

# first annual progress report on nepal's small farmers' project

Mr. G.C. Clark  
Miss M.M. Crowley  
Dr. B.N. de los Reyes\*

## 1. Background to the Project

In order to determine the problems of the small farmers (those who own less than 1.5 hectares in the Terai and 0.5 hectares in the Hills), HMG, Nepal sponsored in cooperation with FAO/UNDP a workshop on "Development Support for Small Farmers" from 4-13 January 1974. There were two field workshops, each concentrated on the problems of the small farmers in a specific area, and a round-up session which took up the results of the field workshops and their broader implications. The field workshop for the Dhanusha District (in the Terai) was held in Janakpur while the workshop for the Nuwakot District (the Hills) and the round-up session were held in Kathmandu.

This multi-disciplinary and multi-level workshop was attended by people from the different agencies involved in small farmer development and from all levels of the organization including the field workers and small farmers and landless labourers. Through the papers presented during the plenary sessions, the work-group discussions and farmer consultations in the field, the problems of the small farmers and landless labourers were identified and recommendations were made for their solution.

Similar to the Nepal workshop, five other countries held field workshops on small farmer problems. The findings and recommendations of all the field workshops were considered at a Regional Follow-up Seminar held in Bangkok in August, 1974. The seminar formulated a broad strategy based on a number of activities considered essential for programmes for small farmer development. At the same time, the delegates from Nepal together with FAO/ASARRD members and observers from international organizations prepared an indicative outline for follow-up Field Action Projects in the (1) Dhanusha and (2) Nuwakot Districts. Based on this plus subsequent discussions with officials of the Agriculture Ministry and the Agricultural Development Bank of Nepal, the present Field Action Project (FAP) was developed and initiated from November, 1975.

## 2. Aims and Objectives of Field Action Project

The project aims at assisting 6,000 families of the low-income small farmers, tenants, share-croppers and landless agricultural labourers in the Dhanusha and Nuwakot Districts to raise their incomes and general level of living over a period of three years. This target group is being helped to organize themselves into small (15 to 20 members) homogeneous, multi-functional groups around a common nucleus, income-raising activity

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\* Small Farmers Development Unit, FAO Regional Office for Asia and Far East Bangkok, Thailand.

based on group work plans and group action at the grass-roots level supported by an integrated programme of supervised credit. These informal groups, organized below the level of the coopeatives, may form themselves into associations for the provision of common services and to take better advantage of facilities available under various on-going and future programmes and projects.

The project also aims at initiating action-based research by assigning two Group Organizers/Action Research Fellows (GO/ARF's) to each sub-project area. Their task is to help in organizing the participants into the groups, assisting them in preparing their group production plans on the one hand, and conducting surveys, studies and concurrent evaluation for research purposes, on the other. This action-research will hopefully throw light upon the practicability and nature of grass-roots institutions, the procedures and regulations regarding lending and repayment of loans to low-income small farmers and landless agricultural labourers, the feasibility of local needs-based and convergent programming as different from divergent departmental programming and the gaps in the implementation of tenurial reforms related to tenants and share-croppers. It was intended that the research work would be guided by a qualified researcher, preferably from a university which would agree to accept it as part of its requirements towards an advanced degree for each qualified GO/ARF.

In short, the project aims at helping this sector of rural society to develop its own "receiving/utilizing mechanism" in order to take advantage of the facilities and services presently being provided by the "delivery mechanism" of existing nation building departments and agencies which now are going largely to the bigger and more influential farmers and landowners.

### 3. Project Activities

Against an initial target of 1,000 families for the first year, the four Group Organizers/Action Research Fellows have been able to assist 651 families of the target group to organize themselves into 50 Small Farmer and Peasant Production (SFPP) Groups (27 groups with a membership of 218 in Dhanusha and 23 groups in Nuwakot with a membership of 427 families). Credit totalling Rs. 875,000 has been extended to group members against joint liability for the following different types of nucleus income-raising activities:

- Milch buffalo rearing
- Draft bullocks
- Calves for rearing
- Sheep production
- Goat production
- Pig production
- Male buffalo for breeding
- Carts and oxen for transportation
- Paddy cultivation
- Wheat cultivation

Tobacco cultivation  
Maize cultivation  
Fruit tree plantation  
Fish pond farming  
Well digging.

All groups have introduced a monthly savings programme for members in order to establish an emergency cum development fund for group use.

