



# **Evaluation of Community Banks for Diversified Livelihood Schemes and Market Systems Development**

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## Abbreviations

AGM	Annual General Meeting
AKTBPU	Adarsha Krishi Tatha Bakhra Palan Upsamuha
BaNP	Banke National Park
BaNP	Bardiya National Park
B2b	Business to Business
BC	Brahmin Chrettires
BZUC	Buffer Zone Users Committee
CB	Community Bank
CDO	Chief District Office
CFUG	Community Forest Users Group
CKFUC	Chuche Khola Forest Users Committee
COVID	Corona Virus Diseases
DCFUC	Dudhpani Community Forest Users Committee
DFO	District Forest Office
FY	Fiscal Year
GVHS	Gavar Velly Home Stay
HN	Himalayan Nature
INs	Indigenous Nationalities
IP	Implementing partner
IPM	Integrated Pest Management
JGBKHS	Jagannath Guruba Krishak Samuha
JMHS	Janaknagar Madhyawarti Samudayik Homestay
KKHS	Khair Kendra Home Stay
KNHS	Khadakwar Namuna Samudayik Home Stay
LG	Local Government
LIRIL	Local Initiative to Reduce Impact to Climate Change
MWLT	Mithila Wild-Life Trust
NGA	Nature Guide Association
NP	National Park
NGO	Non-Governmental Organizations
NTNC	National Trust for Nature Conservation
PACT	Project for Commercial Agriculture and Trade
PMUS	Pragati Mahila Upabhokta Samuha
RCC	Reinforced Cement Cocrete
RF	Revolving Fund
ROSCA	Rotating Savings and Credit Association
SAADA	Sarada Samanta Samajik Sangh
SUGBDUU	Suklaphanta Unnat Gai/Bhaisi Utpadan Upsamuha
TUGBDUU	Trishakti Unant Gai/Bhaisi Dugda Utpadan Upsamuha
TAL	Terai Arch Landscape
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNDP	United Nations Development Programme
VDC	Village Development Committee
ZSL	Zoological Society of London Nepal

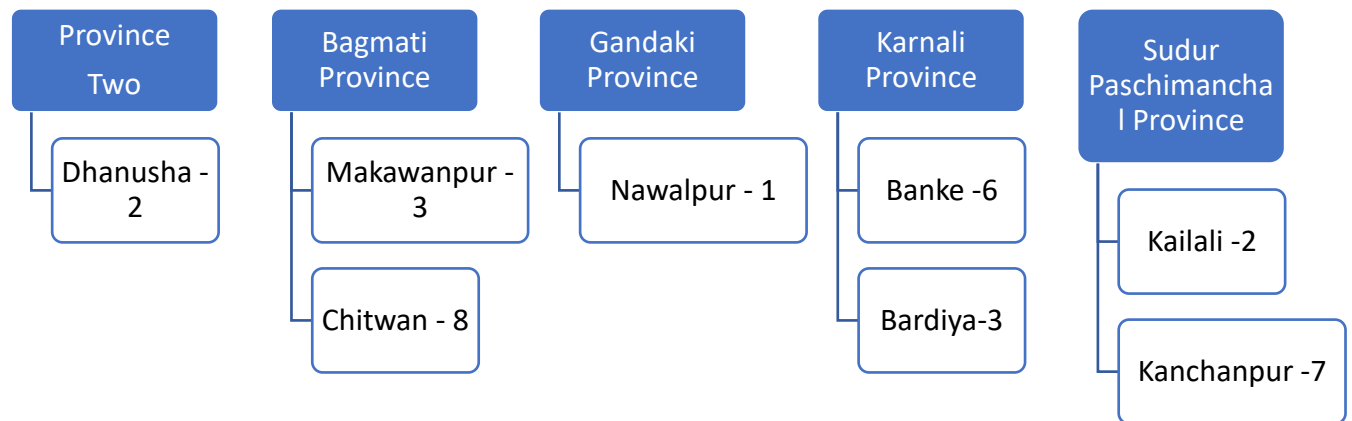
## Background

Before working in a full fledge capacity with the establishment of country office eight years back, Zoological Society of London (ZSL) has been working in Nepal for nearly 25 years, supporting communities through different livelihood development initiatives and changing attitudes of the local inhabitants towards wildlife conservation. ZSL manages a long-term programme of work within the transboundary landscape of the Terai Arc between Nepal and India to develop sustainable livelihoods and enable human-wildlife coexistence for communities living within buffer zones around major protected areas.

The ZSL Nepal targets the local people residing in the periphery of National Parks with more focus to the people below the nationally defined poverty line<sup>1</sup> including women and socially excluded groups, such as Dalits, Indigenous Nationalities, Religious Minorities, and Unemployed Youth, Ultra Poor and Excluded Madheshis

## Introduction

The programme activities implemented by ZSL within the transboundary landscape of Terai include mainly 9 districts namely Sindhuli, Parsa, Makawanpur, Chitwan, Nawalpur, Banke, Bardiya, Kailali and Kanchanpur where programme has been supporting to community banks formed under Buffer Zone Users Committees (BZUCs) and Community Forest Users Committees (CFUGs) located in the following five provinces of Nepal:



<sup>1</sup> The national poverty line defined by Nepal Rastra Bank's Economic Survey and adjusted according to current price is Rs. 28,796 per person per annum which is less than a dollar a day per person.

## Rationale

The community groups formed during a time interval of around 6 years starting from 2016 to 2021 are at different level of maturity in terms of management capacity in operating the various activities including members portfolio management, group meeting, savings and loan management, utilization of seed funds and maintaining transparency and ensuring good governance in the community organizations.

So, a need has been felt to assess the performance of community banks/ groups that will help to assist teams supporting communities to improve livelihood opportunities, financing, and well-being, enable human-wildlife co-existence and ultimately enable tiger population recovery and connected habitat throughout the Terai Arc Landscape.

## Objectives

As stated earlier, the community groups formed during a time interval of around 6 years starting from 2016 to 2021 are at different level of maturity. The main objective of the assignment is to assess the strengths of the community banks in terms of management capacity in operating the various activities including members portfolio management, group meeting, savings and loan management, management of books of account, utilization of seed funds and maintaining transparency and ensuring good governance in the community organizations.

However, the specific objectives of the evaluation of community-based community banking are as follows:

- i. To study the market linkage of the livelihood products being supported through community bank, functional status of CB etc
- ii. Carry out an analysis of livelihood schemes supported by the community banks/ enterprises
- iii. Develop a plan of activities that will produce as assessment of sustainable financing mechanisms and market analysis appropriate for existing and diversified livelihood schemes.

## Scope and Methodologies

### Scope of work

The major scope the work includes collection of information on the institutional and operational status of saving and credit funds for women led livelihood support activities, such as management structure in place, governance scheme, woman leadership, demand for credit, credit utilization, livelihood schemes followed through the credit, market linkages for livelihood activities, timely repayment, regularity of saving, increment of seed fund and consumer satisfaction as well as issues of inclusivity

### Methodologies

Different survey tools and methods were adopted to conduct the assessment of community banks/ groups. The methods followed to carry out the task are highlighted as hereunder:

### Preparatory work

- Checklist Development

To assure the right information from right stakeholders, different checklists targeting to relevant target audience were developed. Some of the key stakeholders for collecting information were the sub-committees of the Buffer Zone Users Committees and entrepreneurs comes under the umbrella of those sub-committees

where ZSL has provided with the packages of services to engage them with various enterprises for diversified livelihood schemes and market system development.

