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Letters to the Editor

People's Plan, Not Ours

I felt I should respond to Dinabandhu's thought provoking reply (NewsReach February 2002) to my question (NewsReach January 2002) on his article on livelihood planning (*Learning Livelihood*, NewsReach October 2001). His response prompted me to go deeper into the issue. I agree with him that the basic and the most crucial thing before planning livelihood interventions for a poverty-stricken family is to explore its resources such as material resources, skill, capability and perception towards the resources. This would lead the professional to enter into the family's frame of reference. During this exploration, attending, active listening and responding and personalisation as being taught by Sukhvarsha and Deepankar, are crucial. These are the basic skills that we should sharpen not only to guide effectively but also to work effectively with the villagers.

I think PRA tools should be used to overcome the limitations of a verbal interview. They can add a visual dimension to the dialogue. I agree that there is lot of scope to improve our handling of the tool but the issue of inadequacy is applicable everywhere. Dinabandhu accepts that the interview itself can be inadequate if it is used unskilfully. I agree that a tool should not guide us. But is not that applicable to the interview also?

I think that ultimately it should be the people's livelihood plan, not ours. Our role is to help them to generate options and to prioritise them. What are the elements of professional input beyond that? I would want to hear more from Dinabandhu on this. I am not sure whether convincing people about our idea can be called professional input.

Dhrubaa Mukhopadhyay, Godda, Jharkhand

Panchayat Elections in Jharkhand

Panchayat elections will be held in southern Bihar, now the state of Jharkhand, after 23 years. I have thought about our role in this election. One thing is clear. We should disseminate information about it to as many people as possible. We might even consider encouraging some men and women we are working with to actively participate in the elections.

Regarding dissemination, in our team we have prepared handbills containing some basic information and are planning to print and distribute them with financial support from banks. I would advice fellow Pradanites working in Jharkhand to collect information about the new *gram* panchayats and their boundaries. Information on ward boundaries should also be collected. We should also try to get the reservation lists of men and women at the block level. This could prove invaluable for our work.

Jharkhand has 22 districts, out of which 12 are declared as scheduled based on a high percentage of scheduled tribe (ST) and scheduled caste (SC) people. Out of 221 blocks in Jharkhand, 112 are declared to be scheduled blocks with high populations of ST and SC.

The special highlight of this election is that it is not political party based in the sense that no political party symbols will be used. Every rural person of Jharkhand, whose name is enlisted in the voter list of a specified rural area, could vote and contest in this election. Significantly, in the demarcated scheduled districts, the entire head posts such as *mukhia* of a *gram* panchayat and president of Zila Parishad would be reserved for ST candidates. Women would have 33% reservation in all posts.

I anticipate that ordinary rural voters would be confused, as 4 ballot papers would be handed to them (pertaining to different levels of panchayats). Although the panchayats have been demarcated in a survey conducted in 2001, people are not yet aware of them. Dissemination of information becomes extremely important in such a scenario. If the people are not properly informed, they would either not participate, not being informed about it, or there would be extremely erratic candidatures and voting because only those who are aware of the situation would avail of the opportunity.

As far as development workers are concerned, I see this panchayat election as a tremendous opportunity because all development funds would be directly channeled to the panchayats and we could expect for a better distribution of the funds for the actual needs of the local people.

Jui Gupta, Jamshedpur, Jharkhand

Dilemma and Dialogue

Thank you very much for providing space to my write-up in the NewsReach (*Development Dilemmas*, NewsReach March 2002). I expect to hear from my senior colleagues on the article through NewsReach and hope that they would provide at least a few pointers to some of my development dilemmas.

Samir Kumar, Siddhi, Madhya Pradesh

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Left in the Lurch

Rehabilitation of lift irrigation in coastal Orissa after the cyclone of 1999 is still to take off in a major way

Bismaya Mahapatra and Srikant Bhadra

In October 1999 a super cyclone hit coastal Orissa. Among the rehabilitation measures undertaken was to revive lift irrigation points (LIPs) rendered defunct by the cyclone. This particular rehab measure has been facing rough weather due to opposition and delaying tactics from various quarters. Although a few have put in sustained effort, such a huge project has not been owned by the people who mattered.

A small example might illustrate the point. In a *pani* panchayat (water council) review meeting at a District Rural Development Agency (DRDA), we were hauled up because the progress was unsatisfactory. It is important to note here is that forming a *pani* panchayat requires a combined effort by the Orissa Lift Irrigation Corporation (OLIC) and the BDO's and ADM's office under the auspices of the district collector.

Although the performance of LIPs promoted by us was better than other irrigation departments such as medium and minor irrigation, we had to face a lot of questions because we were the only non-government people participating in the review meeting. One of the collectors commented, "I don't see any owner of this project besides you 3 people although it is a government programme."

It aptly summed up our situation in this rather complicated project. We have been given the task of implementing the programme but the reins of the project are in the hands of the government, OLIC, cultivators and our client, the Adam Smith Institute (ASI). In this article we will try to clarify the issues pertaining to the project and put things in perspective.

Background

To put the entire issue in context, we have to travel back in time. In 1964 the water resources department of Orissa started thinking to tap both ground and surface water through lift irrigation to provide micro-irrigation facilities in places with seasonal or no flow irrigation. In 1973 the lift irrigation department was separated from its parent organisation to form the Orissa Lift Irrigation Corporation as a public sector undertaking (PSU) of the Government of Orissa.

Although the performance of LIPs promoted by us was better than other irrigation departments, we had to face a lot of questions because we were the only non-government people participating in the project.

There are around 15,000 LIPs spread over 30 districts with an irrigation potential of around 2 lakh hectares. It adds substantially to the state's agriculture, particularly in the coastal belt where there are around 10,000 LIPs. Every season farmers enter into an agreement with OLIC by depositing a water tax in advance that is subject to a minimum irrigated acreage.

The water tax varies from crop to crop and from season to season. For Kharif paddy the water requirement is 12-acre inch but for Rabi it is 50-acre inch. The rate is Rs 209 for Kharif and Rs 871.50 for Rabi. OLIC provides irrigation till the harvest of the crop and remains liable to operate and maintain the LIPs. There are pump operators who are in charge of 3-4 LIPs and who are paid at least

Rs 3,000 a month.

In addition to the income from water taxes, OLIC gets an annual subsidy from the state government, which is twice the revenue collected from cultivators as per the State Corporation Act. OLIC's expenditures include electricity bills, employee salaries, pump maintenance and sundry office expenditure.

Turn for the Worse

All went well till 1990. Then the organisation received a major setback by unnecessary posting of excess employees on NMR (non-muster rolls) and DLR (daily labour rate) basis and its fate was virtually sealed. There was also a systemic failure in collection of dues from farmers. OLIC operates under the chairmanship of a political person. Since OLIC is a grassroots organisation that works closely with the people for their livelihood, it was highly politicised. There are villages where 12 LIPs were installed due to political reasons. There are other sites where the LIP has been installed on the drainage line that gets water only when it rains. It was inevitable that such mismanagement would affect the health of the organisation.

Total irrigated area has reduced by 30% for each LIP and more than 4,000 LIPs are completely defunct due to lack of proper maintenance.

Before 1996, OLIC was paying electricity dues to the Orissa State Electricity Board (OSEB). After the privatisation of OSEB, the state power grid corporation (GridCo) inherited the legacy of outstanding dues. The trend of avoiding or delaying payment continues. The dues now amount to more than Rs 16 crore.

OLIC has 9,935 employees to manage 10,448 LIPs and 50% of its income goes towards salaries. The revenue collected from farmers can meet only 10% of this cost. These factors have severely affected the efficient functioning of the organisation. As a result it has not been able to properly maintain the LIPs and service to farmers has suffered. Total irrigated area has reduced by 30% for each LIP and more than 4,000 LIPs are completely defunct due to lack of proper maintenance both at head works and distribution systems.

Perceiving OLIC's bleak future the Orissa cabinet of ministers decided to revitalise and streamline its activities in 1996. It was decided that the LIPs be handed over to users' co-operatives to save OLIC from excess overhead expenses and avoidable losses, thus ensuring better performance. But this move was tardily implemented with people unwilling to take over these irrigation points in their rundown condition. The corporation had no funds to revitalise the points before handing them over to the water users' associations. The process was thus compromised.

Hope after Cyclone

After the cyclone of October 1999 there was an assured support of Rs 28 crore from the UK's Department for International Development (DFID) to rehabilitate 6,200 LIPs reported to be affected by the cyclone in 14 coastal districts. The subsequent involvement of ASI of the UK, appointed by DFID to reform PSUs in Orissa provided a new direction to the programme. OLIC was one of the first PSU to be restructured by ASI. The reforms and rehabilitation started simultaneously.

DFID played the pivotal in the project along with other stakeholders such as cultivators, OLIC, department of water resources (DoWR), department of public enterprises (DPE) and the district administrations and their line departments. ASI was to maintain a multilateral relationship between different stakeholders and the funding agency for the smooth formation of *pani* panchayats.

