# Executive Summary

IFAD's strategic thrusts for the Asia and Pacific region for 2002-2006 include the building and strengthening of rural poor organizations (RPOs) and their coalitions/federations coupled with rights-based approaches and capacity-building of the poor. These thrusts constitute major and important shifts in the direction of helping in the empowerment of the rural poor.

The foregoing review of IFAD project experiences in building and developing RPOs in the Asia and Pacific region has yielded a number of positive findings in this regard. However, whereas there have been many positive experiences in the *formation* and *strengthening of RPOs*, particularly of SHGs, only a few project experiences, mostly from India, have yielded encouraging and useful lessons in the building of coalitions or federations, which is the next phase in the development of RPOs. In the WMCIP case study in the Philippines, the work of federation building was undertaken even though this was not explicitly stated among the project objectives. This (RPO) federation-building at the village and inter-village levels has had very promising consequences in expanding the voice and power of these RPOs vis-à-vis government, etc., and in improving the prospects of sustaining the benefits obtained from the project into the future.

Projects that developed clusters and federations of SHGs did so to scale up the economic empowerment of the groups, primarily women SHGs, through the expansion of their linkages with external institutions, such as banks. At the same time, some of these federations came to address not just the economic empowerment concerns of their women members but also, as a result of their increased numbers, their socio-political empowerment. Increasing the scale of activities as well as their bargaining power can help to ensure a greater chance of sustainability, not only of the federation and their member RPOs but also of project activities and benefits. This is particularly relevant in light of IFAD's strategic thrust for 2002-2006 of strengthening the RPOs and their federations.

The review also noted that the context for coalition- and federation-building varies among countries, with some offering a more

conducive environment than others. Hence, projects and project partners must provide greater support for the formation of coalitions and federations and for subsequent assistance in their continued development.

However, it was also observed that many project-related and supported RPOs have not developed far or fast enough in order to progress to the next level of coalition- or federation-building. Some projects succeeded in forming their target number of SHGs, but were not quite as successful at forming groups of good quality. Hence, the recommendation to re-focus on raising the quality of the SHGs and their membership rather than continuing to expand their numbers. Several projects reported that many SHGs had no clear vision of where their groups were headed nor were they aware of or familiar with the aims and objectives of the SHGs. Such problems are usually the result of projects being simultaneously begun in an area by different donors that have their own rules and requirements. In fact, projects generally tend to form new organizations instead of exploring the possibility of working with groups that already exist, assessing their viability, and if found viable, mobilizing them and facilitating their development as RPOs for purposes of the project.

This highlights the importance of recognizing, prioritizing and providing support for capacity-building of the poor and of their organizations in organizational as well as technical matters. Training programs, including literacy programs, can help ensure a proper levelling off of information, and understanding of organizational rules, thereby strengthening

governance mechanisms. Proper orientation on the concepts of SHGs has been cited in most projects as essential for both the SHGs and their members and leaders. Training activities however should be given as and when needed by the beneficiaries and RPO leaders/members rather than as a function of rigidly set schedules of training activities as has often happened in many of the projects.

Capacity-building covers more than training activities. It also involves active mentoring and facilitation by social mobilizers or community organizers to assist in the development of RPOs as organizations as they move from one organizational phase to another. This kind of support is particularly important in conflict resolution, group management, and in setting up effective monitoring systems.

The evolution of RPOs into coalitions and federations and the sustainability of these groups will happen if the process is properly facilitated, and assuming that the RPOs are ready for such a move. Without a strong capacity-building component that aims to enhance the empowerment of the rural poor, beneficiaries will remain passive recipients of project benefits rather than becoming active owners of the project, contributing substantially to various phases of the project, and even beyond it. Part of capacity-building is making the RPOs aware of the indicators and parameters for assessing their level of maturity, and training them to keep track of their progress themselves.

This capacity-building is also critical to the community organizers or social mobilizers/facilitators who are tasked with building up the RPOs.

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Just as importantly, RPOs must be helped to build strategic partnerships or, at least, linkages with various sectors and groups, especially government agencies and institutions, NGOs/CSOs, and the private sector, which can help enhance their sustainability through the provision of greater access to information and possibly human, technical and financial resources.

Other problems and issues have been raised, particularly the lack of exit strategies to address the sustainability of these RPOs and of the project activities and benefits after the life of the projects. Such exit strategies need to be incorporated into the project design to allow sufficient resources to be allocated. For example, exit strategies for projects need to address the following: developing adequate internal organizational capacities and incentive systems among the organizations, including assisting the RPOs to generate and sustain their own resources. Likewise, dynamic and effective social mobilizers from the communities must be trained and developed in order to continue to assist these organizations or coalitions/federations in their organizational processes. At the same time, these mobilizers/facilitators themselves must be supported financially during the transition period.

Another element of an exit strategy is assessment of government policies, both existing and potential, which may affect the sustainability of the RPOs and their federations or coalitions. Projects need to be able to advocate for policies that are favorable to these RPOs and that can increase government's support for RPOs particularly after the project has finished.

It appears that IFAD has not been able to grapple with this sustainability concern as much as is warranted, implying too that it has not provided for the resources required for continued support of the RPOs, and their coalitions/federations after the projects close or before the RPOs/coalitions/federations are able to transform themselves into self-reliant, self-sustaining organizations. A critical question that must be raised with IFAD is, "To what extent is it willing to allocate the resources to assist in implementing the projects' exit strategies?"

Problems regarding social mobilization processes that have been faced by projects are traced mostly to flaws in the project design that predetermine the nature and set 'menu' of development activities that the RPOs and the villages are allowed to engage in.

Thus, the fundamental indicators that RPOs must demonstrate before they can form themselves into apex bodies pertain to their own level of development and sustainability as RPOs. The following are some of the key questions that RPOs must answer to determine their readiness and capacity to be sustainable.

