

## The Revolving Sheep Bank Trial: Phase 1 2000-2005

Each year, four poor nomad households each receive a loan of 50 ewes and/or nannies purchased from richer local nomads with project funds. Households will repay half of their loan in Year 4 in fertile ewes and nannies (without interest) and the other half in Year 5. From Year 5, the Sheep Bank will be receiving 300 ewes per year so will be completely self-sufficient, apart from very modest administrative costs, pledged to be provided by the local administrators.

Assuming 10% annual mortality of adult sheep and goats and 30% annual mortality of lambs and kids, at the end of five years the Revolving Sheep Bank should be repaid in full from the first year's loan. Each household will have derived 100-125 animals from its initial loan, as well as the income from the wool and hides from animals that died over the five-year period. They also keep all the other products: milk, wool, butter and cheese.



Yonden, a retired nomad schoolteacher, oversees the project and monitors its progress with Prof. Goldstein (right) in 2000

About the principals

**Professor Melvyn C. Goldstein** is John Reynolds Harkness Professor of Anthropology, Case Western Reserve University (CWRU), Professor of International Health, School of Medicine, CWRU (secondary appointment), Director, Center for Research on Tibet, CWRU, and Chairman, Department of Anthropology, CWRU.

**Benevolent Organisation for Development, Health & Insight (BODHI)** is a nongovernment organization that focuses on sustainable ways to improve health, education and the environment, particularly in developing countries.

### Administration, Monitoring and Evaluation

Professor Goldstein established this program in 2000. The local administrators assume ongoing administrative costs. Yonden, a retired nomad schoolteacher, oversees the project and monitors progress. Prof Goldstein also visits the project regularly.

At the end of the trial, Professor Goldstein will return to Tibet to assess the efficacy of

the trial project and determine its utility for other nomadic pastoral regions in Tibet.

## The Revolving Sheep Bank Trial: Phase 1 Year 2

Professor Melvyn C Goldstein went to Phala in Western Tibet in 2000. After meetings with Chinese officials and Tibetan village leaders, he set up the trial of Revolving Sheep Bank.

We had no idea how it would turn out, whether the concept would work, recipients would repay their loans or bureaucratic obstructions would prevail as they so often do. As this is written in February, 2008, not only has the Revolving Sheep Bank succeeded beyond everyone's expectations but also it has become the prototype for other livestock projects in Tibet.

### Year 2 update

Reported by Professor Melvyn C. Goldstein May 2001

Yonden went to Lhasa in May to pick up this year's funds. He made a visit to the nomad area in mid April and got some data on the animals distributed. In one of the two sites the following were the results:

Family	Ewes given	Pregnant	Birth lamb	Died	Alive	% alive	Total sheep 4/01
1	25	24	24	1	23	95	48
2	25	23	23	2	21	91.3	46
Family	Goats given	Pregnant	Birth kids	Died	Alive	% alive	Total goats 4/01
1	25	24	24	1	23	95	48
2	25	25	25	1	24	96	49

Thus, in Family 1, they now have 96 sheep and goats from the 50 we gave them, and in the other family, they have 95.

In the second village they gave him the total number of the old and new animals for each household so we can't separate out just the one we gave. However, when he returns this summer to give out the new money, he will get the results of the actual sheep given.

However, based on the overall number of livestock per household, in one of the households to whom we gave sheep, their overall number of animals had increased by 38% as of April 20th, and in the other by 28%.

Consequently, so far the result are excellent. In the village for which we have specific data, the birthing rate was high and the mortality rate low. In the other, the results also seem to have made a substantial difference in their livestock situation based on the totals.

We should get some more data in early [northern] Fall, and then another follow-up visit in April/May of 2002. Yonden says that the local xiang [administrative district] officials and people are extremely happy with the program. Thanks again for the new funding.

## **Revolving Sheep Bank Area 1 Year 5**

### **Press release**

It worked!

Initial reports from the Phala area of Western Tibet show that the Revolving Sheep Bank, a co-project of BODHI and Professor Melvyn C Goldstein and his team, is a success.

This is Year 5 of this imaginative micro-credit scheme. It was designed as a 5-year project to give the recipients enough time to build up their own herds and be in the position to repay their loans, thus encouraging self-sufficiency rather than dependency.

The first repayment of fifty female sheep was made in autumn 2003, in Year 4 of the project. They were then loaned to another poor family.

The second area in which the Revolving Sheep Bank is operating plans to collect the first 50 female sheep this fall and then redistribute them.

Yonden, our employee 'on the ground,' told Prof Goldstein that 'a number of nomads told him that this is having more of a positive effect than the government's official poverty alleviation scheme in these areas.

