

Professional Assistance for Development Action (PRADAN)

Annual Report 2005-06

Overview

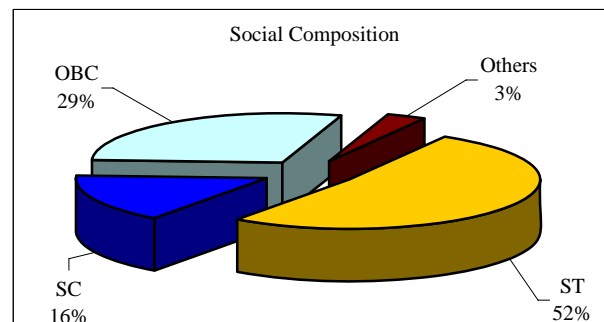
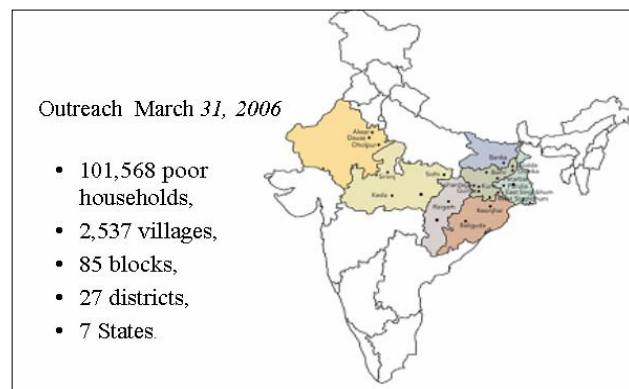
The growth momentum generated over the past few years was sustained this year. We reached out to newer families, deepened our livelihood interventions, mobilised larger financial resources towards livelihood investments and set up operations in new locations. This has not been an easy year environmentally, with bird-flu scare severely affecting poultry operations just as we were poised for rapid expansion and vertical integration, and the monsoon once again played havoc with agriculture and related programmes. In spite of a hardening human resource market we were able to sustain recruitment levels by casting the net wider. New strategic partnerships were established to mobilise financial resources and technical support for our operations. As planned, we carried forward the process initiated last year of spelling out the future scope and organisation of PRADAN and have some concrete ideas to expand outreach several-fold during the next decade.

A brief review of activities for the fiscal year 2005-06 follows.

Outreach

PRADAN now works with over 100,000 households in over 2,500 villages. Our 27 teams have a presence in 85 Community Development Blocks of 27 districts across the States of Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan and West Bengal. A majority of these districts are among the 150 poorest districts in the country. Nearly all outreach is through women's Self Help Groups (SHGs). More than two-thirds of the families we work with belong to Scheduled Tribes and Castes and all are from socio-economically disadvantaged sections of the society.

We set up two new teams, in Bankura district of West Bengal and Dhamtari district of Chhattisgarh. The Bankura team was set up at the request of the District Administration to initiate an integrated natural resource development programme along the lines of PRADAN's work in Purulia. Programme funds are being mobilized from the National Food for Work Programme (NFFWP) and the Rastriya Sam Vikas Yojana (RSVY). However, the Administration is unable to meet PRADAN's development support costs. The Dhamtari team was set up at the invitation of the Chhattisgarh Government to implement the World Bank aided District Poverty Reduction Project (DPRP) in the Kurud block of the district. Here the government would meet all the costs out of the DPRP funds.



We also began working in Tikamgarh and Chhattarpur districts of Madhya Pradesh to promote poultry rearing among poor households in collaboration with the State Government's District Poverty Initiatives Project (DPIP). The project meets our development support costs and provides resources for investments to set up poultry units.

The SHG Programme

PRADAN organises women from poor households into self-help groups around savings and credit. Mature groups are enabled to get access to bank credit and may also be linked to suitable poverty alleviation programmes of the government for financial assistance. The SHG is the base for promoting sectoral livelihood activities, beginning with exposure to such programmes nearby and livelihood planning exercises conducted with groups.

Table 1: The SHG Programme

| Particulars | March 2006 | March 2005 |
|--|------------|------------|
| Number of SHGs | 6,621 | 5,927 |
| Number of members (all women) | 95,730 | 86,240 |
| Cluster associations | 533 | 456 |
| Groups linked to banks | 5,420 | 4,603 |
| Net owned funds (Rs m) | 172.7 | 103.0 |
| Internal credit disbursed (Rs m, cumulative) | 321.6 | 250.5 |
| Bank credit mobilised (Rs m, cumulative) | 247.8 | 171.0 |
| Livelihood programme outreach (% members) | 63% | 47% |

Our priority presently is to expand sectoral livelihood programmes to reach out to all members of the groups already promoted. New groups are therefore being formed only in new project locations and to saturate coverage in existing projects. Various project teams formed about 560 new groups during the year, bringing about 9,500 new families into the fold of the programme. The SHG members saved nearly Rs 7 crore during the year and extended loans worth nearly Rs 15 crore, including funds mobilised from banks. Almost 90 percent of the eligible groups have now taken bank loans at least once and nearly half of them have been extended credit limits by banks so that they can keep borrowing and repaying as per their need without having to re-negotiate new loans. Over 60 percent of group members now participate in one or more of our sectoral livelihood programmes. The details are presented in Table 1.