➢ How strong are their linkages with government, including local government units and government agencies that impact on their organizations and communities?
➢ How strong are their linkages with private sector groups, particularly banking and other financial institutions that can provide them with

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necessary credit and capital requirements, or with donors?

➢ Vis-a-vis NGOs/CSOs, with whom can they collaborate to access resources, including financial, technical and human resources?

➢ How strong is their collaboration with other people's organizations/RPOs, on common concerns and issues, especially in order to engage in lobbying and advocacy?

## RECOMMENDATIONS FOR IFAD

Which of IFAD's interventions are crucial to promoting the growth and maturity of RPOs, and their coalitions and federations, and to helping to ensure both their sustainability and that of IFAD project benefits?

The following recommendations have emerged from the various documents covered in the review as well as from the author and participants at the "SCOPE Regional Workshop on Strengthening Rural Poor Organizations in Asia" held on November 25-28, 2005 in Bangkok, Thailand:

### 1. FOR IFAD HEADQUARTERS AND CPMS:

#### 1.1 Design of projects:
➢ Ensure that there is a clear and doable exit strategy for RPOs/coalitions/federations formed in all projects, defined as early on in the design as possible with adequate budget allocations;

Examples of elements of this exit strategy are the following:

• the sustainability of projects depends largely on internal organizational capacities; thus, adequate incentive systems must be put in place to build and maintain such capacities, including assisting the RPOs to generate and sustain their own resources;

• developing dynamic and effective social mobilizers from within the community who can continue to assist these organizations/coalitions/ federations in their organizational processes, and supporting these mobilizers/ facilitators themselves during the transition period;

• assessing government policies, both existing and potential, which may affect the sustainability of the RPOs and their federations or coalitions and advocating for policies that are favorable to these RPOs and can increase government's support for them particularly after the project has finished;

➢ Inform and involve as many government agencies (multi-sectoral) as possible in project formulation to enable RPOs to link with as many of these agencies and thus gain access to more resources even after the project ends;

➢ Ensure timely and sufficient provision of resources to support organizational processes of groups, including the coalitions and

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federations formed by projects. Projects are often ambitious in terms of planned outputs, but budgets for institution-building, which takes time and effort, are often limited.

➤ Make sure that the poorest and most vulnerable are reached, particularly in credit and microfinance activities;

➤ Provide closer and more responsive supervision of flexible lending mechanism (FLM) projects to be able to respond quickly and relevantly;

### 1.2 Capacity building among staff:

➤ Continue to increase awareness and understanding among IFAD staff on the critical importance of RPOs and their coalitions/ federations to reducing poverty and sustaining project gains, through regular exposure programs that demonstrate the effective functioning of these RPOs/ coalitions/federations. These exposure programs may include both IFAD and non-IFAD related projects.

### 2. FOR IFAD PROJECT STAFF AT COUNTRY LEVEL:

➤ Provide opportunities to expose project staff (including government agencies involved in the projects) and RPO/coalition/federation leaders to projects where social mobilization processes have proved to be successful and sustainable;

➤ Ensure sufficient and quality training for project staff, particularly of social

organizers/mobilizers as these are key to building strong and sustainable RPOs;

➤ Before project implementation, recognize existing informal organizations of the rural poor, assess their viability and consider the possibility of mobilizing them instead of immediately forming new organizations which can result in additional impositions on the people;

➤ Set up indicators of RPO growth and development, which the RPOs themselves can use to monitor and assess themselves regularly;

➤ Provide the necessary training for RPOs to be able to do self-monitoring of these indicators;

➤ Recruit facilitators and COs who can work full-time, live in the village, and are able to respond to the needs of the groups;

➤ Ensure that there are more women facilitators/COs, particularly in the formation of women's groups;

➤ Provide capacity-building activities for RPO leaders and members, such as training that is provided according to need rather than to comply with a set schedule of project activities.

A critical question remains as to how far IFAD is willing to go in terms of providing material, financial and human resources in order to build the capacity of RPOs, nurture them, and to mentor those groups that are moving towards the formation of coalitions and federations in the different phases of the project as part of its ongoing strategic thrust of empowering the rural poor and their organizations.

# Overview

One of the major poverty reduction strategies employed by the International Fund for Agricultural Development (IFAD) is contingent on the capacities of the rural poor as well as of their organizations. This strategy is laid down in IFAD's Strategic Framework for 2002-2006.

IFAD asserts that the poor need to be given the opportunity to build and develop their individual and collective capabilities to gain access to basic social services, infrastructure and economic opportunities. Such access is best secured through strong social organizations of the poor. Moreover, these organizations could articulate the voices of the rural poor and to promote and protect their interests, particularly in their interactions with Government.

These broad principles underlie the Asia and the Pacific Division's Strategy for Rural Poverty Reduction, which emphasizes the need to empower the most vulnerable and marginal sectors among the poor, such as indigenous peoples and rural women, using a rights-based approach to development. Specifically, this regional strategy calls for:

> ➢ *Strengthening of the capacities of the rural poor* in local, self-governing institutions to foster a sense of collective identity and build social capital through collective actions;
> ➢ *Building coalitions of the poor* that can give voice to the poor, promote their access to resources, protect their interests in political arenas and markets, and influence institutions relevant to rural poverty alleviation, specically their policies, laws and regulations;
> ➢ *Building and nurturing strategic partnerships* between and among community-based organizations (CBOs), civil society organizations (CSOs), and other support institutions;
> ➢ *Facilitating policy dialogue and change* towards the reform of property and resource rights, in particular, and the creation of a more enabling environment, in general.

