

SHEEP BANK EVALUATION REPORT

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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 $\frac{1}{2}$ 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 ½ of the loan in the Fall of 2005.

	Total animals			
	Before loan, End of 1999	end 2000	end 2004	mid 2005, (newborns not included)
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 of 2000	end 2002	end 2004	mid 2005 (newborns not included)
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 one's 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.