The *Computer Munshi* system developed by us three years ago to computerise group accounts now covers almost all the groups. The *Munshi* is linked to the groups through a courier whom the *Munshi* pays from the fees charged to the groups. PRADAN and lending banks also buy data from the *Munshi*. The operational as well as financial viability of the *Computer Munshi* system has now been established. Breakdowns due to unreliable electricity supply and turnover of *Munshis* and couriers are typical of the country's landscape and manageable. The groups find the system very useful as it gives them up-to-date financial information. All groups now pay for the service just as they have been paying for a group accountant. Many groups pay in advance.

SHGs have the potential to become vibrant women's organisations, addressing a broader array of issues that affect women besides access to financial services and enhanced income. The many instances of groups on their own taking up issues like household violence, brewing and sale of liquor in villages, poor government services, etc. show the eagerness of groups to deal with a

broader array of issues that deeply affect their lives. Sustained engagement with the groups to nurture a broad base of leadership and help women gain experience of dealing with various issues is needed to develop this latent potential. The expanding outreach of sectoral livelihood programmes unfortunately competes for the time of the executives, and often gets priority because of the make or break nature of tasks. An obvious alternative is to develop local mentors. Our Raigarh team this year successfully used this strategy to develop mentors from among SHG women to nurture other groups and their members. The selected women are given intensive training and eased into the Cluster as facilitators and trainers. They use the pictorial pedagogic tools developed earlier by PRADAN to help women articulate their concerns. Other teams are now using this approach. This also offers us a new opportunity to expand outreach. Our executives and local community leaders can play complimentary roles. The presence of community-based mentors also makes the programme more sustainable.

SHG members organized *adhivesans* (yearly conventions) in almost all the projects around Women's Day. These events bring together several thousand women, create a sense of solidarity among women and revitalize the SHG programme. Senior government officials and elected representatives attend these conventions.

Livelihood Programmes

We continued with the two broad livelihood streams, namely, enhancing productivity of natural resources and promoting home-based micro-enterprises. Income enhancement (rather than expenditure reduction) remains the main focus of our programmes. The natural resource programme comprises of agriculture, horticulture and other tree-based activities, livestock rearing, small-scale irrigation and watershed development. Micro-enterprises are promoted in poultry, tasar silk processing, rearing and processing of mulberry silk and cultivation of mushrooms. Enhancing productivity, mobilising investments to create productive assets, building people's capabilities, setting up services and building people's organisations are the key components of our livelihood programmes.

During the year our livelihood programmes worked with about 64,000 families, drawn mostly from SHGs. Overall progress is reported in Table 2 and pictorially presented in the chart below.

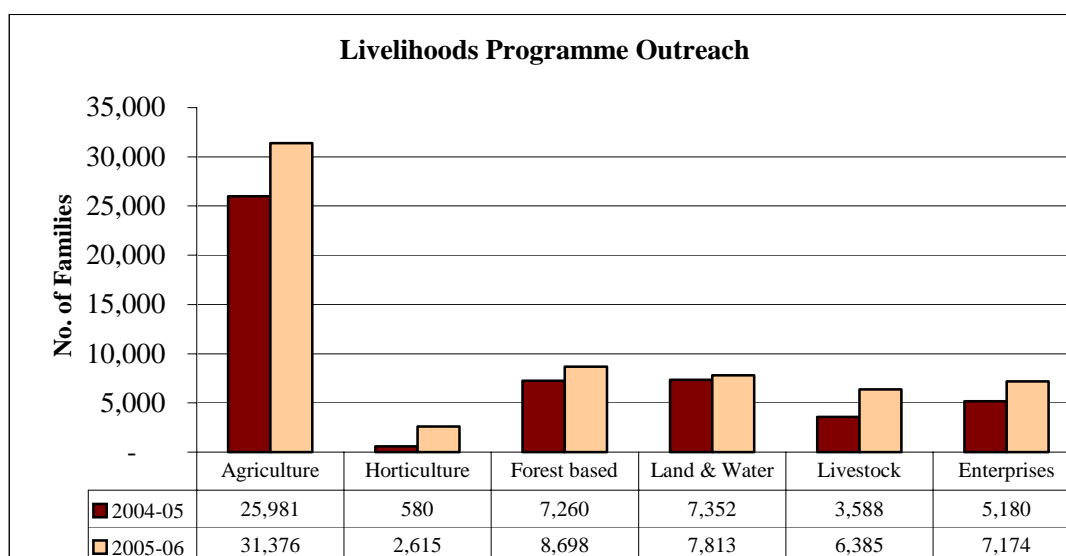


Table 2: Outreach of Livelihood Programmes

| Programme | Families Served* | |
|----------------------------------|------------------|---------------|
| | 2005-06 | 2004-05 |
| Agriculture | 31,376 | 25,981 |
| Horticulture | 2,615 | 580 |
| Tree and Forest Based activities | 8,698 | 7,260 |
| Land and water development | 7,813 | 7,352 |
| Livestock | 6,385 | 3,588 |
| Micro-enterprises | 7,174 | 5180 |
| Total | 64,061 | 49,941 |