'We have created something that is self-sustaining,' Prof Goldstein says. 'We have created a fund for these people that they now have and can maintain on their own in the years ahead and use as they see fit to help poor nomads to change their lives. We have given them a way to help poor people in the years ahead without us.'

We won't have definite data until Prof Goldstein visits the sites next year. In the meantime, he expects to send BODHI a few photos and an initial report in a few weeks. We'll keep you informed.

# The Revolving Sheep Bank Trial: Evaluation

## **SHEEP BANK EVALUATION REPORT**

Melvyn Goldstein, Ph.D.

April 3, 2006

In August, 2005, my colleague Cynthia Beall and I conducted fieldwork with the Pala nomads of western Tibet and conducted an assessment of the 5 year trial Revolving Sheep Bank program in the xiang (rural township) where we conducted most of our research.

The goals of the 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 the community 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.

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 ewe (fertile reproductive age female sheep[or goats]). These ewes were purchased by local officials from richer nomads in the same area with project funds. In each of the subsequent four years, 4 new families were loaned 50 ewe each. During the trial period 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 of their loan in fertile female sheep at the end of year 04 (without interest), and half in year 05. Consequently, from year 05 onwards, the community Sheep Bank will be receiving 100 ewe per year in repayments. So long as each household repays its loan, this will continue indefinitely.

## **Evaluation**

Based on observation, interviews with both the recipient families and others in the community, and official demographic records on herd sizes and composition, our 2005 fieldwork revealed that the trial program has worked extremely well. The nomad households involved have increased their herd size, improved their standard of living, and have started to repay their loans on time. Consequently, the nomad community now has a functioning revolving sheep bank as planned.

In our interviews with the nomads, everyone was extremely pleased and grateful for this program, whether or not they received a loan. They all felt that this program is the ideal way to help alleviate poverty for nomad households, because in contrast to a one-time gift of money or animals, it allows the household to develop a stable new resource base that they can maintain in future years. Both of the first two recipients said that they never believed they would be able to achieve the level of security and well-being that they now have.

Similarly, both the local nomad officials in the trial communities, and the government officials at the next administrative level, the xiang, were also extremely positive about the impact of this program and requested that the program be continued by expanding it to other communities under their xiang. In fact, when we attended the

annual Horse Racing festival in this area, many nomads from other communities under the xiang came and asked if we could start this program in their community, promising that they will manage the resources well and not let them be wasted.

Empirically, the livestock data for the first 4 households who received animals (in 2000 and 2001) supports this, even though the winter of 2004/5 was a bad one with higher than normal mortality.

The first two recipients in 2000 were RW and D. They got their animals in the Fall of 2000 and repaid the first half of their loan in 2003 (it should have been in 2004 but they made a mistake). They will pay the final of the loan in the Fall of 2005.

### **Total animals**

Before loan	end 2000	end 2004	mid 2005 (newborns not included)
End of 1999			
RW 90	145	286	200
D 101	129	206	190

The second two recipients Nga and Tra, received their 50 female sheep in the Fall of 2001. They will repay the first half of their loans in the Fall of 2005 (their 4th year) and the 2nd half of their loans in the Fall of 2006 (their 5th year).

Before loan	end 2002	end 2004	mid 2005 (newborns not included)
End of 2000			
Nga 66	82	225	175
Tra 112	139	307	214

As these figures reveal, they have done very well.

In addition, the material possessions of each of these households has improved markedly. All now have solar lights, very nice furniture, much nicer clothing, and a better diet.

Not surprisingly, the local nomads understand that this is an effective way to improve ones standard of living and are eager to get a chance to receive such a loan. Because of this, all support the idea of mandatory repayment so that the animal capital can circulate indefinitely. This has actually strengthened the authority of the two elected village heads who, as explained below, have had to make several tough decisions in managing the Sheep Bank.

The success of this project is dependent on the local leaders insisting that the loan recipients manage the animals well so that they will be able to repay the loan at the end of the loan period. To facilitate this, everyone, including us, agreed that it is important to select only households who are willing to work to improve themselves. That has meant that some of the poorest households have not been lent sheep because they, in a word, are irresponsible. Knowing these nomads well, I agreed with the local leaders assessments of recipients.

The success of the Sheep Bank, moreover, also depends on the local officials monitoring the recipients and making sure that they are not squandering the sheep by selling them to buy consumer goods or slaughtering them for their own meat needs. In our program this happened twice.

In one case, a very poor young man with a wife and two children was given a loan but was then discovered to be negotiating to sell them to outside traders. The local village heads intervened and warned him not to do that. When he persisted, the village leaders convened a meeting of the household heads and made the decision to take back his animals and lend them to another family. In another case, a warning to the nomad household was sufficient to change its behavior.

