



AGA KHAN FOUNDATION



Beyond Financial Services

**WORTH Nepal: Assessing the Value Added and Sustainability of a
Holistic Approach to Women's Empowerment**

Marcia Larson Odell

© April 2011 Aga Khan Foundation

Sections of this publication may be copied or adapted to meet specific needs without permission from the authors, provided that the parts copied are distributed free or at cost – not for profit.

Cover photograph courtesy of WORTH, Pact



**The MasterCard
Foundation**

*The Aga Khan Foundation wishes to thank The MasterCard Foundation for its generous
financial support for this case study.*

Learning Initiative Objectives

This research study is one of a series of studies sponsored by the Aga Khan Foundation's Beyond Financial Services initiative funded by the Aga Khan Foundation Canada and The MasterCard Foundation. The initiative examines how SGs are used as a *platform* for development activities and how *linkages* to other services take place and with what benefits to group members. It considers how financial services combined with other development activities add value for individual members of the groups, for the groups as entities in themselves, for the agencies facilitating SG development and offering the linked activities, and for the wider community. The initiative also explores the sustainability and replicability of SGs, thus examining long-term access to financial services for the poor.

Abstract

It is not unusual for well-established Savings Groups to provide a platform for social interventions. However, WORTH, a women's empowerment programme implemented by Pact International in Nepal, is unusual in that it combined Savings Groups' activities with value-added, socially-focused activities from its inception. The value-added activities spearheaded by WORTH, including literacy training and business development services, function to support its primary objective: the empowerment of its members. Separate post-programme interventions utilised the skills Savings Group members had developed to conduct housing and health interventions.

Table of Contents

List of Acronyms.....	4
Executive Summary.....	6
I. The WORTH Project and the Context of Nepal.....	8
1. An overview of WORTH	8
2. The status of Nepalese women and USAID’s targeted programming	10
3. An integrated approach to women’s empowerment	12
II. Added Value: A Complex Mosaic	14
1. WORTH interventions	16
1.1 Literacy.....	16
1.2 Business development	17
1.3 Rights, Responsibilities and Advocacy (RRA)	18
2. Non-WORTH interventions and linkages	19
2.1 Political leadership – CARE/NEPAL	19
2.2 Reproductive health with an HIV/AIDS focus – World Bank Development Marketplace	19
2.3 Improved housing – Habitat for Humanity International in Nepal.....	21
2.4 MFI linkages	24
3. Non-WORTH interventions and linkages	25
3.1 The emerging power of the solidarity group	25
3.2 Group income generation	26
3.3 Outreach to the community	28
III. The Sustainability of WORTH Groups and Interventions.....	30
IV. Lessons Learned: Towards a New Model of Savings Group Development.....	33
Appendix A: WORTH: Introduction to the Road to Wealth	38
Appendix B: Women’s Empowerment Project – MIS Report as at July, 2001.....	41
Bibliography	48

Figures

Figure 1: WORTH empowerment cycle.....	14
Figure 2: Five pathways through which value is added to groups.....	15

Tables

Table 1: Top three challenges named by Savings Group members.....	26
Table 2: Groups undertaking physical infrastructure projects	28
Table 3: Allocation of group funds for construction purposes	29
Table 4: Groups taking collective action on social issues	29
Table 5: Management committee members' reasons for group longevity or success	30
Table 6: Change in activities since implementation ended	31
Table 7: Women's top three responses for how WORTH has changed their lives.....	34

List of Acronyms

AI	Appreciative Inquiry – an approach to development that focuses on successes rather than problems that was applied in WORTH implementation
AKF	Aga Khan Foundation
APA	Appreciative Planning and Action – an approach developed from Appreciative Inquiry that focuses on successes rather than problems that was applied in WORTH implementation
ASCA	Accumulating Savings and Credit Association – a group of usually self-selected people who meet regularly to save and borrow collectively
HFHI	Habitat for Humanity International
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
MFI	Microfinance Institution
NGO	Non-governmental Organisation
ROSCA	Rotating Savings and Credit Association – a group of people who meet periodically to distribute a lump sum, made up of fixed equal contributions from all the members, to one of the members, in turn
RRA	Rights, Responsibilities and Advocacy project – implemented by The Asia Foundation and delivered to all women in the WORTH programme at the time of WORTH implementation
Rs	Nepalese rupees
S&B	Save & Build programme – a Habitat for Humanity programme that provides housing for low-income people by combining building-in-stages with a savings-led microfinance model
SG	Savings Group – a distributing ASCA; in WORTH, a Savings Group was called a ‘Village Bank’
SO	Strategic Objective – a USAID focus for programming
STI	Sexually Transmitted Infection
TAF	The Asia Foundation
UNDP	United Nations Development Programme
UNICEF	United Nations Children’s Fund
USAID	United States Agency for International Development

USD	United States dollar
VARG	Valley Research Group
VB	Village Bank – a Savings Group in Nepal that was trained by the WORTH programme
WORD	Women’s Reading for Development – a USAID programme in Nepal implemented by Pact that reached 550,000 women from 1994 to 1997
WEP	Women’s Empowerment Project (Programme)

Executive Summary

This paper, based on desk research undertaken for the Aga Khan Foundation as part of a research series focusing on Savings Groups (SGs), explores: 1) the benefits members experience beyond accessing a group's financial services, and 2) group sustainability. It examines the SGs developed by Pact during the Nepal implementation of WORTH, a women's empowerment programme, from 1999 to 2001.¹ The subject of several external evaluations, the most recent carried out six years after the programme ended, WORTH offers a rare opportunity to discover what happens to SGs when they are left to operate independently after the implementing organisation closes its doors.

Following a brief description of the backdrop of Nepal, including the status of women and USAID's role as the programme donor, this paper focuses on WORTH's holistic approach to women's empowerment, anchored by the development of the capacity of groups to provide savings and credit services, which began at programme start-up. Complementary interventions reaching approximately 6,000 groups included literacy, business development, and rights and advocacy training. These were delivered more or less simultaneously from the beginning of the programme, using an approach that encouraged women to share successes with one another rather than problems. This study found that the WORTH design was effective in achieving the objectives set for each intervention, thereby adding value to group membership and helping women attain the larger programme goal of 'empowerment', defined as helping women understand how powerful they already are.

The paper examines two interventions originating from organisations external to WORTH that involved some WORTH groups after the programme ended. The first was a reproductive health and HIV/AIDS project funded by the World Bank Development Marketplace in 2002 and 2003 that focused on developing and testing neo-literacy pamphlets in WORTH groups to determine if self-instructional materials were an effective means to a) disseminate health information, b) generate group discussion, c) teach women how to negotiate safer sex with a spouse, and d) motivate women in the groups to mobilise the community around HIV/AIDS. Citing the findings of a post-programme evaluation, the paper concludes that the project was successful in meeting its objectives, benefitting from working with established SGs, although only a third of the participants requested further training in this externally initiated topic. Instead, many women sought additional training in microenterprise development.

The second programme reviewed was one offered by Habitat for Humanity. In Save & Build, selected SGs in four districts became the intermediaries between Habitat Nepal and housing clients. These groups vetted potential borrowers, disbursed and collected loans and provided technical support to homeowners. Based on an end-of-project evaluation, the paper cites findings that the partnership between Habitat Nepal and SGs was very successful – benefitting significantly, as did the reproductive health programme, from the fact that SGs were already functioning – and warrants scaling up. Scaling up, however, involves risk factors for SGs that need to be addressed, including:

- SGs' possible movement away from a savings culture with an increase in the flow of cheap capital for housing;

¹ In Nepal, WORTH was called the 'Women's Empowerment Program (WEP)' and Savings Groups were called 'Village Banks'.

- The SG members who manage housing loans being overwhelmed by an increasingly complex burden of financial management and bookkeeping; and
- The SGs, which guarantee the loans made to members and non-members alike for housing, suffering if loans are not repaid.

If several external agencies over the years have leveraged the SGs as a platform for the delivery of programming, members have also found in their group a platform for a) providing a social safety net for members, b) undertaking collective businesses, and c) reaching out into the community both to repair and build infrastructure and to advocate for social change. Indeed, the research demonstrates that SGs have been remarkably active in setting and enacting a social agenda, one which reflects, at least in part, the self-confidence that women attribute to having been part of WORTH.

As for the issue of group sustainability, the study reveals that two-thirds of WORTH's SGs survived the Maoist insurgency and civil war and were still functioning in 2007, six years after the programme ended. These groups, with no external assistance, had created approximately 425 new groups entirely on their own. At the time of the post-programme assessment in 2007, it was estimated that there were more women in active SGs than when the programme ended in 2001.

This analysis concludes by drawing lessons from WORTH in Nepal that, if applied, could change the way future SG development takes place. The paper:

- Outlines the rationale for moving to a delivery model that supports an integrated approach at programme launch, with complementary interventions selected to address the issues underlying the need for SGs in the first place;
- Draws attention to the potential of using self-instructional neo-literacy materials to anchor interventions complementary to SG development;
- Highlights the value of SGs as providers of a social safety net for their members and for the larger community;
- Cites the value of SG development practitioners focusing training on the immutable principles for SG development, while inviting creative input from groups for applying those principles on the ground; and
- Recommends that research be undertaken to define the line between 'essential' and 'discretionary' facets of SG development, around which training can be designed.

I. The WORTH Project and the Context of Nepal

The Aga Khan Foundation (AKF), with the support of the MasterCard Foundation, is mounting a learning programme known as the *Savings Group Learning Initiative*, which explores the value that membership in a Savings Group (SG) offers beyond access to financial services, defined typically as a safe place to save and access to loans. This desk study of the Women's Empowerment Project (WEP) in Nepal - now known as WORTH² - that involved Savings Group (SG) development examines the research proposition that:

SGs commonly attract a host of interventions and programme linkages, encompassing a broad spectrum of sectors and services including health, education, income-generation, environmental and housing issues. SGs have linked members to a broad array of financial services, to resources that benefit specific links in a value chain, and to a host of income-generating opportunities. SGs have established social funds to provide a social safety net for their members and sometimes for others in their community.

In addition, the case studies and desk research encompassed in this research effort look at the issue of the sustainability of SGs. This study examines sustainability not only in terms of the longevity of SGs originally in the programme, but also in terms of group replication, in which SGs form and support other groups so that they can provide financial services to women who were never participants in formal programming. Such groups offer the potential for members of a group that might have dissolved for some reason, to be able to access the financial services of another SG. It has been argued elsewhere that this is an expanded definition of sustainability not traditionally encompassed in the literature, which has revolved solely around the sustainability of a given group (Odell & Rippey, 2011).

This study has drawn on secondary resources that date back over a decade. A comprehensive impact evaluation of WORTH undertaken in 2007, six years after programme completion has been a particularly useful resource for looking at questions pertaining to both the value-added and sustainability issues.³ Other key resources have included a 2000 external evaluation of WORTH and post-programme assessments of two interventions brought to groups by external agencies, one focusing on reproductive health training and the other on housing improvement.

1. An overview of WORTH

Against the landscape of SGs that a host of international organisations – CARE, Oxfam America, Catholic Relief Services, Plan, Save the Children – have developed over the past two decades, groups

² The WORTH programme in Nepal was conceived and implemented as the Women's Empowerment Project. Following its departure from Nepal, Pact launched the programme in other countries; it changed the programme's name to WORTH, while retaining the original fundamental elements of design and delivery.