The building of institutions, particularly of rural poor organizations (RPOs) that are the target beneficiaries of its projects, has

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traditionally been part of project design at IFAD. Yet, many reviews of IFAD's project experiences have shown that CBOs or RPOs formed in the course of projects have functioned mainly as conduits for project benefits and resources. This situation has tended to undermine the post-project sustainability or viability of IFAD's efforts. CBOs/RPOs were also found to lack the right sorts of linkages at higher levels, e.g., with government or other civil society groups, leaving them—at the close of the project—with little or no access to markets and/or political influence. Projects rarely set targets for building group self-reliance, nor do they measure the progress of projects towards these objectives. They have also overlooked the need for a clear exit strategy to ensure the sustainability of CBO/RPO efforts.

Nevertheless, IFAD's initiatives to focus more strongly on building and developing RPOs and their coalitions/federations as part of its current and future strategy can be viewed as a positive move towards the long-term empowerment of the rural poor.

## OBJECTIVES OF THE REVIEW

It is in the context just described that this desk review has sought to undertake the following objectives:

- ➢ To describe and assess IFAD Asia's efforts in the past 10 years to build and strengthen RPOs and/or coalitions/federations; and
- ➢ To provide suggestions and recommendations towards improving IFAD's initiatives to build and strengthen organizations and/or coalitions/federations of the rural poor.

Specifically, the review seeks to examine the processes undertaken by IFAD to incorporate the building and development of RPOs in the course of project formulation and implementation. It looks into the factors that have contributed to the success or failure of efforts to develop RPOs. Special attention is given to IFAD's support for the building of organizations among its primary target groups – rural women, indigenous peoples, marginal farmers and fisherfolk.

## FRAMEWORK AND METHODOLOGY

The study primarily made use of various documents related to 69 projects in 16 Asian and Pacific countries. All projects approved and/or designed in the 10-year period from 1995 to 2004 were included in the review. Some of these projects had already ended; majority were in various phases of implementation; while several were, at the time of this review, about to be implemented, pending final approval by the IFAD Executive Board (EB) or the fulfillment of other requirements.

Projects have been categorized according to the different project types defined by IFAD, i.e., agriculture, credit, irrigation, rural development, livestock, flexible lending mechanism (FLM), research/extension/training. Projects that awaited EB approval were classified as "undetermined".

In all of the projects, the component or sub-component of institution building was closely examined. The review has attempted to answer several questions linked to institution building of RPOs or of their

coalitions/federations at various stages of the project life cycle.

These questions included:

### 1. Project formulation:

➢ Is the building of RPOs, and/or their coalitions/federations focused on in the project's goals and objectives, and in the design and strategy?

➢ Does the project document describe the process or methodology of developing RPOs? If so, what is this process? Who are tasked to implement this process or methodology?

➢ What are the indicators, if any, for determining the level and degree of development of the RPOs and/or their coalitions/federations?

➢ What are the indicators, if any, for determining the sustainability of RPOs and/or their coalitions/federations that the project hoped to establish?

### 2. Project Implementation:

➢ How does the project assess the experience in building RPOs and/or their coalitions/federations?

➢ Are the resources allocated by the project sufficient to pursue the objective of setting up and developing RPOs and/or their coalitions during the life of the project and beyond it?

### 3. Monitoring and Evaluation:

➢ How is the project monitoring the capacity and level of development of the RPOs?

### 4. Sustainability Issue:

➢ For projects that have closed, have the RPOs or their coalitions/ federations continued to exist? How strong are these organizations?

➢ What forms of support from IFAD or other resource agencies can these organizations rely upon after the project has ended?

A scheme is also presented that captures the stages that groups generally go through in their development and evolution from start-up to organizational maturity.

An overview of the strategies that IFAD has adopted since its establishment is also presented in order to give readers a picture of how IFAD's focus and thrust on institution building among the rural poor has evolved. Interviews with some Asia Division staff were conducted in this regard.

To illustrate more concretely the institution building processes involved in the IFAD projects, three project case studies have been included in this review. These projects are the Maharashtra Rural Credit Project (MRCP) in India, the Post-Crisis Programme for Participatory Integrated Development in Rainfed Areas (PIDRA) in Indonesia, and the Western Mindanao Community Initiatives Project (WMCIP) in the Philippines. The MCRP ended several years ago; the WMCIP has just recently finished, while PIDRA is ongoing.

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These projects offer successful experiences in building organizations of the rural poor. They describe in detail the methods and approaches to building RPOs and focus on factors that facilitate or constrain the progress of the RPOs towards achieving self-reliance and sustainability. They also document the gains that have been made in moving towards the next step of forming RPO coalitions and federations.

## ORGANIZATION OF THE REVIEW

The paper is divided into three parts: the first one covers literature related to the issue, particularly the experiences and approaches taken by NGOs and CSOs to the formation of RPOs in the Asian region, and which have served as models for IFAD projects' own organizing work among RPOs.

The second part is a general review and assessment of IFAD projects in Asia, especially the work with RPOs.

The last part consists of case studies of three project experiences in institution building among the rural poor and their organizations.

# Building Organizations of the Poor

This section presents features of several NGO/CSO strategies and approaches that can provide useful insights into how to build and strengthen RPOs and their coalitions/federations. Some of these approaches have been adapted in several IFAD projects in Asia. Four CSOs and their strategies are also described below.

## MYRADA's concept and strategy of Self-Help Groups

Since 1987 MYRADA, or Mysore Resettlement Development Agency, has been promoting an approach to forming Self-Help Groups (SHGs) as part of its program of banking with the poor in several states in India. The basic features of MYRADA's SHGs are:[1]

1. Affinity, which binds the members together;
2. Voluntarism, i.e., the SHG sets its own agenda, designs its own rules and systems of functioning;
3. Homogeneity – members are all poor;
4. Size – MYRADA's SHGs have between 15 and 20 members.

Formal financial institutions that assess loan applications by SHGs usually gauge the SHG's eligibility according to the quality and adequacy of the latter's management and financial systems. Keen to improve their record-keeping, and conscious of the low level of literacy among their members, SHGs are usually willing to hire someone to take care of such aspects of running their organization. In fact, MYRADA recommends that an annual audit of all the SHGs it assists be undertaken by certified accountants.