This was to be followed by rehabilitation of the LIPs with the help of mobile teams and grassroots NGOs. The mobile team would comprise an engineer, a social development advisor and an accountant. The funds, routed from DFID to the *pani* panchayats through ASI and the OLIC divisional executive engineer, would be spent in central purchase or minor repairs.

Central purchase, which included buying pumps, pipes, starters, etc., was the major component of the funds to be spent centrally through special tender by the purchasing committee comprising representatives from Orissa State Disaster Mitigation Authority (OSDMA), ASI, DoWR, OLIC and DPE. The material was to be supplied to each division against requirement. The funds for minor repairs, on the other hand, were to be transferred to the executive engineer of OLIC and spent preferably by the *pani* panchayats. The mobile teams were to monitor quality and progress with help from *pani* panchayats and local NGOs.

In the first year of the project ASI was not given permission by the department of economic affairs since it was decided that all cyclone rehabilitation work had to be done through the nodal agency OSDMA. So during this project period (October 2001 to June 2002), OSDMA, instead of ASI, is responsible for handling the project funding. ASI would work as technical advisor to DoWR and OSDMA and for the formation of *pani* panchayats with the help of mobile teams.

Enter HARSHA

We were initially assigned to rehabilitate 934 LIPs and facilitate formation of *pani* panchayats in undivided Ganjam district in Berhampur and Bhanjanagar LI divisions (884 in Ganjam and 50 in Gajapati) and 1,093 LIPs in Kendrapara district in Kendrapara and Aul LI divisions. During the current project period we were additionally assigned 643 sites in Puri, Khurda and Nayagarh districts in Bhubaneswar LI division. We are operating in 28 blocks in erstwhile Ganjam (22 in Ganjam and 6 in Gajapati), 9 blocks in Kendrapara and 22 blocks in Bhubaneswar. We have got 3 teams based in Berhampur, Kendrapara and Bhubaneswar.

This rehabilitation project was closely associated with the reform of OLIC that envisaged handing over the operation and maintenance of LIPs to *pani* panchayats to reduce overhead expenditure and downsize OLIC staff.

The first phase of the project began in July 2000. Our field area is widespread. In Ganjam the 934 sites are spread over in 519 villages and in Kendrapara 1,093 spread over 500 villages. The project period initially was only for 10 months within which everything had to be completed. The targets were ambitious and it did not seem possible to go to each site, which was the initial task. We also needed to build a workable relationship with OLIC engineers at the section, sub-division and division levels because they were the real owners of the LIPs where we were to intervene to form the *pani* panchayats.

According to the project structure we were to identify, train and work with local NGOs or community organisations (COs) to motivate people to form *pani* panchayats. Since there were only 3 persons in the mobile teams, local NGOs and COs were indispensable in this short-term project. This rehabilitation project was closely associated with the reform of OLIC that

envisaged handing over the operation and maintenance of LIPs to *pani* panchayats to reduce overhead expenditure and subsequently downsize OLIC staff. The role of the NGO was specially emphasized to ensure solidarity among members of these panchayats.

In the first 2 months we concentrated on scouting for good NGOs and COs. In Ganjam it was difficult to find a good partner NGO because the budget allotment was not attractive enough to negotiate with well-established ones. Also, this short-term activity was not so promising for them. There were hundreds of small organisations operating at the block on water and sanitation and other development programmes, in which the government stipulates the mode of their involvement, more like a contractor.

We had our share of ups and downs while working with the NGOs but in the end some have stayed with us, making a mark at the block level for other development programmes as well.

The NGOs had to be chosen with utmost care in order to be very effective within a very short span of time. We had our share of ups and downs while working with the NGOs but in the end some sincere NGOs and COs have stayed with us, making a mark at the block level for other development programmes as well.

Working with the Government

The project had started with a lot of assurance of support from higher levels so we thought it would be an ideal intervention if we could bring some changes in the mind-set of the people. For the last one generation the cultivators have been at odds with OLIC. It was not an easy task to convince them to form water users' associations (WUAs) and take over all responsibilities of the LIPs.

The responsibility of the cultivator ended with paying the water tax and OLIC was responsible to deliver the services. There were few sites where people shared responsibility in water distribution. After 1990 OLIC had promoted some WUAs in their LIPs but they were functional in rare cases. In 1996-97 the government decided to implement new schemes by forming WUAs. A number of WUAs were formed for the sake of getting the project sanctioned, of which even the cultivators were unaware.

After 1996 government pressure forced some LIPs to be handed over to the WUAs. Till 2000, only 4 LIPs in Ganjam and 17 in Gajapati were transferred. In Gajapati the projects were handed over to the WUAs with the caveat that the WUA had to deposit Rs 5,300 a year for electricity charges to OLIC. All other operational responsibilities remained with the WUAs.

In some cases total responsibility remained with the WUAs. These were functioning well where there were united communities such as the Telegu speaking community in Gajapati, a solid group of farming community in Kendrapara or groups with a single man's responsibility like in Purushottampur and Aska in Ganjam. With time some of the project activities declined due to lack of support.

In some cases electricity was not restored after the cyclone. With the government-backed LIPs, OLIC was negotiating with the power distribution company. In these LIPs farmers were also enjoying political benefits such as subsidised or no water tax during natural calamities. The LIPs managed completely by the people on the other hand were left high and dry. It was therefore difficult to convince cultivators because they were apprehensive that they would lose all benefits if they went for *pani* panchayats.

Lack of Support

The government had assured us of support when we started our activity in our project area. But beyond a few letters from the water resources department to the district collectors and OLIC, nothing much was done till April 2001, when the first phase of the project was completed. The state chief minister officially launched the *pani* panchayats in September 2000 but there was no mention of lift irrigation. Special packages were developed for promoting *pani* panchayats in all major and minor irrigation systems but not for lift irrigation.

Different statements by different political parties at different times also created confusion. Local media added to this by reporting the sorry state of affairs of *pani* panchayats run by OLIC. In June 2001, OLIC was finally instructed to motivate farmers to form these panchayats but the impact was minimal as the rains were plentiful and the farmers did not need the LIPs all that much. In the meantime ASI suspended all activities in the field from June 2001 to September 2001. Therefore there was no follow-up.

From October 2001 the project started again with OSDMA as the main implementing agency. There was a new initiative to involve OLIC engineers in each meeting for co-ordination and planning for the programme. We also arranged workshops at the district and division levels with the district administration and OLIC engineers. In November and December 2001 we jointly conducted a few awareness camp with OLIC engineers for quick formation of *pani* panchayats.

Rehabilitation work should have started by the end of February 2002, as the formalities for procuring the central purchase material and transferring money to the executive engineer for minor repair work took a fair bit of time. But things are yet to be sorted out and are still caught in a bureaucratic tangle.

Rubbing Salt

Although the cultivators' expectations were not met for a long time, they were still getting some water at whatever cost. But in November 2001, OLIC was told not to run the pumps any more in LIPs where a *pani* panchayat had not been formed. The electricity distribution company was also told to disconnect electricity at all the points. Since at that time very few panchayats were formed, farmers were deprived of irrigation.

In December farmers started agitating as there were standing crops in the fields and there was no alternative irrigation. It became a political issue and keeping the forthcoming *gram* panchayat election in mind the government announced a waiver. LIPs were energised irrespective of *pani* panchayats. Subsequently OLIC slowly started handing over LIPs to the *pani* panchayats. After a lot of effort, there are now 350 *pani* panchayats in Ganjam district.

Rehabilitation work should have started by the end of February 2002. But things are yet to be sorted out and are still caught in a bureaucratic tangle.

Where panchayats have been formed, the cultivators wanted to take over the LIP but could not do so due to procedural delays in registration at the ADM's office. There were complications with the power distribution companies, as they were not signing the tripartite agreement with the *pani* panchayats and OLIC because of the large arrears OLIC had with them. Finally in February a decision was reached that OLIC would clear 50% of the past electricity dues by March and the companies would provide connection to the

pani panchayats at Rs 100 per horsepower (HP) per month. Even this did not materialise because the *pani* panchayats were not registered.

In January we had approached the Ganjam ADM to expedite the process of registration of *pani* panchayats by holding camp registration. As the *gram* panchayat elections were approaching, the block development officers did not take any initiative and the process made no headway with 260 applications pending in various blocks.

There have been many instances where our community organisers or we have been manhandled in the field. It is an acute problem in some areas where the employees' union is strong.

In Kendrapara we faced a peculiar problem. The ADM wanted the bylaws of the *pani* panchayats certified by the concerned engineer of OLIC. There was considerable delay due to that. After a lot of coercing and cajoling, 175 bylaws have been certified till date. However, the process has now ended with another string attached that the office bearers of the *pani* panchayats have to make an affidavit in the court for registration, which is again a time consuming process. In the Bhubaneswar LI division, the ADM has not agreed to waive the Red Cross fee of Rs 100, which is a common practice during registration.