³ This study examined SGs, the groups that received from WORTH the training needed to become full-fledged SGs. Out of a population of 1,536 SGs operating at project end, researchers drew a sample of 450 from 7 districts (Kailali, Bardiya, Nawalparasi, Chitwan, Mahottari, Morang and Jhapa), 288 of which could be found. This sample provided a 95 percent confidence level and a 5 percent margin of error for the findings of the study.

that have participated in Pact's WORTH project are SGs with a difference. Rather than being a programme in which the primary focus is to develop community-based entities, often of mixed gender, that can provide savings and credit services to their members, WORTH's driving objective is to support *women's empowerment*. It is aimed at helping women in single-gender groups understand how powerful they already are. On the economic and group development fronts, WORTH builds on a long tradition of women saving together in a Rotating Savings and Credit Association (ROSCA) in their communities and on the more recent savings activities of women participating in a widespread literacy programme, as discussed below.

To achieve this objective, WORTH helps group members learn how to deliver financial services responsibly, as in all savings-led programmes. WORTH is different, however, because it combines that skill with training in literacy and micro-business development that helps women learn about identifying a business opportunity and managing a business⁴. WORTH is *literacy-led*, constructed so that reading and writing underpin learning about the corollary programme components of financial services and enterprise development.

In addition, WORTH in Nepal, as in all subsequent WORTH programmes, was delivered using an innovative method in its training and group development activities. Pact employed a then-evolving approach to grassroots change known as Appreciative Planning and Action (APA)⁵ that encouraged local NGO partners, field staff and group members to focus on their successes rather than their problems and apply the lessons from their success to planning and achieving their own visions of the future. The APA approach was used in WORTH as the basic approach for conducting all training, workshops and women's group meetings. Of particular importance were the success stories that women generated by the thousands. This approach has proven well suited to WORTH's empowerment mandate while also being extremely popular among development practitioners and group members alike.

Pact designed and delivered the first WORTH project in Nepal from 1999 to 2001. It was intended to be a time-bound intervention, reflecting a market-based approach to development that would produce independent groups that could sustain themselves long after the local implementing partner's training support had ended. Although a variety of international non-governmental organisations (NGOs) and faith-based groups have launched WORTH programmes in numerous countries in Asia and Africa since 2003⁶, the WORTH groups in Nepal provide an especially valuable opportunity to assess core issues at the heart of the Aga Khan Foundation's learning initiative.

On the one hand, as outlined above, these groups present the opportunity to examine both the value that platform and linkage activities add to the traditional benefits of SGs, as well as issues surrounding sustainability. On the other hand, once formal project implementation ended in 2001,

⁴ Note that this training does not include any skills development training for specific enterprises, but instead enables women to learn from the materials and from each other about how to identify and assess a business opportunity, keep accounts, market products, manage growth, promote transparency and safe money handling and to solve problems that may arise—drawing on the wisdom and experience of the other group members.

⁵ APA retains the fundamental principles of Appreciative Inquiry (AI), but simplifies the AI process so that anyone, even those who are illiterate in a community, can easily apply the appreciative approach to problem-solving by focusing on what works, asking what does even better look like, and planning how to get there

⁶ Cambodia, Kenya, Tanzania, Uganda, Ethiopia, Zambia, Democratic Republic of the Congo, Madagascar and Burma

Pact left Nepal, leaving virtually all of the groups to function entirely independently. It is unusual for implementing agencies to sever ties with groups completely, especially such a large number of groups as in this first WORTH project. As a result, the Nepal experience provides a 'laboratory' of significant interest.

It should be noted that before and during programme implementation a Maoist insurgency was gathering momentum throughout the country. After the programme ended, the insurgency crisis continued to deepen, plunging Nepal into civil war. WORTH groups found themselves among these conditions, combined with the collapse of security and governance in Nepal until 2006, when the insurgency began to subside and the retrospective research study was initiated. As will be noted below, it was not unusual for women in WORTH groups to report that their group helped them move through this period of civil disruption.

2. The status of Nepalese women and USAID's targeted programming

Nepal has always been economically poor and during the years of WORTH implementation, annual per capita income of USD 210 placed the country 199th out of 210 economies (UNICEF, 1996).⁷ According to the Asian Development Bank, the rural economy, where most families found themselves, was "caught by the stranglehold of low income, low savings, and low investment" (Asian Development Bank 1994). Indeed, the population of the Terai plains of southern Nepal, a low-lying region bordering India and the area of WORTH implementation, was particularly poor, with annual per capita earnings estimated at USD 40 to USD 50. A typical poor rural family could produce food for only three to six months of the year; as a result, most families were deeply in debt. According to World Bank estimates at the time, indebtedness accounted for about 20 percent of the average annual rural income (World Bank, 1998, 1999). There was no so-called 'Asian economic miracle' in Nepal.

Historically Nepali women have been not only poor, but among the most disadvantaged in the world. An assessment in 2000 ranking the world's women in terms of maternal mortality, use of contraception, births attended by trained personnel, anaemia, literacy, and role in national government put Nepal in last place on a scale of 106 nations (Save the Children, 2000). Composite ranking scales used in other studies by the UNDP have yielded similar results: among the South Asian countries, Nepal ranked last on every important indicator, including maternal mortality, under-five mortality, the prevalence of undernourishment and life expectancy at birth (UNDP, 2010).

Nepal's legal system and cultural norms reflect a conservative male-dominated society and have chronically discriminated against women. At the time of WORTH, the legal system restricted women's legal rights, including those relating to inheritance, property ownership, and marriage; it also curtailed their decision-making authority, generally permitting them little control over their lives. Within Nepalese society, violence against women was considered prevalent, with 95 percent of all respondents in one survey reporting having first-hand knowledge of violent incidents (Saathi, 1997).

⁷ Since more than 80 percent of Nepalis were engaged in agriculture, the greater part of which was for subsistence, the per capita GNP of USD 210 reflected the relative wealth of a small, primarily urban minority.

In terms of literacy, generally considered to be one of the most critical indicators of development, Nepal again fell to the bottom of the list. Two-thirds of women and girls over the age of six years had never attended school, compared to only one-third of Nepali men and boys. While 41 percent of males 15 years and older were literate, the literacy rate for women was one-third of that, ranging between 14 and 20 percent, depending on the data source. Even this estimate was high, since the government considered people who were able to write their names to be literate (World Bank, 2000).

Against this backdrop, in 1994 the United States Agency for International Development (USAID) funded Pact to mount what became a highly successful and massive literacy project known as Women Reading for Development (WORD), a programme that over the course of three years reached more than half a million women in 71 of Nepal's 75 districts⁸. In WORD, groups of women across the country met for classes two hours a day, six days a week for six months. Many of these groups had existed before the programme began and many others had emerged with the promise of literacy training. No matter what their genesis, it was common for members to save small amounts of money together every week and set this money aside as a growing nest egg, usually to be tapped only for members' emergencies.

In 1996 the USAID mission in Kathmandu decided that since the participation of women was important in the vast majority of its programmes across sectors, the time had come to focus its attention more purposefully and coherently than ever on building the capacity of women. To facilitate this, it established the only Strategic Objective (SO) for Women's Empowerment in the USAID network.

In thinking through the design of a flagship programme for this new SO, the mission knew that literacy training had proved very popular among Nepali women and the WORD programme had unleashed a torrent of demand. Concomitantly the mission wanted to support the growth of microfinance in Nepal, whether through microfinance institutions (MFIs), cooperatives or other regulated institutions, with the development of SGs whose members could become clients of credit-led microfinance providers. At the same time it wished to provide some form of business skills training to support the microenterprises in which women would invest loans from their group. Following a survey that confirmed the strong commitment of women both to becoming literate and to generating income, USAID funded programming that would support these interests and also encompass training in rights and advocacy. After much negotiation, USAID awarded the Women's Empowerment Project to Pact/Nepal in late 1997⁹; it signed a corollary cooperative agreement with The Asia Foundation (TAF) for the Rights, Responsibilities and Advocacy project (RRA) and field work began a year later.

⁸ By 1994 USAID had realised that success in its programming in different sectors, particularly agriculture and health, would be maximised if women in these programmes were literate. At that time, the mission in Kathmandu had cobbled together a patchwork of literacy programmes that preceded the implementation of many of these programmes. WORD was USAID's attempt to streamline its programming and address the challenge of illiteracy among women, at scale.

⁹ Including one cost extension to the original WEP project timeline, USAID's financial support for the programme (not including TAF's RRA programme) totalled USD 5.1 million.

3. An integrated approach to women's empowerment

WORTH was ambitious in its scope: it reached 125,000 women in 6,000 groups in 21 districts across southern Nepal in the span of two and a half years.¹⁰ Committed to developing the capacity of NGOs already working in the project area, Pact signed sub-grant agreements with 240 of these organisations. They, in turn, hired 840 Empowerment Workers, who were trained by approximately 100 Pact field staff so that they could help group members develop their groups, literacy skills and capacity to launch or grow their small businesses.¹¹

Pact implemented its literacy-led approach by providing each group member with four easy-reader books, focused on self-instructional basic literacy, SG development, and business and selling skills. No formal training was given to groups, although they received periodic check-up visits from the local Empowerment Worker and two members of each group were invited to attend periodic 'monthly mobile workshops', where relevant information was disseminated by field staff, questions were answered, and women exchanged experiences, discussed challenges and shared their success stories.



Photo credits: WORTH files, Pact

Group members who wanted to develop literacy skills would learn the basic numbers, sounds and letters of Nepali, with the assistance of fellow members. Women then applied these skills by reading about the various topics that were core to the programme. With a common theme of 'the power of women to change their lives', the books' messages were highly targeted and presented through stories and pictures of interest to all readers. This format encouraged discussion (often along the

¹⁰ USAID wanted WEP to reach women who could take advantage of market opportunities available on or near the East-West highway that runs across the Terai. Pact was thus charged with defining a project area that extended no farther than a 4-hour walk from this road, though in the final analysis some groups in the programme were farther away than this.