## The Self-Employed Women's Association's organizing strategy in rural areas[2]

SEWA is a trade union registered in 1972 and is composed of poor, self-employed

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1  The MYRADA Experience – A Manual for Finance and Management Systems of Self-Help Groups.

2  SEWA – Self Employed Women's Association, 1999.

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women workers. It started its organizing work among workers in rural areas in 1979. SEWA believes that the only viable strategy to empower workers and to increase their bargaining power is to increase local employment opportunities. Its rural organizing approach focuses on:

1. Increasing the employment opportunities for women in order to enhance their bargaining power;
2. Developing women's assets;
3. Capacity building and leadership development of rural women;
4. Promoting food and social security;
5. Building self-reliance, both financially and in regard to running organizations;
6. Eco-regeneration through employment for rural women;
7. Collaborating in the government's rural development programs.

## SEWA's 10 Questions for Members

The following set of questions serves as a guide for all members, group leaders, and SEWA organizers. It is used to monitor SEWA's progress and the relevance of its activities, in order to promote accountability among its leaders and organizers.

1. Have more members gained employment?
2. Has their income increased?
3. Have they obtained food and nutrition?
4. Has their health been safeguarded?
5. Have they obtained child care?
6. Have they obtained or improved their housing?
7. Have their assets increased?
8. Have the workers' organizational strength increased?
9. Has workers' leadership increased?
10. Have they become self-reliant both collectively and individually?

SEWA also believes in mass mobilization of its members through campaigns which strengthen the SEWA movement as well as highlight the members' individual concerns. The women identify the issues that affect many of them. Continuous meetings are held with as large a representation as possible to formulate a strategy which would be led by the women themselves; which involves working with other POs, women's groups and NGOs; and which includes policy action and dialogue with government officials and policy makers.

## The Aga Khan Rural Support Programme approach to social mobilization[3]

The AKRSP was established in 1982, and since then its mantra has been: "organization, skills and capital". From 1982 to 1994, the AKRSP formed village organizations (VOs) on the heels of

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3  Husain, T., Aga Khan Rural Support Programme (AKRSP) – Operational Insights from 20 Years of AKRSP 1982-2002, September 15, 2003. Prepared by AKRSP-EDC Team.

mobilization efforts in the respective villages to construct village based infrastructure. The VOs thereafter served as a venue for civic governance processes, including conflict resolution, irrigation management, land development and natural resource management, among others. The VOs also functioned as informal cooperatives following the philosophy and structure of the Raiffeisen Cooperative in Germany. Participation in the VOs gave village members a good opportunity to practice collective management.

The VOs were composed of representatives from each household in the village; larger villages could have more than one VO. The women had their own women's organizations (WOs) which were primarily a mechanism to generate income for the households, and only secondarily served as civic forums for social sector development.

In the early 1990s, AKRSP modified its approach to its work in the Northern Areas and Chitral (NAC) region, following recent changes in the shape and nature of the VOs themselves. Some VOs had splintered into community-based organizations, while others had formed themselves into ad hoc clusters. Both events resulted in an expansion in the number of village-based institutions.

AKRSP's present approach addresses this diversity of local institutions as well as the variety of local contexts and realities. AKRSP facilitators observe and analyze the situation in the village and proceed accordingly, while keeping their development objective in mind. The approach has proved to be pluralistic and responsive and much more focused on reaching the poorest of the poor.

In the Quang Binh Project in Vietnam, the AKRSP approach was adopted by a team of community facilitators or social mobilizers in their institution building work among the poor. This team is referred to as the Socio-Economic Mobilization Team (SEMOT). The social mobilization process involved a series of Participatory Rural Appraisal (PRA) exercises in each village to determine what the community's needs are and to lay the foundation for the local management systems that would be set up.

Two common features have emerged from the NGO's experiments in institution building in the NAC area:

1. Instead of channeling its resources through VOs and WOs, AKRSP aims to strengthen the traditional support systems already existing in the villages to assist the poorest;
2. AKRSP seeks to come up with specific interventions for the poorest, e.g., livestock, micro-enterprises, land development, soft loans, and to this its chosen route is to establish poverty endowment funds, credit for community for emergencies, etc..

## THE SOUTH ASIAN POVERTY ALLEVIATION PROJECT[4]

The UNDP supported South Asian Poverty Alleviation Project (SAPAP) in Andra Pradesh has highlighted the following essential

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4  Ibid.

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elements to harnessing the potentials of the rural poor:

1. Local institution building at three to four levels:
   - all-men or all-women SHGs of 15 members each;
   - VOs which consist of two representatives each from the SHGs;
   - federation of VOs at Union Council level, with such federation consisting of two representatives each from the VOs,
   - district level federation;
2. Turning over all social mobilization activities to a cadre of activists drawn from, and (financially) supported by the communities;
3. Links with government and other organizations;
4. Establishing a lean support organization that could provide technical expertise in the absence of government support in this regard.

The resulting structure can be compared to that of the cooperatives wherein the SHG is the primary society, the VO federation at the Union Council is the central bank, and the VO is the intermediary organization. The SHGs operate like a cooperative, promoting income-generating activities for the members.

# IFAD & Institution Building in Asia-Pacific

## IFAD's Evolving Strategy in Empowering the Rural Poor

Up to the late 1990s, IFAD's programming was characterized by a highly technical, productivity-focused approach to reducing rural poverty. In recent years, however, the organization's portfolio of projects has come to reflect a broader social and empowerment agenda, and this new approach has persisted to this day.

