REPORT

Pragatishil Agriculture Cooperative Limited:
Systematization and sharing of good practices in rural development

Bijuwa – 5, Kapilvastu district, FDR Nepal, October 2012

Federal Democratic Republic of Nepal
Ministry of Local Development
Poverty Alleviation Fund (PAF)
International Fund for Agricultural Development (IFAD)
PROCASUR Corporation
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This report presents the innovative experience in the development, coordination and cooperation of village community organisations of the Pragatishil Agriculture Co-operative Limited, Bijuwa-5, Kapilvastu district, which have led to both the formation of a village level cooperative and the diversification of member’s livelihoods.

The systematization of this experience has been possible thanks to the cooperation between the Ministry of Local Development of the Federal Democratic Republic of Nepal, the Poverty Alleviation Fund (PAF), the International Fund for Agricultural Development (IFAD) and PROCASUR, who provided technical and methodological support.

The first stage of the systematization process took place between 29th September and 3rd October 2012 in the village of Bijuwa, Kapilvastu district, in the outer Terai of Nepal. It involved members of the Pragatishil Agriculture Co-operative Limited, along with four trainees selected by PAF from their own projects in other VDCs, four trainees from the staff of the IFAD-supported High Value Agriculture Project in Hill and Mountain Areas (HVAP) project. Also, three trainees from the community, including two chairs of the cooperative and a social mobiliser, joined the group.

Activities were carried out using PROCASUR methodology based on the overarching plan for the development of South to South Cooperation through exchange of best practices and innovations, as part of a regional IFAD-financed Learning Route Programme for Asia and the Pacific.
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1. BACKGROUND AND RATIONALE

1. As part of the IFAD-PROCASUR Learning Routes Programme for Asia and the Pacific, PROCASUR is supporting knowledge management and capacity building strategies for scaling-up best practices and innovations for poverty reduction among IFAD partners in the Asia and Pacific Region. The Programme aims to increase knowledge-sharing and learning tools at project and country levels by building up and sharing knowledge, facilitating the adoption of best practices and improving the results and impacts of IFAD-supported operations in the region. This will be done by identifying, systematizing and disseminating existing knowledge on innovations and best practices; identifying local champions who are playing a key role in promoting innovations and enabling them to organise and share their experience using Learning Routes (LR) methodology; and by designing and implementing LR and disseminating and scaling-up the knowledge acquired.

2. In this context, during September 2012, a first mission to the Federal Democratic Republic of Nepal was carried out by PROCASUR in order to present the LR Programme to IFAD partners and to carry out initial training and systematisation sessions with members from all four IFAD supported programmes – the Leasehold Forestry and Livestock Programme (LFLP), Western Uplands Poverty Alleviation Project (WUPAP), Poverty Alleviation Fund (PAF) and High Value Agriculture Project in Hill and Mountain Areas (HVAP). The trainees consisted of local champions of two successful experiences in Chitwan and Kapilvastu districts along with national staff from all four IFAD supported projects.

3. The objectives of the process were to identify, systematize and pedagogically package the existing and generated knowledge, innovations, best practices and lessons learned from two selected experiences under the LFLP and PAF projects. The process also provided an opportunity for the projects to acquire new capacities in terms of knowledge management and participatory research techniques directly in the field. Furthermore, collaboration between project staff and local participants was strengthened, enabling the latter to develop tools to communicate their knowledge to a broader public.

4. The two specific case studies (one from LFLP and another one from PAF) were selected for their learning potential by LFLP and PAF staff. Both cases were based on innovative experiences in the development of second-tier network organisations in both cases, co-operatives. In the first case, the co-operatives evolved out of initial leasehold forest user groups (LFUGs), and in the second the co-operative emerged out of community organisations (COs). Thus, both demonstrated success in generating new opportunities for farmers to develop and diversify their livelihoods.

5. The learning process was carried out in two training and systematisation sessions. The first took place from the 23rd to 27th September near Bharatpur, the district capital of Chitwan, at the local District Forest Office and in the community of Devitar, Shaktikhor VDC Chitwan district. It involved two members of the LFUGs and eight trainees, mainly project staff – four from LFLP and four from WUPAP. The second training and systematisation session took place from 29th September to 3rd October in Taulihawa, the district capital, and in the community of Bijuwa, Kapilvastu District. Here, three community members were involved including the chair and ex-chair of the Pragatishil Agricultural Cooperative and a social mobiliser along with four local project staff from PAF and four project staff from HVAP.