#### 4. Evaluation Methodology Used

The special character of a Field Action Project necessitated a distinctive type of evaluation. An FAP is essentially an attempt on the part of the participating small farmers and peasants who are disadvantaged in many ways, to build their own "receiving system" at the grass-roots. This is considered essential for small farmers so that they may seek, obtain, plan and utilize the various facilities for development that are provided by the delivery system, departments and other agencies including cooperatives, village and local self-government bodies. Simultaneously, an FAP seeks to make some adjustments and improvements in the "delivery system" to suit the requirements of the disadvantaged small farmers and peasants.

A Field Action Project should operate through an interaction between the two systems, and not through a top-stimulated functioning of improved activities along the vertical line down to the beneficiaries. Evaluation of the interaction of the two system if done only by an outsider could run the risk of becoming a kind of comparison between the performances of the two. But actually the project is a mutually dependent functioning of two systems, one of which is in the process of being built. A joint evaluation by those developing the two systems was, therefore, considered to be more fruitful because in place of a comparative judgement on performances, there would be a search for better cooperation between the two systems for future improvement.

An evaluation through Field Workshops is, therefore, based upon the principle that an FAP for small farmers and peasants will gain by self-evaluation near the scene of action when done jointly by the (1) beneficiaries and group organizers on the one hand, and (2) field personnel from the delivery system along with the planners on the other. Such joint assessment should lead directly to quick follow-up action by the concerned parties as they are not just "objects" of evaluation, but "subjective partners" in it.

The Nepal Evaluation Workshops had five objectives:

1. To see if the income, productive capacity, status and living condition of the low-income disadvantaged small farmers and peasants have actually improved.

2. To assess the progress and problems of the SFPP groups and associations (if any) as an active receiving/utilizing mechanism for this sector of society.
3. To assess the response of the delivery mechanism (banks, cooperatives, input supplies, extension personnel, land reform and registration officials, marketing units and the general administration) and the reaction of the other elements of the rural community.
4. To assess the progress of the Group Organizers/Action Research Fellows in group formation, promoting group self-study and in doing action based research.
5. To identify points in the existing design which may require modification or adjustment to changing situation.

To achieve these objectives a cross section of persons involved in the project from national, regional, district and village levels came together for five days at each of the sub-project sites - 21 to 25 March in Janakpur, Dhanusha District and 27 to 31 March in Trisuli, Nuwakot District. Three FAO Regional Officers from the FAO Regional Office in Bangkok participated throughout. They were Miss M.M. Crowley, Regional Home Economics and Social Programmes Officer, Dr. B.N. de los Reyes, Small Farm Management Officer and Mr. G.C. Clark, Regional Rural Institutions Officer for Agricultural Education, Extension and Rural Youth and Coordinator, Small Farmers Development Unit.

The evaluation exercise was based on reports prepared by each SFPP group leader, by the GO/ARF's and from officials at national level. Participants went to the villages for two days for discussions with individual group members in their homes and on their fields and with group members collectively. Achievements and problems were identified as seen from both the side of the small farmer members and from the side of the government workers. Solutions were discussed and mutually agreed upon for short and long term action. Thus, it became a review of past achievement and problems and a programme planning exercise for the next year.

## 5. Achievements

The achievements of the two sub-projects, as identified by both the government workers and the group members may be summarized as follows:

### (b) Impact on Target Group

The average family income of the 651 group members in the 50 SFPP groups has been increased by about RS. 450 per year. The habit of savings has been actively encouraged with 55 (or 25%) of the 224 members in the Dhanusha area opening personal savings accounts in their local cooperative while the 427 members in the Nuwakot groups have deposited nearly Rs.10,000 with the group emergency funds (average Rs. 23/member). The fund is being used to help individual members with medical or social expenses such as

weddings and funerals in an attempt to reduce their dependence upon the village money lenders for such emergencies. The position of the money lender is being threatened.

Credit totalling Rs. 874,000 (approx. US \$73,000) has been approved to the groups under group liability. Repayment has been on or ahead of schedule in many instances. Even tenants, if they are members of a group, can now receive institutional credit. Employment opportunities for family members have increased.