The other stakeholders include, the key informants including chair of Buffer Zone Users Committees, Government officials such as Chief Conservation Officers, NTNC (National Trust for Nature Conservation), District Forest Office officials and others.

- Sharing with ZSL Nepal Officials

The developed checklists and the field programmes were shared with ZSL.

- Finalized the checklist

Before the consulting team departed for the field trip, the field programme and the checklist were finalized. Base on the finalized checklist and the survey questionnaires field study was carried out successfully.

### Field work

- Focus Group Discussion with community groups/ entrepreneurs

Focusing on the specific areas in terms of activities, achievements and supports, series of focus groups were held among the targeted entrepreneurs.

Participating members during focus group discussions were from the executive bodies of the respective sub-committees of Buffer Zone Users Committees under the jurisdiction of National Conservation Parks and the sub-committees of Community Forest Users Group under the jurisdiction of District Forest Office.

- Meeting with key informants

Consulting team met with key informants at different levels. Considering the role of Buffer Zone Users Committees, Community Forestry Users Groups, District Forest Offices, National Conservation Parks, the concerned officials were consulted and collected very useful information and made clarity in terms of the legal space and the scope of user's committees supported by ZSL for diversified livelihood schemes.

- Check the relevant documents available in the community groups

One of the strategies during the field visit was to find out the documentation system maintained by the sub-committees in the programme areas. The documentation includes the meeting minute, different ledgers, books of account, vouchers, receipts, stamp, check books, progress reports, and the updating mechanism of those relevant documents.

- Observation of the enterprises/ interview with selected entrepreneurs

business activities operated by the entrepreneurs under the different sub-committees of BZUCs/ CFUGs were also observed and assessed keeping in view of its growth and the sustainability.

### Desk Work

#### Data Analysis

- ◇ Verify the data/ information

As the members themselves supposed to update entire documents handled by CB, it was therefore very important to assess their capacity if they were able to do so.

- ◇ Process and analyse the data/ information

For the quantitative data (such as the portfolios about members, loan, savings, income, expenses, and others), information was processed for further analysing and using it for report preparation.

### **Draft report Preparation**

Combining all the verified and processed quantitative and qualitative data/ information, draft report was developed and further submitted to ZSL for feedback.

### **Final Report Submission**

Incorporating all the feedbacks collected from ZSL officials and other stakeholders, the final report has been prepared and submitted to ZSL Office.

## **Literature Review**

With the goal of Nature Conservation, 20 protected areas are established in Nepal. Nepal has been utilizing its own resources, local community participation and related stakeholders for management and conservation of Protected Areas. Tourism has also been an integral part of Protected Areas and efforts has been made for its development too.

Despite of cumulative efforts of Government of Nepal, local community, and NGO's, due to increase in the human population, development activities, protected areas are facing several challenges. Encroachment of forest and dependency of local community on the protected areas for grass, wood, grazing and other forest products have been a great challenge. The extensive requirement of forest product from local community and growing human-wildlife conflict sometimes cause conflict among protected areas and local community.

With the implementation of the concept of buffer zone, increasing availability of the forest products to the local community, community development support, conservation education programs, a positive environment has been created. 30% to 50% of the income of Protected Area can be allocated and is utilized for development of biodiversity through the community people and to increase their livelihood. This has been helpful to develop relation among protected area and local people, and also reduce the human pressure in protected areas. (Source: <https://dnpwc.gov.np/en/introduction/> )

Bardiya National Park is the largest national park in the lowland Terai covering an area of 968 sq.km. The park situated in Nepal's Western Terai was established for protecting the representative ecosystems and conserving the habitat of tiger and its prey species. Initially, a small area was gazetted as the Karnali Wildlife Reserve in 1976. The park and local communities jointly manage the buffer zone. Together they initiate community development activities and manage natural resources in the buffer zones.

Banke National Park (BaNP) was established as 10th Park on 12th of July 2010. There are about 4,861 households with 35,712 populations residing in buffer zone. Indigenous Tharu community, Brahmin, Chhetri, Magar, Tamang, Majhi, and Gurung are living in the buffer zone. 90% of the economy of people depends on agriculture and rest 10% on trade and labor.

Buffer Zone: To kindle the conservation spirit in the hearts of people, BaNP has focused on participatory resource management in 14 VDCs, seven from Banke district (Khaskusum, Kanchanpur, Mahadevpuri, Kohalpur, Chisapani, Navbasta, Rajhena), three from Dang district (Goltauri, Panchkule, Purandhara), three from Salyan district (Kalimati Rampur, Kalimati Kalche, Kavrechaur) and one from Surkhet district (Belawa), in the buffer zone. The user committees and the user groups will have their own work plans and financial resources channelled through buffer zone management committee to utilize in conservation, community

development, income generation, skill enhancement and conservation education program. (Source: <https://dnpwc.gov.np/en/conservation-area-detail/79/>). According to the provision of receiving 30 to 50 percent of total revenue received by the conservation areas, the BZUC Management Committee usually manage to implement various activities to promote the conservation areas and protect the local support the local community people for their livelihood promotional activities. In Buffer Zones various supportive activities are also implemented in coordination with the other development partners. (Source: Shuklaphanta Rastriya Nikunja, Anuual Progress Report 2022-2-7).

Shukla Phanta National Park was managed as a hunting reserve at the beginning in 1969. It has been gazetted as a Wildlife Reserve in 1976 and as National Park currently (2017), covering an area of 305 sq. km. It lies in the extreme south-western section of Nepal's Terai in Kanchanpur District.

Parsa National Park is the 12th National Park of the Country which is located in south central lowland of Nepal of province 2 and 3 in Parsa, Bara and Makwanpur districts. It is connected with Chitwan National Park (A World Heritage Site) in the West and Valmiki Tiger Reserve of India in the South-western part. (Source: <https://dnpwc.gov.np/en/conservation-area-detail/74/>)

Chitwan National Park is the first national park of Nepal. It was established in 1973 and was granted the status of a World Heritage Site. in 1984. It covers an area of 952.63 km<sup>2</sup> (367.81 sq mi) and it is located in the subtropical Inner Terai lowlands of south-central Nepal in the districts of Nawalpur, Parasi, Chitwan and Makwanpur. In altitude it ranges from about 100 m (330 ft) in the river valleys to 815 m (2,674 ft) in the Shivalik Hills.

Community Forest Usurers Group (CFUGs) are self-governed bodies according to the Forest Act, 1993 and Forest Regulations, 1995 (GON/MFSC 1995a, b). They are legally recognized as self-governed local organizations for the management, conservation, and utilization of forests. The CFUG is registered with District Forest Offices (DFOs).

## About the Community Bank

Regarding the Concept of Community Bank, there are number of evidence that shows the community owned financial organization like Rotating Savings and Credit Associations (ROSCA), Savings and Credit led Self-help groups, Cooperative are the successful examples of community banks from where the members of the community bank easily save and access the loan. Community owned financial organizations are friendly to those community people who are unable to access loan from formal financial institutions. Nepal's constitution 2072 also has also provided legal facility to establish cooperative with 15 people and more who operate similar type of business activities at local level which is similar to community bank.

## Conceptual Evolvement of Buffer Zone and ZSL Contribution

This chapter has been developed based on the information provided by key informants including Chief Conservation Officers of Banke, Bardiya and Shuklaphanta National Parks.