6. The following report presents the outcomes of the systematization process of the Pragatishil (“Progressive”) Agriculture Co-operative Leasehold Forest User Group experience of Bijuwa VDC, Kapilvastu as well as the results of the research and analysis conducted by the participants themselves.
2. THE EXPERIENCE OF THE PRAGATISHIL AGRICULTURE CO-OPERATIVE Ltd.

2.1 Contextualising the experience

The Pragatishil Agriculture Cooperative Ltd, of Bijuwa village in district of Kapilvastu emerged as a second-tier networked organisation created by the joining together of 20 community organisations into a village-wide cooperative. It currently has some 536 members who are saving an average of Rs. 50 (~US$ 0.5) a month regularly with the cooperative and some Rs 25,000 (~ US$ 285) is collected per month. The cooperative supports a range of innovative activities, including savings and loan investments, management of a co-operative shop and market, including the bulk purchase and selling of fertilizers and remittance transactions, alternate season wheat and paddy farming, vegetable farming, including an onion project, fish farming, small scale infrastructure development such as hygiene, sewage, flood control and river protection, along with education and co-operative adult training programmes.

The co-operative is located in the district of Kapilvastu which is in the southern central part of the low lying plains of the Nepali Terai area. The district borders India to the south and the Churia hills to the north. The village of Bijuwa is around 17 km from Taulihawa, the district headquarters, where many of the offices of the local support institutions are based. The local NGO now called Kalika Self-Reliance Social Centre (KSSC), for example is located in Taulihawa. This NGO was pivotal in the formation of the community organisations and evolution of the second tier of community organisations network, which developed into the Co-operative.

The wider context of this experience is that of the Poverty Alleviation Fund (PAF), launched as a community-driven development instrument by the World Bank in April 2004 to address the interrelated problems of rural poverty and social exclusion. The World Bank (IDA) provided a grant of US$15 million to finance the first phase of the PAF. Designed as a pilot, the project operated in six districts that were chosen on the basis of their Human Development Index and representative of the different ecologies of Nepal - hills, mountains and the Terai. A set of community-based programmes formed the centre of the effort to extend developmental reach to the poorer, more remote areas of Nepal. In 2004, the programme was initiated in 6 districts namely Darchula, Mugu, Pyuthan, Ramechhap, Siraha and Kapilvastu. It was then extended to 19 new districts in 2005.1

In 2008, the second phase of the project (PAF II) was begun, with IFAD as a co-financer. Fifteen additional districts were added initially, and a second group of fifteen were added in 2010. The aim was to gradually reach all the

1 From IFAD (2007) PAF executive report approval
districts of the country (75), and to cover about a million households by the end of the fourth year of the programme. Currently, the programme’s basic activities are being implemented in 55 districts, and innovative projects are being implemented in 20 other districts².

In Kapilvastu, one of the first districts where the project was implemented, a series of orientation meetings were carried out at VDC and ward levels. Local leaders from different political parties and VDC representatives were also informed about the programme. After the orientation, a detailed survey was carried out to identify the target communities. The initial community mobilization activity started in 2005 in Bijuwa with main partner of SPACE, the then local NGO, which was later taken over by KSSC. In 2006, more farmers organised into community organisations (COs) and, at the same time, awareness training was carried out regarding gender and caste discrimination by the COs, with KSSC and PAF as partners.

In 2007, coordination among the COs resulted in a Community Organisation Network and they started to collect the necessary share capital to set up a Co-operative. Rs 15,000 (~ US$ 170) was raised from each CO with the campaign for Co-operative formation being supported by the network and KSSC. The COs succeeded in formally registering the Cooperative as the ‘Pragatishil Agriculture Cooperative Ltd’ in 2008. The key actors for this process were Subhawati Pashi, Bekar Chamar, Pitamber Kewat, Krishna Tiwari and other community members. Cooperative development began in 2009 with the identification of different areas of investment for increasing income generation, including developing trading businesses. It was around this time that the Cooperative began a remittance service in the village and an agreement with Lumbini Seed Company for the bulk purchase of locally-produced cereal seed was also established.