*Note: Families overlap across

Our **agriculture** programme comprises of enhancing productivity of field crops to enhance food security, diversification into less water-intensive crops to reduce risk and promoting cultivation of vegetables for cash income. We work primarily in rain-fed, undulating and hilly regions. The productivity of the traditional cereal-based farming systems in these regions is very low. Cultivation in the middle and upper reaches of the terrain is highly risky. Promoting better crop production systems for cereals in valleys and where supplemental irrigation is available is the largest of our agriculture programmes, with an outreach this year of over 20,000 families. We have also been promoting cultivation of oilseeds and pulses on upper reaches to reduce risk of crop failure in the event of an indifferent monsoon and the outreach this year was about 4,500 families. Nearly 5,000 families took up vegetable cultivation as a rain-fed crop during *kharif* and about 4,500 families did so during *rabi* by irrigating from small wells and lift irrigation schemes. Vegetable cultivation is picking up, especially in Jharkhand. As production increases, producers are being linked to wholesalers and the arrangement is working satisfactorily at the present scale of operations. We plan to promote producers' organisations to ensure fair prices and reliable access to inputs and services to producers.

We continued to work on the System for Rice Intensification (SRI or Madagascar Rice). Over 1,600 farmers adopted the technique this year. While outreach is still minuscule, an encouraging feature this year was that many of the adopters tried it on larger areas of land and a few cultivated paddy only with this technique. We introduced hand-held weeders this year to reduce drudgery and labour costs as extensive weeding is a prerequisite for the success of this technique. In a sample of 64 farmers in Purulia the average yield was 8.8 t/ha, minimum 2.5 t/ha, maximum 15.9 t/ha and median 8 t/ha. Over 90 percent of these farmers recorded a yield of more than 6 t/ha.

SRI is truly a technique most suited to small farmers who have access to water or have land in the valley. It saves on inputs but needs careful husbandry in field preparation, transplanting, water management and weeding. It also thrives on organic inputs. We intend to continue promoting SRI in the paddy growing regions that account for most of our outreach.

The monsoon again played havoc with our *kharif* plans. Transplanting was delayed in most places and dry spells during the crop cycle damaged the crop. Table 3 provides details of our agriculture programme for the year.

Table 3: Agriculture Programme, 2005-06

| Particulars | Families | Area, Ha | Locations |
|---------------------------|----------|----------|---|
| <i>Kharif</i> Field Crops | 17,777 | 4,362 | All teams except Dindori, Siddhi & Dausa. |
| <i>Rabi</i> Field Crops | 4,021 | 818 | Kesla, Vidisha, Dholar, Lohardaga, Khunti, West Singhbhum |

| Particulars | Families | Area, Ha | Locations |
|--------------------------|---------------|--------------|---|
| <i>Kharif</i> Vegetables | 4,882 | 193 | Balliguda, East Singhbhum, Gumla, Keonjhar, Koderma, Lohardaga, Petarbar, Raigarh, Vidisha, West Singhbhum. |
| <i>Rabi</i> Vegetables | 4,696 | 434 | All teams except Dindori, Siddhi & Dausa. |
| Total | 31,376 | 5,807 | |

Horticulture is gradually emerging as a significant livelihood programme, especially in the high rainfall regions (all projects outside Rajasthan). Diversification away from agriculture is an essential component of sustainable strategies for managing natural resources and enhancing rural livelihoods in this undulating and hilly region. We have taken up fruit tree plantation programmes in Keonjhar, Purulia, Gumla and Kesla. These are being financed by mixing and matching various government schemes and donor funded projects. We have also begun implementing a project fashioned after the WADI model developed by BAIF. It is being financed by NABARD from their Tribal Development Fund. The Kesla team is implementing a drip irrigated mulberry sericulture project supported by the Central Silk Board and the MP State Sericulture Department. Silk rearing began this year and 7.2 tons of raw silk was harvested. Details of the horticulture programme are presented in Table 4.