Opposition from Within

OLIC has been playing a pivotal role in supporting rural livelihoods by providing irrigation to 5 lakh rural households. It wields a lot of influence and there are high expectations from it. This project, in which there is an undercurrent of reforming OLIC, faces a lot of stress and strain from many sides.

Due to the poor economic situation in Orissa, the state government wants to reduce budgetary support to all PSUs by reducing staff and overhead expenses. The present reform process of OLIC is hinged upon forming *pani* panchayats and handing over LIPs to them. OLIC employees are therefore apprehensive that once the LIPs are transferred to the users' associations, they would lose their jobs. So from the beginning of this project, all OLIC staff, irrespective of age and position, have been strongly opposing the formation of *pani* panchayats. This problem is more acute in case of pump operators and other class IV employees because they fear losing their jobs.

There have been many instances where our community organisers or we have been manhandled in the field. It is an acute problem in some areas where the employees' union is strong. In most cases OLIC pump operators are one of the beneficiaries of the same LIP that they are operating. It is difficult to organise the people in these LIPs.

There have been instances where the OLIC junior engineers and assistant engineers have been *gheraoed* by class IV employees as some of them were supporting the *pani* panchayats. In a way this kind of non co-operation was expected as these employees have not been getting their salaries regularly since March 2000 and at any given time salaries have been outstanding for 7-8 months.

Power Woes

After power sector reforms, the state power grid corporation (GridCo) is operating through 4 distribution companies -- Cesco, Nesco, Southco and Wesco -- operating in 4 zones of the state. As electricity is the vital component of the lift irrigation system, the relationship between OLIC and the respective distribution companies determines the longevity of the LIPs. OLIC has outstanding dues of more than Rs 12 crore to GridCo. Since distribution is with private companies such as BSES, the latter are not keen to work with farmers because they are aware that it would not be remunerative to them. As a result they have not restored power to the LIPs after the cyclone.

The system in OLIC entails there would be an agreement between OLIC and the distribution companies according to the HP of the motor. As there is no metering, the total units charged by the company are calculated based upon the load factor, which is 15% in off-season and 8% in season.

There has been a constant tussle between the distribution companies and OLIC regarding bills. While the former complain that it is bearing losses, the latter always asks for rectification in the bills. The distribution companies want to install meters and want resolution of disputes on old dues and payments. Besides this they want regular payments and limited maintenance expenditure, which is difficult to expect from OLIC.

Although the distribution companies feel more comfortable with the concept of *pani* panchayats, they are not at all agreeable to sign new agreements with the latter for LIPs where OLIC has past dues. So unless OLIC clears all dues, they would not provide fresh connections.

In some parts of Orissa, particularly in the Rusikulya belt, hundreds of private shallow tube wells and river lift projects provide irrigation at a higher cost, particularly where OLIC points are defunct. So our intervention of forming *pani* panchayats and reviving LIPs has been a threat to their business of selling water.

LIPs in Orissa have been used as a good election ploy to garner votes from the rural population. With a low gestation period, they can yield better results than the other irrigation systems. The formation of *pani* panchayats and handing over LIPs to them in tandem with PSU reforms (which would be tantamount to retrenchment) have given the ruling party something to be concerned about and some mileage to the opposition. In the last year, *pani* panchayats have been given topmost importance by the present government but different versions (suiting their needs) from some of the leaders even from the ruling party has created confusion among the cultivators.

Farmers in a Limbo

The farmers who face the reality in the field have suffered because the LIPS have almost been lying useless since the cyclone. Last season they incurred huge losses in sugarcane due to lack of irrigation. The production has been one fourth of normal. Recently a farmer described that he had invested Rs 20,000 in one acre of sugarcane and sold it for the same amount after one year. The farmers have formed *pani* panchayats and applied for registration more than 2 months ago, but nobody is prepared to listen to them. As far as they are concerned, they want their lift irrigation point to function, whether managed by OLIC or a *pani* panchayat.

The farmers have suffered because the LIPS have been lying useless since the cyclone. As far as they are concerned, they want their lift irrigation point to function, whether managed by OLIC or a *pani* panchayat.

It is evident that there are a lot of factors to motivate people against forming *pani* panchayats. We spent considerable time convincing people that this was the only way out. There has been a lot of misinfor-

mation spread by vested interests. The major ploy used was on electricity bills and maintenance of LI points. Farmers have been given a very distorted picture that electricity bills would soar and maintenance on pumps would be impossible.

However, some clarity is now emerging on the issue of electricity tariffs. As per the latest report, the standard calculation of electricity charges per one HP motor per year is Rs 1,200, which includes the electricity duty of Rs 42.50 and fixed charges of Rs 240. The approximate units to be used per year are 855 for one HP pump, charged at Rs 1.10 per unit. It has been decided that metering of the LI points will not be insisted upon. Wherever meters are available, assessment of dues will be made as per the meter reading.

We have to do a tightrope walk against headwinds. Although we know fully well that we have no answer to so many things, we have to hang around and manage the hostile environment.

However, the power utilities still claim that there is an outstanding due to the tune of Rs 3.49 crore against OLIC. OLIC has been instructed to pay 50% of the dues up front and then reconcile the difference. One hopes this solves the differences at the top and farmers know for sure what they have to pay to energise their points. Maintenance of LIPs is not so much of an issue because farmers in the coastal areas are quite abreast of these things.

Tightrope Walk

Since ASI was not approved for spending project money, it took a good decision of doing some repair work on pilot basis to make at least some demonstration towards the end of the first project period (April to June 2001). We had worked selectively at 5 sites in Ganjam and 6 sites in Kendrapada in which the cultivators had contributed more than 10% of the total repair cost. Barring one or 2 cases, we experienced good participation. These pilot projects have helped us to motivate people in the neighbouring areas and the expectations have gone up.

We had started working here to build people around LIPs. We were hardly welcome because the work entails encroaching on someone else's territory, and in schemes that are as old as 30 years. To top it all, there is the component of downsizing. Somehow we have to managed to hold fort.

As we have tried to describe in this article, this is a multilateral project with a number of strings attached. One has to by default stay away from reality if one wants to sustain this type of project. The client wants the output in numbers, some elements want the *pani* panchayats to fail, cultivators want immediate irrigation and rehabilitation work after the *pani* panchayat is formed and our NGO partners want the work to start soon so that they do not lose their face in their area.

There are so many wants and we are squeezed in the middle to satisfy everybody. So we have to do a tightrope walk against headwinds. Although we know fully well that we have no answer to so many things, we have to hang around and manage the hostile environment. As we are writing this, we have been getting encouraging signals that 2 lots of orders for central purchase items have been placed. We are looking ahead with optimism and gearing up for the actual rehabilitation on a mass scale.

Wider Impacts of Microfinance

A report on the thematic group meeting on understanding the wider impacts of microfinance held in Dhaka on January 6-9, 2002

Dhrubaa Mukhopadhyay

The workshop on the wider impacts of micro finance organised at the BRAC Centre for Development Management, Rajendrapur, Dhaka, Bangladesh was quite a learning experience. The workshop sessions were divided into 4 segments: presentations on different conceptual frameworks of impact assessment, reflections on previous studies, experience sharing by practitioners and action plan for impact study.

The presentations on conceptual frameworks to assess wider impacts of microfinance covered various aspects such as the meaning of wider impact, impact on the poorest, impact on gender, social capital and community building, skill and labour markets and impact of specialised financial products such as insurance.

The participant academicians included Paul Mosley and June Rock from University of Sheffield, Martin Greeley and Naila Kabeer from IDS, Sussex, Susan Johnson from University of Bath, Sajjad Zohir from Bangladesh. Institute of Development Studies (BIDS) and Manirul I Khan and others from Dhaka University.

The practitioners represented a wide range of microfinance organisations and NGOs such as Centenary World Development Bank and Uganda Microfinance Union (UMU), Uganda, Centre for Microfinance (CFM), Nepal, Centre for Youth and Social Development (CYSD), SHARE and Pradan from India, K-REP, Kenya, The Integra Foundation, Slovakia, Pro Mujer and Finrural, Bolivia, PROMUC, Peru, Small Enterprises Foundation (SEF), South Africa and Bangladesh Rural Advancement Committee (BRAC), Bangladesh.

Alternate Approaches

Sajjad Zohir of BIDS and Imran Matin of BRAC proposed an alternative way to study impact, which they called the narrower perspective that did not entirely rely on household data. With this approach it was possible, for instance, to study impact of microfinance institutions (MFIs) on local markets.

The presentations covered various aspects such as the meaning of wider impact, impact on the poorest, impact on gender, social capital and community building, skill and labour markets and impact of specialised financial products such as insurance.

Martin Greeley proposed a framework for a wider impact research programme in his presentation. The framework was based on 2 core concepts of aid impact on poverty reduction and aid intervention and change in social structure. He held that the second concept is hard to quantify as it refers to the wider impact of aid and microfinance.