In 2010, the cooperative built its own offices using its resources and it was also able to expand its economic activities with the licensed resale of chemical fertilizers to local farmers. The community organisations began collective farming fish in newly-restored fishponds and new members continued to be organised into community organisations. In 2011, the cooperative began a series of new activities involving the service provision of basic social welfare, as well as in education and the development of livestock insurance. In 2012, the provision of health and hygiene information was increased and the first toilet in the VDC was built with support from the District Development Committee.

Typical activities that the cooperative is currently carrying out in the village include:

² From IFAD (2012) M&E case study on PAF (May 2012)
- **Savings and loan investment:** The cooperative organisation has been conducting saving and credit activities regularly. Each member gets around 5% from their saving and loans are offered for up to Rs 30,000 (~US$ 342). Until now the cooperative has provided Rs 54,000 (~US$ 616) as short-term loans to its members in the form of both seasonal crop credits and consumption credits.

- **Cooperative Shop:** The cooperative runs a cooperative consumer shop for its members. The district’s Division Cooperative Office based in Taulihawa has supported this enterprise with grants of around Rs 100,000 (~US$ 1,140). Cooperative members are employed at the shop which sells consumer goods. To date, sales from the shop have totalled around Rs 50,000 (~US$ 620).

- **Remittances:** The cooperative is providing a remittance service to its members in order that they do not have to go to the district headquarters in Taulihawa to collect remittances, but can receive money sent from abroad directly in the village.

- **Wheat and Paddy Farming:** The cooperative is conducting wheat and paddy farming, and is able to lease land on short term basis to local people for 3 years. The cooperative has been able to make around Rs 150,000 (~US$ 1,712) from this farming.

- **Vegetable Farming:** The cooperative is also supporting vegetable farming and has until now managed to make around Rs 300,000 (~US$ 3,424) from the sale of its own vegetable produce. One cooperative member has been given responsibility to manage the vegetable farming.

- **Fertilizer selling:** In order to facilitate the increased access to the farmers of fertilizer, the cooperative is reselling at lower than retail price the fertilizer direct to its members and from this activity the organisation has managed to earn around Rs 100,000 (~US$ 1,141)

- **Fish farming:** The cooperative has started fish farming in a series of local ponds which have been re-established with the support of district’s land protection office.

![Fish farm in Bijuwa village area – Bijuwa, Kapilvastu](image)

- **Market management:** The cooperative has started to manage a local market to sell its products more easily. The market is located on the main road on the western side of the village perimeter.
- **Flood control and river dam construction**: Local people were affected heavily by the recent flooding of the river. With the support of the district land protection office the cooperative has built a dam and has established a fruit plantation as part of a flood control system.

- **Cooperative Training**: The cooperative has been conducting different training workshops to sensitize the people about cooperative through the support of Kalika Self-reliance Social Centre (KSSC) and the Division Cooperative Office, based in Taulihawa.

- **Pragatishil boarding school**: The cooperative has set up a private boarding school in Bijuwa VDC for the provision of education in particular to *Dalit*, poor, and *Janajati* children, for a minimum fee.

- **Onion farming sub-project**: In the partnership with PACT, Kathmandu, the cooperative has developed an onion project. 10 groups have been formed and 250 members will be directly involved in this project.

### 2.2 Background, history and development of the Pragatishil Agriculture Co-operative Ltd.

In a map of the past drawn by community during the systematization process, the territorial memories from just before the PAF project began - around 6-7 years ago - were explored. In terms of notable infrastructure, there were two ponds for fish breeding, although these were not managed well, and two main irrigation canals. There was a cemetery, and much of the land was degraded. Most funding decisions were taken only by the VDC and any NGO work in the area had to be based on direct links with the community without intermediary community organisations.

![Map of the community in the past – Bijuwa, Kapilvastu](image)

The main occupation was farming with rice as the predominant crop. Women generally faced discrimination, and daughters and sons tended to marry into nearby villages to establish and maintain good relations between neighbouring communities. In total, there were two schools, three temples and one unpaved road. There were also three brick kiln factories, but only one was running at the time.

**2060 [~2003]**

The primary school building was completed and the Saraswati Buddhajyoti Primary School established by the Government of Nepal.