Local people conventionally used to collect logs from jungle, take their cattle to jungle and collect fodder and grass from the jungle without any interference. But later stage, when there was intervene from govt., it was very hard for the local people to accept it. So, to enact the new laws and regulate the regulation of conservation, Nepal army was also to mobilize to resist the protest of the people. The conservation officials were also given authority as court to mobilize the army and resist the people's protest.



After the political changes in 2046, the buffer zone concept came into existence keeping in view of empowering people and make them responsible to protect jungle by themselves. In participation with people, National Park and Wildlife Act 2029 was amended in 2049 as its 4th amendment including the concept of buffer zone.

According to the new provision, 50% of total revenues of conservation areas can be utilized for the socio-economic development of the buffer zone, so that dependency of local people on the jungle could be minimized.

This has encouraged all the stakeholders to work for increasing the revenue of conservation areas through the development of tourism activities. One of the significant activities to promote the economic activities in the buffer zones was to launch the Park and People Programme jointly between Govt. and UNDP.

Large numbers of community groups came into existence through such initiatives. But due to the lack of proper Act and Regulation, the community groups were in operation but without their legal identity.

At this juncture, Buffer Zone Management Regulation 2052 came into existence through which various community groups could come under sub-committees and different sub-committees could come under one umbrella called Buffer Zone Management Council.

According to the Buffer Zone Management Directives, the buffer zone community forests also got align with Buffer Zone Management Council. In addition to the 50% of the revenue coming to buffer, the development stakeholders such as WWF, NTNC, ZSL and others also started working in collaboration with National Park to support local community people for nature conservation.

There are various funds like Revolving Funds as Ghumti Kosh, Human Wildlife Conflict Minimization/ Mitigation Fund, Chhatrabirti Kosh, Nirman Support from Rapid Rescue Fund, etc. under Buffer Zone Management Council and National Conservation Park but large numbers of local community people who have low education and exposure may have no ideas about these funds. The ZSL and other development partners need to increase their awareness level and develop their capacity so that they could be able to access the right information from right sources.

There are several areas where ZSL has been supporting to develop the capacity of those needy people who are directly or indirectly affected by the wildlife and paid a huge loss in their household. Some of the key areas supported by ZSL in the buffer zone and community forestry include the revolving fund support to the single women who lost their husband or bread winner and suffered a lot for making a survival; revolving fund to the community group, the tourism promotional activities to raise the income level of local community people; develop the entrepreneurship capacity of local people for diversified livelihood schemes and market system development and others.

## Modality of community bank

Based on the nature of services and the formal institutional structure of the target communities, the community banks being operated in ZSL programme districts are found to be in three modalities.

The CBs located in Dhanusha and two CBs of Bardiya are being operated under the jurisdiction of the Community Forest Users Group. In other districts, all the community banks are being operated under the

jurisdiction of BZUC/NP. In some cases, some of the community banks are also getting registered with the Local Government too. The role of the Community Forest Users Group, the umbrella organization of the community bank is found to be more visible compared to those community banks registered in BZUC in terms of day-to-day activities performed by the community banks. The working modality of those community banks depends on the nature of the livelihood schemes that they are operating.

Three modalities can be seen in terms of seed fund mobilization which can be categorized as follows:

- i. Construction-based livelihood schemes
- ii. General Livelihood Schemes
- iii. Mixed Livelihoods Schemes

#### **i. Construction-based Livelihoods Schemes**

Especially in the case of Machha Palan and Homestay operation, the seed money was found to be spent for the construction purpose rather than being utilized it as a revolving fund. Though there is a concept that the seed money is supposed to revolve and the interest on the RF should be paid. In many cases, especially in the Machha Palan, there is no practice of revolving funds. Meanwhile, they preferred to share the profit rather than using it as a revolving fund.

#### **ii. General Livelihood Schemes**

In most cases, the community bank is operating the seed capital to use it as a revolving fund. Once the fund is distributed to the members as a loan, they should pay it back with interest and again use it as per the need of the business that they operate.

#### **iii. Mixed Livelihoods Schemes**

The mixed model is found in the case of homestays, where some of the homestay communities are using the revolving fund as loans and paying only the interest on the revolving fund, for example, Gavar Valley Homestay. But in the case of Sathkhaluwa, all the revolving funds disbursed to the homestay members are paid back fully and revolved it again as per their requirement.

## **Coverage**

The study team visited altogether 34 Sub-Communities supported by ZSL from Janakpur to Kanchapur. During the visit, two types of community groups were found operating the community banking under two different legal jurisdictions. Couple of sub-committees were found to be under Community Forest and the others were found to be under the jurisdiction of National Conservation Park.

## Section 2: Evaluation of Community Banks for Diversified Livelihood Schemes and Market System Development

### Institutional Capacity Assessment

One of the significant factors to sustain the community bank is its institutional capacity. Active involvement of the members in the community bank activities, transparency among the members, level of awareness, consistency in the operation of the community banks these are the key factors to make a CB sustainable. More specifically, there are three areas of CB analysed to assess the institutional capacity of the CBs these are as follows:

#### Members

#### Outreach

The members composition in the different CBs are found to be vary range minimum from 8 to maximum 481. The member in the homestay usually consists of minimum numbers based on the nature of institutional activity as visitors are the key factors to make the homestay sustainable. In other CBs where members involve in various types of livelihood activities contains more numbers compared to homestay. Regularity in the monthly meeting by the members is found to be good as all the members regularly attend the monthly meeting in more than 75 percent, i.e. 26 CBs out of 34. It has been observed that the more are the members in the CBs the larger is the volume of savings deposit except one case of Manokamana CB where 481 are in the CB but the practice of savings has been recently started in these areas where there was a lack of access to banking services. The range of membership in the different CBs are as follows:

Range	Number of CBs	Percentage
8 to 10	6	18
11 to 25	8	24
26 to 40	10	29
41 to 94	6	18
95 to 103	1	3
104 to 290	2	6
291 to 481	1	3
	34	100

Members perform various activities including savings deposit, loan distribution, interest calculation, maintaining books of account, discussion on various issues including training, livelihood schemes, etc.

In some of the CBs, meeting got discontinued due to COVID. But now the meeting is regular and It takes place every month at agreed venue and time.

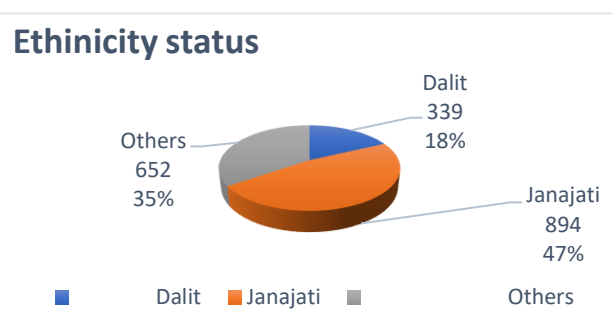
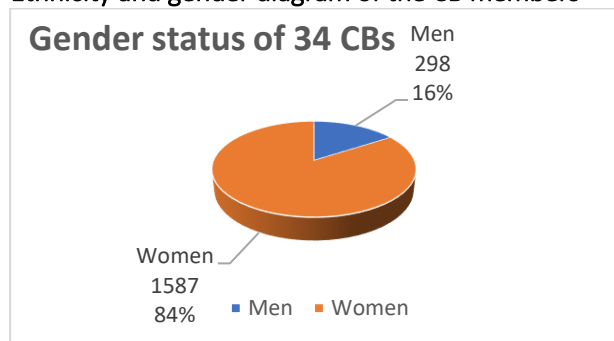
#### Members Inclusivity