Naila Kabeer warned against separating economic impact from social impact because impact should be measured in a holistic way. She presented a model of social change vis-à-vis the role of MFIs. She pointed out changes at 3 conceptual levels: change in resource, agency and achievement; change in institutional rules, norms and practices; and deeper level of changes in structures of constraints (class, gender, etc.). Kabeer proposed to study process outcome relationships in both areas of

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immediate and wider impacts.

Beyond Households

Susan Johnson proposed to study local financial markets to see beyond household level (wider) impacts. She emphasised on a methodology that uses qualitative techniques. Her core approach was to assess causes and attribute change.

Monirul Khan of Dhaka University presented his study on BRAC's microfinance programme. He had studied the economic implications of BRAC loans at household levels and roles of men and women in labour contribution and management in income generating activities. His analysis of 1,589 weekly instalments revealed that about 22% were paid from the revenue of the activities the loans had been used for, about 60% came from sources not related to investment of BRAC loans and about 16% came from other sources.

Mokbul Murshed Ahmad presented the paper of Muhammad Abdul Latif on micro credit and savings of rural households in Bangladesh, where Latif attempted to analyse the effects of micro credit on household savings. The paper hypothesised that micro credit has assured and measurable effects on savings of the participant households.

June Rock But found that gender division of labour was a major determinant of divergence in household impact in case of dropouts. Women reported that they dropped out from credit and savings groups to take care of babies or to care for sick family members.

June Rock from the University of Sheffield presented case studies on gender determinants of microfinance impact for rural African women. She examined women's access to loans in the study areas, their loan use patterns and economic and social impacts of women's direct access to loans. She also examined options and constraints to change facing women beneficiaries. She argued that gender is a major determinant of micro finance impact in the study areas and discussed the policy implications of these findings.

For instance, she found that women had no problems (90%) in controlling the use of loans. But in case of dropouts she found that gender division of labour was a major determinant of divergences in household impact. Women reported that they dropped out from their respective credit and savings group to take care of babies or to care for sick family members.

Paul Mosley presented a paper on microfinance and the rural poorest in Africa. There was a heavy emphasis on agriculture, a sector in which microfinance has traditionally not done well. The subsidiary objective of the project was to understand what design features could render microfinance a useful tool in protecting and enhancing the livelihoods of agriculture dependent rural households in Africa. Preliminary findings indicated that it is probably not possible for malnourished people to use production credit effectively. The study also found that there is a need for savings amongst the very poor.

Field Experiences

James L Macdade of Centenary Rural Development Bank, Uganda shared his concern that although commercial banks generated enormous amounts of data, these were not refined and not transformed into information. His central concern was how a commercial bank engaged in micro credit activities could be a knowledge institution through the use of client impact monitoring information.

Kate Roper from SEF presented her paper on practitioner approaches to measuring the impact of microfinance on the very poor. For SEF, measuring impact is not enough. It must be a part of a process whereby successes and problems are highlighted and lessons learned so that the effectiveness of the client and the programme can be improved. Impact assessment therefore needs to be a participatory learning process for the clients and the MFI.

Carmen Velasco of Pro Mujer, Bolivia presented her paper on group dynamics, gender and microfinance. Her paper focused on the characteristics of group intervention as an extended form of socialisation and community development, rather than a specific microfinance instrument. Carmen held that the activities that are carried out in group interventions are aimed at enhancing the role of women as leaders, as income generators, as part of a family and as persons capable of making their own decisions for their own benefit as well as the benefit of their families and their community as a whole. The Bolivian experience has shown that by offering excluded populations financial services through groups we can not only address their need to access financial services but also respond to their social needs.

A Mushtaque R Chowdhury of BRAC presented his paper on the wider impacts of the BRAC Poverty Alleviation Programme. The study found that the prevalence of severe protein malnutrition declined significantly among the children of BRAC member households. There was no such change among the children of non-members. The study found that survival of children belonging to BRAC households was better than that of children from poor non-member households. It was also found that physical violence to BRAC members decreased as they started saving but increased when they started taking loans and again decreased when credit was accompanied by other inputs such as human development and skill training.

The Bolivian experience has shown that by offering excluded populations financial services through groups we can not only address their need to access financial services but also respond to their social needs.

Anup Das of CYSD India, in his presentation on SHG programme of CYSD, emphasised on women's participation in local governance such as in the decision-making processes at the panchayat and block levels as a wider impact of the SHG programme.

Pradan's Perspective

Asif Zaidi presented Pradan's perspective of the SHG programme, which consisted of SHGs for mutual support; a viable unit for external financial mediation leading to livelihood development; and a vehicle for economic empowerment and gender empowerment of the women. He also explained Pradan's role as a promoter as opposed to a provider.

Asif Zaidi presented Pradan's perspective of the SHG programme, which consisted of SHGs for mutual support; a viable unit for external financial mediation leading to livelihood development; and a vehicle for economic empowerment and gender empowerment of the women.

Asif also presented Pradan's plan for impact assessment that has 2 parts: external impact assessment under

Asif and I, on behalf of Pradan, mentioned that we wanted to study group formation, strategic partnership, networking of groups and gender.

the guidance of Naila Kabeer and establishing an ongoing internal learning system (ILS). The questions raised in the forum included how to make Pradan sustainable and why Pradan does not take on the role of NABARD. I presented Pradan's involvement in developing ILS under the guidance of Helzi Noponen. The details of this process have been published in the March and May 2002 issues of NewsReach.

The participants took stock on the last day of the workshop and were asked to suggest action plans to assess impact. Asif and I, on behalf of Pradan, mentioned that we wanted to study group formation, strategic partnership, networking of groups and gender.

After this exercise, 2 main clusters emerged. They were group formation and building related areas and study of financial markets. I was placed with the group formation and building subgroup and Asif was in the financial market study subgroup.

Apart from Pradan, CYSD, The Integra Foundation, Pro Mujer, Finrural, PROMUC and BRAC were in the group formation subgroup. Naila Kabeer facilitated the discussion. We first talked about different levels of the research areas such as household, group and community. At the household level research areas would be decision making, mobility, gender issues in allocation of resources and opportunity, etc. At the group level the issues would be autonomy, mutual help, etc. At the community level the concerns would be women's participation in local governance, etc.

The group formation subgroup decided to share the context of their work and group formation methodology with each other. Each organisation would then develop research areas and develop questionnaires.

Research in Context

During the discussion on developing research questions in the subgroup we felt the need to place the research area in context. We also found some differences. For instance, in our (Pradan's) context we see a positive impact if the group starts making demands on the government for the entitlements of the members. The same was not applicable in the context of The Integra Foundation, Slovakia, where they consider 'charity' as one of the benchmarks for the development of the group. People also felt the need to place the level of poverty in specific contexts.

The group formation subgroup decided to share the context of their work and group formation methodology with each other. Each organisation would then develop research areas and develop questionnaires. These are to be shared in the next meeting of the subgroup in Bolivia in September 2002 before being field-tested. IDS Sussex will send the relevant literature on social capital and community building to each organisation. All participant organisations will complete their surveys and analyses by April 2002, which will then be shared.

Assessing Soil and Water through GIS

A watershed could be better managed by interfacing a soil and analysis tool with a geographical information system

Pratik Sarkar

A watershed includes a river (or rivulet) and its tributaries covering a total area. The primary land use in a watershed is assumed to be agriculture with 60% as cropland, 30% as range or pastureland and 10% built up area for human habitation. If a watershed is managed properly, intensive agricultural production can be practised for a long time. In addition to water, farmers would use fertilisers, manure and pesticides to improve crop production.

Most studies conducted in watersheds on nitrates, phosphorus, pesticides and bacteria concentrations focus mainly on sampling a few points on streams draining larger subwatersheds with different land use and management practices. Inadequate sampling techniques and few sampling points in watersheds has led to general conclusions that agriculture is the main cause of deteriorating water quality and the environment.

Soil associations are used as a basis to model sub-areas. Generally, the dominant (by area) soil series and the corresponding physical properties for each soil association is used. This representation of the watershed does not take into account different land use and management practices on a particular soil polygon. No integrated solutions are implemented in such a watershed to improve water quality, mainly due to lack of information on specific management practices and land use that contribute to the specific water quality problems.

Modelling Hydrologic Quality

The Soil and Water Assessment Tool (SWAT) is a basin-scale hydrologic quality model developed to predict the effects of alternative river basin land use management decisions on water, sediment, nutrients and chemical yields. SWAT operates on a daily time step and is capable of simulating 100 or more years. The tool offers distributed parameter and continuous time simulation, which have high potential of linking with geographical information systems (GIS), with flexible watershed configuration, automatic fertilisation, inter-basin water transfer, lake water quality, nutrient and bacteria simulation capabilities.

No integrated solutions are implemented in a watershed to improve water quality, mainly due to lack of information on specific management practices and land use that contribute to the specific water quality problems.

