

Report on Five Year Trial Revolving Sheep Bank Project in Phala Tibet (2000-2005)

INTRODUCTION

In August, 2005 and June 2009, my colleagues Dr. Cynthia Beall and Dr. Ben Jiao and I conducted an assessment of the 5 year trial Revolving Sheep Bank program in the two xiang (rural townships) where we conducted our research: Nyingo and Khunglung.

The goals of the Revolving Sheep Bank program were:

1. To provide poor nomad families with a five-year loan of reproductive age female sheep in order to foster their moving from poverty or near-poverty to economic self-sufficiency.
2. To simultaneously create a SELF-PERPETUATING "sheep bank" that will provide each of the two participating communities with a capital fund of 100 fertile female sheep at the end of 5 years and thereby enable it to continue to lend sheep to poor households after the end of the trial period.

2. People Assisted

Tibetan nomads living in two communities in Ngamring county.

3. Number of People Assisted

20 households (approximately 120 people).

4, Assistance Provided

The 5 year trial Revolving Sheep Bank was begun in August 2000 in two nomad xiang. Each year, 4 poor nomad households (2 in each xiang) were given a loan of 50 high quality ewes (fertile reproductive age female sheep [or goats]). These ewes were generally purchased by local officials from richer nomads in the same area with project funds. In each of the subsequent four years, 4 new families, two in each community, were loaned 50 ewes each. During the trial period, therefore, a total of 1,000 sheep were provided by the project to 20 households.

Each of the recipient households signed formal contracts requiring them to repay $\frac{1}{2}$ of their loan in fertile female sheep at the end of year 04 (without interest), and half in year 05. Each recipient also has a formal guarantor. Consequently, from year 05 onwards, the community Sheep Bank will be receiving 100 ewes per year in repayments and will continue to loan two households each year with 50 ewes. So long as each household repays its loan, this will continue indefinitely.

The households were selected by the elected officials in each of the communities in consultation with the xiang officials. We specified that they should oversee the allocation and ensure that the recipient households were using the loan properly, i.e., were not killing the animals for meat or selling them for other goods. In several cases early on, the nomad community took back the sheep because a household was not using the animals correctly and gave them to another family.

5. Outcomes Achieved

The program has been enormously successful and in both communities 100% of the sheep were repaid on time and new households allocated loans with the repaid sheep. As a result, during the course of the trial, 20 households received loans of 1,000 sheep. Since the end of the trial program, i.e., when the repayments started, 20 new households (4 per year) have received 50 ewes each (total = 1,000 sheep or in a few cases goats). In others words the Revolving Sheep Bank has been successfully created and is operating successfully on its own run by the local communities, hopefully for decades to come.

Table 1. Per capita livestock before and after loans for the first eight households in one of the two communities who have completed the loan program*

HH ID	Yr of loan	Yr repay loan	Livestock/person before sheep bank	Livestock/person 2009	# livestock increase per person	% increase in livestock / person
1	2000	2005	16	31	15	94%
2	2000	2005	11	36	25	227
3	2001	2006	20	22	2	10%
4	2001	2006	12	30	18	150%
5	2002	2007	20	55	35	175%
6	2002	2007	22	49	37	171%
7	2003	2008	23	43	20	87%
8	2003	2008	10	13	3	30%
Total average			17	35	19	106%

* I haven't had a chance to do the other community, but it looked the same

At the time of the sheep bank loan, 100% were below the poverty line (30/person). After it (in 2009), 25% were below but 75% had risen above it.

The nomads were extremely grateful for the assistance and virtually all come to see me to thank us and tell how this has changed their life. It was very moving. Those who have not yet received the Sheep Bank loan also all said that this is the best program they have had and the most effective for them. The local and county leaders also said the same thing. They said that this provides assistance in a way that really allows nomad households to improve their economic status (and self-esteem).

6. Other Achievements

The project has now spread to many other communities in these two rural townships (xiang), and the xiang officials said that officials from xiang in Ali Prefecture have come to learn how to operate the sheep bank program in their area. Also we are told that the government itself has started to incorporate some of these techniques, for example making written contracts with recipients of the aid it provides.

Trial project has also been adopted by the U.S. based Bridge Fund which has very successfully implemented such sheep bank in many nomad communities in Nagchuka prefecture.