¹¹ Pact asked NGOs to form or identify existing groups with no fewer than 12 members. Although USAID and Pact hoped that group members would be from ultra-poor households, both recognised that given the status of women in Nepal, even women with more resources could benefit from this empowerment programme. Hence no poverty litmus test was applied for programme eligibility.

positive lines encouraged by APA) and facilitated informed decision-making by members about such issues as savings and loan policies or how to handle delinquent loans.¹²

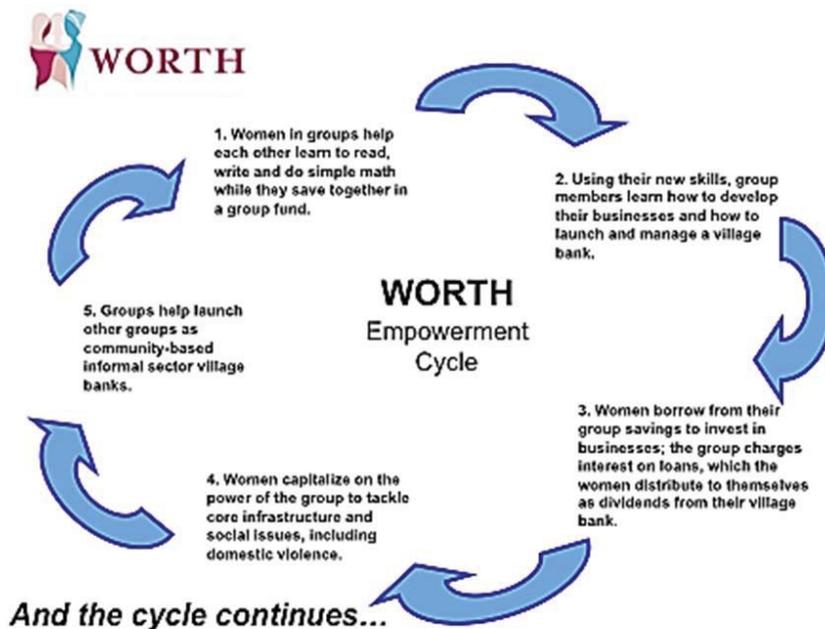
Interspersed among the various WORTH activities was the delivery of TAF's Rights, Responsibilities and Advocacy programme, which reached every woman in WORTH. This module made use of trained facilitators, focused on a rights-based framework for learning and promoted the notion of women having both the opportunity and responsibility to be active members of civil society. As part of the course, groups commonly developed and implemented action plans to achieve their goals to bring about change in their communities. Tens of thousands of activities occurred in all of the WORTH districts as a result of this training, including campaigns dealing with alcoholism, gender-based violence, polygamy, child marriage and girls' education (VARG and Mayoux, 2008).

¹² See Appendix 1, "WORTH: Introduction to the Road to Wealth", an introductory story for women which illustrates different WORTH interventions linking together.)

II. Added Value: A Complex Mosaic

The very nature of the WORTH project suggests that Pact and USAID believed that multiple interventions, delivered either simultaneously or in close proximity to each other, could contribute substantially more to women in groups than the delivery of each intervention independently and sequentially. The activities that women undertook to develop their SG, to become literate, to start or grow their businesses, and to learn about their rights and advocate for change, all within a framework imbued with an appreciation of personal capacity and success, reaped great rewards for group members. The interplay of the various activities – SG development re-enforcing women’s motivation to become literate, literacy supporting group members’ acquisition of business skills, microenterprise development supporting the development of the group as an SG – proved to be clearly synergistic, as demonstrated in Figure 1.

Figure 1: WORTH empowerment cycle



Source: Pact

In addition to the activities that Pact and TAF offered co-temporaneously in WORTH, other external agencies used some WORTH groups as platforms for other interventions after the programme ended. These activities, which had roots in a political or rights-based approach to development, included:

- Political participation and leadership training for a handful of WORTH groups in western Nepal, provided by CARE;
- HIV/AIDS training for 111 groups in Bara District, funded by the World Bank’s Development Marketplace; and

- Support for improved housing for women in Jhapa, Morang, Siraha and Saptari Districts, offered by Habitat for Humanity.

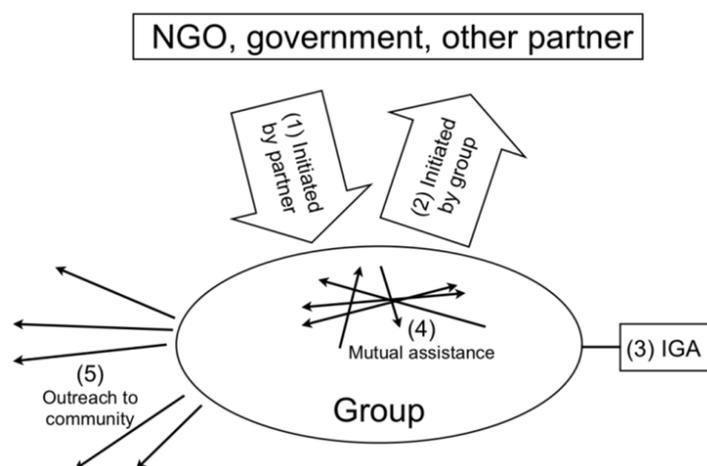
As for external linkages to financial services, a relatively small proportion of groups reported in 2007 that they had established linkages to MFIs to take at least one loan. As will be discussed, this followed changes in the regulatory framework to allow lending to informal groups and not just to individuals.

Leveraging the WORTH SGs as a platform for activities valued by group members did not stop with external agencies. The WORTH programme impact evaluation reported that members also valued their group because it:

- Served as a solidarity group when a member faced a personal challenge;
- Could provide financial support in times of emergency;
- Reached out into the community to help others; and
- Could generate extra income from group enterprises.

Figure 2 depicts five pathways through which value can be added to SGs; WORTH groups benefitted from all of these. Since this desk study did not find numerous documented examples of women reaching out to external agencies (although this did happen, where women partnered with the local government to build infrastructure, for example), this paper will focus especially on Pathways 1, 3, 4 and 5, beginning with the launch of WORTH.

Figure 2: Five pathways through which value is added to groups



Source: Odell and Rippey, 2011

What follows is a review of these various activities, both those emanating from outside and from within the groups, as seen through the ‘value-added’ lens, particularly from the viewpoints of the participants and the groups. The benefits to the organisations providing these interventions, where available, are also discussed.

1. WORTH interventions

As discussed above, WORTH was designed so that the four interventions of literacy, SG development, enterprise development and rights and advocacy training would all reinforce each other, as would programme delivery framed by the appreciative approach. From the perspectives of the donor and the implementing agencies, each intervention would benefit from being able to maximise human and financial resources through integrated service delivery, including:

- Sharing the workload of identifying or forming groups;
- Using the group clusters and networks for disseminating information, maximising sharing among participants and ensuring substantive feedback from the field, once those clusters and networks were established;
- Engaging with members who were accustomed to sharing with, supporting and working with each other in their group, building on existing relationships of trust and social capital;
- Building human capital by reinforcing the skills that the other interventions were helping women develop;
- Designing and delivering messages, through success stories about income generation or literacy achievement, for example, that could re-enforce each intervention; and
- Sharing monitoring and evaluation activities, stretching from baseline to end-of-project data gathering and analyses, including regular group visits.

In addition, it was thought that the work that women did in any one intervention would motivate them to embrace and sustain their commitment to the other interventions. Not surprisingly, from the participants' perspectives, different activities were valued in different ways, reflecting the specific focus and content of the intervention. These are addressed individually below.

1.1 Literacy

When WORTH began, the literacy rate among Nepali women was estimated at between 14 and 20 percent. In early 1999 testing of those coming into the WORTH programme revealed that approximately 30 percent of participants were already literate; this relatively high rate is not surprising given the fact that many of those entering the programme had participated in the WORD project. Eighteen months later an external evaluation of the programme reported that over 90 percent of participants had passed a literacy test that was "considerably more stringent than the government standard" (Ashe and Parrott, 2000).¹³

In 2003, one programme reviewer remarked that, "the literacy element was a clear cornerstone of the programme and many of the women asked for more reading and training materials" (Bahns, 2003). Four years later, more than 40 percent of group members reported that before WORTH, they had not been able to read a book, fill out a savings passbook, get information from public signposts or sign their names; that proportion subsequently dropped to eight percent.¹⁴

¹³ The number of illiterates varied considerably from group to group. Even the poorest groups had at least one or two literate members, one of whom typically became the literacy volunteer. In the few urban settings receiving WORTH, half to most of the members were literate when they joined, but they found the workbooks useful for organising their groups and developing their microenterprises (Ashe and Parrott, 2000).

¹⁴ This figure is self-reported.

How did project participants value this literacy training? In 2007, nearly 97 percent of group members viewed literacy as a 'very important' aspect of their lives. Half said that the literacy they had gained as a result of their participation in WORTH had changed their lives. Members of one group reported that they had encouraged each other to read "to build our confidence, faith in ourselves, faith in the savings and records; no one is coming to take our savings." They added, "We can all write our names now, and most of us can read. Literacy makes a big difference. We know the difference but we can't explain it. It's inside" (VARG and Mayoux, 2008).

Furthermore when asked to rank the importance of WORTH activities for the purposes of replicating the model, 76 percent of the women ranked 'learning to read and write' first, followed by 20 percent who ranked 'saving' first. When members of group management committees were asked to rate five elements of the WORTH model as 'very important', 93 percent of respondents gave the top rating to 'learning to read and write' (VARG and Mayoux, 2008).

It should be noted that throughout the WORTH implementation process, there was a strong link between learning to read and the development of SG activities related to saving and lending. In the WORD project, in which literacy was an end in itself, annual drop-out rates averaged 23 to 24 percent. Many viewed this as quite low in the context of other adult literacy programmes around the globe, where drop-out rates commonly approached 50 percent. When WORD project staff asked women in the programme why they were interested in learning to read and write, they commonly reported that "somehow this will help me increase my family income". Given this, it may be reasonably inferred that tying literacy to financial services in WORTH was at least partially responsible for the reduced drop-out rates in WORTH over those of WORD. Ashe and Parrott in their 2000 evaluation of WORTH, reported that:

Dropout, an endemic problem of village banking programs worldwide, is near zero, and when a woman leaves a group, often to get married and move to another village, she is generally replaced by another local woman. The tendency so far is for village banks to increase in size.

1.2 Business development

A logical corollary activity to the development of SGs in WORTH was business development training. While access to financial services could support the day-to-day working capital needs of members and could help mitigate the impact of seasonality in agriculture, for example, training in how to identify business opportunities or how to start or grow businesses could help members succeed in their enterprises and thereby maximise income.

In fact, because Pact did not introduce business development materials until relatively late in the programme, a striking jump in the number of women in business, from 19,000 in mid-1999 to 76,000 one year later cannot be attributed to the microenterprise component, although women certainly used loans from their SGs to invest in their enterprises. Instead, value was added because of: a) the integration of microenterprise development messages in *all* WORTH literacy materials, including

stories about women in business¹⁵, and b) the use of the Appreciative Planning and Action framework, which encouraged women to share their business-related success stories with each other (VARG and Mayoux, 2008). A nine-fold increase in gross sales of women’s businesses, from USD 600,000 in mid-1999, to USD 5.39 million two years later (Pact Nepal, 2001), can almost certainly be partially attributed to the business training component, whose core message was that “business is selling, not producing”.



Photo credits: WORTH files, Pact

1.3 Rights, Responsibilities and Advocacy (RRA)

The six-month intervention focusing on rights and advocacy was one of the women’s favourite activities within WORTH. When the training began, some participants did not know that they, as women, had any rights. For example, many particularly valued learning that a woman needed to register her marriage if she were to have any recourse in accessing property should her husband die. Subsequently, local government offices across the Terai were busy with marriage registrations.

Implementation of the RRA intervention sometimes created tension between Pact and TAF. As a result of its staffing design, TAF needed to provide RRA training on a rolling basis, breaking the total number of groups into cohorts. This meant that the intervention often came just as groups were learning about such topics as how to set interest rates on loans or how to calculate SG dividends. As a result, while RRA training was being provided to a group, these other learning activities were effectively suspended for six months. This disruption of learning at times proved frustrating to women and quite possibly affected their learning curve with respect to SG development and even literacy, since the TAF materials were not oriented towards neo-literates.