**2062 [~2005]**

In terms of infrastructure, the 3km earth road from Haribansha to Bijuwa was gravelled. The Community Organisations (COs) were set up by PAF and SPACE (a local NGO) who provided initial orientation and training on a
range of subjects such as group management and savings and credit awareness. The set up is organised as follows: a meeting at VDC level of the 11 hamlets within the Bijuwa village cluster was initiated by the social mobiliser to help start creating groups. Each group consists of around 25 households who meet on a monthly basis and make a contribution of Rs. 10 (~US$ 0.10) per month towards the savings group. In three months, the groups are formed and requests for loans start to come in – mostly for buffalo or goat rearing, and the development of small businesses. The partner organisation, Kalika, develops a business proposal which is presented to PAF for approval of the initial start-up loan. Small loans with 3% interest are then approved for small businesses and seasonal crop production of wheat and rice.

2063 (~2006)
Six Community Organisations (COs) were formed by PAF and local NGO Kalika Self-Reliance Social Service Centre (KSSC). These comprised both men and women although more women were involved. Two people from the community are trained as Village Livestock Health Workers (VLHW) by the PAF district office and, at the same time, KSSC and the COs organise a range of awareness-raising programmes and training sessions.

2064 (~2007)
The police post was re-established as it had been pulled out during the conflict period. At the same time, electric power was provided to the village by the government. Hand pumps for potable water were built, with support from PAF, and around 36 pumps were distributed. The brick kiln factory, which had been established long before, also was brought back into use.

During this period, KSSC took a few members of the COs on exposure visits to successful cooperatives, motivating the local community organisations to upgrade into a co-operative organisation via the establishment of a network. This evolved into the Agriculture Co-operative. The COs started to collect share capitals for the formation of a Co-operative and around 15 COs managed to collect Rs. 15,000 (~US$ 170) each.

2065 (~2008)
The Pragatishil Agriculture Co-operative was officially registered with the district’s Division Cooperative Office. The main community leaders or local champions, Mrs Subawati Pasi, Mr Bekar Chamar, Mr Pitamber Kewat, and Mr Krishna Narayan Tiwari, took the lead for cooperative formation and the process was facilitated by both KSSC and the district’s Division Cooperative Office.

The structure of the Pragatishil Co-operative, once set up, consists of an 11-member Board comprising the chair or president, a deputy president, a secretary, a treasurer and a few executive members.

Cooperative management training was financed during the same year by the Village Development Committee (VDC) who provided Rs. 30,000 (~US$ 342) for this purpose. At the same time, the Community Learning Centre (CLC) was established with the support of the District Education Office (GoN) and, supported by KSSC, the Cooperative was able to prepare its profile with a general introduction and aims and activities.

2066 (~2009)
Supported by PAF, the 3.9 km earth road from Bijuwa to Jamuni was gravelled, including the installation of 10 drainage culverts. Also, a series of agricultural produce market sheds were built in Jamuni, to one side of the Co-operative building, for around Rs. 40,000 (~US$ 456) through support from the Department of Agriculture. A drinking water and hygiene programme was also conducted during this year with support from the Drinking Water Supply and Sewerage Division of the Government of Nepal. This also included the construction of the drainage canal, initiated by the VDC.

At the same time, two other cooperatives in the village were formed: the Swarnajyoti Co-operative and Chandrama Co-operative, and the Pragatishil Co-operative started its Cooperative Shop supported by the Division Cooperative Office (GoN) and a grant donation of Rs. 100,000 (~US$ 1,141).

In the same year, the District Agriculture Development Office (DADO) supported the ‘Cooperative Farming Scheme’ with a grant of Rs. 1.62 lakhs (~US$ 18,490) by means of which the Pragatishil Co-operative began collective schemes for vegetable farming and seed production for rice and wheat. DADO provided training on seed production and a contract has been signed with the Lumbini Seed Company for bulk seed buying.
The VDC financed training support (Rs. 30,000 [≈US$ 342]) and the co-operative has also started to provide training and information to fee-paying groups from outside the community. Thus, groups are able to see what has been achieved and to learn from their experience in setting up cooperatives. The groups give Rs. 1,000 [≈US$ 11] per visit to the cooperative and 50% of the income goes to cooperative and 50% is shared amongst the group members involved in the discussions with the visitors.