Table 4: The Horticulture Programme

| Particulars | Families | Area, Ha | Teams involved |
|---------------|--------------|------------|---------------------------------|
| Fruit Trees | 2,492 | 390 | Keonjhar, Gumla, Purulia, Kelsa |
| Mulberry silk | 123 | 61 | Kesla |
| Total | 2,615 | 451 | |

Our work is entirely in the undulating and hilly region across central India. Most of our current outreach is in the Agro-Ecological Zone VII (Jharkhand, Chhattisgarh and parts of West Bengal, Orissa, M. P. and Maharashtra), a high rainfall, sub-humid region with an undulating terrain interspersed with hilly outcrops. Tending to natural resources – land, water, livestock – is the mainstay of rural livelihoods here. Management of the land-bound part of the hydrological cycle is central to enhancing productivity and carrying capacity sustainably in this region. Following a watershed approach, one needs to develop and promote integrated natural resource management systems that would sustainably enhance livelihoods. Developing land, judicious harvesting of water so that it contributes to production and does not erode and degrade land and promotion of farming systems that maximise production and minimise risks are the only way to eliminate poverty and spur growth in this region in the medium run. Such strategies alone can ensure food security and remove the huge regional imbalances.

We continue to champion such an approach. Unfortunately, government schemes, the main source of financing natural resource development, are yet to adopt such a perspective. Funding is usually available for small-scale **irrigation** and **watershed development**. In settings where resources are not tied to specific activities such as irrigation, we conduct extensive participatory planning at the level of each hamlet. People classify and map resources, we identify constraints and potential of each parcel of land through joint visits and together design management systems, including needed amendments and appropriate cropping to maximize sustainable returns. It is a labour intensive exercise, requires experience facilitators and can only be done only if there is flexibility in the use of resources. Our Bankura, Purulia, Keonjhar and West Singhbhum teams are able to follow such an approach. We find that with experience, village people can themselves take the process forward.

Our teams this year took up these activities with over 7,800 families. Finances were primarily mobilized from the National Watershed Development Programme, the National Food for Work Programme, the District Poverty Initiatives Project, the Special Central Assistance for Tribal Development, watershed projects funded by NABARD and the Rashtriya Sam Vikas Yojana. The Indo-Canadian Environment Facility is supporting an integrated natural resource based livelihoods programme in Keonjhar and the IFAD-aided Integrated Tribal Development Programme promotes an integrated natural resource development strategy in a couple of districts in Jharkhand.

Table 5: Irrigation and Watershed Development

| Particulars | Families | Teams involved |
|-----------------------|----------|--|
| Irrigation | 4,552 | Gumla, Lohardaga, Khunti, Godda, Dumka, Kesla, Raigarh, West Singhbhum, East Singhbhum, Keonjhar |
| Watershed Development | 3,261 | Peterbar, Barhi, Dholpur, Dausa, Deoghar, Purulia, Bankura, West Singhbhum, Khunti |
| Total | 7,813 | |

Rearing of tasar and lac are the two **forest and tree based livelihoods** being promoted by PRADAN. The tasar sericulture programme is being taken up as a SGSY special project in Jharkhand and Bihar in collaboration with the Central Silk Board (CSB). There was all round expansion in outreach. New plantations were raised in four districts in Jharkhand and Bihar, new grainages were promoted and new rearers were inducted. The lac programme continued in collaboration with Government of Jharkhand, ILRI and BASIX. Severe shortage of brood lac affected the coverage of the programme this year. Programme coverage is reported in Table 6.

Table 6: Forest-based Livelihood Programmes

| Particulars | Families | Teams involved |
|-------------------|--------------|---|
| Tasar sericulture | 5,254 | Deoghar, Dumka, Godda, West Singhbhum, Keonjhar |
| Lac cultivation | 619 | Khunti, West Singhbhum, Peterbar |
| Farm Forestry | 2,825 | Deoghar, Purulia |
| Total | 8,698 | |

The **tasar rearing** activity continued to be hamstrung by problems in the supply of basic seed by the Basic Seed Multiplication and Training Centers (BSMTC) of CSB. Fortunately, the seed cocoon yields achieved by our farmers were exceptional this year, there were no outbreaks of diseases and we were able to nearly achieve the seed cocoon and commercial DFL production targets and reach most of the rearer families we had planned to work with. Details of the tasar plantation and rearing programme are presented in Table 7.

Table 7: Progress of tasar plantation and rearing

| Activity | 2005-06 | 2004-05 |
|---------------------------------------|---------|---------|
| Arjuna Plantations Raised (Ha) | 1,444 | 1,074 |
| Grainages | 326 | 259 |
| Seed Cocoons Produced ('000) | 4,705 | 2,590 |
| DFLs Produced ('000) | 804 | 229 |
| Commercial Cocoons Produced (million) | 27.4 | 10.6 |

Livestock rearing continues to be a major under-developed source of potential livelihoods for poor people. Husbandry is a key to profitable livestock rearing and poor people have the labour needed for good husbandry. Capital investments are modest and can often be mobilised from various government programmes. Besides providing regular and stable income, livestock also act

as buffers against shocks, and if managed well, also keep adding to the capital stock. Dairy and goat rearing are particularly promising sectors. Unfortunately, in our project areas both are characterised by poor breeds and unscientific husbandry practices that result in low incomes and high risk from mortality and diseases.