Priority have been given to the ethnically disadvantaged group of people including women, the poor and vulnerable living in the programme areas. Altogether members outreach in all the 34 community banks is 1885 and the ethnicity break down of the members of the CBs are given hereunder:

Out of the total members, 18 % are Dalit, 47 % are Janajati and the remaining 35 % are Brahmin Chhetri. The gender ratio of total members by ethnicity can also be seen in the following table and diagram:

N.	Particulars	Unit	Total	Remarks
	Community Banks	No.	4	CBs are merged with others
	Members	No.	1385	
	Men	No.	298	21.81%
	Women	No.	1087	78.19%
	<b>Ethnicity:</b> Dalit	No.	339	24.5%
	IN	No.	652	47%
	Others	No.	652	47%

#### Ethnicity and gender diagram of the CB members



#### Executive Members' Capacity

The executive members of the CBs have received series of training to build up their leadership capacity and exposure for the institutional capacity of the organization. More than 60 percent of CBs have leadership rotation practice. In some of the cases, members unanimously decide to continue the leadership in the executive body especially in the situation where the old leadership perform satisfactorily, and all the members are happy with the existing executive body.

The leadership of the executive body has exemplary performances in many CBs where they have successfully established institutional relation with stakeholders. They have contributed extra time to maintain the books of account, follow up for chasing arrears in case of any defaulters and encourage members to participate in the training and engage in livelihood schemes.

Because of low exposure of the members of the CBs, executive body need to have more follow up and opportunities to get leadership and institutional capacity building training and exposure.

The gender and ethnicity composition of the executive body in aggregate can be seen in the following table:

	Dalit	Others	Total	Percentage
Female	15	11	26	73 %
Male	5	19	24	27 %
Total	20	30	50	
Percentage	40 %	60 %		

In terms of ethnic composition, 61 % of steering committee members are from Janajati (Indigenous Nationalities) while 15 % are Dalit and remaining 24 % are from BC. In terms of gender 73 % are women and remaining 27 % are men.

Looking at the gender and ethnicity composition of total member and the leadership, clearly shows the priority to the Dalit and Janajati in the leadership position.

### Organizational Management

By-law is in place and the other books of account remained in the organization seems to be updated regularly. An Operational Manual of Community Bank with monitoring guidelines, need to be introduced to make uniformity in all the Community Banks supported by ZSL throughout the country.

The level of capacity in terms of fund raising, capacity building and others coordination with local stakeholders, taking initiatives to raise revolving fund and organizing enterprise promotional activities are still not at required level. So, facilitation support from partner organization needs to be continued and reinforced.

### Monitoring Mechanism

Besides the executive body, the CBs have also formed different sub-committees as per their needs. The Steering Committee has formed 3 to 5 members monitoring sub-committee with members representation from different ethnic groups. The sub-committee monitors the loan utilization status of the members who receives loan for different livelihood enterprises. But there is no documentation of the monitoring activities.

Such sub-committees include loan approval committee, monitoring committee, Human Wildlife Conflict Mitigation Committee and others. The practice of playing role through sub-committees has also contributed the CBs to build- up their capacity developing the successor for executive body in due course of time.

#### i. Internal Auditing

There exists 5-members monitoring committee. The monitoring committee visits to monitor the field activities. The monitoring activities mostly include the loan utilization status, seed fund utilization, instalment assurance. The monitoring committees have the practice of reporting verbally to the steering committee during the monthly meeting and have not maintained any documentation of the report.

#### ii. External Audit

Out of the total 34 CBs, four CBs have performed the annual audit while 8 CBs have not completed one year of establishment. The other 22 CBs have not done annual audit so far. When asked the reason of not conducting the annual audit, some of the CBs have told that the audit of CFUG include all the financial activities during CFUG audit. Similarly, the CBs under BZUC also includes the financial transaction of the CBs during its financial audit.

### Financial Management

The available documents include minutes, loan ledger, savings ledger, saving passbooks, loan application forms, voucher, and cash receipt. Secretary usually updates the saving and loan ledger, but it is found that she needs to be empowered on double entry system to update the books of account. Majorities of the CBs have issue passbook but not updated due to time constraint and confusion in updating it. So, the local partner needs to orient the treasurer and secretary on maintaining the books of account.

**Transparency** (Minute, attendance, public audit, decision making).

Usually, they read the minutes of decisions before members get signed on it. They have bank account with two signatories (Chairperson and Treasurer). They still need to update the passbook to let members know their exact updated savings and instalment status. Annual General Meeting (AGM) is one of the established mechanism of transparency but none of the CBs are aware on AGM .

### Year of establishment

The community banks are established in different years. Five Community Banks are established within one year while 13 CBs have completed 6 years. Those CBs which are established in recent years have less savings and income compared to those which are established before 5 years. The CBs age of completion of establishment are grouped as follows:

N.	Time period of Establishment	Number of CBs	Percentage
	Year or Less than one year	5	15
	Year – 5 Year	6	18
	Year	13	38
	– 8 Year	5	15
	Above 8 years	5	15
	<b>Total</b>	<b>34</b>	<b>100</b>

### 2.1.7 Operational Efficiency

Usually when an organization meets its operational expenses from its own operational income it is the status of operational self-sufficiency. The sources of operational income of CB include the interest generated by savings deposited by members, fees, allocated profit and others. Beside the interest income, product marketing of the members could be one of the key contributing factors to enhance the operational efficiency of the community banks subject to upscale the productivity and volume of production.

All the CBs have received seed grant from ZSL and other donor organizations including ZSL and others NTNC, IUCN, NC, Local Government, Province Government, and others. Based on the members outreach, resource availability and capacity of the members of community bank, the level of operational efficiency of the CB is quite different from each other.

Few homestays and the fishponds groups are doing well in generating income from their enterprises which is the strength of operational efficiency. Similarly, the other organizations where most of the members are engaged in different types of livelihood enterprises also developing operational efficiency

The size of fund in the community banks are vary according to the scale of the organization. The fund size is found to be higher in the CBs where there are more members in the CB and which is comparatively older than the new CBs. In totality, the sources of fund raised from different sources in the community banks are given in the table below:

N.	Sources	Amount NRS	In %	Number of CB
1	ZSL – RF	28,106,715	46.78	2
2	Other than ZSL	22,186,100	36.93	
3	Savings	6,554,237	10.91	
4	Interest Generated	2,356,677	3.92	2
5	Share capital	870,050	1.45	10
6	Miscellaneous (penalty, fee etc	6,280	0.01	
		60,080,059	100	

Members of the Community Bank have been benefitted lot from the supports of ZSL. The community members have got an opportunity to initiate various enterprises that has contributed them to avoid interring jungle for their livelihood economic requirement.

The initiation of depositing savings regularly would help them build a habit to save and create revolving fund as community bank and access the financial services to meet their immediate needs of investment and another urgent financial requirement.

The seed grant support received from ZSL would encourage all the members to revolve the fund and earn interest out of it and increase the revolving fund gradually.

The forum has provided all the members an opportunity to meet regularly and create a social and economic capital to get empowered and initiate different socio-economic activities through various initiatives including wildlife conservation, commercial enterprise promotional activities, awareness raising, leadership development, fund raising and so on.