(b) Impact on "Receiving Mechanism"

The groups, although still far from perfect, are starting to function as a receiving/utilising mechanism for the small farmers and tenants. (not yet for the landless agricultural labourers due to the past loaning policy of the Agricultural Development Bank). The cooperation between group members and in a few instances even between groups, has greatly increased in such activities as work of bullock sharing, land preparation, threshing, teaching literacy, use of water, construction of irrigation channels and support of members in tenancy rights disputes. Members are being included in regular farmer training courses previously only attended by the bigger and more progressive farmers. The groups are bringing pressure from below for the services of various line departments. Adult education personnel have organised three special functional literacy classes for illiterate group members. Group learning through directed group discussion is starting. Fertiliser use amongst members has increased by 25% while in the Nuwakot area over 50% of the members have started compost pits. Near 400 animals have received proper vaccinations and members have received 1,356 fruit trees seedlings, 2,000 fish fingerlings and 350 improved fertile eggs for hatching purposes. Membership in the local cooperative in Nuwakot increased from 43 members to 538 and share capital from Rs. 605 to Rs. 12,027.

On the social side several members have started improving their roofing and drinking water supply. In the Nuwakot area 75% of the families belonging to SFPP groups have constructed simple latrines. Requests for family planning information is increasing and 39 members have undergone vasectomy operations. Village leadership is being identified and developed as members from 12 of the 23 groups in Nuwakot have been elected from their wards to their village panchayats. (3 members per ward - 9 wards per panchayat). Government and civic leaders alike at district level are giving high praise to the project and requesting its expansion to many other areas. Similar requests are being made by villages lying outside the present sub-project areas.

(c) Response of "Delivery Mechanism" of Government Departments

The major achievement has been the response of the Agricultural Development Bank of Nepal to the credit requirements of the small farmers and tenants (to some extent) in the two sub-project areas. The Dept. of Veterinary Services has also responded but to a much lesser extent so far.

In the words of one of the group leader, "the project is like a full-moon in a dark night."

6. Problems Identified and Suggestions for Follow up

The following is a summary of the problems identified and follow up action required from different line departments. Where necessary, follow-up action by FAO and other UN agencies is also indicated.

1. Group Organization

The organization of groups of small farmers requires the identification of farmers who are of similar status, interest and are willing to work together in undertaking some 'nucleus' activities. Identification was through a household survey schedule designed for the purpose. In many instances, however, the household survey was done after the groups had been organized. As a result, some farmers who have limited land but whose total income (including those from outside sources) are very much higher than the average are included. There are also some groups who do not have a common activity and they are operating either as sub-groups or as individuals. Some join primarily to get credit and are not interested in group action.

One of the objectives of this project is that through group formation and action, the quality of life of small farmers and landless labourers would be improved. This implies that the women of such families must become equally involved in group action and decision making. Although in certain areas and in specific activities the women are involved, there are as yet many barriers within the social system of their communities which prevent their greater participation in such group programmes. It is hoped that in time the group will recognize the need to involve their women either as sub-groups or separate groups in order to help the total family achieve self-reliance and full development.

Some of the groups are dominated by the group leaders. They do not seek the views of some members before making a decision. There is no distribution of responsibility among the members. The group leaders do all the work and some complain that they are overworked.

There are members who are not fully aware of their responsibilities to the group. Some sell their animals or holdings, for which they had received the loan, without seeking the advice or approval of the group.

Follow up: There is a need to conduct the household survey before any other groups are organized. Training programmes and inter-group visits will make the group leaders and members aware of their duties and responsibilities. They can also observe how other groups are working. Each member, to the extent possible, should be given a responsibility to perform on behalf of his group. Proper training should be provided to them to effectively discharge their responsibilities. Leadership may also be rotated among the members.

External Assistance: FAO can provide grant assistance, such as under TOP, to conduct the training programmes and inter-visitations discussed below. It can also provide technical assistance during the training programmes on various subject matter areas.

## 2. Livestock Production

One of the principle means for the small farmers and landless labourers to increase their income is through livestock for draught purposes, fattening, including meat and wool production from sheep and goats. However, they meet difficulties because of diseases that affect the animals and veterinary (preventive and curative) services are limited. The problem is acute in the Nuwakot area where farmers have to walk as much as four hours through rugged terrain to get the services of the veterinarian. In the Hills, the Panchayats in the neighbouring districts where the groups graze their goats and sheep requires each member to pay a grazing fee of one animal per year per man irrespective of herd size. Cattle rustling is also becoming a problem in the Terai.