Both these programmes are now expanding. The dairy programme comprises of induction of better quality breeds, training of women in feeding and husbandry practices, veterinary care, developing a cadre of village based service providers and setting systems for marketing. Financing of animals has so far been done through government schemes. We have established collaboration with Mother Dairy for technical support and marketing of milk in Rajasthan. This would eventually lead to setting up of a Producer Company that would collect and process milk for bulk sale and provide technical support to producers. The National Dairy Development Board facilitated this process.

In goat rearing, besides induction of new animals, we focus on better housing and veterinary care, especially immunisation against certain well-known killer diseases, such as PPR. Systems have been set up to procure certain vaccines dispensed only through government agencies.

Both these programmes are implemented in clusters so that capacity building, veterinary support and marketing can be taken up in a planned and intensive manner.

In projects where a significant number of water bodies are being created in the process of implementing integrated land and water development programmes, we are introducing fish rearing.

Details of the livestock-based livelihood programme are presented in Table 8.

Table 8: Livestock based activities

| Particulars | Families | Teams involved |
|--------------------------|-----------------|--|
| Dairy | 4,148 | Lohardaga, Barhi, Alwar Dholpur, Dausa, Deoghar. |
| Goat rearing | 1,792 | Dholpur, Dausa, Balliguda, Kesla. |
| Small scale fish rearing | 445 | Purulia, Bankura, Keonjhar |
| <i>Total</i> | 6,385 | |

The first direct grassroots project PRADAN initiated almost two decades ago was focused on promoting rural livelihoods from **micro-enterprises** – activities where land is not the main resource for earning income, production is primarily for sale and inputs are often procured from the market. While agriculture and other land and water based activities would continue to be the principal source of livelihoods in regions where PRADAN works, micro-enterprises offer additional opportunities, and are a new growth frontier that the poor must be enabled into. The growing urban and export demand for commodities produced through labour and husbandry-intensive processes in rural areas offer many an opportunity. Our micro-enterprise programme enables poor people to capture such opportunities.

Poultry (broiler rearing), tasar processing, mushroom cultivation and production of leaf plates are the enterprises we continued to promote during the year. We began to pilot rearing of layers and processing of mulberry silk during the year.

Table 9: Micro-enterprise based livelihood programme

| Particulars | Families | Teams involved |
|-------------------|--------------|---|
| Poultry | 2,121 | Kesla, Sidhi, Khunti, E. Singhbhum, Pertbar, Gumla, Lohardaga, Raigarh, Chhatarpur and Tikamgarh. |
| Oyster mushroom | 165 | Kesla |
| Tasar Yarn | 1,468 | Godda, Deoghar, Raigarh, Dumka, Barhi and Peterbar. |
| Eri silk | 655 | Deoghar, Dumka and Godda. |
| Leaf-Plate making | 100 | Balliguda |
| Trading | 617 | Godda |
| Vermi composting | 2,048 | Dumka, Gumla, Lohardaga, Barhi, Koderma, Khunti, West Singhbhum, Deoghar, Godda, Purulia, Bankura |
| Total | 7,174 | |

In **poultry**, growth in outreach suffered this year due to the bird flu scare. Yet we were able to expand by about 50 percent. Operations were begun in Chhatarpur and Tikamgarh districts in M. P. with support from DPIP. Under the programme, we take SHG members to existing poultry units, shortlist those interested to take it up, train them through a learning-by-doing programme and help them obtain capital to set up a 300 to 400 bird unit. Each producer rears 5 to 7 batches in a year and can earn Rs 1,500 to Rs 2,000 per batch. It is promoted as a part-time activity. The producers form a cooperative to provide services at the doorstep – procure and supply all inputs, pick up ready birds, market the birds and provide veterinary services. A matured cooperative would have transactions of Rs 50 to Rs 60 million a year. Each cooperative employs a manager and a veterinarian. Cooperatives also produce own feed and are now slated to set up two hatcheries in Jharkhand and M. P., respectively. Jharkhand cooperatives have formed a federation for marketing. The proposed National Collective could not be incorporated in the face of anxieties caused by the bird-flu scare.

Teams in Orissa and West Bengal plan to take up poultry in the coming year. We also plan to begin poultry in Dhamtari in Chhattisgarh and Dindori in M. P.