¹⁵ In fact, the entire four-book literacy series was called *Women in Business* and consisted of *Our Group*, *Forming Our Village Bank*, *Village Bank Lending*, and *Village Bank Entrepreneurs*.

In addition, both Pact and TAF had quarterly reports to submit to the donor and each wanted to be certain that it could report results that reflected timely implementation. As a result, the scheduling of the activity sometimes reflected this need of the implementing agencies, rather than what might be most beneficial for the groups. In the final analysis, as much as women enjoyed RRA, its integration into the rest of the programme was sub-optimal. The experience reflects the challenges that implementers face when having to deliver programming against timelines that may not be well coordinated.

2. Non-WORTH interventions and linkages

Although there may well be numerous instances in which an organisation has brought training or various inputs to a SG, or has linked with a group in some other way, the following are three examples of international organisations that have used some of the groups as platforms for delivering their own activities.

2.1 Political leadership – CARE/NEPAL

In 2001 CARE/Nepal mounted a programme in western Nepal whose purpose was to support women to become politically active and even run for political office. Little information about this programme was available for this study, but women in a number of WORTH groups did participate in this initiative. Since western Nepal has historically been a neglected part of the country, women may have found this support from CARE particularly useful.

2.2 Reproductive health with an HIV/AIDS focus – World Bank Development Marketplace

In 2001 WORTH won project funding of approximately USD 60,000¹⁶ in the World Bank's Development Marketplace competition for the project, "Combating HIV/AIDS: A Literacy and Economic Approach". In its entry, Pact had proposed that it develop and test easy-reader materials on reproductive health (with a special focus on HIV/AIDS) with women in Nepal in functioning WORTH groups. It became clear later that year that Pact would be closing its doors in Kathmandu because funding for WORTH would end when USAID, under a new administration in Washington, shifted its priorities away from women's empowerment, even closing the mission's new Women's Empowerment office. As a result, Pact asked a young national NGO, Samjhauta,¹⁷ to be a partner in this HIV/AIDS project and take primary responsibility for its detailed design and delivery.

The project was initially designed to reach 1,000 women in 50 WORTH groups in Bara District; through the development and use of innovative neo-literate materials with these groups, its objectives were to:

- Increase understanding about the threat of HIV/AIDS in women's lives and dispelling myths;

¹⁶ This sum was invested in materials development, training, support services, supervision, and monitoring and evaluation.

¹⁷ Samjhauta was launched in 2001 by Usha Jha, who had served in several senior positions during WORTH implementation. Samjhauta's mission is to serve the needs of Nepali women.

- Impart knowledge through discussion to protect women and their partners and children (especially daughters) from HIV/AIDS, despite the stigma associated with discussing this topic;
- Develop women's skills in negotiating safer sex with a spouse "within the circumscribed status of Nepali women"; and
- Empower women to demonstrate leadership in a community response to HIV/AIDS (Paudel, 2003).

Samjhauta developed eight pamphlets on reproductive health, including Sexually Transmitted Infections (STIs) and HIV/AIDS prevention and control. Working with six NGO partners in the district, Samjhauta responded to high demand from groups and, within the project budget, tested these materials with 2,530 women in 111 WORTH groups.¹⁸ The project was 15 months in duration, running from April 2002 to June 2003.

The World Bank grant mandated that there be a final evaluation of the project; when it took place in the late spring of 2003, this evaluation found that building HIV/AIDS education around groups that had been in WORTH provided a model for education and community action with national implications. Key advantages of this structure were that:

- Groups providing the platform for the intervention were already organised, meeting regularly, exhibiting trust among members that supported frank discussion of sensitive issues, and familiar with the use of written material for learning;
- NGO implementing partners were known to Pact and Samjhauta and were familiar with the project format of group learning through the application of literacy skills and discussion;
- Facilitators hired by the NGOs were likewise familiar with their role in this project design, thereby making it possible to streamline the training process; and
- Because so many group members were literate, when security issues related to the Maoist insurgency made it inadvisable for groups to meet in their usual locations, women could take the pamphlets home, read them there, and then come to their regularly scheduled SG meeting for a discussion of the week's topics (Paudel, 2003).

As noted above, together these advantages of using WORTH groups for programme delivery enabled the initiative to reach more than twice as many women as originally planned. The key disadvantage of working with these groups and NGOs, however, was that they did not have a strong technical foundation upon which to build the next stage of STI/HIV/AIDS-related programming.

In considering issues of sustainability, the final evaluation report summarised what the evaluator perceived to be some of the important advantages offered by leveraging the very nature of the SGs:

[The m]ain strength of the woman [sic] groups was their strong unity and motivation for self-governance....A few of them had continued functioning for a long time with modifications and adjustments. They were functioning according to formal and informal rules made by concerned members, who were cooperative with each other as all of them get benefits from the cooperation. Mostly decisions were made by consensus, and benefits gained were distributed equally among the

¹⁸ While all of the groups had been in WORTH, about 60 percent of them had members who were migrants (Paudel, 2003).

members. The group members trusted their leaders for financial management, and internal disputes were resolved through mediation by their leaders (Paudel, 2003).

The evaluation also appreciated that building a programme around these groups maximised the chances that groups would “own” the programme. These were mature groups in which members usually trusted each other to discuss sensitive personal issues, were ready to learn and talk about STIs and their transmission, and about HIV/AIDS itself. They were even prepared to take messages into the community about topics that had not been discussed before in public.

Active participation of [the] target group was key to the success of [the] project and was essential for sustainability. It needed to be fostered right from the start to ensure ownership of the project by the target group. Even the illiterate women could gain knowledge on HIV/AIDS prevention and control, listening to the information told from the textbooks either by their colleagues in the groups or by spouse and daughter at home. Interpersonal communication and group discussion were more important than electronic and print media to educate neo-literate and illiterate women (Paudel, 2003).

The report also noted that 87 percent of the participants reported some level of satisfaction: four percent of participants were ‘highly satisfied’ with the project, 45 percent were ‘moderately satisfied’, 38 percent were ‘fairly satisfied’, and 13 percent were ‘unsatisfied’. The report went on to conclude that “the project made significant change among the target women in HIV/AIDS knowledge, behaviour for achieving safer sex and to initiate community action for combating HIV/AIDS in their community” (Paudel, 2003).

2.3 Improved housing – Habitat for Humanity International in Nepal

In 2005, Habitat for Humanity in Nepal (Habitat Nepal) launched a pilot programme to test Habitat for Humanity International’s (HFHI) Save & Build (S&B) programme to provide low-income individuals with an opportunity to build or improve their houses in stages, with financing linked to a savings-led microfinance model. HFHI wanted to expand the breadth and depth of outreach of the traditional S&B programme while achieving four objectives:

- To ensure lower-income families could own a house;
- To make mortgage repayments affordable by building in stages and incorporating peer pressure into the model;
- To make the programme community-owned; and
- To increase the financial sustainability of S&B (Maes, 2009).

Habitat Nepal wanted to test three different ways of delivering the S&B programme; funding and technical assistance to clients could flow through:

- Local partners who formed new SGs organised specifically to access Habitat Nepal loans;
- Microfinance institutions; or
- WORTH Savings Groups and savings and credit cooperatives.

During implementation, SGs in four districts¹⁹ became a key part of the programme. In the period between 2005 and 2009, the pilot reached 3,763 clients (all women), 43 percent of whom fell within the purview of SGs (Maes, 2009). Throughout this time, Samjhauta - after having been trained by Habitat Nepal - served as a conduit of funding and provided training to SGs so that SG members could efficiently and effectively discharge their full responsibilities to S&B in the communities they served. The services that Habitat Nepal expected a SG to provide included:

- Screening and selecting credit-worthy households, since SG members already had an intimate relationship with the community and were ideally suited to evaluating credit risk and ensuring timely payment;
- Training those selected in saving regularly and providing them with a safe place to save (the SG revolving fund);
- Confirming that the household had the required building materials stock on hand;
- Disbursing loans and monitoring their use for the purpose intended; and
- Collecting payments each month, in the event repayment rates were 100 percent (Maes, 2009).

In addition, Samjhauta trained a construction committee from each SG to provide technical assistance to borrowers for planning and designing a new house and to purchase building materials in bulk, a cost-saving measure that had been organised by Habitat Nepal as part of the programme.

From the outset, S&B had the potential to benefit women in SGs in two ways: first, individual members could opt to take a loan (a mortgage) to improve their housing. Second, SGs could earn income from helping to deliver S&B, thereby increasing the members' equity; while groups had been operating as SGs for four years, S&B provided an income-generating opportunity for a SG to earn a 4.4 percent return on loans outstanding, which was to compensate the group for all of the services it provided (Maes, 2009).

According to an evaluation of the S&B pilot undertaken in 2009, Habitat Nepal saw SGs as a cost-effective mechanism to deliver the programme, though the benefits to members were not quite what Habitat Nepal had anticipated when the programme started:

Habitat Nepal opted to work with existing [SGs], because they already had a certain capacity to manage funds and disburse loans responsibly among their own members, and also because their members had already established a regular savings habit. Interestingly, the S&B housing loan product is targeted predominantly to non-members rather than to their own [SG] members (most of whom wouldn't qualify as they already live in decent houses). As a result, S&B loans are more important as an income activity for the [SG] than as a useful service targeted at its own members.

The report concluded that

The delivery of financial and technical home building services through existing [Savings Groups] (and savings and credit cooperatives) has several advantages.

¹⁹ Jhapa, Morang, Siraha and Saptari, all in the eastern Terai of southern Nepal.

First, these groups already have a strong savings culture as well as financial management skills, and therefore do not need to be trained in those. Moreover, after initial training in S&B procedures, they are well qualified to take on most of the implementation of the S&B program, including selection, training, technical assistance, loan disbursement and collection. Given their intimate relationship with the community, [Savings Group] members are ideally suited to evaluate credit risk and ensure timely repayment. Another benefit of this model is that these savings-led groups are engaged in several other activities that offer value to an integrated housing solution, such as income-generation, awareness of basic health and sanitation principles, etc.

[SGs] serving their own members as well as others in their communities offer a potentially very cost-efficient delivery mechanism for the distribution of S&B loans. (Maes, 2009)

Clearly, Habitat Nepal's experience using SGs as partners was valuable to the organisation. The following describes the view of SG members regarding their involvement in S&B:

The feedback on the S&B program is resoundingly positive by all [SGs]...When asked why they decided to adopt S&B within their [SG], members cited several reasons: 1) they see S&B as a means to improve housing by the poorer members of their community; 2) implementing this program is empowering to them as it leads to real and visible changes in the community and enhances their status with the rest of the community; 3) through this program home partners learn to save regularly; and 4) the S&B product provides a significant and relatively risk-free income source for the [SG] and helps grow the loan fund(Maes, 2009).

Members also cited several negative aspects of their involvement:

Members of one [SG] did not like to play a policing role with their fellow community members in case a home partner did not pay back the loan, and those in another [SG] complained that they are not receiving additional training and support, which they say they need to upgrade their financial management and bookkeeping skills in order to keep up with the increased volume and complexity of their financial transactions (Maes, 2009).²⁰

Overall, however, the S&B pilot in Nepal showed that both the donor agency and the SG members valued their partnership for programme delivery and gained from it. Using the groups as a platform for delivering S&B was successful because the needs of the programme fit well with the capacity of the SGs (and Samjhauta) to meet those needs. While any replication or expansion of this effort will undoubtedly raise new substantive issues, the potential exists for even more value to accrue for the various stakeholders if HFHI – and the SGs – internalise and act on the lessons offered by this pilot effort.