By using the current advances in technology, SWAT can be integrated with GIS to identify specific management practices and land uses that impact water quality. Using the GIS/SWAT interface, best management practices can be identified for possible implementation in the watershed to control and minimise water quality problems.

Hydro-geological and water quality parameters can be developed in a GIS from basic spatial-temporal variables such as soil type, topography, climate and land use data as input files to the SWAT model. GIS can also be used to spatially display model outputs. These parameters can be used in the SWAT model to estimate erosion potential, nitrogen and phosphorus losses and bacteria concentrations in water from specific watershed areas. The SWAT interface is

Land use data will be obtained from farmers' records and then digitised into map layers.

capable of saving substantial amount of resources in aggregating input data for large-scale simulations. It can also provide a graphical output interface and an analysis tool to visualise the simulation results.

Studying Lower Big Sioux

A study is being conducted using the GIS and SWAT interface to identify impacts of land uses and agricultural management practices on water quality in the Lower Big Sioux (LBS) river watershed. The specific objectives are:

- To determine concentrations of nitrates, phosphorus, pesticides and bacteria in the LBS river and its tributaries.

- To use GIS (Arc View) to create, combine and display geographic data layers from various sources to facilitate interpretation of water quality data collected in the LBS watershed.

- To identify specific sources of surface and ground water pollution in the LBS watershed.

- To use the GIS and SWAT interface to predict impacts of agricultural management practices on water quality.

Water quality, land use and land cover data will be collected from the field and appropriate agencies. Areas not in digital form will be digitised and relational databases or objects will be established.

The following data will be collected and used for this project. Map layers will be collected where available or digitised if necessary. A GIS interface will be used to automate the assembly of the SWAT model input files from map layers and relational databases and display model output. The first data layer required is the watershed boundary map that will be used to determine the area of the watershed, land uses and management practices.

A land use map layer is also needed. All land uses will be categorised and labelled. Land use data will be obtained from farmers' records and then digitised into map layers. Aerial photos will be collected and used to identify land uses over the past years. Topographic maps in digital form will be obtained from Survey of India. This map will be used to compute slopes and aspects of the watershed.

Soil association maps will be used to select soil attributes for each sub-watershed. Hydrologic characteristics of soil associations, series and groupings will be collected from the Department of Agriculture. Selected weather stations will be chosen from the study area. Monthly solar radiation, maximum and minimum temperatures, wind speed, relative humidity and precipitation data for the selected stations will be collected for 1990 to 2001. Maps will be digitised and rainfall distribution for each weather station will be determined using the Thiesen Polygon Method.

Lastly, maps of management practices such as tillage application of manure, fertiliser and pesticides will be digitised. Maps for other specific parameters required in the SWAT model will also be digitised.

Water quality, land use and land cover data will be collected from the field and appropriate agencies. Areas not in digital form will be digitised and relational databases or objects will be established. After delineating and digitising the basin boundaries, aerial photos and other documentation will be used to determine land cover and usage.

Data on areas of cropland, pasture and non-agricultural uses will be used to calculate ratios of cropland, pasture land and urban land by dividing their respective areas by the total drainage area. Land use, soils, tillage, fertiliser, manure and pesticides application coverage will be overlaid to come up with one coverage that will show critical sources of water pollution in the watershed.

Analysis of variance will be conducted on water quality, land use and management practices. Correlation analysis of water quality results with management practices and land uses will be conducted to identify sources of water pollution and best management practices. Graphic presentations and summary statistics will be prepared for the specific principal land use types and management practices observed.

The data assembled and compiled through GIS will be used in the Arc View and SWAT model to determine best management practices and land uses for specific areas. SWAT will also be used to evaluate and predict the impacts of different land uses and management practices on water quality. The predicted and observed results will be analysed objectively by using mean square error, coefficient of determination, modelling efficiency, root mean square error and sum of squares error as well as subjectively (graphically).

Anticipated Results

It is expected that management practices, land uses, and specific areas of the watershed that contribute to water quality degradation (high nitrates, phosphorus, bacteria and pesticides) will be determined. Thus, specific sources of pollution will be identified, thereby targeting remedial solutions to those specific areas. Using the SWAT model would identify alternative best management practices that can improve water quality.

Data on areas of cropland, pasture and non-agricultural uses will be used to calculate ratios of cropland, pasture land and urban land by dividing their respective areas by the total drainage area.

Editor's Note

Advent Systems Private Limited is a GIS solutions and Information Technology services provider. Their main objective is to provide technologically advanced and cost effective solutions in the areas of business, planning, governance and social issues. The company is promoted by professionals from cartography, environment studies, remote sensing and geology, planning and IT disciplines with extensive experience in GIS applications, enterprise IT solutions and systems integration. They also have professional involvement from consultants and domain experts who have extensive experience in their respective fields. Those interested may contact Pratik Sarkar at *advent24@hotmail.com* or Advent Systems Private Limited, 40/144, Chittaranjan Park, New Delhi - 110019.

Project Updates

Dholpur District, Rajasthan

We began work here 2 years ago, focussing our energies in watershed development and promoting women's self-help groups (SHGs). Our team now consists of 4 professionals and 2 apprentices. We work with 900 (591 last year) families in 30 (21 last year) villages. We spent the last 6 months working in 3 watersheds across 49 villages covering 1,445 hectares (ha). We completed infrastructure development work in 2 watersheds in March and 70% of infrastructure development in the third.

We helped the watershed committees construct 8 *taals* (lakes), build 10 spillways; dig 816 rmt of watercourses; construct 34 loose stone check dams; and reclaim about 27 ha of land. Three of these taals in the Surajpura and Bhilgavan watersheds were large (15,000-25,000 cumec), which filled up with rainwater last year. We also supported the watershed committee to work with individual farmers, with 41 rkm of field *bunding* and land levelling across 15 bigha. While our work has had a demonstration effect in the area, we fell short of our plans as these were new activities in the area.

Preparing for the phase following infrastructure development, we also developed and piloted a visioning exercise to strengthen watershed associations to optimally utilise village funds.

The creation of water bodies here has meant availability of water to hitherto rain-fed areas. The *taals* were half filled with rainwater but lack of rains after August led to reduction in availability. Farmers thus preferred to lift seepage water from the *nallahs* (streams) and *anicuts*. We piloted work on the utilisation of water in the *taals* and *anicuts* for irrigation in Surajpura and Bhilgavan. Fifteen farmers around the Bhilgavan *anicut* own 15 ha of rain-fed land and lifted it to irrigate vegetables for the first time. In both cases, 2 big farmers surreptitiously lifted water for 12 ha of mustard, thus jeopardising the small farmers long awaited dream to lift water for their first ever wheat crop. They banded together to oust the large farmers and reinforce norms of working together. Finally 29 farmers cultivated their first ever wheat crop. Another 6 farmers used the water to provide 2 rounds of irrigation to their wheat crop.

Preparing for the phase following infrastructure development, we also developed and piloted a visioning exercise to strengthen watershed associations to optimally utilise village funds. We have also developed and piloted modules for leadership training of watershed leaders and a residential training module for land reclamation following detailed chemical analysis of soil samples at a laboratory in Bharatpur. Leaders of the committees and association visited the Watershed Development Trust in Ahmednagar.

We have systematically promoted 17 users' groups around different activities such as land development and savings and credit (of men). Two self-help groups (SHGs) comprise 26 very poor goatherd families. We organised training on goat rearing for them from the Central Institute on Goat Research, Mathura and 71 goats and kids were purchased in 2 watersheds costing Rs 1,02,000 including freight. The goatherds contributed Rs 23,250.

Other nascent activities within the watershed areas are to develop a model for saline-alkaline land reclamation, setting systems and developing leadership.

Funds to the tune of Rs 6 lakh remain unused with all watershed committees. We need to work with the committees to evolve innovative options that also meet the approval of the District Rural Development Agency (DRDA). Possibilities include a community shop for agriculture inputs and animal feed, a revolving fund to users' groups and creating common irrigation systems.

We wanted to promote more SHGs this year, bringing the total from 49 to 57. We actually formed 36 new groups, bringing the total number of groups to 57 with 717 families spread over 31 villages. We are concerned that 9 old SHGs and 5 newer ones had to be closed during these 6 months, primarily due to poor maintenance of the older SHGs, lack of affinity in the BPL SHGs, internal family conflicts and lack of timely inputs from the team.

The total savings was Rs 3,06,130 and the cumulative loans generated were Rs 8,75,666, 2.86 times the savings. 56% of the loans were taken for consumption purposes and 44% for production. We managed to link 4 SHGs with banks against a planned 10. One SHG received an SGSY revolving fund and 2 are in the pipeline. We conducted 32 inter-group exposures to new groups. We also organised a Grameen Mahila Sammelan for all SHGs and conducted 2 leadership and 5 accountant training exercises.

