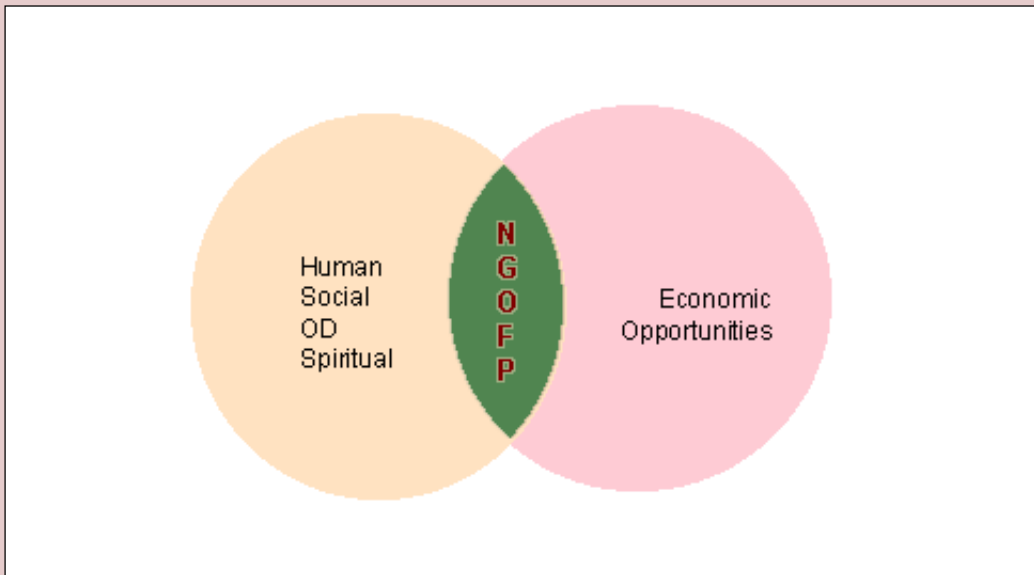


ANNEX 2

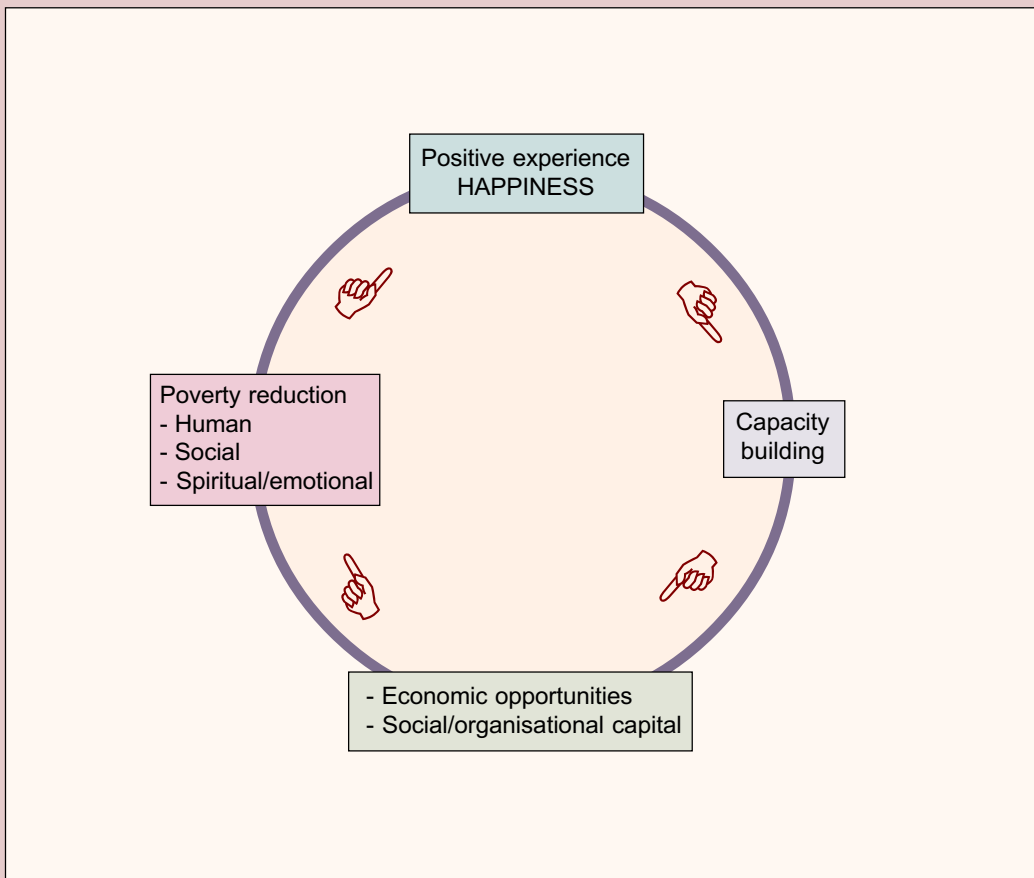


ANNEX 3 AND 4

Capacity building for self-help promotion (happier living)



Dynamic nature of capacity building for happiness



ANNEX 5

Impact Analysis: Inputs vs. Benefits = Impacts

A. Inputs

A.1 GTZ Financial Inputs

As mentioned in project background, NGO Fund Project has adopted double-pronged approach of organizational development of NGOs and, organizational support of community along with complementary financial support to self-help initiatives and potentials. For this purpose, inputs are provided in terms of cash and the services to upgrade the knowledge and skills of LSOs and SHGs members.