Follow up: A Veterinary Dispensary should be established in a strategic place in the project areas. A veterinary supervisor and a veterinary assistant should be assigned in Nuwakot and Dhanusa, respectively. Animals secured from loans from the Bank should not be released to the farmers unless they are properly vaccinated.

One member of each group should be assigned to act on behalf of the group in matters of management of cattle and pest and disease prevention and control. They should receive training to be organized by the Veterinary Department. There is also a need to provide each trainee with a first aid kit for their use upon their return to the village. The Sajha (cooperative) should maintain supplies of medicine in their stores or godowns. The Zonal Commissioner should be requested to make representation to the concerned Panchayats regarding grazing fees. The assistance of local authorities should be sought in terms of preventing cattle rustling in Dhanusa. Meanwhile, the groups should provide night watchers and improve places where animals are kept. The possibility of branding each animal should be explored.

External Assistance: FAO Regional Livestock Development Officer in cooperation with national APHCA can assist in organizing and conducting the training programmes for the farmers.

## 3. Milch Buffaloes and Cows

Milk production is one of the major supplementary income activities of the small farmers and landless labourers in both areas. They are also confronted with outbreaks of pests and diseases in the same way as the livestock producers. They also lack improved breeds of service bulls to upgrade their animals.

The marketing of milk and milk products pose problems because of the distance to market centers. There is no systematic system of collecting milk among the members and the processed product (ghee), especially in the Hills, provides lower returns to the producers.

Follow up: The Livestock Department where appropriate should provide artificial insemination services to the milk producers. In some instances, improved bulls could be made available to groups of farmers to meet their needs. The groups could purchase the animals out of loans drawn as a group from the Bank.

The groups should designate one or two members to collect the milk and who should be responsible for its marketing. Appropriate training programmes should be organized for them. The Dairy Development Corporation should be requested to establish a milk collection centre in each of the project areas. Some processing facilities could also be established to provide employment for the landless in the area.

External Assistance: FAO Regional Dairy Development Officer may visit the project areas and discuss with the Dairy Development Corporation the possibility of establishing a Milk Collection Centre in each of the project areas. He can also assist in organizing and conducting the training programme for the members who have been designated to act on behalf of the groups regarding dairy production.

#### 4. Inputs

Rice and wheat are two important cereal crops in Dhanusa. Farmers are having difficulty in securing seeds of improved varieties and they are very expensive. In Nuwakot, farmers are having difficulty in securing production inputs such as seeds, fertilizers and pesticides during the rainy season when it is not possible to cross the river Salakhu.

Follow up: The cooperatives should store sufficient quantities of seeds in their godowns and farmers should be trained in the proper storage of seeds. A cooperative depot should be established at a convenient place across the river Salakhu where production inputs can be stored before the rainy season.

Follow up Assistance: The FAO Regional Agronomist and Plant Protection Officer may discuss and assist government in training these low-income farmers on proper seed selection and storage, plus use of fertilizers, insecticides and pesticides.

#### 5. Irrigation

Water for irrigating the fields and kitchen gardens is lacking. There are known sources of water in the Hills but farmers face the problem of conveying the water over long distances sometimes passing through different villages.



Follow up: The Irrigation Department should conduct a feasibility study of using the known sources of water in the Hills for irrigation. It should also help prepare plans and designs for minor irrigation in Dhanusa. Farmers should also be provided with funds to dig the irrigation canals and possibly line them with cement. Farmers can contribute their labour.

External Support: FAO Regional Soil and Water Management Officer may explore the possibility of including soil and water management as part of the training for group members responsible for paddy and wheat production.

## 6. Extension

The members of the groups of small farmers complain of insufficient technical services for various aspects of crop production and use of inputs.

Follow up: JT/JTA's should be assigned in each area to work with the groups of small farmers. Training should also be undertaken for designated members of the groups on various aspects of paddy and wheat cultivation and marketing. The JT/JTA should also receive in service training in various aspects of their work. For this the line agencies should be provided with necessary funds for travel and per diem.

External Assistance: The FAO Regional Officer on Extension can assist in organizing and conducting training programmes for JT/JTA's and farmers.

## 7. Land Problems

Tenurial matters are a serious problem among the small farmers. The tenants are unable to get tenurial rights and even permanent tenants are being deprived of their lands for cultivation through certain manipulations, i.e. receipts for rentals are not issued to the tenants. Prospective group members are unable to join due to absence of ownership transfer papers.