Timeline developed during systematisation process – Bijuwa, Kapilvastu

2067 [≈2010]
In this year, the new brick factory with a kiln was constructed by a local business man Mr Ashfak) as the earlier-mentioned one had been dismantled some years before. Around 1 km of road was improved to black top connecting Bijuwa Chowk at the cross road to Chakadi Chaakar, while other changes included the enlargement of the fish pond at Jignihawa, with support from the District Soil Conservation Office (GoN) through grant donation of Rs. 100,000 [≈US$ 1,140]. Also, the fish pond at Jamuni was restructured and improved with support from PAF. Both of these works increase the potential of fish farming.

The Pragatishil Agriculture Co-operative built its own 2-room building in the Jamuni area of Bijuwa. Close by, the Dalit Building foundation was built with support from VDC of around Rs. 80,000 [≈US$913]. In the meantime, another cooperative was formed (Man Milan Agriculture Cooperative) in addition to five new Community Organisations (COs).

The Pragatishil cooperative was able to obtain a license from DADO to resell and trade in chemical fertilizers and is now able to procure fertilizer at subsidized prices and resell to its member farmers at prices lower than normal retail costs. Other initiatives included: the establishment of a primary level boarding school, because there were only 2 government schools in the area and the school will be used mainly for English study; the introduction of a pilot scheme for livestock insurance; the building of new toilets; and the organisation of an inter-VDC level Cricket Tournament.

2068 [≈2011]
Infrastructure work carried out includes: the drilling of six boreholes with the support of PAF, increasing the community’s access to water; Gabion basket protection works along the Sisaniha River, supported by the District Soil Conservation Office with Rs. 200,000 [≈US$ 2,282] funding; fish pond improvement in the Pratapur area of Bijuwa; and improvement of the village road through earth fill under the initiative of both community organisations (COs) and the Village Development Committee.

During this period, PAF also provided training in buffalo farming, as well as group management, savings and financial literacy, and audit and account keeping. The Pragatishil Co-operative submitted their first full project proposal and received grant of Rs. 56 lakhs [≈US$ 6,390] from PACT Nepal for the development of an onion cultivation project. The Co-operative also came to an agreement with PAF for a full Livestock Insurance Program across the VDC.

2069 [≈ mid April 2012 – mid April 2013]
In terms of infrastructure developments, a toilet is under construction in the cooperative premises with support from the District Development Committee (Rs. 75,000 or US$ 856) and from the VDC (Rs. 16,305 or US$ 186). The cooperative is also constructing a thatched roof for the Boarding School at Jamuni near to the Pragatishil building, where there are around six teachers in the school.

2.3 Main actors and institutions involved

The actors highlighted during the systematisation workshops included the individual community members involved from the beginning, the formal and informal local institutions, and the external actors and institutions, which at one time or another were involved in the support, training and development of the experience.

The internal actors included community members who were leaders and local champions such as Mrs Subhawati Pasi and Mrs Kapura Kori, along with other people from within the cooperative.

*Mrs Subhawati Pasi, ex-president of the farmer’s cooperative and founder of the Pragatishil Agriculture Cooperative was president of the farmer’s cooperative for 3 years and witnessed the organisation growth to the point where it had 250 members. She recounts that:*

“Changes have happened. Women before used to wear the veil all the times and when people came to the village they would go inside the house and only do household work. There were initially problems after forming groups but when benefits increased and experience gave knowledge, men started to tell women to come forward, to learn how to write. Men don’t speak so much now and women are able to speak more. The household improves because of the training, especially in terms of savings. If Rs. 100 is income, Rs. 10 to 20 is used as savings and the rest is for the home, clothes, and children. Before the programme, people used to work in the village landlord’s house and after the programme started, people have their own personal business and the landlord gives increased daily payments for work. But the main difficulties are still the education, especially of board members who generally are not well educated and group members are not educated either”
The external actors are represented on the map of actors and institutions (see above) by the figures outside the circle of the co-operative organisations. The thick lines between actors represent greater support, for example, PAF who directly supported the formation, establishment and networking of community organisations. Indirectly, the creation of the cooperative was supported by providing technical assistance through the local NGO - Kalika Self-Reliance Social Centre (KSSC).