IFAD's adoption of a more participatory development approach to projects started in the early 1990s, but it was only in 1997, when the agency defined its five corporate strategic thrusts, that this kind of approach was institutionalized. Among others, ensuring beneficiary participation in the design and implementation of projects, including participation in the technical and organizational design of projects, became priority tasks. This was an offshoot of IFAD's past experience which showed that beneficiary involvement in the project design and implementation is essential to the success and sustainability of projects. Beneficiaries that participated more actively in projects tended to develop a stronger sense of ownership of the effort and to show greater enthusiasm and commitment to undertaking project activities. They were also much more inclined to contribute ideas and suggestions in a way that would not have been possible otherwise, thus enhancing the project's success. Without this active participation, it also proved to be much more difficult to develop and sustain activities that would meet the needs of the target beneficiaries.

Since 2002 another major shift has taken place in how the agency regards rural poor empowerment. Up to the early part of this decade, IFAD had generally viewed the participation of the rural poor in terms of securing their inputs in the implementation phase of projects, and to a lesser extent, in the design, monitoring and evaluation phases. Thus, various participatory methods and tools, such as PRAs, participatory poverty assessments (PPAs), etc., were widely integrated into projects, involving substantial participation among beneficiaries. The organizing and building of RPOs was often incorporated into the design and implementation of projects, but the role and importance of RPOs in the long-term empowerment of the poor was not sufficiently recognized.

However, IFAD's exposure since to various NGO/CSO participatory approaches to working with the poor as well as to the many successful examples it has seen of NGO/CSO efforts in building RPOs has resulted in a change in the agency's thinking about participation. Apart from this, IFAD has come to acknowledge the value of its partnerships with NGOs/CSOs, both at national and local levels, in the organization and mobilization processes of RPOs, and as a result, it has continued to cooperate with NGOs/CSOs, although to varying degrees, in the various project stages.

IFAD's Strategic Framework for 2002-2006 ascribes greater importance and priority to the strengthening of capacities of the rural poor, particularly of their organizations and coalitions/federations, to ensure their continued empowerment and the sustainability of benefits resulting from the project, and beyond it.

Meanwhile, the Asia and Pacific Division has incorporated in its current regional strategy the building of coalitions of the poor as a major component, realizing that RPOs can effectively represent the interests of the poor in political arenas and markets. RPOs and their coalitions/federations can serve as the voice of the rural poor in efforts to bring about more supportive policies, laws, and institutions. This thrust goes hand-in-hand with the region's focus on targeting the poorest and most vulnerable among the rural poor, i.e., rural women, the landless, marginal farmers, fisherfolk, and indigenous peoples, etc., who, because of their lack of political power, are often unable to articulate their needs and interests. Having embarked on targeting the poorest, the

Division has also realized that different strategies are needed to reach and assist the most vulnerable, with capacity-building and rights-based approaches being particularly relevant.

## OVERVIEW OF PROJECTS COVERED

This review of IFAD project experiences covers a total of 69 projects in 16 countries in the region over a 10-year period (1995-2004) during which the projects were either approved by the IFAD Executive Board or were awaiting final approval. *(See Annex 1 for the list of projects included in the review)*. These projects were at different stages of project life: 42 projects, or 61 per cent, were in the implementation phase, while 16 of the projects, or 23 per cent, were officially closed. Eleven were awaiting implementation subject to formal approval by the Executive Board or pending the fulfillment of other requirements.

Broken down according to project type, as defined by IFAD, 23 projects—the largest number, or 30 per cent—are agricultural, followed by rural development type projects, which number 17, or a quarter of the total number. Nine are credit projects; seven are flexible lending mechanisms, or FLMs; three are livestock projects; two, irrigation; and two, research/training/extension projects, both in Kyrgyzstan.

The sub-regional distribution of projects shows that 10, or 14.5 per cent, of the projects are in Southeast Asia, particularly Indonesia and the Philippines; 31 (44.9 percent) are in South Asia (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan,

Sri Lanka); and 28, or 40.6 per cent, in countries with centrally planned economies and/or countries in transition (Cambodia, China, D.P.R. Korea, Kyrgyzstan, Laos, Mongolia and Vietnam).

## PUTTING PRIORITY ON BUILDING RPOS, COALITIONS/ FEDERATIONS

The review attempted to assess the priority assigned to the building of RPOs in projects in the different countries. This was determined by the extent to which the building of RPOs was explicitly mentioned in the project rationale and objectives, as well as in methods and approaches to carry out the objectives. *Table 1* shows the number and percentage of projects that either explicity mentioned the building of RPOs as part of the rationale and objectives or defined it as part of the strategy/method or approach that the project would adopt.

More than 30 per cent of the projects reviewed specifically named building of RPOs among the project rationale, goals and/or objectives. A relatively high percentage, or close to 70 per cent, of projects made a reference to it in the project strategy or approach.

Rural development projects had the highest percentage of projects that mentioned building of RPOs in both the objectives and strategy, followed by FLM projects. The larger number of projects which mentioned building of RPOs as a strategy versus as an objective indicates that projects view institution-building more as a means to attain the project objectives rather than as an objective or end in itself.

Some examples of the projects which explicitly described RPO building and strengthening among their goals and objectives are: the Smallholder Agricultural Project and the Sunamganj Community-Based Resource Management Project in Bangladesh; the Environment Conservation and Poverty Reduction Programme in Ningzia and Shanxi in China; Indian based projects such as the Rural Women's Development and Empowerment Project, the Livelihoods Improvement Project, the Maharashtra Rural Women's Empowerment Project; the Income-Generating Project for Marginal Farmers and Landless (P4K/III), the East Kalimantan Local Communities Empowerment Programme and the Post-Crisis Programme for Participatory Integrated Development in Rainfed Areas (PIDRA) in Indonesia; and the Western Mindanao Community Initiatives Project (WMCIP) and the Northern Mindanao Community Initiatives and Resource Management Project (NMCIREMP) in the Philippines. Projects designed and approved in 2002 and beyond had a higher percentage of their goals and objectives aligned to the IFAD strategy of institution building of RPOs and of their coalitions/federations compared to projects approved in previous years, indicating that a growing number of projects are responding to the current IFAD strategic thrust.