²⁰ Habitat Nepal was concerned that the infusion of relatively cheap capital into the loan fund managed by the SG might reduce the saving incentive of SG members. The evaluator found no evidence that this was happening.

2.4 MFI linkages

Approximately 15 months into the implementation of WORTH, reports began to reach Pact's office in Kathmandu that some SG members had been approached by MFIs that were asking if members would like to become clients of the MFI. As the responses of women filtered back to Pact, it became clear that replies fell into three categories:

- Those from women who wanted to access capital beyond what the SG's revolving fund could offer – usually members whose businesses were successful;
- Those from members who did *not* want to accept this offer – usually members whose businesses were struggling, sometimes because they were in areas affected by the Maoist insurgency; and
- Those from women, who in one case decided to negotiate a lower rate than what the MFI was offering, pool the loans and lend the funds back to one another at a slightly higher rate and then distribute the profits when the cycle ended.

Pact staff reported that at least one group in the central Terai had been able to negotiate a new loan rate and that the SG had indeed distributed the gains back to its members. Although borrowers paid the higher rate of interest on their loans, this increased the profitability of their bank and used the MFI linkage to add value to group membership.

Several management committees reported that groups had linked to other organisations in order to borrow funds to meet members' demands for loans. Twenty-four groups (eight percent) had taken at least one loan from an MFI and 18 groups (six percent) had borrowed from a cooperative. Seven groups (two percent) reported having borrowed from another group or SG. A few groups had borrowed from local development funds (VARG and Mayoux, 2008).

A discussion of linkages that add value to group membership would not be complete without mentioning that it was at least partly because of WORTH that the Government of Nepal - through the Central Bank and Parliament - approved regulations that would allow MFIs to lend to non-registered groups. The evaluation of WORTH in Nepal in 2000 noted:

The principal regulatory problem is that cooperatives and other credit sources cannot make loans to informal groups such as [Savings Groups]. The team working on regulatory issues at the Central Bank is aware of this issue. Pact should work closely with this team to insure language is included in new legislation affecting the micro-finance sector that will facilitate loans to Savings Groups and [other] groups that manage their own loan portfolios. The loan must be seen as a loan to the group that is repaid to the group, not a loan to specific individuals in the group. (Ashe & Parrott, 2000)

This shift enabling lending to informal groups was important both for opening up a new channel for group members to borrow and in providing new opportunities for SGs to strengthen themselves and grow. Risks included the possibility of members taking on too much debt, the potential for cash flowing in from the lending institution to be commandeered by the most influential group members,

and the possible overburdening of the management committee in disbursing, collecting and accounting for these funds.

3. Non-WORTH interventions and linkages

3.1 The emerging power of the solidarity group

External organisations, through their programmes and linkages, are not the only ones to add value to group membership. In 2000, while WORTH implementation was still underway, programme evaluators noted that members of SGs “desperately want the opportunity to meet with a supportive group of peers oriented towards improving the lot of the members” (Ashe & Parrott, 2000). They observed that women had come to appreciate

[m]embership in a group of peers that reflects an ethos of self-improvement and that supports the individual’s efforts to change. A Savings Group is a new structure in the community with a definite point of view. The ethos of a Savings Group encourages and supports individual initiative along with mutual assistance and accountability. It provides encouragement when the individual feels discouraged or is under pressure to return to their customary ways by friends and family. (Ashe & Parrott, 2000)

Seven years later, the post-programme evaluation of WORTH explored this facet of groups and concluded that WORTH had indeed helped members address their most serious challenges. Two-thirds of the groups reported that members brought their personal or family problems to the group for advice or help.

In 2007, when women were asked to name the top three challenges they had faced, the single most reported issue was the Maoist insurgency and the crumbling of government services. Of the 1,864 women who said this was one of their greatest challenges, nearly half (47 percent) said that WORTH had either “increased or greatly increased” their ability to address the problems associated with the insurgency. Moreover, problems such as caste discrimination, polygamy, trafficking, rape, abuse, gambling, and alcohol were cited by 985 women, and 82 percent said WORTH had helped them address these issues (VARG and Mayoux, 2008).

In this same survey, 911 women cited domestic violence, with 92 percent reporting that WORTH had increased or greatly increased their ability to address this particularly vital issue. In other interviews, 43 percent of women said that their degree of freedom from domestic violence had changed because of their membership in a WORTH group and one in 10 reported that WORTH had actually helped “change her life” because of its impact on domestic violence. One woman, acknowledging the role of the group, observed, “We should come out of the house and talk with others in the group or individually so that we can learn what is right and wrong. This helps to reduce violence inside our homes.” (VARG and Mayoux, 2008)

Table 1: Top three challenges named by Savings Group members

	Increased or greatly increased ability to address problem (%)	No effect on addressing problem (%)	Decreased or greatly decreased ability to address problem (%)	Ranking by women citing problem	Number of women citing problem
Political problems; strikes; Nepal “banda”; effect of people’s movement	47	52	0.5	1	1,864
Caste discrimination; polygamy; trafficking; rape; abuse; gambling; alcohol	82	18	-	2	985
Domestic violence	92	8	-	3	911

In 2003, a researcher examining the financial operations of WORTH groups made the following observation of the social cohesion he saw all around him and its relevance to the larger well-being of the group:

Since [SGs] rely on social cohesion to maintain financial discipline, they place a lot of value in social interaction. The Banking Day is often an opportunity for members to chit-chat and catch up on others in the group. [SGs] often conduct group activities such as going to picnics, setting up a common stall in the haat-bazaar (temporary open-air markets that open only once a week), or going to each other’s social ceremonies such as marriage and cremation. If a group member complains that her husband is abusive or is planning to marry a second wife, the whole group goes to reprimand the husband. Therefore, [SGs] are much more than financial institutions: they are in essence social institutions whose social interaction helps to make its financial interaction sustainable. (Silwal, 2003)

It might be asked whether the activities of a SG enhance it as a solidarity group or detract from it, particularly if a member seeking guidance is not in the best of standing – that is, if she holds a loan that is in arrears or is not meeting her mandatory savings requirement, for example. Although members of WORTH groups were not asked this question in any programme evaluation, it is possible that the reason behind any deficiencies in membership performance would influence the group’s response to a request for guidance or other support.

3.2 Group income generation

Although the practice of generating income together was far from universal among WORTH groups, it was not unusual for SG members to increase the value of belonging to their group by mounting a one-off collective income-generating activity. Such activities would have the advantage of quick cash generation and the avoidance of on-going capital needs and management. Occasionally a group would borrow from its loan fund to capitalise inputs and then immediately after the activity, repay

the loan. Sometimes the SG might have an on-going group business. The WORTH post-programme evaluation noted:

About a quarter of the [Savings Groups] undertook fund-raising initiatives to meet their capital needs. The most frequent initiatives were presenting shows on religious and social occasions featuring dancing and singing of traditional songs. A few [SGs] gained profits from collective vegetable gardening and the planting of rice, maize, and turmeric. A few groups undertook initiatives, including catering wedding ceremonies, making candles and candle wicks, running small shops, and performing street dramas. In all cases the sums raised had increased over the years since WORTH program support ended. (VARG and Mayoux, 2008)

Having studied WORTH groups associated with the Habitat Nepal housing programme, the evaluator of that project observed that “[m]ost [SGs] express a strong desire to grow their capital through group enterprises (including [the] S&B loan fund).” He continued:

Many [SGs] participating in S&B also conduct group income activities, in which case profits are added to the group fund and distributed periodically among all the members. Such group income activities include beekeeping, farming, agricultural/veterinary training, tailoring and retailing of certain goods. (Maes, 2009)



Photo credits: WORTH files, Pact

3.3 Outreach to the community

Over the years, community outreach has taken many forms. According to the post-programme report on WORTH:

More than 80 percent of [SG] management committees...said they had undertaken at least one physical infrastructure project for their communities. [SG members] often constructed and maintained roads, culverts, and bridges, or installed streetlights in the village. They built or rehabilitated temples or religious guesthouses and developed bus stops or recreational areas. Women constructed water taps, installed drinking water tanks, or dug wells. They cleaned roads and organised beautification efforts for communal areas. (VARG and Mayoux, 2008)

Table 2 summarises the construction activities of WORTH SGs:

Table 2: Groups undertaking physical infrastructure projects

Multiple responses	Number	%
Construction and maintenance of roads, culverts, bridges; installation of street lights	121	42
Construction and rehabilitation of temples, religious guesthouses, shade houses, bus waiting shades	105	36
Construction of water taps, drinking water tanks, wells	40	14
Cleaning of roads, water taps; cleaning of villages or communities	31	11
Construction of schools and libraries	24	8
No action taken	57	20

Source: VARG and Mayoux, 2008

Groups often used their own funds for construction. Since the greatest beneficiary of group projects was usually the wider community, women were sometimes able to attract additional support from family members, NGOs, the local government or other organisations that donated cash, labour or other in-kind contributions (VARG and Mayoux, 2008). The women's use of their own funds appears in Table 3.



Photo credits: WORTH files, Pact

Table 3: Allocation of group funds for construction purposes

Multiple responses	Number	%
Construction of temples, religious guesthouses or inns, etc.	68	48
Construction of bridges; graveling of roads; installation of street lights	28	20
Construction of classrooms, libraries, other school buildings	23	16
Construction of well, water taps, public toilets	11	8

Source: VARG and Mayoux, 2008

If construction projects were popular among SGs, social action has been even more so; the 2008 WORTH evaluation report stated that according to more than 95 percent of SG management committees, their groups had undertaken social action of some kind since 2001, benefitting those outside their groups. Actions included rallies and demonstrations, door-to-door campaigns, street dramas, and even outright confrontation. As outlined in Table 4, activities focused on a range of issues, from domestic violence to child labour (VARG and Mayoux, 2008).

Table 4: Groups taking collective action on social issues

Multiple responses	Number	%
Against domestic violence	141	49
Against the trafficking or rape of underage girls	108	38
Against drug use	86	30
Against the dowry system	45	16
Against child marriage and child labor	45	16
No action taken	13	5

Source: VARG and Mayoux, 2008

As for charitable outreach, three-quarters of the groups reported that they had used their own funds to help others; medical expenses, funerals, orphans and emergencies were common reasons for offering assistance (VARG and Mayoux, 2008).

In conclusion, WORTH SGs in Nepal have benefitted group members in ways not directly related to the provision of financial services. Value is added when the SG has served as a trusted group of peers who can provide support in times of need. Groups have generated revenue for members to increase either their incomes or their equity in the group. Members and communities have both benefitted when group members have reached out to build, to be social change agents or to lend a helping hand.

The impact evaluation of WORTH asked both management committees and former members of groups about the reasons for a woman's departure from the group. Nowhere in any explanation or discussion was there any reference to a group's expanded activities. Likewise, when members of groups that had dissolved were asked about why this had happened, reasons did not include factors related to the expanded agenda of groups. It seems reasonable to conclude that the intertwining of the group's financial and social agendas, creating a synergy that generates value in a myriad of ways, helps explain the success and the longevity of these groups, rather than member disaffection or group demise (VARG and Mayoux, 2008).