During the 1st and 2nd phase, a total of 388 agreements were made with different organizations amounting to a total of Rs. 46,907,073.00.

Financial input channelled is as follows:

Self-help group	11,101,224*
Local support organization	7,124,888
Resource organization	24,149,653
Resource person	4,531,308
Total	46,907,073

* Includes Rs. 9,231,152 for revolving funds, Rs. 750,486 for organizational development support and Rs. 882,786 for small infrastructure measures

To channel cash as inputs, services need to be catered by ROs and LSOs while implementing program activities. For that purpose, there is a principle basis of resources allocation while negotiating the annual budget proposal of ROs as follows:

70% of the allocated budget are spent for the capacity building programs of LSOs and SHGs. Not more than 30% of the budget is to go for organizational management of ROs.

Out of 70%, 49% equivalent services of ROs go to LSOs

Out of 70%, 21% equivalent services of ROs go to SHGs

Services to the LSOs from ROs include training, monitoring, follow-up, workshops and visits where as services to the SHGs include scheme verification, monitoring and coaching.

A.2 Technical Process Inputs

Self-help promotion processes of NGO Fund Project can be summarized in 5 stages process of promotion and learning at each level of activities.

a. Selection of working areas and LSOs: The basis for the selection of Parbat and Kapilvastu Districts was program potential in terms of responses expressed by district stakeholders and minimum number of donors working in the district. But in case of Bhojpur and N. Sankhuwasabha, there was a consensus within GTZ to cooperate in implementing the programs in response of limited financial resources. And also there was high demand from both the DDCs who ultimately endorsed the program and allocated the working VDCs in both the districts.

b. NGO selection process: All the registered NGOs in the districts were asked to join 2 days orientation in Kapilvastu and Parbat. All sorts of discussion were held regarding approach, working procedures, partnership, roles and responsibilities. Quite a number of NGOs participated in the orientation. At the end, an assignment was given to each LSO, which would gauge the commitment of NGOs towards the self-help, process-oriented development approach. Quite a few numbers of NGOs turned back with complete assignment. This self-selection process of screening was adopted so that it could help to fine tune the self-help approach in a process-oriented manner. The selected NGOs were asked to join self-help-training programs held in district headquarters in Taulihawa and Kushma. In this whole process, social mobilization RO, i.e., VDRC was involved right from the beginning.

c. Local initiatives and SHG formation: Then the trained LSO members were asked for searching local initiatives based on dynamics in the community. The original idea behind this concept is that the initiatives already started would be easier to pick the external ideas and become sustainable.

d. Program implementation: The SHG members applied the learned knowledge and skills into action. These actions like savings built their confidence, which further encouraged applying in their daily life. They started inter lending and developed cohesiveness among the SHG members. The SHG members further bring new thoughts to carry income generation schemes for each member on turn basis. SHG members participate in preparing a self-help scheme. The self-help scheme must be provided with the following information:

- i. Wealth ranking
- ii. Total cost involved
- iii. Cost sharing
- iv. Action plan
- v. Cost/benefit
- vi. Household survey

e. Monitoring and evaluation: SHGs, LSOs and ROs carry large numbers of activities. Monitoring is based on the following actions:

- i. Regular meeting
- ii. Bi-monthly reporting
- iii. Review and learning
- iv. On-site coaching
- v. Discussion
- vi. Self-monitoring

B. IMPACTS of the Project (as of September 2000)

The assumption made during planning of the NGO Fund Project was that the target groups to reach to the desired goal would apply the acquired knowledge and skills. The SHG members will internalize the concept of self-help with changing patterns of behaviours in their daily life styles. In the long run, the practice of self-help will turn into the permanent habits. These changed can be noticed in terms of impacts. Broadly Economic Development and Organizational Development indicate these impacts.

B.1 Impact on Economic Development

B.1.1 Savings: SHG members received knowledge and skills about savings from LSOs and; LSOs got from ROs. These were through various means like training, discussion, consultation, etc. and they have been applied in their daily life. Savings have become habit of members of SHGs, LSOs and ROs. Informal saving groups are turning into formal organizations of saving as cooperatives.