#### 2.1.10 Savings Mechanism

Monthly savings deposit rate ranges from Rs 50 to Rs. 500. Majority (37.5 %) of the CB have the saving portfolio of Rs 50000 to 200000.. So far, the total savings amount has been Rs. **6,554,237** as of July 2022. All members deposit group savings in the monthly meeting. Monthly savings is one of the significant factors to make the members active in the CB and keep tying with community bank. The range total savings portfolio remained in the community banks is grouped as follows:

N.	Range of Savings	Number of CB	Savings Portfolio	MARKS
1	Savings below Rs. 50,000	11	90000	Community members have started saving recently as most of them had limited access to banking services.
2	Savings above Rs. 50 thousand to 2 lakh	15	1307614	
3	Savings above 2 lakhs to 500000	2	657623	
4	Savings above 5 lakhs to 10 lakhs	2	1525000	
5	Savings above 10 lakhs	2	2974000	
	<b>Total</b>	<b>32</b>	<b>6554237</b>	

### 2.1. 11 Loan Schemes

There is a 2 months grace period for loan, but the loan repayment period is 10 months. Interest is charged on 6% on diminishing balance. Bank balance at the time of the field visit was Rs. 6,965.

Particulars	Hit	Total	Remarks
Current Loanees	897		
Loan Disbursed		37,162,270	
Loan Repaid		11,795,463	
<b>Loan Outstanding</b>		<b>25,366,807</b>	
Repayment Rate		69 %	Owing to grace period and delays due to covid crisis.
Defaulters		3 %	

So far, all members are committed to pay regularly however there is 3 % (in amount Rs 1114868) default amount which is not very much serious. According to the concern group response this default amount is because of the impact of covid but if proper follow-up continued it could be recollectable



## Livelihood/ Product Linkage Analysis

### Livelihood Schemes

Out of the total members, 897 members are operating different enterprises by taking loan from Community Bank. The different livelihood enterprises done by the community members include goat farming, pig farming, cow farming, vegetable farming, homestay etc . The number of enterprises and loans received by the members are as mentioned below.

No	Types of enterprise	Enterprise number	Loan amount	Number %	Loan %
1	Buffalo	25	950,000.00	2.79	2.56
2	Cow	53	1,568,670.00	5.91	4.22
3	Poultry	43	1,330,000.00	4.79	3.58
4	Goat	79	2,231,800.00	8.81	6.01
5	Homestay	73	11,358,000.00	8.14	30.56
6	Tea/Hotel	60	1,992,380.00	6.69	5.36
7	Beauty parlor	30	996,190.00	3.34	2.68
8	Tailoring	96	2,390,856.00	10.70	6.43
9	Vegetable farming	173	4,977,140.00	19.29	13.39
10	Pigg farming	141	3,980,950.00	15.72	10.71
11	Poultry	75	2,586,284.00	8.36	6.96
12	Other	49	2,800,000.00	5.46	7.53
	Total	897	37,162,270		

The majority of the members are in agriculture and the agriculture is of traditional types. Due to the irrigation problem agriculture is based on the monsoon which is very unpredictable. The winter crop is not in mass production. Paddy in the monsoon, wheat in the winter is the main crop besides this livestock mainly buffalo, cows for milk purposes, and goats/chicken for meat are more. These enterprises are not in a commercial scale but on a small scale for the local market. The tendency of seasonal migration to India for agriculture labour is high for males, few have gone to foreign employment mainly in Kuwait and Saudi.

People have started stall feeding for their cattle, and cattle grazing in the forest has been strictly prohibited. Sukhlaphata National Park and NTNC are motivating the people to manage the required grass and fodder from their own private land, for this they are distributing grass seed and fodder sapling every year.

Besides the seed grants support from the ZSL, the community members are benefited through nature conservation, social mobilization, loan at low-interest rates, free training, exposure visit, awareness of human and wildlife conflict minimizing activities, leadership development, etc. Out of the total beneficiaries few are selected as the women member in the local government also.

### 2 Linkages with Market System

Different market actors are found to be in the programme areas where the members of the community bank work with them according to the requirement for their livelihood enterprises.

a) Training Providers: Local Government in some cases provide training on vegetable farming and livestock. Institution such as LIRIL, organized a training on agriculture marketing where the Ratu CB members are benefited on vegetable seeds, agricultural tools equipment.

b) Financial service providers.: - Several micro finance institutions like Chhimek, Jiban Bikas, FORWARD, Nirdhan, Vijaya lagubittya, Ghodaghodi laghubittya, Aatma nirbhar Laghu bittya, and DEPROS are working here as numbers of members from Community Bank are also the borrowers of these MFIs. These financial service providers have become one of the reliable alternative sources of financing that has almost side lined the money lender from communities.

c) Market entities (Access to market, b2b): - Mithila Wildlife Trust (MWT), the local partner organization has also encouraged the Ratu CB members to produce vegetables and MWT has assured the members with buy back guarantee approach.

The groups which are located near the east-west highway, have the competitive advantage for accessing market for vegetables, milk and livestock. There is a good demand for milk, vegetable, and meat in the market. The CBs areas are resource potential for vegetable farming and livestock in terms of growing grass and fodder for the cattle. The feeding stuff for the cattle is easily accessible from the market.

One of the reliable strategies to support the community members is to organize a common forum where financial institutions, business entities, and community members sit together and ensure their contribution to establish market linkages and increase production accordingly with a buy-back guarantee approach.

d) Service Providers (training/ marketing): Many members of the Community Bank have received goat-raising and vegetable farming training organized by the local partner organization. There are more members who want to start enterprises commercially and expect business plan development training and other technical training along with business linkages on vegetable and livestock farming. To establish a market chain, local partner organization needs to coordinate with different market actors and create business forum among financial service providers, business people, and community members.

The community members have advantages of access to road, finance, and market that the community bank could utilize these advantages in a commercial way. Based on the current market and production, there is a high demand for milk and fish. Moreover, some of the other enterprises such as tailoring, fast food, and repairing (mobile, vehicle, plumbing, electrical wiring) are potential and all-time demanding enterprises. So, the work out on proper business plan and formation of a local business platform among financial service providers, business people, and producers through community banks can create a market for every stakeholder and take advantages out of it.

The homestay community group took initiative to allocate a budget in the local government plan to improve the infrastructure and road that would help the entire homestay community people and boost up their homestay activities.

Currently the home stay community is about 60% independent in terms of the total food products required for the home stay operation. So, there is potential opportunity to scaleup production-based enterprises at the local level.

They think that they need training on market development strategies. This would help them to have more ideas to establish business linkages with stakeholders and operate the enterprise accordingly based on the visitors demand.

Coordination among the relevant actors including local government, financial institutions, different business groups and the homestay community members would help each other to meet their objectives and serve their purpose as per the market needs.

Few facts and figures of the CBs

- The total number of CBs promoted by the ZSL from 2012 to 2018 is 32 where the total members are 1885 out of which 1587 (84.19 % ) are women. The ethnicity composition of the total member include Dalit- 339 ( 18 %), Janajati 894 (47 %), and other 652 (35%). The membership increment by 1.43 % shows that the CBs are not interested to bring the new members because of the fear of benefit sharing to the new members.
- Total funds supported to the CBs is Rs 28,106,715 which ranges from Rs 475,000 to 1,833,500
- The communities have made the group saving of Rs 6,554,237 and generated interest income of Rs 2,356,677. Furthermore, they have success to receive support from other organizations which is Rs 22,186,100.
- Out of the total fund of Rs 60,080,059 Outstanding loan is Rs. 25,366,807 which is in the hand of 897 members. The overall repayment rate is noted as 69 % .
- Out of the total members 1885, currently 897 members have received loans however 75 to 80 % of the member have received loans on rotation based on the fund availability in the CB .
- The annual interest of a loan is low 2 % to 12 %, the majority have 6 % which is cheap compared to microfinance, cooperative and commercial banks.