**Interview with social mobiliser Krishna Narayan Tiwari from Kalika who organised the first householders’ meetings, which developed into the network Community Organisations in Bijuwa:**

“How is it possible to get people to work together? As a key actor in the formation of the co-operative with long experience in social mobilisation having working in SPACE – a local NGO – in the facilitation and coordination of community organisations, I started the meetings of households and outlined the development of community organisations and the subsequent development of the network of community organisations with a fund of around Rs. 20,000 [~US$ 228]. The transformation of informal networks into a formal network like the co-operative was key. We brought the concept of co-operative as a legal institution that allowed for development of Pragatishil into a formal cooperative. Now people are getting benefits from the set up of the cooperative including the cooperative shop used for distribution of bulk bought items such as fertilizer as well as infrastructure improvements such as the dykes constructed along the river for bank erosion protection. There are currently 5 staff employed by the cooperative and it has 4 sub committees with a dividend of around Rs. 5 [~US$ 0.06] per year per share.”

The District Development Committee (DDC) directly supported the cooperative with funds to the VDC for the cooperative. Also, the Division Cooperative Office directly supports the cooperative development. The District Agriculture Development office along with the District Livestock Office supports the cooperative’s activity through the funding for provision of infrastructure and technical support. Another important actor mentioned above has been the District Sanitation Office supporting the water supply, sanitation and development of toilets and sewage canal systems.
The Lumbini Seed Company became an important private sector partner when they became a secure buyer for seed products. The partnership was set up through DADO (District Agriculture Development Office) which was providing training to cooperative members on seed conservation. They were able to provide information about Lumbini Seed Company allowing cooperative members to contact them. The partnership is an exemplary case of the way in which private public partnerships can develop and work. In this case the Lumbini Seed Company, the government and Kalika, together with the community-based cooperative worked together to develop a business model around the provision of rice, wheat and cereal seeds and the provision of technical service and information.

Kalika, as has been mentioned, is the local NGO Kalika Self-Reliance Social Centre, a partner encouraging people to form into co-operatives by promoting exposure visits to other cooperatives. Now they are still working as a partner with PAF and provide assistance to group creation and fund management. The district’s Division Cooperative Office also provides assistance for audits and other management requirements, including Rs. 100,000 (~US$ 1,141) to run the cooperative store. Kalika provides Rs 36,000 (~US$410) for office management in 2008.

The role of women as a group was crucial in the whole experience. It was through their participation in the community organisations and the set up of the co-operatives that they were able to talk in public more and were involved in the decision-making, management and leadership of the community organisations and the co-operatives. The empowerment of women members of the cooperative was also built on informal and inter-generational relations. Beforehand, the challenges faced by women included the work they had to carry out in the fields as well as for raising their families. At the heart of their problems was male discrimination while, anecdotally, it has been observed that earlier potential conflicts between mothers and daughters-in-law are now reduced as women meet to work together.

There are also more remittances from people, particularly men, although there are some women too, who leave the community and send money back from employment abroad. It was typical for men to move to Kathmandu or India, but as income have risen households have been able to raise enough to send men further abroad to places such as Malaysia, Qatar and other Persian Gulf states and Saudia Arabia. On average they can earn about Rs. 50,000 (~US$ 570) in India but Rs. 100,000 (~US$ 1,140) in the Persian Gulf states. This has had a secondary effect that men tend to be away for longer. The traditional role of the women has therefore shifted as they take on more public roles of leadership, organisation and management within the community. Remittances are sent back to the households in the community and are used to invest and diversify into other income generating activities.

Other important groups include the Dalit groups, a discriminated group who have not had access to land so they work as labourers or tenant farmers. The big problem has been how to stop discrimination, increase access to land and to education. Discrimination has reportedly decreased but not substantially. Just forming the cooperative did not stop discrimination but it has meant people work together and more closely, especially the coordination between the community organisations and the different groups involved in awareness-raising has been in a way a form of social pressure to decrease discrimination.

Notes from interview with school teacher of cooperative boarding school

“Literacy among women in the village was very low as before they did not go to school and just used thumbprints for their signature. The president of the cooperative learnt how to learnt in order to sign, then other learnt as a chain reaction. Everyone is now sent to school. The impact has also been in agriculture. Before there was a single crop per year and now collective cultivation is carried out. The market stall of the cooperative is used by some members to sell their vegetables and some people barter”.

2.4 Learning from the Pragatishil Agriculture Co-operative Limited

Some key lessons have emerged from the discussions and analysis of the experience during the systematisation workshop. These included the themes of building partnerships, beginning with community mobilization, social inclusion and integration - especially of women - and the planning, organisation and financial management involved in building viable income opportunities and diversified livelihoods.