In the Hills, the farmers are unable to restore their farms damaged by land slide, floods and soil erosion. They are also unable to buy lands for sale because they lack capital and such lands fall into the hands of the large farmers. They cannot cultivate idle Panchayat lands near their villages.

Follow up: The Land Administrative Office should facilitate issuance of ownership certificates and the District Agriculture Office should protect the tenants from harassment by the landowners. To the extent possible, protection of the tenants should be the responsibility of one office. The farmers may also be advised that they can pay their rents through the Bank or Panchayat.

The groups should work together for rebuilding the land and construction of check dams and planting of trees and grasses to prevent soil erosion. Farmers may be provided with credit to buy lands for sale. The Panchayats should also make representation to the government to lease their lands to the farmers, where appropriate.

External Assistance: The FAO Regional Soil and Water Management and Forestry Officers may discuss and assist government in developing a programme to minimize flooding and soil erosion in the Hills. The new Regional Land Tenure Officer may encourage the Dept. of Agrarian Reform to take special action in support of the group members.

#### 8. Credit and Cooperatives

Farmers are provided credit by the Bank for production purposes. However, loans fall due during the harvest period and farmers are forced to sell their produce immediately after harvesting at low prices. The Bank is not providing loans for consumption and liquidation of old debts to the moneylenders. Farmers continue to be indebted to the moneylenders for consumption and social obligations and interest rates are very high. Some money lenders also demand immediate settlement of old debts once the farmers join the project. There is confusion among the members regarding non-repayment of loans due to factors beyond their control.

The recent policy of the cooperative is to exempt the small farmers from paying the 3 per cent additional share capital of the loan amount. The farmers who joined the cooperative societies earlier complained that their shares have not been reimbursed. The farmers in the Hills also feel the need for a cooperative store where they can buy their necessities and sell their produce.

Follow up: Mobilization of group savings for consumption and emergency needs should be vigorously pursued. The Bank should provide credit for consumption and possibly to meet social obligations and emergencies. The terms and conditions of the loan should be fully explained to the members.

The Cooperative Officers should explain to the members the importance and the benefits that can be derived from the share capital. The groups can allocate a certain portion of their savings to operate a consumer's cooperative stores.

External Assistance: The FAO Regional Marketing, Credit and Cooperative Officer can initiate discussions on developing a programme for providing marketing loans to the small farmers and establishment of consumer cooperative stores.

## 9. Marketing, Processing and Storage

Farmers are forced to market their produce soon after harvest because of lack of storage at the village level. There is lack of facilities for processing of surplus tomatoes in Dhanusa, milling facilities for grains in the Hills and uniform standards for measurement. Storage losses due to rat damage is also high especially in the Hills.

Follow up: Group storage should be established in the village and a system of pledging should be instituted. The groups should be informed of standard measurements and procedures to be followed in reporting malpractices. The possibility of constructing a wind mill in one of the areas in the Hills for milling grains should be explored. Small scale tomato processing-at cooperative level should be established.

External Support: FAO Regional Agricultural Services Officer should explore with Government designing and construction of simple storage facilities and small scale tomato processing in the villages. The FAO Regional Plant Protection Officer may initiate discussions on how storage losses due to rats can be minimized.

## 10. Planning

Planning is done by groups but such plans are not consolidated for the guidance of the different line departments. The plans are proposed by the groups for projects to be financed by the Bank from season to season.

Follow up: The groups should be assisted in developing yearly group plans for income raising and other activities. Such plans can provide a basis for area planning.

External Support: FAO Regional Small Farm Management Officer and Development Planning Officer may assist in training ARFs and other local officials in group farm planning, budgeting and area planning.

## 11. Education

In the Dhanusa area, the Team was informed that illiteracy was as high as 82%. People were considered literate if they could sign their names. In this area, parents recognize the need to educate children to earn a living but found it a financial burden to send them to school. They also indicated that children were needed to help in the farm work. It was also indicated that if children were sent to school they got 'soft' and on returning home were no longer willing to plough. Nor did they seem to have the strength to do so. It was not considered necessary to send a girl to school.

Follow up: On the positive side, the ARF has requested the Education Officer to start three adult education classes where adult members could learn some literacy in relation to their work during free time late in the evening. One group indicated that a literate member of their group was willing to help others become literate. Perhaps, this idea can be expanded.