We adapted methodologies evolving across Pradan to help SHGs develop credit plans and conducted 3 2-day residential visioning exercises to generate livelihood options. We also conducted 4 one-day visioning exercises to assess credit needs and generate livelihood options using PRA tools. Dairy emerged as the overwhelmingly favoured activity. We subsequently took 12 women and 2 men for a visit to women-driven dairy co-operatives of the Jaipur Dairy Union and another 37 women and one man from 11 SHGs to our Dausa project. We subsequently developed a dairy development programme for the area.

The year ended on a hopeful note, with Pradan being selected as a partner in the World Bank funded, Government of Rajasthan's District Poverty Initiatives Programme.

The year ended on a hopeful note, with Pradan being selected as a partner in the World Bank funded, Government of Rajasthan's District Poverty Initiatives Programme (DPIP). While we helped the community to mobilise Rs 25.64 lakh directly from the government, the DPIP now eases the constraint of funds to support our work for the next 2 years. We are now planning for future work in 153 villages of 4 clusters of Bari and Baseri blocks. While the focus of work remains the same, the short duration of the programme poses a major challenge besides manpower shortage, poor infrastructure in the district, widespread geographical area and dependency on DPIP and line departments. Shouvik, Rajeev and Sumita have just shifted to Bari to initiate work. Nitin, Yatesh and Bartika remain in Dholpur.

Areas we continue to struggle with include high indebtedness of poor families, gender inequality, paucity of good accountants and negative attitude of bankers to finance SHGs. We are also hamstrung by restrictive guidelines and target pressures in watersheds and the dominance of watershed

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presidents and their family. Interference from DRDA staff and their backup support to presidents can often create confusion. As do delays in instalments being released by the DRDA.

Keonjhar and Mayurbhanj districts, Orissa

This was Pradan's pioneer project in Orissa in 1991. By 2000 we initiated work in the neighbouring Mayurbhanj district. Our team now works in 4 blocks of 2 districts and has promoted 160 SHGs and implemented 31 micro-irrigation projects covering over 2,500 families. We have also promoted mango and cashew plantations on 20 acres of land.

Last year we promoted 77 new SHGs with 1,020 members. We have 160 groups with 2,131 members and a total savings of Rs 6,46,866. The cumulative credit rotation among group members was Rs 11,23,515. Three groups took bank loans of Rs 25,000 this year. This was a major breakthrough for the team. SHG members from Keonjhar and Karanjia visited the Barhi Project to understand the need for cluster formation and visualise the future of the groups. Nine clusters were formed as a result of the visit. We have also focussed on setting systems in groups and introduced membership (group concept) training and sound financial and organisational discipline in SHGs. We made efforts to establish relationships with the elected representatives of *gram* panchayats, which helped us in spreading the message of SHGs.

SHG members from Keonjhar and Karanjia visited the Barhi Project to understand the need for cluster formation and visualise the future of the groups. Nine clusters were formed as a result of the visit.

Rampant malaria in the area has been an area of concern and we helped some groups address it this year. A trained Ayurvedic doctor conducted training sessions for 23 groups, covering 231 people.

Creating further infrastructure for irrigation this area, we have helped construct 20 seepage ponds. We would focus on helping the farmers utilise this water for agriculture next year. The cashew plantations we promoted in 12 acres of land have also worked as sound demonstrations of alternative use of land and would be taken to more farmers in the coming year. We could not intervene significantly in agriculture in the command areas of existing irrigation sites, as there was only one dedicated professional. The villages in our area are widespread and not in a contiguous patch. Similarly, our efforts to introduce improved varieties of poultry could not make much headway, again because only one professional was managing the programme. Yet our productivity and accountability as a team has increased over the year, as we planned and reviewed our work each month.

Plans for the coming year include promoting SHGs to saturate the clusters we are working in. At present we have 72 in Keonjhar and 88 in Karanjia. We would form new SHGs to stabilise existing clusters and saturate the existing panchayats This will also help us to create a larger impact and influence mainstream institutions like banks, block administration and DRDA. Our emphasis next year will be more on helping mature SHGs mobilise resources from banks to invest in livelihood enhancing activities.

In Keonjhar the government's ICDS programme requires staff to form groups. To ensure uniformity and better functioning, we are exploring possibilities of collaborating with panchayats and ICDS with financial support from UNICEF. In Karanjia we are supported by the World Food Programme (WFP).

The past 6 months have been a turning point for our team. Until then both us and the organisation were concerned that our team has not been able to significantly make a breakthrough in impacting livelihoods of the poor in the area. The team suffered because of frequent attrition of professionals. It is only now, since October 2001, that the situation has improved. Surjit, who was on a long leave due to ill health, rejoined the team. Aparna and Bijay were transferred here from Barhi and Lohardaga in Jharkhand respectively. And Dinabandhu has taken over the reins of the project as team leader. We are now a team of 6 professionals looking forward to growth.

Sironj, Vidisha District, Madhya Pradesh

This is Pradan's first Project Facilitation Team (PFT) under the World Bank sponsored, Government of Madhya Pradesh's DPIP. Our team in Sironj started work in August 2000 with Ashok and Sulakshana. Arpana and Ananta joined later as apprentices. With an operational area of 46 villages, the team would cover 70% of the households of a village. These families may draw financial resources from the government to the tune of Rs 20,000 through common interest groups (CIGs). 30% of the total allocation for a village may further be used for village development. Investments at the household level may be in the form of infrastructure, assets, skill development or working capital. We plan to work with 4,000 families in 4 years and with 15,000 families in 10 years under this programme.

We have developed a package to cover most of the households in a village here and have successfully piloted it in 2 villages. This package includes irrigation through construction of dug wells or tube wells or by constructing water harvesting structures, imparting knowledge and skills for better cultivation and meeting needs of working capital. One key parameter to test the package is whether women's groups are implementing the entire package. We have also tested various desired irrigation structures and introduced crops (soybean, wheat, gram and vegetables) in collaboration with institutions such as Soybean Oil Processors Association (SOPA), the Indian Council for Agriculture Research (ICAR) and leading vegetable companies.

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We are also developing packages to increase productivity of farmers. One group prepared members to cultivate high yielding wheat while another group went for round-the-year vegetable cultivation. The results so far are encouraging. The yield of GW273 ICAR variety of wheat was 55 quintals per hectare compared to the yield of the local variety (Anjar) of 15 quintals per hectare. Ten quintals of seed has been retained for further replication. The families practising vegetable cultivation earned up to Rs 20,000.

We have formed 27 SHGs in 10 villages, out of which one has become defunct and one consists of men. Our strategy is to enter a village with a SHG. Sironj is a big centre for credit and thrives on lending to the surrounding villages. Although the scope for SHGs is unlimited, the requirement for credit is high. Hence savings need to be

high. We are encouraging higher savings and there are groups that save up to Rs 20 a week.

We found in a credit planning exercise with one SHG that the collective credit need was Rs 50,000 whereas savings were only about Rs 7,500. We told the women if they could raise their savings to Rs 10,000, a bank could be persuaded to give them a loan of Rs 40,000. The women were initially reluctant but within a week each deposited Rs 250. The bank was then persuaded by the team to give a cash credit of Rs 40,000 to the group. We intend to repeat this exercise with the rest of the groups. Till date 3 groups have been linked to banks. We have worked with 9 groups on irrigated agriculture, with 3 groups on crop intervention and with 2 groups each for land development and goat rearing.

In one panchayat, the local MLA distributed cheques worth Rs 8.6 lakh and visited all 20 construction sites. He assured us to get a proposed water harvesting structure sanctioned by the state government.

We conducted regular accounts training. There was cross learning among groups through meetings and exposure visits. We are evolving methods for group formation that require minimal professional time. The steps include exposure visits to older groups and formation of more than one group at a time by mobilising the entire village.

We convened a *gram* panchayat meeting where all SHG leaders participated to identify participant families. They prepared a list of wage earners, families with food insufficiency and landless households. The idea was to gather data and then help villagers identify the people to employ once construction of irrigation structures starts.

Within 10 days of the meeting 5 groups opened their bank accounts. These groups deposited Rs 60,000 (Rs 2,000 per household) by selling stored grains or mortgaging jewellery. This process has now extended to other villages. The *sarpanch* and secretary of the panchayat were actively involved during group formation, land record preparation, opening of bank account and proposal preparation. The panchayat secretary maintains all the activity group accounts in his panchayat for which he gets paid by the beneficiaries. In one panchayat, the local MLA distributed cheques worth Rs 8.6 lakh and visited all 20 construction sites. He assured the team to get a proposed water harvesting structure sanctioned under the government of Madhya Pradesh's Jan Bhagidari scheme.

We have also identified goat rearing as an alternative livelihood option for landless families. Since June 2001 we helped procure 135 goats of local breed, insured all the animals and provided veterinary care. Forty two goats were bought in Madagan in June 2001. Later 34 kids (22 male and 12 female) were added to the flock. In January 63 goats were bought in Madagan and 30 in Tarwariya. This time adult goats with kids were preferred. Thirty eight males and 30 females have been born. These kids will become productive only after one year.