Even as the cooperatives had barely recovered from the losses incurred during the previous episode, the bird flu scare struck again. The media, instead of educating the public, sensationalised the incident, leading to huge losses to the industry as a whole as demand and prices plummeted. Government inaction did not help matters, either. Prices fell below half the cost of production. As a result, our poultry cooperatives have incurred losses ranging from Rs 5 lakh to Rs 20 lakh each. The silver lining is that individual producers have remained in the business and have shown a great deal of solidarity to save their cooperatives. As on the previous occasion, the cooperatives would gradually recoup the losses over one to two years. The immediate challenge is to mobilise more working capital – wiped out due to losses – to take advantage of the now booming market.

Table 10: The poultry programme

| Particulars | 2005-06 | 2004-05 | 2003-04 |
|---|---------|---------|---------|
| Families | 2,121 | 1,458 | 673 |
| Cooperatives | 11 | 9 | 6 |
| Installed Capacity (tons live birds/year) | 4,263 | 1,628 | 1,319 |
| Output (tons live birds) | 3,219 | 2,145 | 1,126 |
| Sales turnover (Rs m) | 104.97 | 78.55 | 35.44 |

We took up a pilot to promote egg layers in Kesla in M. P. The model suitable for layers is to supply producers with nearly fully-grown birds (called pullets) reared centrally under closer

technical supervision. As the facilities for rearing pullets are capital intensive and require large-scale operations, we procured pullets from Nashik and supplied those to a dozen rearers who had been trained and assisted to set up the required facilities. Unfortunately, the project was hit by the bird-flu scare soon after production commenced and operations had to be wound up to cut losses. The project did give us critical know-how about technology, marketing and human processes at the level of the producers. We plan to set up a full-scale project with in-house facilities for rearing pullets in the near future.

We continued to induct new producers into **tasar yarn** production in Jharkhand, Bihar and Chattisgarh, the former two supported under a Special SGSY Project from the Government of India and the latter with the support of the State Sericulture Department and NABARD. Both reeling and spinning techniques are being promoted. The current production capacity of reeled yarn is 8.08 ton and spun yarn is 1.2 ton a year. The yarn produced by groups is partly converted into fabric and partly sold directly to fabric manufacturers. Women earn Rs 7,000 to Rs 8,000 from this activity from about 250 days' work (excluding the faming season).

Shortage of cocoons this year hampered production. We have linked cocoon producers (rearers) and processors (spinners and reelers) through cocoon *haats* as we work with both and both parties gain through fair trade. A significant proportion of the cocoons produced by the rearers supported by PRADAN are normally bought by spinners' and reelers' groups promoted by us. Prices of cocoons shot up this year due to a poor crop in the major tasar cocoon producing States and traders bought up most of the cocoons for export to other regions, creating a shortage locally. Our groups produced about 7.5 tons of yarn against an installed capacity of 10 tons.

The design of a tasar reeling machine commissioned by us has been completed by IIT, Kharagpur. The prototype has been tested and a functioning model is being fabricated. The machine has features that would ensure uniformity of yarn. Another model is being designed by a student from Delft University as part of her graduation project and would be ready for pilot testing early next year.

A Tasar Marketing Unit in PRADAN presently markets yarn as well as fabric. A Producers Company under the Companies Act owned by spinners' and reelers' Mutual Benefit Trusts (MBT) was incorporated this year. The Company will take over the marketing of yarn and fabric from PRADAN next year and will manage the entire cocoon processing operations as one business. Operations will be managed in ways similar to the poultry business with the company providing technical support to producers. The producer groups would procure their own inputs but would be assisted by the Company where necessary. PRADAN would continue to train new producers and help them join the Company.

Two more crèches were set up this year in the cocoon processing centers.

Producers' Organisations

Forming and nurturing organisations of poor producers has now become a significant activity across PRADAN. Twenty two such organisations have already been promoted, including two Producer Companies (one each for tasar and agriculture), 11 poultry cooperatives, one poultry federation, one mushroom growers' cooperative, one tasar spinners' and reelers' cooperatives, two dairy cooperatives, three agri-horticulture cooperatives and one cooperative of Pahadia Adivasis. Several more, including 48 Mutual Benefit Trusts of tasar spinners and reelers are in the offing as the outreach of livelihood programmes expands.

Such organisations are essential for poor people to realise scale economies. For example, individual poultry producers with a capacity of 300 birds per batch would never be able to buy the inputs needed, nor would they be able to sell their produce at remunerative prices; individual tassar spinners and reelers would never be able to sell yarn, and so on. Besides this well-known benefit, organisations also enable poor people to absorb shocks of the kind the bird flu scare delivered – none of our producers would have survived but for the cooperative financing the losses against anticipated future profits. Collectives also are needed to organise and deliver services systematically. Finally, if poor people have to have access to financial services beyond the scope of contemporary microfinance programmes, they would need to be organised to access mainstream financial services and products.

Organised modern industry is beginning to discover rural people as producers. It is unlikely, however, that it would on its own seek out poor people as potential suppliers of goods even though they may be as good – indeed better in production activities requiring diligence and care – as larger producers. By organising they would be able to take advantage of the emerging opportunities to supply rural goods for urban and export markets.