Public-private partnerships

The development of the Co-operatives depended on the coordination and partnership between the community and the different organisations involved, such as NGOs, private companies and government. The building up of networks was based on the partnerships, mutual opportunities and needs of the different partners. Network strengthening was
also based on information sharing and trust building, which are at the heart of strong mutual relations. But continued investment in human resources development will be important.

Good coordination and positive relations between NGOs and private companies allowed the community to develop proposals for funding. For example, the proposal for onion production was successful thanks to the partnership with PACT Nepal and the project received Rs. 28,000 (~US$ 320). Critical challenges, however, include the lack of managerial skills and financial illiteracy, the lack of participation of people at management and governance levels, and finding a good cooperative manager who can strategise at board level and improve governance.

Therefore, the cooperative as an organisation must reduce its dependency on a few people by hiring qualified staff that can take care of administration, planning, and business strategy, and by paying competitive salaries to retain them. Fundamentally however, the ongoing need is to increase literacy and financial numeracy.

Community mobilization
The creation of the community groups and their networking into wider second-tier organisations as represented by the Pragatishil Agriculture Cooperatives and other co-operatives in the village area has been an important theme. The formation process of co-operatives has depended on the mobilization of the community and the subsequent mobilization of the groups into networks.

The strengths of this experience have been the inclusion of different ethnicities and castes. There has also been an increase in leadership by women. The challenges throughout have been illiteracy and innumeracy within the community. There has also been interference of landlords and richer people who have tried to prevent the development and education within the community by putting up barriers, discouraging new forms of organisation and spreading misinformation. Also, the access to basic services such as clean water, health, drainage and sanitation facilities remains a challenge.

The recommendations which emerged included the development of thematic networks which could be created around sectors. For example, the rearing of goats or buffalo in the livestock sector as a theme, or the production of vegetables and other perishable goods within agriculture as another theme. There needs to be greater efforts to include those left out. For example, there are currently 536 members of the cooperative through the community organisations, but only 236 are active members of the Pragatishil Agriculture Cooperative directly. Also, five community organisations within the Bijuwa VDC have not joined the cooperative. Alternatives for income generation should be developed, as well as measures to increase educational levels. The latter can be achieved through the development of the boarding school into higher levels of schooling. Also, efforts to increase partnerships between cooperatives through learning exchanges (sikai adan pradan) can be carried out. For example, during interviews the pea farming experience was mentioned. Therefore, in order to increase the sharing of experiences there need to be better learning tools developed by and shared between all cooperative members.

Social inclusion and integration
The integration of different groups within the community - especially Dalit and Janajati - through education and economic activities has been important, and has been supported by the establishment of equal teaching of boys and girls, and has led to increased leadership and involvement in management and organisation by Dalit and Janagati.

However, the challenge of the need for more awareness remains as there is still some non-acceptance of social change on the part of a minority. More facilitation and support by people within the community can also lead to better co-operative governance, and such measures as the rotation of leadership roles and the encouragement of a new generation of leaders should assist greatly in achieving this objective.
**Gender and mainstreaming**

Social integration has particularly affected women. Who have been empowered as a result of their involvement in financial, social and other public community activities and, crucially, in their role as leaders. These factors have contributed to a decrease in discrimination, better education and greater independence for women who now have a strong and recognised role in the community.

However, there continues to be a lack of access to health services and in particular generally low levels of knowledge on health and family planning. The continuing low levels of education and the pervading patriarchal culture will continue to be serious challenges. Some recommendations included having education for boys and girls together, as well as adult education. Vocational training opportunities should be developed including handicap workshops. In terms of health, the development of pre, post-natal mother and child health posts would be useful to tackle lack of knowledge about health matters.