### 3. Plan of Activities

N	Plan of Activities	Responsibilities		Year			
		Primary	Conda	2018	2019	2020	2021
1	Develop an Operational Manual	L		■			
2	Orient the operation manual to the key person of the Community Bank	L		■			
3	Conduct the training on the institutional strategic development plan and developed a five-year strategic plan of CBs	L		■			
4	Capacitate the CB for preparing a periodic progress report including monitoring plan of activities	L, IP		■			
5	Practice of Business Plan Development of CB members			■	■	■	■
6	Conduct bookkeeping training for the treasurer, Secretary, and Chairperson of CB			■	■	■	■
7	Organize meetings with the stakeholders for synergy effects			■	■	■	■
8	Conduct consolidated meetings where CB are in more than one group			■	■	■	■
9	Maintain proper books accounts			■	■	■	■
10	Review of the Programme Activities			■	■	■	■
11	Conduct a Financial audit			■	■	■	■
12	Conduct AGM as per the provision in Bidhan			■	■	■	■
13	Review the existing Bidhan	L, IP		■			
14	Take an initiation of enterprise registration in LG			■	■	■	■
15	Organize periodic monitoring from ZSL and implementing partners	L, IP		■	■	■	■
16	Conduct capacity-building training on proposal writing	L, IP		■	■	■	■
17	Conduct demand-based skill-based training	L, IP	CB	■	■	■	■
18	Follow up on monthly savings and loan repayment			■	■	■	■
19	Orient the CB about the provision of BZUCGs funds	L, BZUCGs		■			
20	Provide support on the maintenance of the fish pond	L, IP		■			
21	Provide support for resiliency based on a growth plan	L, IP		■	■	■	■

N	Plan of Activities	Responsibilities		Year			
		Primary	Conda	1	2	3	4
2	Organize exposure visits to the selected CB members to replicate or adapt the successful cases	L, IP		■	■	■	■
3	Review of a tripartite agreement with BZUCGs	L, IP	UCGs	■			
4	Provide orientation on the Insurance provision, subsidized loan, coordination with local Government, and provincial government to get livelihood support	L, IP		■			
5	Promote organic village to promote homestay	L, ZSL, UCGs		■	■	■	■
6	Provide ToT on entrepreneurship and business management training to the selected members of CB	L, IP		■	■	■	■
7	Follow up of the regular activities			■	■	■	■

#### 4. Report Organization

The study report has two-part, PART I and PART II. This is Part I, which contains the overall scenario of the community banks in terms of the institutional capacity, livelihood products, and market system development and the plan of activities and Conclusion and Recommendations.

Part II has the detail analysis of each community bank that shows all the activities performed by CBs and the status of each in terms of its sustainability point of view.

### 3. Section: Conclusions

- ◇ The community banks have been seen to be highly effective in generating financial flow for indigenous communities who previously had limited to no access to banking and financial services. The low interest rate of 2% - 6% compared to cooperatives and banks has also been highly effective and appreciated by community members allowing them to access the fund for livelihood activities.
- ◇ The overall conditions of the Community Banks (CBs) supported by ZSL has been mixed in terms of its pathway towards sustainability. Some CB are recently started, some CBs have been found to be excellent, some has been found to be mediocre (those that have been recently established).
- ◇ The financial and technical back up support to the CBs by ZSL has been at different intervals for different community banks. Some of the CBs have received operational cost, training, technology, and revolving fund four to five years back and they have been operating the CBs on their own without any supports from outside afterwards. The CBs related to Fisheries are no longer receiving any additional support for the last 4 years. So, the CBs are found to be at different stages in terms of their institutional and individual capacity to operate livelihood schemes. Some of them are operating savings and credit smoothly and a few have stopped saving and instalment payment. Some CBs have also received technical and operational backup from ZSL currently although having received the revolving Fund a couple of years ago. Moreover, a couple of CBs have just received the revolving fund from ZSL and are making disbursement plans to the needy members.
- ◇ The impact of sustainability has been assessed from two different aspects. The first aspect is the empowerment of the targeted members. In terms of empowerment, the members have increased exposure, developed entrepreneurship capacity, enhanced income, and improved decision-making capacity. Similarly, the other aspect is the sustainability of community bank is increased capacity due to the collective support of the members affiliated with the CB, leadership capacity, transparency, governance, inclusiveness, implementation capacity of livelihood schemes, savings mobilization, loan disbursement for enterprise development, linkage development with the market and other stakeholders.
- ◇ One of the main aims of the programme is to empower the target beneficiaries, mainly women and indigenous members. In this context, community members are doing excellent even when ZSL is not actively present in the field for the last couple of years. This success has been achieved because of the technical and financial support backed up by ZSL before.
- ◇ It is very important to observe the progress of individual members at the field. In this context the result of the support to the CBs have been found to be mixed. In most of the cases, majority of the members (around 60%) have been found to be empowered from awareness and enterprise point of views. Similarly, the continuation of CB without any outside support is the crucial part and it shows that a small technical guidance to these CBs could make a significant difference in terms of their sustainability.
- ◇ The differences between the CB formed under BZUC and Community Forest Users Committee have been observed distinctly. Compared to the CB formed under Community Forest Users Committee, the CBs formed under BZUC are found to be more independent in terms of their day-to-day operational activities.
- ◇ The mechanism of revolving funds operated through a Cooperative is different with other CBs which are managing revolving funds by themselves. In the case of revolving funds of the CB operated through Cooperatives are found to be managed by cooperatives and the responsibility of the CB members is just to get funds from the cooperative and pay instalments like receiving loans and paying to the bank.
- ◇ Some of the CBs previously existing as independent CBs have now merged into one because of locality, members duplication, and the same nature of enterprise ( e.g. Ghaila Machha Palan Samuka Ka and Kha; Darai Bote Machha Palan Samuha Chitwan district)

◇ It is obvious that the revolving fund ignites support for the CB who could develop linkages with local financial institutions and play a bridge role between CB members and banks to further manage the loan to top up the investment amount received from the revolving fund. It is still common among all the CBs that they still expect the revolving fund from development programmes and projects. However out of the total 34 CBs more than 50 % have increased their capacity to generate funds from other sources including savings mobilization. So far 9 CBs have success to bring the support of Rs 22,186,100 which is nearly 79 % of the ZSL total grant to the CBs.

◇ Regarding access to financial services, it has been found that in almost all the programme areas of ZSL, there is the presence numbers of MFIs and cooperatives where CB members could easily access additional loans in case the CB fund is inadequate to meet their increased demand for loans for upscaling their enterprises. The basic function of MFI and CB is same, they provide the loan and collect monthly savings from the members. But the scale of the organization in terms of members outreach, loan and savings portfolio of MFI is larger than the CB. Moreover, in terms of the legal status of MFI, it is directly regulated by Central Bank Authority. But the CBs are small self-help groups registered in the local government and operated through their executive body. But one of the pros of CB is that it is owned by community members and is easily accessible at the minimum interest rate for a small amount.