There were varying degrees of focus on institution-building in the project documents. Those projects, however, which do not focus on nor include the building of RPOs in the project documents tended to prioritize other institutions, rather than the RPOs, as direct target groups. Assistance in the capacity-building of these institutions was considered as key to helping ensure the sustainability

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of the flow of services to the rural poor. These institutions included: microfinance institutions/NGOs or government agencies that service the rural poor, such as the rural credit cooperatives (RCCs) in China in the following projects: Rural Finance Sector Programme, the Wulin Mountain Area Integrated Agricultural Development Project and the Southwest Anhui Integrated Agricultural Project; the micro-finance institutions in the Micro-Finance and Technical Support Project in Bangladesh and the National Micro Finance Support Programme in India. In Cambodia, the Rural Development Bank was assisted in the Agricultural Development Support Project to Seila; while in Laos, the Oudomxai Community Initiative Support Project also targeted the strengthening of the Lao Women's Union which is the umbrella organization of women in the country. In Kyrgyzstan, the Sheep Development Project supported the national goat breeders' cooperative, KSBA.

## CATEGORIES AND TYPES OF RURAL PEOPLE'S ORGANIZATIONS/VILLAGE INSTITUTIONS

IFAD projects assisted in the formation of a wide variety of RPOs or community-/village-based organizations as part of the project components. The most common RPOs set up are the self-help groups (SHGs), which are linked to the credit component of the projects. These RPOs have many features in common. However, they have evident differences as well, depending on the specific country and cultural context of the projects. Two general classifications of the various village institutions are given by some of the projects.

One categorization is the degree of participation of the target beneficiaries in the organization or institution. Such institutions, as the SHGs or the *Gram Sabhas*

**Table 1. Number and Percentage of Projects which explicitly provided for Institution Building of RPOs in the Project Rationale/Objectives and Project Strategy/Approach/Method**

| TYPE OF PROJECT | CREDIT | IRRIGAT-ION | AGRI-CULTURE | RURAL DEV'T | FLM | LIVE-STOCK | OTHERS | TOTAL |
|---|---|---|---|---|---|---|---|---|
| | N | N | N | N | N | N | N | N |
| | % | % | % | % | % | % | % | % |
| RPO insitution building specified as project rationale or project objective | 3 | | 4 | 8 | 4 | 1 | 2 | 22 30.4 |
| RPO institution building specified as project strategy or approach/method | 5 | 1 | 15 | 15 | 5 | 2 | 5 | 48 69.6 |
| Total number of projects (N) | 8 (13.0) | 1 (2.9) | 19 (33.3) | 23 (24.6) | 9 (10.1) | 3 (4.3) | 7 (10.1) | 70 (100.0) |

and the different users' associations, are examples of participatory types of institutions where all members are actively involved. Other institutions, such as those in India or in the transition countries, e.g., China, Vietnam, and Laos, can be characterized as representative types of institutions, where the target beneficiaries are not all members but have representatives who act on their behalf; these representatives are sometimes elected by the members or are handpicked by the institutions.

Small RPOs such as farmers' or women's groups have also been formed in such countries however. These institutions are called village implementation groups (VIGs) or committees (VACs) which serve as the mechanism to implement project components or activities. Assisting in the identification of project beneficiaries is one of their primary activities. These village groups or committees are closely linked to local government units, and these are are almost certainly represented in the groups. *(See Table 2.)*

(See "Formation and Institution Building Process of RPOs/Village Institutions" for a more detailed description of these groups or committees.)

*Table 3* lists the various types of RPOs and village institutions that have been organized, set up, or strengthened through project interventions in different countries.

## FORMATION AND INSTITUTION BUILDING PROCESS OF RPOS/ VILLAGE INSTITUTIONS

This section presents the various processes in building RPOs or village institutions in several countries as well as their roles in the projects.

### 1. SELF-HELP GROUP

A Self-Help Group (SHG) is formed on the basis of affinity, which is the traditional social and institutional capital of the villagers. Most SHGs are linked to the credit or micro-finance components of IFAD projects. Membership in an SHG is limited as much

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**Table 2. Predominant Types of RPOs/Village Institutions in Different Asia Countries**

| COUNTRY | PREDOMINANT TYPE OF RPO/VILLAGE INSTITUTION |
|---|---|
| Bangladesh, Pakistan, India, Indonesia, Philippines | Direct participation/membership in RPOs: e.g., SHGs, Women's Organizations, Water Users' Organizations |
| China, Laos, Vietnam, India | Representational participation: e.g., VIG, VAC, VDC, VDB |

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**Table 3. Examples of Different Types of Rural People's Organizations (RPOs)/Institutions Established through the Interventions of IFAD Projects in Various Countries**

| COUNTRY | TYPES OF RPOs/VILLAGE INSTITUTIONS | COUNTRY | TYPES OF RPOs/VILLAGE INSTITUTIONS |
|---|---|---|---|
| Bangladesh | Community Development Group; Pond Aquaculture Group; Lake Fishing Group; Fingerling Producer Group; Labor Contracting Society; Marginal and Landless Group; Small Farmers Group; Marginal Farmers Group; Market Operating Group; Savings/Credit Group | Mongolia | Women's Associations; Cooperatives; Rangeland Management and Monitoring Committee |
| Cambodia | Farmer Organization; Village Animal Health Workers' Association | Nepal | Community Organizations (COs) |
| China | Village Implementation Group | Pakistan | Village Organizations; Women's Organizations |
| India | SHG; Gram Sabhas; Milk Cooperative Societies; Cluster Groups; Association of Cluster Groups; Natural Resource Management Group; Village Development Committee = NaRMG + SHG; Watershed Development Committee; Dairy Cooperatives; District Associations | Philippines | People's Organizations; Irrigators' Associations; Reforestation Groups; Barangay Development Teams |
| Indonesia | SHG, Village Infrastructure Development Association; Watershed Management Association; Farmer-Led Research Groups; Federation of SHGs | Vietnam | Users' Groups; Village Development Boards; Savings and Credit Groups; Self-Management Board |
| Laos | Village Development Committee; Village Administrative Committee | | |

as possible to villagers of the same poverty level.