The 2 SHG groups rearing goats have received loans of Rs 15,000 and Rs 16,500 respectively in order to deposit contribution in the project. The goatherds have been given elementary training and few were given training in primary veterinary care. We have been able to identify certain resource agencies with whom we are in regular contact. However providing timely and effective veterinary care is still essential as there has been increasing incidence of mortality.

One of the villages where we are promoting goats consists of very poor people whose main occupation is to migrate for cutting stones. Only women and children below 12 years remain at home. These children, who do not go to school, act as goatherds. As a result, grazing is poor. This activity needs to be remunerative to interest adults, which is only possible if the number of kids is 15-20. But in this project there will always be a time lag of at least one year between investment and income.

In the current year we plan to work with 384 families, out of which 300 are new. The activities planned include construction of dug wells and tube wells, field bunding, constructing water harvesting structures, crop intervention, goat rearing and related support, dairy and trading business, provision of bullock cart and pumps to landless and marginal farmers to carry out sharecropping.

The flow of funds has been largely satisfactory. Households have contributed Rs 10 lakh and we have mobilised Rs 5.5 lakh from DPIP. Fund mobilisation from banks through SHGs has been Rs 40,000. Total funds generated have been is Rs 6.9 lakh. We envisage that all this will result in our target households generating additional incomes of Rs 5-10 thousand a year.

Raigarh District, Chattisgarh

Our team in Raigarh started work in April 1998. The team now consists of 2 professionals and 2 apprentices and one accountant. The primary aim of the team is to promote livelihoods based on natural resources and to promote SHGs in collaboration with the local district administration. For the first one and half years we worked with DRDA and line departments to implement lift irrigation schemes. The pace of work however was very slow because we chose to work in the existing schemes selected by the government departments. The sites were scattered, requiring extensive travel. Work remained restricted to half a dozen schemes and scope of expansion was limited. It became further restricted with the launch of SGSY and the new survey list of BPL families.

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We initiated the women SHG programme in January 1999 in Raigarh block. In the past 3 years we have expanded systematically to 2 adjacent tribal blocks of Tamnar and Kharsia. The programme, now spread over 90 villages, is the core activity of the team. We have promoted 185 SHGs. Work was affected in the first half of last year due to drought. The savings rate decreased, group meetings became irregular and we could not form any new groups. Most of our time was spent in maintaining accounts, SHG training and Kharif intervention with the group members. In the second half we promoted 47 new groups.

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In Raigarh block we identified one new cluster around Nandeli village. The cluster comprises 8 villages that are close to Kharsia block. The groups were formed in cooperation with panchayat representatives and ADEO (*Gram* Sevaks). Eighteen

Bank loans have been used to buy and lease land by landless families, buy goats (up to 10-12), open grocery shops and purchase seeds and fertilisers for Kharif.

groups were formed in 2 months. The remaining 29 new groups, 11 in Raigarh block, 14 in Tamnar and 4 in Kharsia, were formed to saturate existing clusters.

We linked 15 groups with SGSY and 5 with banks. We also conducted 18 credit-planning exercises for both SGSY and non-SGSY groups. We found during the exercises that there was a huge demand for bank loans in the non-BPL groups. After helping 5 groups develop a credit plan, we helped them raise loans from regional rural banks, both at the branch and head office levels.

The loans have been used for buying and leasing land by landless families, small-scale rearing of goats (up to 10-12), opening grocery shops and purchasing seeds and fertilisers for Kharif. The total savings of 197 groups amounted to Rs 10,06,188. The savings to credit ratio kept increasing as the groups matured. The additional credit generated was Rs 12,40,939 and the total credit generated by all the groups was Rs 23,19,148. The average savings to credit ratio was 1:2.3.

We formed 10 clusters comprising 102 SHGs. Our focus has been on setting systems. We conducted 16 accounts training besides spending time with individual accountants to introduce new set of pass-books and cashbooks. Other training were held on self-analysis for 4 weak groups where 182 persons participated, 7 awareness camps, 5 SHG management training exercises, 3 enterprise management training exercises, one group leaders training, testing the ILS (Internal Learning System) with 6 groups and 25 agriculture training exercises.

We distributed 100 vegetable mini-kits procured from the horticulture department amongst SHG members in 8 villages. Most producers used the vegetables for consumption and gave some to neighbours.

The WFP is supporting us in taking up natural resources based activities since December 1999. The work is spread in 4 villages. Rs 37,47,000 have been sanctioned for developmental work in these villages. We have received Rs 13,46,000 out of which we utilised Rs 12,55,351. Last year we utilised the fund for irrigation schemes, horticulture and health camps. The team made an attempt to strengthen livelihoods by intervening in paddy and vegetable cultivation in the Kharif season. The main focus was in increasing the irrigation coverage in these villages through tube wells, tanks and lift irrigation.

We took up Kharif intervention in 25 villages in 3 blocks, targeting 250 families from 40 SHGs. We were ultimately able to reach 204 families in 23 villages. Total seeds purchased were 57.6 quintals worth Rs 64,599. We have recovered already Rs 60,601 (95%).

We distributed 100 vegetable mini-kits procured from the horticulture department amongst SHG members in 8 villages. Each mini-kit consisted of 5 different varieties of seeds: *bhindi*, *lauki*, tomato, *karela* and radish. The germination rate and crop survival was satisfactory for all the crops except karela. Most producers used the vegetables for consumption and gave some to neighbours. About 25 families took extra care and sold their produce in the market.

We promoted horticulture in 2 villages. We helped plant 275 mango and 60 lime saplings, benefiting 22 farmers. In one village the total area covered was 2 acres in one single patch, while in the other the saplings were planted on homesteads. So far (end of February) the survival rate is 85%. We also conducted 3 health camps in collaboration with the health department.

For the coming year we plan to undertake livelihood planning for 80 SHGs, covering 1,200 families in 30 villages; mobilise Rs 15 lakh through bank linkages of 50 SHGs in 20 villages; install 15 irrigation schemes benefiting 150 families; form 30 new SHGs and conduct training programmes on accounts, leadership, agriculture, horticulture training, SHG management and health camps and awareness; and promote reeling and spinning activities in tasar with 54 families.

West Singhbhum District, Jharkhand

During 2001-02 we wound up incomplete work from earlier years, completing 30 old irrigation projects spread over 9 blocks. We have progressed well in 20 irrigation sites sanctioned during 2000-2001. Most of the systems are functional, but only 2 sites are complete. We still need to pay special attention to complete work on these sites. In one site hitherto rain-fed agriculturists have started practising round-the-year cultivation.

In the last Kharif season 18 farmers harvested improved paddy with an additional yield equivalent to an incremental income of Rs 3,000 to Rs 5,000 per family. Eight four farmers cultivated Rabi crops in the command area. We provided agriculture training and exposure to good crops to these farmers. The concerned SHGs carried out the agricultural operations with the help of bank loans worth Rs 52,500.

We now work with 166 SHGs with 2,584 women. Seventy one of these SHGs were added this year, covering 1,104 women in 48 villages adopting an area-intense approach. All these groups have accumulated a savings of Rs 7.21 lakh, extended credit of Rs 12.7 lakh and earned interest of Rs 1.4 lakh.

As the groups are maturing, they have started voicing other concerns related to their villages. Last year they addressed issues such as supporting a woman abandoned by her in-laws. Two hundred women gathered and *gheraoed* a police officer to get justice for an assaulted village girl. SHG members also did not allow a corrupt contractor repair a check dam, banned rice liquor in their village and helped the effected families to take up other trading activities, took the responsibilities of maintaining the ICDS centre in the village and initiated the monthly meeting of the village council. Three groups deposited Re 1 each in every meeting in addition to normal savings for the development of the village in the long run.

As the groups are maturing, they have started voicing other concerns related to their villages. Last year they addressed issues such as supporting a woman abandoned by her in-laws.

Our team introduced improved tasar rearing practices among the traditional rearers of forest fringe villages. We worked with 105 families, with support from the tasar project at Godda (10 seed rearers, 6 grainages and 95 commercial crop rearers). We also helped 12 women take up yarn reeling and spinning activities.

During 2002-03 we plan to complete pump houses and pipe laying in 18 sites and implement new schemes in 3 sites. We

We plan to link 25 groups to banks, generating credit to the tune of Rs 3,00,000. We plan to mobilise Rs 1,25,000 through re-linkage.

would hand over and close 30 schemes. We also plan promote livelihoods with 100 families and form irrigation proposals for 8 families.

We would promote 75 new groups, covering 975 families and mobilising savings of Rs 11,2500 and credit of Rs 13,5000. We would also reinforce concepts and ideas among 900 SHG members; provide competent accountants to 150 SHGs; and groom 10 support accountants. We plan to link 25 groups to banks, generating credit to the tune of Rs 3,00,000. We plan to mobilise Rs 1,25,000 through re-linkage. In tasar, we will work with 13 seed rearers and 8 grainages. Eighty families will take up commercial rearing and 15 families will engage in reeling and spinning yarn.