In the Nuwakot area, it has been indicated that three adult education classes will commence in the near future. It is important that these classes will be organized at a time when small farmers are free. It should also include social aspects of rural living as applicable to small farmers and landless labourers.

It was suggested that the content of literacy programmes should be based on the problems of the people in these areas and how to deal with them. The motivation to become better informed especially in relation to social problems is already there. This desire to learn will accelerate achievement provided such programmes are planned for a convenient time.

#### External Assistance

(1) It is suggested that UNESCO may be able to supply assistance to the National Education Officer in undertaking informal education programmes. Perhaps, special support may come from the Asian Centre of Educational Innovation for Development and its national committee.

(2) It may be possible for FAO to supply some supportive materials emphasizing some of the aspects of these social problems especially those related to planning for better family living.

#### 12. Health

Groups in Dhanusa indicated there was no local health unit. They indicated the need for a local centre where basic services and first aid would be available and where the mothers could go for advice when the children were ill. Both Dhanusa and Nuwakot indicated the difficulty in transporting sick people to town and also their lack of knowledge on what services were available and how to use them.

Nuwakot also indicated that there was no health post in Karki Mana Kamana. Both Dhanusa and Nuwakot indicated major problems in relation to a lack of a safe supply of drinking water since most of the open wells are contaminated.

Follow up: It was suggested that each group might designate one member to undertake basic training in first aid, etc. so that some local action can be taken prior to seeking medical advice. This can be done on a somewhat similar method to that being used to train veterinary aids.

External Assistance

(1) From FAO, it was also suggested that film strips and simple aids would be useful to show the relationship between food and good health.

(2) WHO may be able to give technical assistance in the setting up of a rural health centre and also in assisting national efforts in the provision of safe drinking water.

13. Housing

Although some houses seem to be well constructed, the majority of them needed improving and some basic facilities both in Dhanusa and Nuwakot. Groups indicated that one of the first needs was to replace thatched roofs with tiles to minimize fire risks. They also indicated the needs to strengthen the structures of their homes as a preventive measure against theft of property and animals. Three farmers in the Dhanusa area indicated that they had already tiled their roofs. They did not seem to have toilet facilities in Dhanusa but 75% of the members in Nuwakot had already constructed temporary toilets. The needs for improved cooking arrangements, improved storage facilities and a convenient supply of safe drinking water were other priorities which were common to both areas.

Follow up: It was suggested that as the reluctance to allow women members to participate diminishes, that attention would be given to solving some of these major problems of improving their homes through, perhaps, additional loans or a special fund to deal with the problems of lack of sanitation and poor working conditions. When sub-groups of women are increased and they begin to earn some additional income, it is suggested that with special help from line agencies they should receive assistance in improving their homes.

External Assistance

Some aspects of housing programme may merit the consideration of ILO, UNIDO and WHO to support national efforts in ensuring both finance, technical inputs and know-how to improve specific aspects of the home and its environment. This could be an integrated approach to providing minimal housing requirements in keeping with environment and customs of this sector of the rural people.

14. Family Planning

Groups in both Dhanusha and Nuwakot have already heard of the family planning activities. Through the encouragement of the ARF's, 17 members in the Dhanusa area and 22 in Nuwakot already have vasectomy operations. Dhanusa indicated that the family planning mobile unit had conducted a camp in their area, but there is need to ensure that supplies are kept available within the rural areas. There was objection by some of the male members to women taking pills since pills were only associated with ill people. Group members in the Nuwakot area had seen the PRFL film

strips and were very interested in seeing other items of a similar nature. The ARF of Nuwakot has recently indicated that he has already organized 5 women sub-groups with a total of 54 members at the Karki Mana Kamana village. In addition to skill training, their programme will emphasize improved living conditions, cleanliness and sanitation.

Follow up: It was suggested that a similar programme for women could be planned for the Dhanusa area. Both areas should get assistance from the concerned agencies. It was also suggested that a supply of contraceptives might be made available through the local cooperatives.

#### External Assistance

(1) FAO may be able to give support in the supply of materials and some communication media which emphasize the relationship between resources and family size, and the improvement of their way of living through planning for all family needs.

(2) Regional and Headquarters support may be feasible in assisting the national UNFPA in Nepal. WHO and UNICEF may also consider some support through this programme especially in relation to health services and improved mother and child health care.