The SHG approach adopted by several IFAD projects is derived from the approach that MYRADA has used in its project areas since 1987 and which has been quite effective in empowering target beneficiaries.

SHGs have the following general features:

1. Small size, usually 15-20 members;
2. Members linked by affinity;
3. Economic homogeneity among members, i.e., they are from similar income levels;
4. Voluntarism strongly promoted among the members; and
5. Regular leadership turnover.

The formation of SHGs and SHG federations can take place over a few years or longer as the SHG undergoes different phases of growth and development. In the PIDRA Project in Indonesia, three phases have been identified over a three-year period. Phase I is the Growth Phase, where the SHG, after conducting its initial training, reflection sessions, regular meetings and the initiation of a savings program, is expected to achieve or possess the following:

➤ Fixed membership;
➤ Group name;
➤ Regular meetings;
➤ Engagement in a savings program;
➤ Maintenance of organizational books, e.g., attendance book, minutes of meetings book, and savings book; and
➤ Election of a set of leaders who understand their roles and responsibilities in the group.

At the next stage, or the Expansion Phase, which usually takes up to 12 months, the

group continues its savings program and begins a credit program for members in need. Member compliance with the group's rules and regulations on credit is expected and sanctions are imposed on delinquent members. Groups hold regular meetings, usually weekly, and leadership is rotated among the members.

Leaders update group books and records concerning membership, minutes, savings, credit, as well as cash books and passbooks of individual members. The group undertakes various types of training and capacity-building for members and leaders, such as functional literacy and gender training. The group may also collectively act to improve village infrastructure and facilities, e.g., drainage, access road, etc., as well as to address environmental problems, e.g., through tree planting.

At this Phase II too, SHGs are expected to demonstrate the following indicators:

> Capacity to manage savings, credit disbursement and credit repayment programs;
> Growth of the common fund through member participation in savings and credit activities;
> 95 per cent credit repayment;
> High attendance (not less than 80 per cent) at group meetings;
> Demonstrable skills of members in conducting group meetings and solving problems, such as conflict resolution;
> Greater confidence among members, especially women members, with regard to joining public activities;
> Initial links made with government and other institutions, including financial institutions, in order to access group loans; and
> Some group members undergoing internship training for SHG leadership in preparation for leadership rotation.

The third phase of SHG formation aims to build the group's self-reliance and to wean it from external support, and to scale up its microfinance and micro enterprise activities. It also includes working to achieve quality assurance and market linkage for villagers' products. Training in off-farm livelihoods is also provided at this time by facilitators, consultants, or skilled community members.

It is likewise at this stage that SHGs are encouraged to form associations or federations which may consist of SHGs from a single village, or of SHGs from different villages.

The following features characterize mature SHGs:

> Have a clear vision that is known and shared among all members;
> Have clear rules that are known by members;
> Have sanctions that are known and enforced when needed;
> Hold regular meetings; and
> Members participating in decision-making.

An SHG is assessed after a year of operation, and every six months thereafter, to determine whether its performance merits the receipt of a matching grant from the project funds to augment its credit fund. This serves as an incentive to SHGs that have attained a certain level of organizational maturity.

## 2. Village Implementation Group

The Village Implementation Group (VIG) is an example of a representative-type of institution established in each village in China that is covered in IFAD projects. These projects incorporate a strong focus on beneficiary participation in the preparation of the Village Development Plan (VDP) and in the implementation of such through the VIGs.

The VIG is composed of elected members which generally include: the village head, a representative of the All China Women's Federation, farmer technicians involved in the project, the village accountant and at least three village members elected to represent the interests of the poor. The VDP is drawn up using participatory processes to secure the involvement of the village community. PRAs are actively used in projects and local government officials receive PRA training to be able to support the VIGs.

The following describes the specific roles and tasks of the VIG:

- ➢ Initial selection of beneficiaries;
- ➢ Mobilization of village households for specific project activities;
- ➢ Bringing village members together for investment options;
- ➢ Formulation of VDPs in consultation with households;
- ➢ Information dissemination;
- ➢ Organizing labor for food-for-work activities;
- ➢ Assistance in loan disbursements, supervision and collection;
- ➢ Overseeing and assistance in project implementation; and
- ➢ Monitoring the activities.

## 3. Village Administrative Committee

Another representative-type village institution is the Village Administrative Committee (VAC). In Laos, the VAC is the starting point of all project interventions at the village and is the target for village-based institution- building activities. The VAC is responsible for the following functions:

- ➢ Collection of basic information on target beneficiaries;
- ➢ Identification of proposals and prioritizing these proposals;
- ➢ Making preparations to implement prioritized activities;
- ➢ Consolidation of VDPs and review of these VDPs; and
- ➢ Inclusion of proposed activities in the plan of government line departments.

Likewise, the VAC has to ensure that the gender concerns of the project are mainstreamed. The VAC is also in charge of keeping administrative records, collecting taxes, and allocating land at the village level. The District community facilitator supports the VAC in its work and functions.

## 4. Self-Management Board

AKRSP's principles of, and approach to social mobilization were adopted by the Quang Binh Agricultural Resource Conservation and Development Project in Vietnam. A socio-economic mobilization team (SEMOT) was assigned to form groups, following a series of PRA exercises, to determine the needs of the communities and thereafter to develop community-based management systems.

A major result of the process has been the transfer of resources to the Self-Management Boards (SMBs) which are tasked to implement the identified activities. Another

effect of this process has been the enabling of SMBs to successfully manage their development activities.