III. The Sustainability of WORTH Groups and Interventions

The story of the sustainability of groups in Nepal’s WORTH programme has two important facets: the first revolves around the sustainability of the groups that actually participated in the programme and the second pertains to new groups that have been trained by these groups to deliver financial services to their members. The two coalesce in the finding that although many groups have disappeared, at least in part because of the Maoist insurgency and collapse of governance, new groups trained by ‘original’ groups offset those losses. In sum, at the time of the post-programme assessment research, there were more women in the WORTH original and replicated groups than in 2001 when the programme ended.²¹

The evaluation report sums up the numbers as follows:

Eight years after WORTH began and six years after the formal program ended, Pact found about two-thirds of the [SGs] still in operation. On average, they had grown slightly larger and lost only two of their original members since 2001. Most had intensified rather than reduced their activities since program workers stopped visiting. Many women were so enthusiastic about the program that they began to replicate it: unprompted by Pact, a quarter of the groups had helped to start an estimated 425 new groups with approximately 11,000 members. WORTH groups have clearly sustained and replicated themselves, rare accomplishments among development programs (VARG and Mayoux, 2008).

The study asked management committee members to explain group longevity: group dynamics – trust among members, consensus building, a sense of cooperation – were cited by 78 percent of the committees, followed by the opportunity to save. Table 5 presents a summary of the responses to the question, “Why do you think your group has come this far?”

Table 5: Management committee members’ reasons for group longevity or success

<i>“Why do you think your group has come this far?”</i>		
Multiple responses	Number	%
Mutual trust among the members; conducting activities with group consensus; collective support and sense of cooperation	225	78
Saving scheme, which allowed us to get loan easily and helped solve problems among the members; understanding the value and habit of saving; opportunity for saving	175	61
Transparency of the accounts	31	11
Leaders capable of establishing relationships with NGOs, disseminating the advantages of saving, and fostering a sense of attachment to the group	24	8
Support of cooperative associations and social development organisation in accounting training	9	3

²¹ If in 2007 there were approximately 26,000 women in SGs and if the estimated 427 replicated groups, with approximately 11,000 women, were all operational at the time of the survey, then the total of 37,000 women in WORTH in 2007 exceeded the 2001 total by 2,000 women.

Other: chance to use funds; members' sense of responsibility, group registration; timely loan payments; collective problem solving, expectation of future support from others	22	8
---	----	---

Source: VARG and Mayoux, 2008

Furthermore, it is interesting that respondents reported that most groups had intensified their activities since implementation ended, including saving, lending, income-generation activities and supporting members in addressing their problems.

Table 6: Change in activities since implementation ended

<i>"How have group activities changed since [field staff] stopped coming?"</i>	Decreased (%)	Stayed the same (%)	Increased (%)
Multiple responses			
Savings	2	9	89
Loans	1	13	86
Meeting as a group	2	28	70
Getting income from businesses	1	33	66
Getting support from the group to address individual and/or family problems	2	40	58
Literacy	14	32	55
Learning how to do business	3	47	50
Networking with other women's groups	8	50	42
Making and implementng plans for social action	6	62	32
Making and implementing plans for infrastrucrure development	6	72	22

Source: VARG and Mayoux, 2008

It is clear that the SGs from Nepal's WORTH project - only a relatively few of which received post-programme interventions from external organisations - have sustained themselves without externally-generated interventions. There is no indication that the reproductive health programme or the housing project had either positive or negative impacts on SG sustainability, although information available at the time of this desk study does not provide a definitive answer to that question. Likewise, in some cases linkages to MFIs may have affected group longevity, but there are no data to clarify this issue.

Turning to the sustainability of the interventions, assessments of both the World Bank and Habitat Nepal projects indicate that neither partnership with WORTH groups could be sustained without modification and further inputs. The evaluator of the reproductive health project observed that the frontline facilitators meeting with the groups were recruited mostly from a pool of candidates with non-medical backgrounds and therefore were not able to answer questions about sexuality from young women in the group. At the same time, the partner NGOs that supported and supervised the facilitators did not have experience in reproductive health programme training and delivery. The evaluator noted that "capacity building of the partner NGOs was not the prime objective of the project but it was very much needed for sustainability of the programme. Therefore, adequate attention should be given...to enhance institutional capability of partner NGOs for the sustainability of the programs." The evaluation also cautioned against programme expansion without personnel with a stronger medical foundation (Paudel, 2003). Whether or not technical information can be

simplified so that most relevant information can appear in easy-reader books that groups can read together would require further exploration.

The evaluation of the Habitat Nepal housing project indicates that the sustainability of the housing intervention hinges, firstly, on whether or not HFHI can develop a programme that does not depend upon subsidised capital for the housing loan fund. Without a transition away from that subsidy, S&B will always be dependent upon contributions. If it can do so, issues regarding the SGs as service delivery agents and guarantors of the housing loans they approve would need to be addressed. They include:

- *Improving accounting skills, registration and audits:* SGs would need to receive training to improve their bookkeeping and financial management skills in order to handle the increased complexity of accounting for a growing external loan fund. Each group would need to register with the Department of Cooperatives and handle regular audits.
- *Handling increased risk as guarantors of housing loans:* An SG would need to consider how best to handle the increased risk to its own loan fund, since in the S&B model the SG guarantees all housing loans that it approves and disburses.
- *Addressing the complexities of housing clients as temporary members of the group:* Non-SG member borrowers become temporary members of the group. This has introduced issues regarding equity in the periodic (often paper) distribution of the group fund, which would require resolution.
- *Considering proper compensation for those SG members who spend a substantial amount of time administering the programme:* The current volunteer status of these individuals is not a satisfactory long-term answer.
- *Dealing with the potential impact of the external housing loan account on the savings culture:* Access to cheap external sources of funds has the potential to diminish the SGs' existing savings culture. This has not yet happened, but in other non-housing programmes a group's saving dynamic has sometimes been affected by the infusion of cheap capital into the group (Maes, 2009).

The demand of SG members for each of the two interventions varied. As previously mentioned, the HIV/AIDS programme evaluator reported that nearly one-third of programme participants wanted additional reproductive health programmes. In greater demand, however, was training that would help members increase incomes from their businesses (Paudel, 2003).

Within the S&B housing intervention, all of the five SGs participating in the evaluation expressed keen interest not only in continuing to administer Habitat Nepal loan funds, but also in building their own resources so that they could be independent housing intermediaries in the community. This is somewhat problematic, since each group's current WORTH loan fund, although often robust, is not large enough to meet the needs of members who want to borrow, even though SG members have been saving and lending their group fund for a decade. In addition, SGs generate a much larger profit from their WORTH-specific lending (12 to 24 percent per annum) than from their outstanding housing loans, which provide a 4.4 percent return. Furthermore, the accounting and management responsibilities of the SG as a housing finance group have proved burdensome. Nonetheless, the SGs are enthusiastic about this vision and the impact that it could have on poor people in the communities within their reach (Maes, 2009).

IV. Lessons Learned: Towards a New Model of Savings Group Development

In the mid-1990s, Pact Nepal began to outline a comprehensive framework for a development programme that would bring together two amorphous elements – hope and opportunity – in a practical application built on the conviction that women are powerful, that they are even more powerful if they can work together in groups, and that groups of women can achieve almost anything if they own their vision of what they want to achieve. That practical application became the WORTH programme, which today, more than a decade after inception on the ground, offers important lessons that lead to a new vision of what SG development programmes can be.

Built on the premise that ‘women’s empowerment’ could emerge from a foundation of women learning how powerful they already are, WORTH’s aim was to provide tools that would support this discovery process and also respond to needs that Nepali women had almost universally expressed: first, to raise their family income, and second, to learn to read and write.

In WORTH, income generation would take the form of women mastering how to develop their group and operate as a Savings Group, and learning basic business skills to maximise their chances of success as they - as individuals - invested loans from the group to launch and grow their enterprises. Becoming literate and numerate would not be an end in itself, as it had been in the WORD project, but would be a means for women to be full-fledged, active members of their SG, reading together in the WORTH books all of the information that could lead to the success of the group and their businesses. By putting responsibility on the shoulders of the women to learn through a self-instructional reading format, WORTH gave credence to the programme mantra that “dependency is not empowering”.

In essence then, WORTH – and subsequently USAID in its commitment to add rights and advocacy to the agenda – used the groups as a platform from the very beginning of the programme. Although it has been common in SG development to think about how groups provide platforms for interventions once those groups are operating as SGs, WORTH in Nepal ‘jumped the gun’ and combined the interventions that would support its primary programme goal - empowerment - with its training in the effective and efficient delivery of financial services.

This paper has outlined some of the success and challenges of this model for each of its individual interventions (literacy, business, banking and rights and advocacy training). It has also demonstrated that the original research proposition underpinning this examination of WORTH in Nepal has considerable validity:

SGs commonly attract a host of interventions and programme linkages, encompassing a broad spectrum of sectors and services including health, education, income-generation, environmental and housing issues. SGs have linked members to a broad array of financial services, to resources that benefit specific links in a value chain, and to a host of income-generating opportunities. SGs have established social funds to provide a social safety net for their members and sometimes for others in their community.

The assumption that groups attract interventions *once they are Savings Groups* should be modified to include groups that have not yet become SGs. Furthermore, the concept of the social agenda should be expanded to include the solidarity group or social safety net aspects of SG operations. Indeed, this retrospective look at the experience of groups indicates that while organisations outside the groups have added value for SG members once SGs are functional, they has not been the primary source of additional value for the cohort of SGs as a whole. In addition to group income generation, the numerous facets of a group’s social agenda are integral to the value that SGs offer their members.

In fact, it should be noted that the combination of WORTH’s core interventions, by themselves, was synergistic; it produced that elusive element of ‘empowerment’ for tens of thousands of women, which was very different and in some ways, much more difficult to achieve than the objectives of any one of the interventions. The point to be made here is that combining different interventions in programme implementation, from the beginning or near the beginning of the programme, can make it possible to achieve objectives that are larger than that of any one intervention by itself.

More specifically, beyond the results from any specific WORTH intervention that have been enumerated here, observers have remarked about the quality of empowerment among women in the programme. As early as 2000 it was observed that, “when asked how participating in WEP had changed their lives, the most common response [women gave] was that when they started they were shy and afraid to talk in a group and that now they could talk freely” (Ashe & Parrott, 2000).

During the WORTH programme assessment carried out in 2007, women were asked to look at drawings and decide what had been the most important benefit of WORTH. Table 7 summarises the responses of group members, with 45 groups (16 percent) saying that “confidence and self-respect” was the single most important benefit. Interestingly, none of the top three choices was related to financial services.

Table 7: Women’s top three responses for how WORTH has changed their lives

	Number	%
Literacy and education	67	23
Confidence and self-respect	45	16
Freedom from domestic violence	45	16
Other (10 categories)	131	45

Source: VARG and Mayoux, 2008

In light of this evidence that WORTH, for many women, was able to achieve a larger goal than that tied to any single intervention, it seems appropriate for the SG development practitioner community to step back and ask some key questions:

- Why is it important for poor people to know how to deliver the financial services that SGs offer? Are there underlying development objectives such as poverty alleviation, empowerment, gender equity that SGs help people reach? and
- If so, what intervention (or interventions) might be added, when members are first learning to manage their SGs that would help them achieve these larger objectives?