These saving groups/cooperatives and SHGs exist parallelly. Saving groups are more concentrating for economic activities where as the SHGs are more focusing towards social activities like justice, equity, empowerment, advocacy etc. In saving activity, LSO members are also involved in the same group or cooperatives. Following is the status of saving groups/cooperatives and amount collected in two districts:

B.1.2 Income: Whatever the amount one earns, ultimate count is the savings. To make good savings, one has to make good income. For this matter, a technical RO named MADE is being involved in providing knowledge and skills about income generation from on-farm and off-farm activities.

B.1.2.i Income from off-season vegetable production: SHG members from Kapilvastu are applying the knowledge and skills particularly off-season vegetable production and livestock raising. Net profit made by the members of SHGs in Kapilvastu and Parbat is given below:

Kapilvastu

Year	# SHG	Income/SHG	-	Total
1996/97	4	-	-	-
1997/98	36	62,499	40x62,499	24,99,960
1998/99	33	105,340	73x105,340	76,89,820
1999/00	31	142,258	104x142,258	1,47,94,832
	104	Total Net Income		249,84,612

Parbat

Year	# SHG	Income/SHG	-	Total
1998/99	6	-	-	-
1999/00	30	142,258	36x142,258	51,21,288
	36	Total Net Income		51,21,288

So the total income made from vegetable production in both the districts comes to be Rs. 301, 05, 900. 00.

Besides the net profit, the very strong point is that village level technical cadres are developed in the field of agronomy, horticulture, livestock and marketing. The numbers of cadres developed are 560 from 3,526 SHG members.

B.1.2.ii Income from the Self-Help Schemes

<u>Year</u>	<u>#SHG</u>	<u>Members</u>
1995/96	6	150
1996/97	29	725
1997/98	100	2450
1999/00	90	2205
2000/01	50	1227
Total SHG	276	6,757

Total of 276 SHGs have got 6,757 members. An extensive field level survey was conducted to tentatively find out how much people have earned from the different income generating activities. All the LSOs were involved in the process. They came out with a figure that more than 70% of the participating members have made an income of a minimum of Rs. 22,000 in two years. Therefore at least a total of 4,730 of the participating members have earned 22,000 members in two years, making the total amount earned to be at least 4,730 x 22,000 = Rs. 104,060,000.

Faster Benefit Return

Total Cost involved (May 1995-September 2000)		Net Income done by SHG members (October 1998-September 2000)
SHG support	= 11,101,224	Income from Vegetable = 30,105,900
Cost involved for LSO	= 7,124,888	Profit from SH Schemes = 104,060,000
Cost involved for RO	= 24,149,653	
Cost involved for RP	= 4,531,308	
TOTAL GTZ COST (NRs.) = 46,907,073		NET RETURN (NRs.) = 134,165,900

Besides making net income by the SHG members, there are various kinds of funds accessible to the members. They are listed below:

SHGs' cash contributions to savings	= Rs. 1,548,109
Cooperative savings	= Rs. 8,097,549
Current revolving funds	= Rs. 11,579,556
Total funds accessible to SHG members	= Rs. 20,746,882

This indicates that each participating household (100%) has a credit access to about Rs. 4325/- as of September 2000 and, this amount will increase continuously.

B.2 Impact on Organizational Development

Many capable organizations have been developed at various levels to carry different self-help developmental activities in the districts. It has lasting impacts at household level.

B.2.1 Self-Help Group

- Functional organization as SHGs and cooperatives
- Empowerment of poor and disadvantaged people
- Unity and confidence built within the community

B.2.2 Local Support Organization

- Organizational capacity growth
- Human resources developed
- NGOs recognized as crucial actor

B.2.3 Resource Organization

- a. Capacity growth
- b. Human resources developed
- c. Increased acceptance of the self-help program

B.2.4. Participating Members' Household

- a. Income generated
- b. Saving habit cultivated
- c. Micro-enterprises running
- d. Human resource developed

B.2.5 Linkages

Readymade capable LSOs and SHGs are available for other development agencies in the districts. Many donors are directly partnering with LSOs and SHGs. So the capable LSOs and SHGs are able to attract quite a big portion of development funds within the districts. Donors in partnership are – World Bank, UNDP, Helvatas, ADB, MS/Nepal, DANIDA, etc.

B.2.6 Education and Social Equity

Many of the participating members are able to send their children to school. Some of them have been able to buy fixed assets like land, some now own houses, and some have cleared their debts. Gender equity and social justice for Dalits have been targeted well. But still special attention needs to be paid while approaching the programs. There is general awareness about the program which has satellite effect to nearby areas where NGO Fund Project's activities have not reached.

B.2.7 Environmental Protection

Very good awareness has been raised about the importance of protecting the surrounding environment. Some LSOs and SHGs are also implementing forestation programs. Compulsory plantations of fruit and fodder saplings around the houses of SHG members have also helped in protecting the environment.



NGO - FUND PROJECT
Reflections: Capacity building
for self-help promotion

1995-2000