PRADAN began to address this phenomena systematically this year. Staff now systematically invest time in developing the capabilities of governing board members of these organisations. A task group has been set up to identify training needs and develop training programmes and systems for recruiting personnel for various producer organisations.

Resource Mobilisation

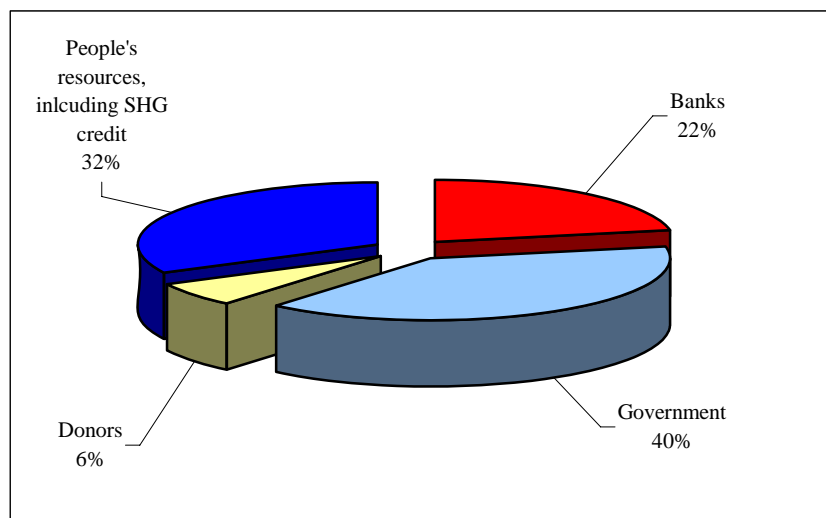
As in previous years, we mobilised significant financial resources to enable poor people create or acquire livelihood assets and sustain production. Various government programmes continued to be the single largest source of livelihood finance, followed by people's resources (including credit from SHGs) and credit from banks. Credit from own savings in SHGs contributes significantly, especially towards on-going subsistence activities and to meet contingencies. SHGs are able to leverage significant sums from commercial banks. Government contribution for livelihood investments, either through PRADAN or received by people's group's directly is the largest source of development finance. Details of finances mobilised are presented in Table 11.

Table 11: Summary of funds mobilised for livelihood investments, Rs lakh

| Programme | Total | Funds Mobilised, Source-wise | | | | | | 2004-05 |
|--|--------------|------------------------------|------------|-----------------|-----------------|-------------|-----------------|--------------|
| | | Bank Credit | SHG Credit | Revolving Funds | From Government | From Donors | People's Contr. | |
| Agriculture | 296 | 59.75 | 106.29 | 0.65 | 47.44 | 0.04 | 81.84 | 217 |
| Horticulture | 57 | - | - | - | 29.01 | 16.57 | 11.89 | 17 |
| Forest-based | 205 | 10.92 | 3.54 | - | 147.05 | 5.02 | 38.52 | 374 |
| Livestock | 634 | 166.03 | 8.20 | 1.60 | 327.37 | 61.39 | 69.64 | 688 |
| Micro enterprises | 636 | 222.90 | 21.52 | 37.93 | 308.24 | 8.46 | 37.00 | 529 |
| Land & water resource development | 651 | 3.90 | - | - | 524.02 | 65.33 | 57.89 | 446 |
| On-going subsistence activities | 1,049 | 299.91 | 749.30 | - | - | - | - | 1,128 |
| People's capacity building | 119 | - | - | - | 46.76 | 72.73 | - | 50 |
| Total | 3,529 | 763 | 889 | 40 | 1,383 | 157 | 297 | 3,449 |

About Rs 236 million was used towards investments in various livelihood programmes promoted by PRADAN teams. Over Rs 100 million was given by SHGs (from own sources and bank loans) to members to meet consumption needs and to invest in their on-going subsistence activities, especially agriculture and livestock rearing. Some 60% of the programme funds were raised from various government programmes, mainly through the efforts of our teams at the district and block level.

Principal sources of development finance from government were various centrally sponsored schemes, such as SGSY, NFFWP, RSVY, ITDA, NWDP, Special Central Assistance for Tribal Development; State schemes, especially the donor aided programmes such as DPIP (MP, Chhattisgarh and Rajasthan) and JTDA (Jharkhand); specific projects from the Central Government (special SGSY) and State Governments (poultry, agriculture, lac and dairy in Jharkhand).



PRADAN's expenditure to meet development support, programme management, HRD, research and development and administration costs this year was approximately Rs 8 crore, resulting in a leveraging ratio of approximately 4.5. This could be as much as 6 to 7 if government agencies and bank managers were more proactive.