◇ Although there is preparing periodic progress reports in all CBs at present the members are willing to produce a consolidated report that could provide information on bank activities and report it to the local government, ZSL, BZUC, Community Forest Users Committees, and other concerned entities. This would also help them develop their programme proposal and claim their achievements for building their portfolio and help in terms of raising revolving funds and implementing other livelihood schemes to scale up their enterprises.

◇ In addition to the general loan, CB members want to introduce some other loan products such as an emergency loan for immediate support that has not been introduced so far. When asked about the importance of this type of loan to win the trust of CB members, all the participants wanted to introduce such loan schemes.

◇ Four CBs are found operating Savings and loan mobilization through the cooperative, they have done a tripartite agreement among the Cooperative, CB and the BZUC. So, all the financial records of the CBs are maintained by the cooperative.

◇ Nearly ninety percent of the CBs were found to implementing proper documentation through minutes, loan ledger, saving ledger passbooks, loan application, loan agreement etc, but they are not properly updated.

◇ The tenure of the executive body of the majority of the CBs is 4 years. The women and Janajatis (indigenous nationalities) followed by Dalits have taken the leadership in most of the CBs.

◇ Almost all the CBs have fixed a certain date to hold the monthly meeting which has been found to be conducted regularly except during the covid pandemic. Couple of CBs do not have monthly meeting at one place due the geographical location of the members residing in wide range (e.g. Chuche Khola Bahu Ayamik Aya Arjan, Makwanpur ). They organize monthly meetings at seven locations and mobilize their savings and revolving fund in sub group as separate CB. Experiences show that when the savings get increased in the small group there are bigger chances the group members are reluctant to amalgamate their savings into the bigger group. Similarly, the single women group in Thakur Baba Ward-9 has difficulty having monthly meetings due to their geographical location. They directly visit the cooperative to get financial services.

◇ In most cases, the installment and meetings before the COVID 19 pandemic were regular and they became irregular after the pandemic. Now onward they are committed to regularising the monthly group meeting again. One of the other reasons for not getting attendance in the monthly meeting is to pay more time against the direct benefit they are receiving from participation, they feel.

- ◇ In some cases, CBs are doing regular meetings, collect savings, installments of loan and interest, disbursing loan to the CB members, keeping the records updated. Chairperson, Secretary and Treasurer are the key figure who involves in the documentation and ledger update. They say, it takes one to two days based on the transaction of the members. They realize the importance of computerized accounting training which could help them to increase their efficiency and save time. In some cases, when asked about their institutional goal, they are found to be not clear in converging their community groups into community banks. Even some of them even do not hear about the Community Bank. So, having the concept of transforming the community groups into a community bank is good but the knowledge of CB members regarding the process, requirement, and the importance of converging to CB still needs to be increased.
- ◇ All CBs have good relationship with the umbrella organization to maintain harmony between wildlife and the community in the buffer zone.
- ◇ Public audit which is considered one of the major tools of transparency and good governance is not in practice in the CB but it is common in CFUGs and BZUCs. The public audit is not mandatory but some of the community banks have started the practice.
- ◇ Except couple of CBs, most of them do not have their own community hall due to the lack of fund and land.
- ◇ Some of the members from the Shrijanshil women fishery groups of Chitwan like Binita Chaudhari and others are well empowered and currently operating various livelihood schemes such as fishery, vegetable farming, and cow farming through consultation and coordination with different stakeholders and established a sustainable business relationship with the market for their products
- ◇ Out of the 8 homestays, one Homestay at Banke is excellent in progress, 3 are just started the and remaining 4 are still under construction. Compared to other livelihood activities homestay requires more investment and more business skills.
- ◇ As per the homestay regulation the homestay members/operators need to contribute a specific amount of the total sales of homestay service to the homestay committee but this is found to be neglected
- ◇ In comparison to the independent new group the group which is collaborated with the cooperative has been noted to be more sustainable .



## 4: Recommendations

The Community Banks under the umbrella of BZUCs and Community Forest Users Committee are operating revolving fund through two different mechanisms. Firstly, CBs manage the revolving fund topping up the savings and share amount and mobilizing it for loan disbursement to the CB members. The other mechanism is the management of revolving fund operating under cooperative management through a tripartite arrangement among the Buffer Zone Users Committee, the Cooperative, and the Community Bank.

The major activities currently implemented by Community Banks include the regular meeting of members, savings collection, loan disbursement, instalment collection, coordination, and collaboration with stakeholders, facilitation to operate the livelihood schemes and market system development by the entrepreneurs, frequent meetings and coordination with regard to protect the jungle and create harmony between wildlife and the community people.

Based on the assessment of community banks, the following recommendations have been developed in order to ensure the sustainable growth of the community banks and improve the livelihood schemes for commercial enterprises:

- The loan application by the loanee at the time of requesting a loan is in practice, but the one-page simple business plan (Annex – 6 Sample of Business Plan) along with the loan application form would help Community Bank and the member itself to have a one-year projection with resource allocation, production process, asset management, income, expenses, and profit. So, introducing the one-page simple business plan format is recommended to create enthusiasm among the entrepreneurs to move forward in commercializing the livelihood products.
- A few CBs in the west(Annex 1) have already prepared business plans. The development of such business plan projection of the Community Bank is required as a sustainability strategic plan of the Community Bank. Annex 1.
- During the discussion with the community bank members in the field, the monitoring plan was the requirement of all community banks but due to the lack of technical knowledge, the monitoring visit could not have been documented so far. So, a simple monitoring format has been developed and presented in Annex 4– which is recommended to introduce by the community banks regularly.
- Currently the responsible key persons of the executive board are regularly updating the ledgers but there are a number of incidences where errors are noticed during the assessment of those CBs. Moreover, updating the ledgers and completing the transactions are time-consuming. One of the main causes of these hiccups is the lack of efficiency in accounting. So, proper training and orientation on double entry account keeping to the treasurer and secretary of the CBs is required , particularly targeted at newly formed community banks.
- Stakeholder engagement can be enhanced by facilitating support to link the local stakeholders to support the same target community groups/ people. This would generate synergy and contribute towards developing a market system for livelihood schemes.
- As some of the CBs receiving larger fund have several subgroups who conduct the monthly meeting separately at their own locality. The local partners of ZSL could play a facilitation role to link the sub-groups in terms of having their consolidated documentation and reporting system for the sustainability of the community bank where funding is of large scale.