Purulia District, West Bengal

Our team in Purulia is engaged in implementing watershed development programmes and promoting women-managed SHGs. We have 8 professionals and 3 support staff based at 3 locations, Balarampur, Jhalda and Kashipur. We are implementing the watershed programme under the auspices of the National Watershed Development Programme (NWDP) in 8 watersheds spread over 5 blocks. Four of these watersheds are jointly funded by the panchayats and Sir Ratan Tata Trust (SRTT), one jointly by SRTT and Council for the Advancement of People's Action and Rural Technology (CAPART), one solely by CAPART and 2 solely by SRTT.

In our SHG programme, we did not promote new groups in the first half of the year because our main thrust was to introduce the standard operating procedure in older groups.

We had targeted to spend Rs 2,472,659 of the programme fund but could spend only Rs 13,19,631, which shows an achievement of 53% of the target. The West Bengal assembly elections held in May 2001 meant that all levels of the panchayats as well as villagers were busy with election preparations from April. Also, the government order to stop all developmental work before the election affected the progress of the work in the 4 panchayat-funded watersheds. We had to stop work in one of the panchayat-funded watersheds due to lack of manpower. Till date we have almost exhausted the released amount of the CAPART fund. We were not sure when further funds would be released (another one lakh was released only in the month of March) and this has made us cautious and adversely affected the pace of the work.

In our SHG programme, we did not promote new groups in the first half of the year because our main thrust was to introduce the standard operating procedure developed in older groups. In the second half the thrust was on promotion of new groups and linking the stable groups with banks.

We have promoted 262 SHGs in Purulia. We are working with 3,955 families, out of which 38% are tribal, 20% is SC and 24% OBC. Out of our 262 groups, 27 were formed just a month back. We formed 3 new clusters of SHGs. Total savings mobilised by new SHGs were Rs 1,66,874 and credit generated was Rs 2,51,380. Total additional savings mobilised and credit generated by the total number of existing SHGs were Rs 6,22,928 and Rs 22,96,362 respectively. Thirty seven SHGs were linked to banks, obtaining credit worth Rs 5,32,005. Two SHGs were linked for the second time to a bank.

Training is an important element of setting systems and we had targeted 80 awareness programmes but could do only 23. Twenty five accounts training exercises were conducted out of a planned 27. We also conducted 2 group promotional training and one training of service providers out of a targeted 3.

We expect a total of Rs 14,84,625 as incremental income from our interventions in the coming year. This excludes benefits flowing from interventions made in earlier years. The sources would be as follows: Rs 1,85,625 from the 5% model, Rs 6,00,000 from lift irrigation, Rs 2,47,500 from creation of water bodies, Rs 2,62,500 from seepage tanks, Rs 18,000 from diversion *bunds*, Rs 15,000 from land levelling and Rs 6,000 from field channels. We expect another Rs 1,50,000 from other miscellaneous sources.

Plans for the coming year include work on the 5% and 30*40 model, check dams and gully plugging and land levelling, utilising funds to the tune of Rs 8,45,696. We would also promote plantations, build irrigation infrastructure, work in agriculture development, conduct training and exposure and promote fishery. The total expenditure expected is Rs 41,14,310.

We would not promote any SHGs in any new area and would form new groups only where commitments have already been made. We would promote 25 new SHGs involving 270 members that will mobilise a savings of Rs 40,000 and generate a credit of Rs 31,000. However total additional saving mobilised and credit generated by all SHGs for the year will be Rs 4,65,480 and Rs 11,89,550 respectively. There will be 31 accounts training programmes, 3 training programmes for service providers, 61 awareness programmes, 21 training programmes on livelihood, 7 exposures of group members, 4 Mahadhiveshans and 86 bank linkages. Apart from these we would evaluate all 262 groups, form 28 clusters, conduct baseline base line survey for 10 groups, conduct audit and distribute dividend to 209 groups.

We expect a total of Rs 14,84,625 as incremental income from our interventions in the coming year. This excludes benefits flowing from interventions made in earlier years.

One major concern is that most of our professional time is presently invested in group maintenance and promotion. As a result, not enough quality time is being spent to consciously think about livelihood options for SHG members and implementing it in the field.

People, News and Events

- We welcome 10 new executives to Pradan: Annie P A in Vidisha, Mahua Roy Choudhury in Gumla, Arpana Sharma in Vidisha, Om Prakash in Siddhi, Rajnikant Prasad in Lohardaga, Srilata Patnaik in Baliguda, Bartika Sharma in Dholpur, Samit Ganguly in Kesla, Ankur Singhal in Godda and Prabhat Pandey in Raigarh.

- Twenty-five apprentices joined the 25th batch starting on April 1, 2002. We welcome them all.

- Binju Abraham at Khunti in Jharkhand married Annie Kurian on May 2. Sulakshana Nandi at Vidisha in Madhya Pradesh married Samir Garg on June 7. Samir is a former Pradanite currently working with Srijan and based at Sagar in Madhya Pradesh. Dip Narayan Banerji, currently on leave from Pradan, married Soumita Bhattacharjee on May 8. Sahana Mishra also tied the knot on June 6. Congratulations to all the newlyweds.

- R V S Rajput, based at Raigarh in Chattisgarh, resigned from Pradan. We wish him luck.

- Pradan is a participant in the ImpAct programme "Improving the Impact of Microfinance on Poverty: Action Research Programme". D Narendranath and Helzi Noponen attended the Programme Global Meeting in Sheffield, UK, from April 28-30. It had 3 main objectives: To consolidate and review the experience of the programme; to plan towards and prioritise programme objectives for the coming 2 years and to develop a revised work plan focused on ensuring high quality, timely and useful outputs at all levels; and to provide opportunity for the sharing of experience and learning.

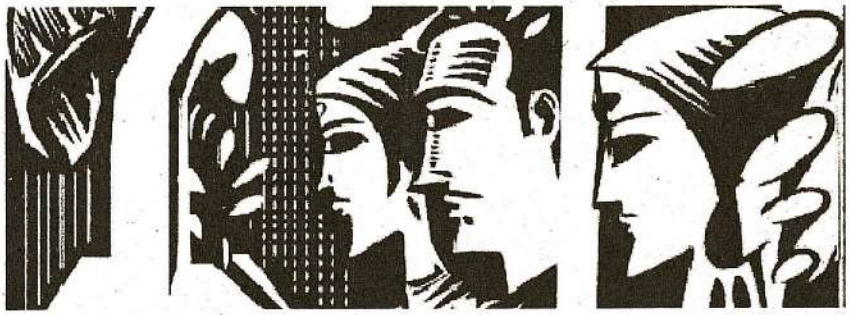
- Satyabrata Acharyya and Khitish Pandya were part of a Central Silk Board delegation on wild moths from India to a conference in Indonesia from April 23-29. This included participation in a fair-cum-exhibition.

- Dhrubaa Mukhopadhyay conducted a demonstration livelihood planning workshop at Khunti from May 14-17, which was attended by neighbouring Pradan team members.

- Professor M S Sriram of the Indian Institute of Management, Ahmedabad, conducted the second accounts training programme from June 4-9 at Deoghar.

- We have decided to intervene in the Kharif crop in our project areas this season. Dinabandhu Karmakar conducted a workshop at Ranchi from May 17-19. Paddy is the main crop under this intervention. The participants identified a minimum of 7 activities to be ensured by all teams this season. They include ensuring: supply of quality seeds to the farmers; quality nursery raising; timely transplanting; timely weeding and hoeing; proper fertiliser application; management of water, and support for pest and disease control. The first 2 are immediate and very important.

Responsibilities have been allocated as follows. Team-wise anchors are Alak Jana (Purulia), Ajit Naik (Gumla), Kirtibhushan Pani (West Singhbhum), Abhijit Mallik (Hazaribagh), Anirban Ghose (Ranchi), Kashinath Metya (Raigarh) and Anil Verma (East Singhbhum). Other professionals in these teams would organise training programmes and supervise the work of community level service providers. These are the third set of people who would help us monitor the nursery bed preparation of about 400 families' nursery operations. This is a big responsibility and the first time for most teams.



PRADAN (Professional Assistance for Development Action) is a voluntary organisation registered under the Societies' Registration Act in Delhi. We work in selected villages in 7 states through small teams based in the field. The focus of our work is to promote and strengthen livelihoods for the rural poor. It involves organising them, enhancing their capabilities, introducing ways to improve their incomes and linking them to banks, markets and other economic services. PRADAN comprises professionally trained people motivated to use their knowledge and skills to remove poverty by working directly with the poor. Engrossed in action, we often feel the need to reach out to each other in PRADAN as well as those in the wider development fraternity. NewsReach is one of the ways we seek to address this need. It is our forum for sharing thoughts and a platform to build solidarity and unity of purpose.

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