Human Resource Development

With several mature livelihood programmes ready for expansion, we could easily absorb 100 new executives every year in the existing teams, and an even larger number by setting up projects in new locations. Current accretion rate is around 25. Getting more young executives therefore continues to be an abiding challenge. We intensified recruitment this year and cast our net wider to several new campuses. We also trained new recruiters and Field Guides to strengthen the recruitment and early training processes. A summary of human resources in PRADAN at the end of the year is presented in Table 12.

Table 12: Human Resources in PRADAN

| Particulars | As on March 31, 2005 | | | As on Mach 31, 2006 | | |
|--------------------------|-----------------------------|------------|--------------|----------------------------|------------|--------------|
| | <i>Total</i> | <i>Men</i> | <i>Women</i> | <i>Total</i> | <i>Men</i> | <i>Women</i> |
| Executives | 158 | 120 | 38 | 173 | 133 | 40 |
| Assistants | 61 | 55 | 6 | 57 | 51 | 6 |
| Apprentices | 42 | 33 | 9 | 49 | 44 | 5 |
| Staff on Contract | 38 | 38 | 0 | 106 | 96 | 10 |
| Total | 299 | 246 | 53 | 385 | 324 | 61 |

The first offering of a three-phase programme on livelihood promotion for experienced professional staff was completed this year. We plan to extend it to all executives with three years' experience. Training modules on integrated natural resource management and livelihood promotion were developed and introduced in the apprenticeship programme. Two rounds each of training programmes were conducted for potential recruiters and field guides in PRADAN. A round of training on entrepreneurship motivation was conducted for executives as part of a training of trainers programme.

An external review of the decade old apprenticeship programme was completed during the year. On the basis of the review, the programme is being modified.

Research, documentation and communication

The Research and Resource Centre was set up a few years back to support project teams by documenting experience, conducting research to identify programme effectiveness, developing methodologies, setting systems for expansion of mature projects and programmes, and effectively communicating with stakeholders. It is now headed by a full time Programme Director.

The third round of a study on Living Standards Measurement was completed this year and data entry is in progress. This longitudinal study will be taken up every year for up to another three years.

A Data and Research Unit has been set up at the Head Office to provide support for various research activities taken up by us.

A Write Shop was conducted last year to develop handbooks on various livelihood activities being promoted by PRADAN. It helped individuals anchoring the various programmes to capture the experience, delineate best practices and prepare handbooks for practitioners. Handbooks on tasar and irrigated agriculture were published during the year and are being used. Two more handbooks are pending publication.

The in-house journal, NewsReach continued to be produced. It now has 350 subscribers, though publication is still largely subsidised.

We developed a manual for the National Rural Employment Guarantee Programme for integrated natural resource management projects in the Agro-Ecological Zone VII. This was financed by the UNDP. A follow up project has been mooted to develop a training video and to provide assistance to practitioners in the field.

A short documentary on integrated natural resource management systems, titled Earth, Water, Life ... was made. It is based on our work in Purulia.

A research project in collaboration with IWMI was taken up on water quality and productivity for agriculture and livestock with reference to poor people's livelihoods up in eastern Rajasthan and Jharkhand. A collaborative research project was initiated with the Indian Council for Agricultural Research, University of Western Sydney and the Australian Council for International Agricultural Research in Purulia. The title of the research project is water harvesting and better cropping systems for the benefit of small farmers in the East Indian Plateau. It would help us understand the impact of watershed development on soil moisture and groundwater.

Governance

The Governing Board met thrice this year and the General Body had one meeting.

In November 2004, we launched an internal process to identify challenges and opportunities in 2015, and ways in which we can grow or multiply very fast to meet these challenges. It was facilitated by two organization development consultants, Dr Rolf Lynton and Dr Deepankar Roy and steered by our Executive Committee. A Consultative Group of 50 professionals with 6 or more years work experience in guided the process. The Swiss Agency for Development and Cooperation (SDC) is supporting the initiative.

The first phase of collectively crystallizing a Vision for 2015 came to a close in May 2005 following extensive consultations with poor families, external stakeholders from a variety of relevant sectors and all PRADAN staff. It resulted in setting the agenda for 2015. Broad strategies and approaches were also articulated.

The second phase, of systematically crafting PRADAN in 2015 commenced in June 2005. A Working Group on Designs for PRADAN in 2015 was constituted to delineate options for structure, processes, leadership and resources required. The Design Options were generated design options and presented to a panel of experts and the Consultative Group for critique. Having gathered their feedback, the Working Group would now put together a document that depicts the Scenario in 2015, outlines PRADAN's Objectives, and delineates Strategies to achieve these objectives. It would also present 2 broad Options for PRADAN in 2015. It would then work backwards to identify what the scenario would look like at different time points (2012, 2009 and 2006) and develop a plan for implementation. We expect this to be complete by the middle of the coming financial year so that the designs can be implemented from April 2007.