Interventions that complement the development of the group's capacity to deliver financial services might well vary among programmes ranging, for example, from business skills to health and nutrition to community action training; ultimately, however, there is potentially great value in linking appropriate interventions at the outset to the focused financial services training that groups receive.

On a related front, there is evidence from Nepal that what is introduced to groups at the beginning of programme implementation and how it is framed influences outcomes. This is perhaps somewhat analogous to the adage that "the question you ask determines the answer you get." An example of this is when Pact trained the Nepal WORTH groups and it introduced the concept of weekly mandatory savings, but not voluntary savings. It was concerned that the accounting for both types of saving, if introduced early in the programme, might prove too challenging since groups were just learning the SG bookkeeping system. Later on in the implementation process, Pact introduced voluntary savings, but relatively few groups in Nepal ever adopted this practice. Of the 288 management committees surveyed in 2007, only 16 percent reported that their group offered both mandatory and voluntary savings vehicles.

When Pact began to introduce WORTH in Africa in 2004, however, it introduced voluntary savings at the outset; as a result, SG members use and highly value voluntary savings in all of the various African WORTH programmes. Given this, one can assume that SGs in Nepal have not made more use of voluntary savings because WORTH did not introduce the concept at the beginning of the programme, when minds were open, ideas were fresh and habits had not yet been formed. In short, there is evidence that what is set before group members at the outset of programming often influences greatly what subsequently unfolds.

The question arises, however, as to the time and costs that would be incurred if complementary programming was included from the start. While arguably no additional intervention could be offered to group members at no cost, the lesson of WORTH in Nepal is that there can be a significant flow of information, as well as the development of meaningful discussions, when members have easy-reader written materials in their hands with which to learn. These materials need not be expensive; indeed, the evaluation of WORTH undertaken in 2000, in referring to the books that women read together in their groups, noted that "these workbooks [on business skills] may prove to be a virtually cost-free way of teaching...skills that make a difference. This could be another way that [WORTH] can contribute to the microfinance industry" (Ashe & Parrott, 2000).

This form of training not only provides substantive inputs for groups to work with, but it places responsibility for learning where it belongs: with the groups. Moreover, the use of such materials can be readily scaled. As a result, as long as it is pitched appropriately in content and reading level, material on nearly any subject can be a very cost-effective delivery mechanism that can be used with large numbers of people.

If the lessons from WORTH in Nepal suggest a new way to think about the design of SG development programming, they also suggest the power and importance of the group's social agenda. As previously outlined, WORTH SGs have frequently served as support or solidarity groups for their members, particularly in addressing domestic violence. Although social funds, *per se*, have not emerged in Nepal as a mechanism that SGs have used widely, it has been common for members to draw upon their group's financial resources to meet either the needs of members or needs in the community at large. In addition, action to bring about change has been common. In many SGs

members have made their social safety net and community action agenda strong, no matter what form that support or agenda has taken.

This suggests that there is great value in addressing - early in SG development programming - the potential of groups to provide a social safety net for their members, to learn how best to do this, and to learn about what others have done to become change agents in their communities. In countries where the social security system is informal and community-based and where extended family systems may be breaking down, the SG can be an excellent mechanism to provide the 'insurance' that group members need. The same could also apply in areas where infrastructure needs abound and social injustice permeates civil society. The scope and depth of the work of WORTH groups in Nepal suggests how important this aspect of SGs can be.

At the same time, it is important that the SG development process respect the importance of SG members being able to focus their attention, above anything else, on learning how best to deliver financial services. There is no faster way for a group to fail than to not have the ability to account transparently and accurately for savings or loans, which also causes members to feel shut out of the group's decision-making process. No applied research has been undertaken regarding the optimal timing for introducing groups to issues and activities beyond basic financial service delivery. As a result, it is unclear as to how early in the group development process there should be a thorough introduction to the group's potential to function as a social safety net. Ultimately, the experiences and lessons of other groups should come relatively early in the SG's life since such a high proportion of SGs do, in fact, greatly value this aspect of their operations. When equipped with information about solidarity groups, social funds and community outreach, any group can decide if and how it might like to meet the needs of its members and others in the community.

Furthermore, the longevity of the SGs that were still operating in 2007, the range of activities that groups had initiated on their own, and the diverse opportunities that they had embraced when those opportunities materialised suggest another lesson from WORTH in Nepal: as development specialists move to expand the savings-led microfinance movement, their efforts can benefit greatly from the people based in the field, in the communities, and in the groups. While development practitioners are well-versed in the immutable principles that must support the operation of any SG, group members, if trained properly, will know how best to apply those principles as they bring them to life in their own environment. Practitioners can learn and then take these lessons to others, honing SG models as they go.

This in turn suggests that defining the skeleton of SG development around which groups can build is key. In short, it is important to consider the following:

- What are the indispensable 'non-negotiable' fundamentals for group development?
- Where in the model can flexibility be an asset and not a significant risk, where choice can provide room for a group's own creativity and input? and
- How can training for new groups be designed so that it captures the successes of group members and others from which group members can learn?

Against the larger backdrop of the new SG development model outlined above, other questions include:

- How can multiple interventions be introduced to groups virtually simultaneously and effectively? and
- How can the potential for written materials key to the learning process of members best be realised?

It is important to assess the possibility of expanding SG group development training from its tight focus on the delivery of financial services to a much more inclusive agenda that provides an opportunity for SG members to learn about other complementary initiatives and activities that are related to the underlying reasons why poor people want access to a safe place to save and to credit in the first place.

The following are considered key insights in the process of developing such an agenda:

- To surmount the inevitable resource constraints that such a holistic model suggests, it is time to consider, at the outset of a programme, the use of easy to read materials that are relatively inexpensive, efficient and effective in their delivery;
- It is essential to acknowledge the importance of groups as social support mechanisms, both for their own members and for their communities, and to provide training, built on the lessons of other groups, that will help SGs maximise the potential of this aspect of their work;
- It is time to recognise that flexible programme models that encourage those being trained to apply the knowledge they have to the work of their groups cannot only lead to stronger groups on the ground, but should also provide new learning for the development practitioner community; and
- Research is crucial to determine what the indispensable elements of group formation and operation are so that the SG development model is not overly prescriptive, but receptive to the ideas of those for whom the SG may become a life anchor.

Appendix A: WORTH: Introduction to the Road to Wealth²²

Mina, Rama, and Sita are waiting their turns at the neighbourhood water tap and chatting about life, their work, and their families. Last year, together with several of their friends, they formed a small savings club. Each member contributes a small amount of money every month. Then they rotate money among the members for emergencies or special expenditures, like weddings, funerals, or school fees.

Mina: I'm happy that we have our little savings group. It was wonderful to get that loan when my uncle died and we had to help with the funeral expenses. But I'm tired of always feeling poor and pinching pennies.

Rama: I know what you mean! Life can be tough sometimes and I sure wish I could find a way to make some more money. My son Ram is going to school, but I wish I could send my daughter Mita to school, too, and buy those medicines that my mother needs.

Sita: You are so right! And you remind me that when I went to the market last week I met my old friend Rita from Srijana. She was really excited about their savings group. She told me it has become what she called a Village Bank, and it has lots of money. And Rita now has quite a nice little vegetable business and seems to be making quite a good income.

Mina: How did she do that? Our little club doesn't have very much money at all. And I'm certainly not making any money!

Sita: Well, from what she told me, they now have 25 women in their group. They meet and bring savings every week, no matter what. The literate members also have taught all the others how to read and write. And they keep simple accounts so everyone knows how much is in their fund and what it's being used for.

Rama: That's a good idea! I sure would love to be able to read and keep an account of Ram's school fees and books. What do they use their fund for?

Sita: Well, they have a book called *Road to Wealth*. They all read it together to learn how to turn their savings into a loan fund to help their members start businesses. Rita took a loan for \$10 to start her vegetable business and she told me she had already made \$15 the day I met her at the market.

Mina: I would love to do something like that myself! How do the loans work?

Sita: Their Village Bank runs just like any other bank. They charge interest on the loans. Then when Rita pays back her loan the interest she pays helps make the fund grow bigger. Then they use that to make more loans.

Rama: Tell us more! This is really interesting! Maybe we could learn from Rita how to make our savings group into a Village Bank, too.

²² Not presented in neo-literate, easy-reader format

- Sita: It gets even better, Rama. The interest is income for their Bank, and every so often they add up that income, divide it up, and add it to each member's savings. Rita got \$3 last month that way. They call it a 'dividend.'
- Mina: Wow! That means Rita is earning money two ways. First from her new business and second from her Village Bank dividends! What more can you tell us about this Village Bank?
- Sita: Rita told me that Srijana Village Bank is now very active in making lots of improvements in the community. They helped organise a new water tap in Rita's neighbourhood so she doesn't have to walk 2 miles to the river anymore. And they have set up a special fund for helping widows and orphans from this terrible HIV/AIDS that has been spreading around here.
- Rama: That is amazing! Do you think they would help us so our group could become a Village Bank?
- Sita: I felt the same way you do, so I asked Rita if she could help us. She said that she would be happy to. She also said that their members are already helping some other groups around this area. They've even started a network of Village Banks and they get together and share ideas, information, and help each other over hurdles.
- Mina: That would be wonderful! Could we join the network too?
- Sita: Why not? And once we're on our feet, we could help the women down in Manakamana do the same. They are really struggling there where the soil is so poor. Their men have had to go to the big city for jobs and now they're bringing back HIV/AIDS.
- Rama: Why do you think the Srijana group is so successful?
- Sita: Rita says they are very disciplined. They meet and save regularly and have strict rules. They also have to pay fines if they don't follow their rules. They are a strong group and are really committed to self-help. They are proud to do things on their own because they say dependency is not empowering.
- Mina: I like that! But that sounds a little scary to me. Women don't get much respect in this society!
- Sita: I know what you mean. But since Rita seemed so happy and self-confident, I asked her how come she had such a positive attitude, with all the problems around here.
- Rama: So what did she say?
- Sita: She said their group always focuses on their successes and achievements and doesn't get bogged down in problems. At all their meetings they share their success stories with each other, just like she did with me. And that's what they do at their Village Bank network meetings, too. They all feel that they are now on the road to wealth. They are sure that they won't be poor any more.

Mina: You know, I'm feeling encouraged already, just listening to this story! It is really empowering when you do something for yourself. Let's take Rita and her group up on their offer and see if they will help us.

Rama: Yes! Let's do that! I'm sure our group can become a successful Village Bank, too! There's no reason we should be poor any more either!

Sita: I was hoping you would agree! Let's ask Rita to come to our next meeting and tell everyone in our group about it so we can get started!

Mina: Oh, yes! Let's all get on the road to wealth together!