- To improve the Community Bank's status, a feedback system through partners' organization-based periodic progress would give a chance of improvement in the Community Banks.
- Initiatives should be taken facilitating to organize training/workshops to build the capacity for the project proposal development to the CB members.
- Technical training on agriculture, livestock, and non-wood-based enterprises should be organized to develop the entrepreneurship capacity of new CB members ensure livelihood schemes.
- Business promotional activities of vegetable production and selling voluntarily by the Karena Darai women groups should be widely circulated for replication by the other community bank members.
- The practice of inviting market actors like Caritas Nepal for implementing IPM-based farming in 3 Kathas of land should be widely shared to learn from the best practices for others to replicate.
- Facilitation to link CB with local government and revive the fishpond (e.g., Ghaila Ghari would help the CB members to restart the fisheries.
- Orientation to the community banks on the provision of different funds remaining under BZUCs, National Conservation Parks, and local government is essential.
- The study team observed that the book of accounts, formation of sub-committee, monitoring mechanisms, reporting system, reserve fund provision, savings collection, loan disbursement, repayment, interest calculation and collection, and CB operational system are not similar in the CBs. So, the user manual to operate the community bank should be crucial to have uniformity and avoid any confusion in terms of its operation.
- Standard Format ( Annex -5 ) to show the CB's annual progress status including members' growth, savings and loan portfolio, income, expenses, profits, and livelihood scheme would help all the stakeholders know the annual status of CB and take decisions in terms of further support.
- Further support to the CBs seems to be required based on the assessment of the growth plan developed by the community banks.
- There is a high demand for loans from CB which is beyond its capacity but the presence of a number of financial institutions, and local-level facilitation support to coordinate between CB members and banks would help the members to meet their financial requirements for the livelihood schemes.
- Based on the nature of enterprises, a refresher and business update workshop is needed.
- Timely review of tripartite agreement among BZUCs, Community Banks and other partner organizations would help learn from the mistakes and consolidate the CB activities for sustainability.
- Family members of the CB should be key supporting members to the CB to provide backup at the time of requirement, especially in the case where almost all the CB members are illiterate and have low exposure levels.
- CB members should be aware of Insurance, subsidized loan, Local Government Level benefits, and provincial and federal level support provision. For this, the local partner should organize programme for the CB members.

- Organic villages should be linked with the Home Stay communities keeping in view of meeting the need for vegetables required for their daily consumption by the visitors/ domestic/ international tourists.
- The practice of providing exposure visits within the country and outside for the CB member from ZSL is highly appreciable and recommended to continue this support.
- The practice of rewarding the CB and CB members as the best CB, the best entrepreneur will help to motivate the other CB and CB members

## Annex – 1: Sample of Business Plan Projection for CB

### Zoological Society of London Nepal Template of Business Resiliency Plan of Community Bank

#### A. Monthly Break. Down

Name of Community Bank:

Date of Establishment:

Address:

District:

1. Introduction
2. Objectives
3. Members

	n	b	ar	pr	ay	ne	ll	ug	pt	ct	pv	ec	aseline
Members													

4. Savings Portfolio

	n	b	ar	pr	ay	ne	ll	ug	pt	ct	pv	ec	aseline
Depositors													
Total Deposit													
Reserve Ratio													

5. Loan Portfolio

	n	b	ar	pr	ay	ne	ll	ug	pt	ct	pv	ec	aseline
Borrowers													
Total Loan													
Repayment													
Outstanding													

6. Equity

	n	b	ar	pr	ay	ne	ll	ug	pt	ct	pv	ec	aseline
Share (if deposited by member)													
Reserve													
Land													
Building													
Equipment													

7. Expenses

	n	b	ar	pr	ay	ne	ll	ug	pt	ct	pv	ec	aseline

Interest Expenses														
Operational Expenses														
Other Expenses														
Total														

8. Income

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Baseline
Grant Received from ZSL													
Interest Income													
Other Income													
Total Income													

9. Surplus

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Baseline
Total Surplus													
Distributed to individual members or deposited to their savings account													
Retained as Equity Community Bank													

## B. Consolidated

### 1. Membership plan

	Baseline	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year
Members						

### 2. Savings Portfolio

	Baseline	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year
Depositors						
Savings amount						
Reserve Ratio						

### 3. Loan Portfolio

	Baseline	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year
Loanees						
Loan						
Repayment						
Outstanding						
Repayment rate						

### 4. Equity

	Baseline	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year
Share (if deposited by member)						
Reserve						
Land						
Building						
Equipment						
Others						

### 5. Expenses

	Baseline	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year
Interest Expenses						
R Expenses						
Operational Expenses						
Other Expenses						
Total						

6. Income

	Baseline	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year
Grant Received from ZSL						
Interest Income						
Fees						
Other Income						
Total Income						

7. Surplus Amount

	Baseline	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year
Total Surplus						
Distributed to individual members deposited to their savings account						
Retained as Equity of Community Bank						

**C. Strategies**

1. Members' growth
2. Savings increment
3. Transforming from Community Bank to Cooperative
4. Fund Raising Activities
5. Programme Implementation Activities
6. Members Commitment
7. Enterprise Promotional Activities
8. Coordination with Local Government and other dev programmes
9. Capacity Building
10. Leadership Rotation
11. Public Auditing
12. Loan Disbursement
13. Delinquency management
14. Increment Seed Capital
15. Leadership Rotation
16. Inclusivity
17. Documentation
18. Regularity
19. Data Update
20. Transparency
21. Others

**D. Institutional Profile**

1. Name of Community Bank
2. Introduction
3. Objective
4. Members
5. Programme Activities
  - 5.1 Savings and Credit Activities
  - 5.2 Programme Activities

5.3 Expenses  
5.4 Income  
5.5 Surplus  
5.6...



## Annex 4, Monitoring format

### Individual /Group monitoring by the monitoring committee

1. List of monitored member/s
  - a. .
  - b. .
  - c.
2. Address of visited location
3. Date of monitoring visit
4. Observation
  - a. Loan amount Rs
  - b. Loan utilized as per the objective as declared at the time of loan request yes/no
  - c. Members Equity
  - d. Enterprise run at ..... percent capacity
  - e. Any technology used in the enterprise? Yes/no
    - i.What technology?
    - ii.How far the technology is enhancing productivity?
  - f. Employment generated
  - g. Annual profit/loss Rs
  - h. Annual growth
5. Improvement in livelihood after the affiliation in CB yes/no
6. Any immediate need to improve the livelihood?
7. Are there any issues?
8. How is future plan?
9. Suggestion/recommendation from the monitoring committee

Annex 5 Annual reporting format

..... CB annual reporting

No	Particulars	Current year	Comp to the Previous year
1	Total number of members		
2	Total loan disbursed		
3	Total Repayment		
4	Total outstanding loan		
5	Annual interest on the loan		
6	Total interest earned		
7	Monthly group saving rate		
8	Total group saving		
9	Interest rate on saving		
10	Saving refund (if any)		
11	Grant received		
12	Penalty		
13	Other income		
14	Total fund available		
15	Interest paid on saving		
16	Other expenses		
17	Total Expenses (15+16)		
18	Net fund available (14-17)		

.....  
**Chairperson**

.....  
**Treasurer**

.....  
**Secretary**

## Annex 6 Business plan format for loan application

1. Name and address of the applicant:
2. Proposed business
3. Major raw materials
  - a. Source of raw materials
4. Total investment
  - a. Fixed assets
  - b. Working capital
5. Source of investment
  - a. Equity
  - b. Loan
6. Estimated cost of the product/service
  - a. Per unit cost of the product/service
  - b. Market price of the product/service
7. Estimated production
  - a. Annual production qty
  - b. Annual Production cost
8. Estimated sales
  - a. Annual sales Qty
  - b. Annual sales amount
9. Estimated annual profit
10. Number of employments including entrepreneur:
11. Conclusion

## Annex 7 Photographs

I



Community Building of Ratu CB at Lotaha



Steering Committee members with study team



Study Team at Bhatighari Community Bank



Office of the Chucho Khola CB



Full of Hyacinth at Gahaila



Popular Dish "Dhikri" for HS visitors



Sample Passbook



Bote Darai Machha Palan



Picture itself tells the story



Incomplete HS house in Ghogrela



Home stat at Janaknagar homestay



Dedicated staff collecting kista at Fulbarii women group



Improved cow/buffalo shade



Cattle friendly fodder for milking cow and buffalo



Fish pond of Shrijanshil women group, Chitwan



hadabar homestay member talking with study team

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