In conclusion, it was rewarding to see that the local and xiang-level community has supported this program well and the recipient households have, by and large, used the loans effectively. The project has made a significant difference in the life of the recipient families, and has given others hope that they will soon also receive a loan and be able to improve their livelihood.

**Submitted by Prof Melvyn C Goldstein, December 2007**

**Preliminary Report, Revolving Sheep Bank, Phase 3, Year 2**

In 2007, BODHI used funds from the Rainforest Information Center, Dharma Gaia Trust and an anonymous donor to finance Year 02 in a third area of the Revolving Sheep Bank in Tibet. In September 2007, four poor nomad households in Shakha and Drongdo each received fifty fertile female sheep, which they will keep for four-to-five years. They will then repay the community with equivalent female sheep so that the community will end up with a revolving fund to be used in perpetuity. The money was taken personally by our associate in Tibet, Gen Yondenla, a former school principal in a nearby nomad area.

Yonden is supposed to be coming to Lhasa in January or February, 2008, and will bring the documents, including the contracts with the names of receiving households.

**BUDGET**

**Year 2, Revolving Sheep Bank, Phase 3**

**Expenses**

	<b>USD</b>
Purchase of sheep and goats	\$ 3,500.00
Salary for Yonden	500.00
Expenses in Tibet: transportation. Jeep rental, driver, gas , accommodations, meals	500.00
Administration: 10%	450.00
Total	\$ 4,950.00

**Received**

Rainforest Information Center	\$ 500.00
Dharma Gaia	1,000.00
Anonymous	3,450.00
Total	\$4,950.00

## **Revolving Sheep Bank expands into Areas 2 and 3**



BODHI has facilitated a grant from the Bridge Fund for USD22,500 to fund the full five years of an expansion of the Revolving Sheep Bank into a nomad area adjacent to Phala in western Tibet.

Area 2 will purchase 50 reproductive-aged ewes and nannies from wealthier nomads to lend to four different indigent households each year within the community.

We thank the Bridge Fund and welcome their enthusiasm in taking over Area 2.

**The influence of BODHI's Revolving Sheep Bank has been far-reaching.**

We're thrilled that the Revolving Sheep Bank was the prototype for the Bridge Fund's yak and other livestock projects.

### **Revolving Sheep Bank Area 3**

Thanks to grants in 2007 from the Dharma Gaia Trust, Rainforest Information Centre and an anonymous donor, BODHI has received grants and donations totalling USD4950 for Year 1 of an grants totalling USD4950 for expansion into a nomad area near the first two sheep banks, for a third Revolving Sheep Bank. Enthusiastic donor response has ensured Year 2 of the expansion into a third area. We are still looking for funding for years 3-5.

Phase 3 is purchasing 50 reproductive-aged ewes and nannies each year from wealthier nomads to lend to four different indigent households in the community.

Thanks to you and other donors, we have received enough to enable us to fund Year 2 of this expansion.

BODHI's Revolving Sheep Bank, a 5-year micro-credit project, began in the year

2000 by purchasing reproductive-aged ewes and nanny goats from wealthier nomads to lend to poor nomad households in the community. They repaid the loan — in kind and without interest — in Years 4 and 5. Peer pressure has ensured 100% repayment.

## **Preliminary Report, Revolving Sheep Bank, Area 3, Year 2**

Submitted by Prof Melvyn C Goldstein, December 2007

In 2007, BODHI used funds from the Rainforest Information Center, Dharma Gaia Trust and an anonymous donor to finance Year 02 in a third area of the Revolving Sheep Bank in Tibet. In September 2007, four poor nomad households in Shakha and Drongdo each received fifty fertile female sheep, which they will keep for four-to-five years. They will then repay the community with equivalent female sheep so that the community will end up with a revolving fund to be used in perpetuity. The money was taken personally by our associate in Tibet, Gen Yondenla, a former school principal in a nearby nomad area.

Yonden is supposed to be coming to Lhasa in January or February, 2008, and will bring the documents, including the contracts with the names of receiving households.

### **BUDGET**

#### **Year 2, Revolving Sheep Bank, Phase 3**

##### **Expenses**

##### **USD**

Purchase of sheep and goats \$ 3,500.00

Salary for Yonden 500.00

Expenses in Tibet: transportation. Jeep rental,  
driver, gas , accommodations, meals 500.00

Administration: 10% 450.00

Total \$ 4,950.00

### **Received**

Rainforest Information Center \$ 500.00

Dharma Gaia 1,000.00

Anonymous 3,450.00

Total \$4,950.00