#### 15. Social Problems

Some of the major social problems encountered are as follows:

Farmers seem to know very little about the services which are available to them. There is need for legal protection in relation to tenancy rights. There seem to be a lot of unnecessary expenditures for marriages and festivals which the small farmers cannot meet except through a loan from the money lenders where the interest rates are frequently 65%. Sometimes these loans are repaid in kind, again leaving the farmers in a precarious position. Nuwakot mentioned that this was a serious problem in their area. It was also mentioned that at times a farmer may have to mortgage his small piece of land in order to get the dowry for his daughter's marriage. In this area, there also seems to be the problem of convincing the Brahmins that they too may till their lands with their own hands. The problem of too much dependence on group leaders was indicated in Dhanusa. There was also a problem of harassment of the group leaders by outsiders because of their new leadership role. The establishment of a local saving system so that in an emergency case this fund could be utilized was another positive action of group members.

Follow up: It was suggested that each group should have a second income-raising activity so that in the case of loss by death of an animal there would be an alternative income source. Both areas also suggested that there should be more flexibility in relation to bank loans. In order to avoid embarrassment of members in dealing with such social problems as how to behave at festivals and other ceremonies, this type of information should form the content of informal education and functional literacy programmes.

External Assistance

(1) UNESCO Asian Centre of Educational Innovation for Development (ACEID) may be in a position to support national efforts in dealing with some of the above-mentioned problems.

(2) FAO may be able to give some support to national efforts through assisting them in planning basic visual teaching materials related to the problems of these groups.

16. Income-earning Skills for Women

In the Dhanusa area, of the 218 members in the 27 groups already organized a total of 14 are women. A total of 55 members in the Dhanusa area have opened saving accounts. In Nuwakot, the sub-groups of women referred to under family planning will now begin to earn some income. The nucleus activities planned for the women is weaving and the production of woollen and cotton carpets which may be sold through the Woollen and Cotton Cooperative Society Ltd. This programme will also include information on sanitation, cleanliness, and improvement of home conditions.

Follow up: It was suggested that as women gained courage and experience within their groups that in time some of the above-mentioned social problems would be lessened. Because of social restrictions, very few women work outside the homes. The provision of training should therefore be given to women in their homes and by woman workers.

External Assistance

ILO may be able to provide additional support to national efforts by supplying equipment, training and standardization of cottage goods produced so that they will be marketable quality. FAO may be able to support national efforts to help carry out such training within the home situations, through assistance to local group leaders under a TCP project.

7. Overview and Possible Adjustments Resulting from the Evaluation

(a) General Organization of Project

The two sub-projects have met with considerable initial success. The basic principles and design of the project appear sound. However, a great deal remains to be done if the target of 6000 families is to be organized into self-generating small groups by November 1978, the end of the three year project. The project is both action and research oriented. Past experience with group formation based on supervised credit in many countries of the region has shown how easy it is to form groups but how difficult it is to keep them functioning as both viable economic and social units. In this project, the problem is further compounded by the concept of self-reliance and self-generating groups. The question still to be answered is how fast the GO/ARF's can identify and develop local leadership for each group. For this to be determined it would seem essential

that the two sub-projects retain their action cum research characteristic and that the existing GO/ARF's are permitted to conclude their experiment with no loss of career opportunities. While initial progress has been good they have a long way to go (651 families out of a target of 6000) to reach their target.

One of the major problems uncovered by the evaluation was the fact that the line departments perceive the project primarily as an ADB project and give it only very limited support. Their participation in the monthly Sub-project Implementation Committee meeting at district level is minimal while the Central Coordinating Committee at national level has yet to meet. In this situation, the GO/ARF's at field level and the National Coordinator deserve special praise for the extent of the success to date. All the Small Farmer Groups expressed interest in being serviced better by the various government departments. The district staff who participated in the evaluation exercise have been motivated to respond to the needs of the groups but ultimately they must follow the instructions from their supervisors in Kathmandu. Access to the heads of the various line departments through the Central Coordinating Committee would therefore appear of considerable importance to the ultimate success of such a project based, as it is, on a mix of top down and bottom up planning.

(a) Essential Elements of the Small Farmer Strategy

The concept of total credit appeared to be highly desirable and necessary for a high proportion of the groups members who still find themselves needing the services of the local money lenders for many of their credit needs. It is strongly recommended that advantage be taken of the research nature of these two sub-projects to test the most appropriate procedure for meeting the total credit needs of small farmer group members.