Appendix B: Women's Empowerment Project – MIS Report as at July, 2001

		MIS2: May/June 1999	MIS3: Dec 1999 – Jan 2000	MIS4: June 2000	MIS5: Dec 2000 – Jan 2001	MIS6: June 2001	Remarks
General information							
1	Number of sample groups	NA	NA	511	713	788	
2	Total number of groups	7,357	6,657	6,443	6,617	6,265	
3	Number of women in economic groups	130,307	123,176	123,494	129,732	122,406	
4	Average group size	18	19	19	20	20	
5	Literacy test passers	92,952	104,296	122,852	Not conducted literacy test in MIS5	Not conducted literacy test in MIS5	The MIS4 figure is calculated by MIS3 literacy test passers, i.e. 104,296 + [NNDSSWO (Chitwan)+ COOP (Sunsari)] literacy test passers, i.e. 5,856 + literacy retest passers, i.e. 12,700
6	Number of women saving regularly	129,037	122,502	123,040	129,194	121,404	

Loan information							
7	Number of women currently holding loans	16,687	38,800	46,119	53,168	52,251	For MIS2, loan takers from group fund only
8	Number of women taking loans in MIS period	16,687	38,800	51,087	57,678	68,613	
9	Number of women behind schedule in repaying the loans	2,069	1,411	1,324	1,550	1,749	
Microenterprise information							
10	Number of women involved in microenterprises	18,602	55,586	75,736	82,021	86,883	
11	Number of women are earning Rs. 300 or more since WEP began	9,725	45,467	65,574	73,715	102,116	
Saving activities							
12	Total amount of savings collected by women	Rs 49,920,200	Rs 68,214,091	Rs 85,787,909	Rs 117,794,600	Rs 139,942,195	Saving amount comprises of each member's monthly savings, book fee, entrance fee and other savings
		USD 0.72 million	USD 0.99 million	USD 1.24 million	USD 1.60 million	USD 1.88 million	
13	Cash left in group	Rs 6,068,187	Rs 4,595,328	Rs 5,950,778	Rs 8,318,868	Rs 6,526,945	
		USD 0.09 million	USD 0.07 million	USD 0.09 million	USD 0.11 million	USD 0.09 million	
14	Money is in group's bank account	Rs 17,769,208	Rs 11,581,284	Rs 8,090,603	Rs 13,072,194	Rs 11,353,667	
		USD 0.26 million	USD 0.17 million	USD 0.11 million	USD 0.18 million	USD 0.15 million	
15	Group savings deposited to the	NA	Rs 8,221,886	Rs 12,624,328	Rs 18,977,621	Rs 12,271,052	

	affiliated organisation	NA	USD 0.12 million	USD 0.18 million	USD 0.26 million	USD 0.16 million	
16	Total amount of money collected from fund raising activities	Rs 610,434	Rs 1,578,454	Rs 2,120,586	Rs 2,686,168	Rs 3,482,306	
		USD 0.01 million	USD 0.02 million	USD 0.03 million	USD 0.04 million	USD 0.05 million	
Mobility activities							
17	Number of women, alone or in a group, who have visited VDC/Municipality for any purpose	16,423	14,848	26,061	30,180	32,685	
18	Number of women have ventured outside the village for any purpose other than family matters	12,019	10,604	17,449	21,679	22,595	
19	Number of women who have spent more than one night outside the village for any purpose other than family matters	5,800	4,872	6,808	9,169	9,079	
Synergy							
20	Community Users Forest Group	7,699	10,639	16,554	16,835	14,080	
21	Irrigation/Water Users Group	2,097	2,211	3,530	3,434	3,347	
22	Farmers/Agriculture Group	5,604	5,008	7,905	9,271	7,879	
23	Health Group	1,698	2,315	3,543	5,011	5,645	
24	Mothers Group	10,589	8,101	9,519	12,102	13,071	
Saving activities							
25	Monthly rate of savings (Rs)	18	21	26	29	33	
26	Total amount of savings	NA	Rs 57,399,767	Rs 75,335,972	Rs 108,564,284	Rs 125,983,545	

		NA	USD 0.83 million	USD 1.09 million	USD 1.47 million	USD 1.69 million	
Loan status, taken from group fund							
27	Total loan amount	Rs 76,982,662	Rs 44,063,526	Rs 71,071,905	Rs 104,807,396	Rs 138,052,892	For MIS2, loan amount includes internal and external sources
		USD 1.12 million	USD 0.64 million	USD 1.03 million	USD 1.42 million	USD 1.85 million	
28	Interest rate (%)	NA	Max. 60 Min. 1 Avg. 25	Max. 60 Min. 2 Avg. 23	Max. 60 Min. 2 Avg. 24	Max. 60 Min. 2 Avg. 23	
29	Amount yet to be repaid	NA	Rs 39,983,132	Rs 56,841,343	Rs 84,299,104	Rs 103,957,244	
		NA	USD 0.58 million	USD 0.82 million	USD 1.14 million	USD 1.39 million	
30	Number of women who have taken and paid loans in each MIS period	16,687	30,288	6,758	6,079	16,092	
31	Number of women currently holding loans			35,680	45,150	45,366	
32	Number of women who have taken loans at least once since WEP began	NA	NA	NA	NA	14,255	
33	Number of women who have skipped payment instalments	NA	1,476	1,589	2,144	1,765	
Loan taken for purpose							
34	Agriculture based	NA	6,049	8,573	11,610	15,631	
35	Non timber forest product	NA	174	126	408	1,073	
36	Business	NA	3,388	4,930	5,225	9,867	
37	Livestock	NA	10,082	15,382	18,505	22,094	

38	Shops	NA	2,578	4,211	5,132	6,734	
39	Consumption	NA	5,743	7,464	7,257	6,130	
40	Others	NA	1,737	908	1,438	1,972	
Loan status, taken from external fund							
41	Total loan amount	NA	Rs 119,228,583	Rs 134,068,979	Rs 111,460,312	Rs 132,699,347	
			USD 1.73 million	USD 1.94 million	USD 1.51 million	USD 1.78 million	
42	Interest rate (%)	NA	Max: 60 Min: 1 Avg: 24	Max: 48 Min: 1 Avg: 22	Max: 72 Min: 3 Avg: 25	Max: 60 Min: 2 Avg: 20	
43	Amount yet to be repaid	NA	Rs 74,024,576	Rs 87,579,403	Rs 68,581,131	Rs 77,828,044	
			USD 1.07 million	USD 1.27 million	USD 0.93 million US\$	USD 1.04 million	
44	Number of women who have taken and paid loans, in each MIS period	NA	11,555	958	742	3,188	
45	Number of women currently holding loans			10,439	8,018	8,817	
46	Number of women taken loans at least once since WEP began	NA	NA	NA	NA	1,797	
47	Number of women who have skipped payment instalments	NA	678	240	232	493	
Loan taken for purpose							
48	Agriculture based	NA	1,464	1,752	1,643	1,972	
49	Forest product	NA	44	13	167	231	
50	Business	NA	1,657	1,727	1,568	2,457	

51	Livestock	NA	5,480	4,980	3,721	5,478	
52	Shops	NA	2,164	1,967	1,244	1,749	
53	Consumption	NA	797	618	696	644	
54	Others	NA	521	378	176	246	
Microenterprises							
55	Gross sales amount from microenterprises	Rs 40,615,182	Rs 147,484,188	Rs 275,647,161	Rs 352,399,017	Rs 402,442,197	
		USD 0.59 million	USD 2.14 million	USD 3.99 million	USD 4.78 million	USD 5.39 million	
56	Number of non-WEP members	NA	1,033	983	1,476	215	
Rights, Responsibility and Advocacy (RRA)							
57	Social campaigns/collective action	2,372	3,681	6,569	7,685	7,489	
	Initiated	25,886	26,747	42,564	69,984	62,388	
	Planned	-	26,805	34,268	49,808	50,215	
58	Physical, infrastructure and environment campaigns/collective action	2,395	2,218	4,224	4,141	4,198	
	Initiated	27,271	18,920	36,096	33,874	37,153	
	Planned	-	17,797	28,065	24,900	28,582	
Other information							
59	Number of groups/women helped by WEP groups/women						
	Groups	NA	NA	NA	NA	1,972	

	Women	NA	NA	NA	NA	26,547	
60	WEP groups contributing to form new groups outside WEP (%)	NA	NA	NA	NA	14%	
61	Number of women practicing family planning						
	Before WEP	NA	NA	NA	24,194	27,127	
	After WEP	NA	NA	NA	40,083	48,196	
62	Continuation of WEP even after the programme exit, by:						
	WEP networking (%)	NA	NA	NA	NA	42%	
	Expanding existing MEs (%)	NA	NA	NA	NA	70%	
	Seeking additional financial services (%)	NA	NA	NA	NA	58%	
	Seeking legal identity (%)	NA	NA	NA	NA	35%	
	Will not continue (%)	NA	NA	NA	NA	12%	
	Other activities (%)	NA	NA	NA	NA	16%	
63	Is it benefitting for WEP groups to contribute entrance fee/book fee or other fees to increase group funds?						
	Yes (%)	NA	NA	NA	NA	80%	
	No (%)	NA	NA	NA	NA	20%	

Bibliography

Ashe, Jeffrey and Lisa Parrott. *Women's Empowerment Program (WEP): A Literacy and Savings Led Option for Village Banking*. Pact, August 2000.

Asian Development Bank, Nepal Rastra Bank. *Nepal Rural Credit Review, Final Report, vol. 1, Dec. 1994* cited in: Development Project Service Centre and Joanna Ledgerwood. *Critical Issues in Nepal's Micro-finance Circumstances*. IRIS, 1997.

Bahns, Robert. *Women's Empowerment Program, Pact Nepal: Group Evaluation Survey*. Pact, 2003.

Donnelly, Stephen. *Underinvestment in Savings-Led Microfinance. A Costly Market Failure*. Harvard Kennedy School, 2008.

Maes, Jan. *Evaluation. Save & Build Community Housing Program*. Habitat for Humanity International Nepal, 2009.

Odell, Marcia L. *Breaking the Mold: Women's Empowerment and Village Banking in Nepal. A Model for Sustainable Expansion and Replication*. Pact Nepal, 2002.

Pact Nepal. *Women's Empowerment Project (WEP) MIS Report*. 2001.

Paudel, Giridhari Sharma. *Summary of the Impact Evaluation Report, Combating HIV/AIDS: A Literacy and Economic Approach Project*. 2003.

Odell, Marcia L. and Paul Rippey. *The Permanence and Value of Savings Groups in CARE Kenya's COSAMO Programme, Nyanza Province, Kenya*. The Savings Group Learning Initiative. Aga Khan Foundation, 2011

Saathi in collaboration with The Asia Foundation. *A Situational Analysis of Violence against Women and Girls in Nepal*. 1997.

Save the Children, *State of the World's Mothers*. 2000.

Silwal, Ani Rudra. *Repayment Performance of Nepali Village Banks*. Swarthmore College, 2003.

UNICEF. *Children and Women of Nepal: A Situation Analysis*. 1996.

United Nations Development Programme (UNDP). *Human Development Report 2010: The Real Wealth of Nations – Pathways to Human Development*. 2010.

Valley Research Group (VARG) and Linda Mayoux. *Women Ending Poverty: The WORTH Program in Nepal: Empowerment through Literacy, Banking and Business: 1999-2007*. June 2008.

World Bank. *World Development Report 1999/2000: Entering the 21st Century – The Changing Development Landscape*. 1999.

World Bank. *World Development Report, 1998/1999: Knowledge for Development*. 1998.