**Planning, finance and business strategy**

The planning methods used have been more open, participatory and democratic. The work carried out has been regularly audited. Challenges thus far include the dependency on external support for planning, for example on external NGO support. The business planning for the co-operative has not been entirely comprehensive, as not all members have been involved or have benefited. The recommendations include developing a clear business plan both at a commercial (i.e. agricultural, economic and financial) and organisational (i.e. governance, human resources, partnership) levels. The community has been able to collect Rs. 400,000 (~US$ 4,565) per annum and offer loans with interest rates at 15% for non-members and for members who have deposits at 8%. Challenges include the limited knowledge there is among members of financial management. There is also not enough to pay good staff with. Therefore in the future increasing financial incomes and expanding investments will be crucial, to be able to pay appropriate salaries to staff so they can administrate and strategise well.
2.5 Future Plans

Ideas on the future of the community territory drawn out during the systemization workshops focussed around land and water management, economic opportunities and infrastructure. Water management schemes included brown water management for sewage disposal, river erosion protection measures to be increased and implementation of dry season water management. There would also be links to wider irrigation schemes to include the fruit plantation. In terms of land use management there would be increased emphasis of high value agricultural products and continued improvement of the ponds for fish farming. There will be an increase in foreign employment, the setting up of a Cooperative Bank, the improvement of the local market, the black topping of the village road and introduction of hygiene and sanitation systems into every household.

Important improvements in socio-cultural context will continue including the elimination of the dowry system, prohibition of early child marriage and improved relations between ethnic groups. The cultural learning centre for groups like dalits would be valuable for the preservation of their culture within the community. There would also be a college and health centre developed. The vision developed was for the next 10 years.

Some important ideas developed included the following:

- Irrigation and boring well construction
- Rice and cereal mills
- Bakery training to cooperative members
- Cooperative Bank to be established in Bijuwa
- Road to be black-topped
- College for girls
- Higher Secondary School in the village
- Dam construction across the Marthi River
3. ANALYSIS OF THE CO-OPERATIVE EXPERIENCE

There are a number of important themes emerging from an analysis of the experience of the Pragatishil Agriculture Cooperative Ltd, and the experience of the community of Bijuwa VDC. It is worth noting that they are already transmitting these to other groups across the region interested in learning from and developing similar experiences.

What has been crucial in this experience has been the income diversification. Different strategies were used including the establishment of private public partnerships (PPP) targeting poverty reduction. The PPP, in particular the contractual link with the Lumbini Seed Company for example, has secured their access to markets and, in turn, promoted the diversification of livelihoods as new opportunities are developed with reduced risk of market failure as contracts are agreed on in advance.

At the heart of the experience is the transformation of community organisations into a wider second tier network organisation. The network has then become the foundation which allowed the savings groups to act together as a cooperative. The role of women in this process of formation, strengthening and building of the community organisations, and then the wider cooperative has been important, since women have been both leaders and have also been increasingly empowered and able to shift the culture of patriarchy.

As a result of greater awareness, social norms have also changed. For example, the ghumto partha or tradition of covering the women’s head completely has virtually ended and they are now shaking hands with visitors for example. Also, the trend of joining and being more involved in the community organisations has meant an increase in women’s participation in meetings and training.

The diversification of economic opportunities have therefore shifted the role of women, but also the role of other discriminated groups such as Dalit, Janajati and other marginalised groups in the area. But this has depended particularly on increased literacy, numeracy as well as financial literacy.

People have also been benefiting in different ways with the rise of community organisations in the Bijuwa village. Firstly, they have been able to access loans from the CO’s saving fund. With loans from their own organisation they have been able to invest in different economic activities. Before the creation of they had been doing daily wage labour with local landlords and big merchants and there were no other opportunities for other income generation. If they had to find the loans, they had to depend on only local land lords who used to charge the high rate of interest. One of the Coop members said “the Landlords used to charge us Rs. 10 per day for 100 rupees [~US$ 1.14] until the principal amount was paid. Sometimes, they used to take up all our rice harvest because of our failure to pay the principal amount.”

Support by PAF for water access included the boring of wells and installation of hand pumps which assisted the community in irrigating their crops which raised crop yields. Villagers have started to produce vegetable crops and wheat, as well as begun rearing animals. These have increased their sources of income.

New sources of incomes have led to more men moving abroad for employment, beyond India to places such as Malaysia and the Persian Gulf. The resulting remittances have been important as they have not only supported a diversification of livelihoods, but also a shift in social norms as women have taken on more public roles within the community.

The community organisations did not remain a social network only, but evolved to become an economic organisation. Farmers have been using the Co-operative as it has been providing many economic opportunities including credit facility with subsidized interest and employment opportunities in agri-business like vegetable farming, cereal seed production, buffalo rearing and fish farming. Farmers feel the advantages and the privileges of being part the COs and Co-operatives, furthering their development and growing independence.