For a similar reason, the granting of credit to landless agricultural workers who have formed themselves into production oriented groups should also be initiated. This was seen to be one of the essential elements of any programme aimed at this bottom, majority sector of rural society and should be fully tested in these two areas, as a start.

It is hoped that ways may be found for both of these elements to be tested as the evaluation exercise clearly identified the existence of the need and gave indications of success of the programme initiated as part of the over-all approach to the problems of the rural poor.

(c) Development of the Receiving Mechanism

Perhaps the most critical factor in the success of such small groups is the homogeneity of its membership. The evaluation revealed that those groups formed earliest (prior to the Pre-project Training Workshop of November, 1975) and which contained some of the traditional leaders (bigger farmers and even school teachers), although they progressed more



quickly in the first year, they also had the greatest problem of group consensus seeking and domination of the group by the group leader. Since one of the important differences between the Small Farmer groups and other government sponsored groups is the concept of shared leadership and action through group decision-making (consensus) it is essential that people of like heart as well as economic status are encouraged to work together. For this reason it would appear important that the GO/ARF's complete their household surveys before starting to organize the groups.

Special training programmes for the group members in many different aspects have been recommended and planned as a result of the evaluation sessions. These need to be vigorously implemented as only through training will they be able to become self generating and thereby the GO/ARF's permit them to move on to assist in organising new groups. The better the members are able to conduct their own business the less close the credit supervision that will be required. The SPIC's at district level must give this high priority. FAO can assist through its new TCP. Training in the preparation of Group Production Plans and their monitoring would appear particularly important in the immediate future and FAO/RAFE stands ready to help.

One method of promoting group learning through group discussion, not discussed during the evaluation, but mentioned now is the use of radio listening/discussion groups. The method is being used extensively in Indonesia, India and recently started in Thailand. The ADB might consider the possibility of organising/sponsoring a weekly radio programme exclusively for its Small Farmer groups. FAO has had considerable experience in designing such programmes around the world. The Dept. of Agriculture Extension in Nepal has started in a small way but the organisation of listening groups are basic to this approach. Fortunately, the SFD groups can be both listening and active groups.

#### (d) Development of the Delivery Mechanism to Serve the SFPP Groups

As mentioned earlier, an active Central Coordination Committee would appear necessary, under Nepal's present administrative structure, to ensure that the various technical depts. and agencies of government orient their activities more to the needs of such groups, instead of individual progressive farmers. The services of veterinary and animal production staff and marketing specialists for both dairy and grain products is especially urgent.

At district level, in view of the needs expressed by the SFPP groups in the fields of both education, housing and health, it seems desirable to expand the SPIC to include representatives from education and health departments.

The basic principle of this approach is that the GO/ARF helps only in creating the group and in helping it reach out for the services and support of the various line agencies. Expansion of the groups can only

be done as the line agencies are able to continue to service the old ones on a regular basis.

(e) The Role of the /ARF

As also mentioned earlier, the GO/ARF must be seen to be a new type of community organiser. He must not become an extension worker (or a loan officer) for any one or more departments or agencies. His task is to organise groups, develop leadership and record what happens.

The most urgent problem yet to be solved is how to do this in a manner that can be duplicated on an ever expanding basis. The research side of the project is therefore of great importance. The GO/ARF's should be actively assisted in this work by qualified researchers from institutions or departments of national repute.

The basic concept behind the research work of the GO/ARF is that the type of data collected and insights generated by him at field level is rare and valuable and should be made available to all agencies interested in rural development. The GO/ARF should be assisted to write up and even publish his findings, preferably as part of a requirement of a university for an advance degree.

Thus this work can become part of a department's or agency's staff development programme. People with this type of in-depth experience should be gradually brought into policy making positions, but not until they have completed their full period of field action cum research. The evaluation exercise revealed that the SFPP groups were anxious that the GO/ARF's be permitted to remain in the project areas for the duration of the project as originally planned.

(f) Evaluation of the Evaluation

The exercise seemed to be exceedingly valuable. It should be organised next year in February or early March in order to give time to plan for the future of the project beyond its termination date of October 1978.

This time participants from national, district and field level of each major line department should attend throughout as a combined research and staff development exercise at policy, management and implementation levels. A period of 20 days should be devoted to the total exercise giving time for adequate preparation for the round-up session in Kathmandu.

The participation of Back to the Village personnel as done at Dhanusa should be encouraged plus the work experience programme for university students.

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