## Status of RPOs/Coalitions/Federations in Different Countries

### general assessment of RPOs and Coalitions/Federations formed in IFAD projects

This section presents a general assessment of the level of maturity and capacity of an RPO (or federation of RPOs) that has been formed in IFAD projects. The assessment framework used (shown in *Figures 1* and *2*) is aligned to the phases of organizational development, as previously discussed.

This framework is useful for assessing the level or phase of development of groups at various stages of project implementation and at the end of the project.

As *Figures 1* and *2* show, groups that are being formed are in the struggling phase (Phase 1). At this time, they slowly build up their organizational capabilities and begin to receive various resources through the project, including credit for livelihood concerns, etc., as well as technical assistance to implement the other components of the project.

Organizationally, group members receive initial orientation on the project as well as on the objectives and vision of the group. Members and leaders are trained in organizational and financial concerns.

**Figure 1. Phases of Development of RPOs and Major Indicators of Organizational Development and Level of Resources**

| INDICATORS | PHASE | | | |
| --- | --- | --- | --- | --- |
| | I Struggling | II Emerging | III Maturing | IV Generating |
| Membership | Start-up | Fluctuating membership | Stable | Active and knowledgeable of VMG, policies etc. |
| Meetings/activities: participation | Start-up | Uneven participation | More stable participation | Active/regular |
| Systems/books | Start-up | Develops adequate systems and mechanisms | Maintains and enforces adequate systems and mechanisms | Rules, systems in place and enforced, with sanctions if needed |
| Leadership | Identification of group leaders | Training of leaders | Leaders gain experience and confidence | Expanded and effective rotating leadership |
| Savings/assets | Starts savings | Develops adequate systems and mechanisms | Continues savings/initiates loans | Builds asset base; expands loan base |
| Funding | Relies on external sources | Relies on external sources | Explores internal | Generates internal and external sources |
| Linkages | Relies on external help for links, e.g., NGOs | Develops, maintains links with other RPOs or resource agencies | Develops/maintains links even without external help; forms networks/alliances | Active search/maintenance; forms and maintains networks/alliances |
| Training/capacity building | Start-up/more organizational | Project-driven; more technical | More technical | Ongoing based on needs |

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**Figure 2. Schematic Presentation of Levels of Organizational Development and Resources of Groups**
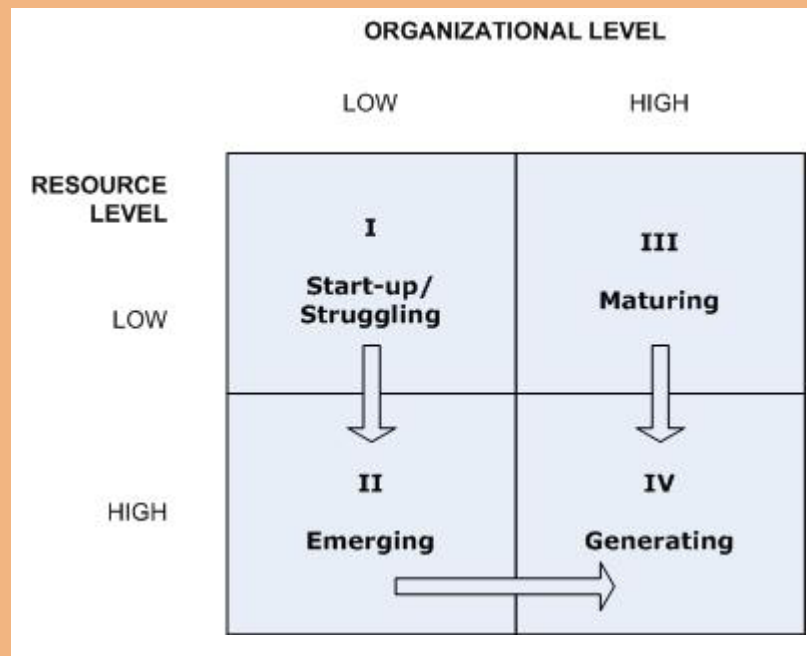


Groups reach Phase 2, or the emerging phase, as the project progresses. More resources become available for groups to access but organizational capacities may not evolve as quickly. The capacity to monitor the progress of projects is usually not fully developed at this point, nor are financial systems securely in place. At the same time, members and leaders do not yet fully understand their roles and obligations nor fulfill them accordingly. As a result, groups in Phase 2 tend to become dependent on project resources even as they lack the maturity to effectively and efficiently handle such resources. Many such groups, SHGs and non-SHGs included, are unable to move beyond this phase and eventually become inactive.

Phase 3 or maturing groups are those that succeed at building up and forming themselves sufficiently to manage the resources from the project without falling into the pitfalls of groups without proper systems in place. The focus therefore is on ensuring that members and leaders are fully cognizant of their group's vision, objectives, and potential as a tool for empowerment. Links are formed with other RPOs, government agencies, NGOs, and the private sector that can assist them to obtain better information, and more resources, etc. Thus, even if these groups do not have immediate access to project funds, they are able to obtain resources through their linkages. Systems are in place to ensure that financial resources are properly monitored and that leadership is regularly rotated among the members. Many RPOs formed as part of IFAD

projects would be at the emerging or maturing phase.

Phase 4 (generating) groups are able to mobilize their resources and have the kind of leadership that would allow for expansion and consolidation of the group's capacities and resources. This strong organizational capability, coupled with strong links with other stakeholders and actors, gives the group a degree of credibility to access resources, to make claims, or to advocate for their rights and interests, if and when needed. This is when more networking among similar groups for the purpose of federation or coalition-building becomes an important concern. Further, groups at this level of development are able to integrate their concerns and plans with those of local government units so that these become mainstreamed. Groups that have attained this level of maturity and development usually have the highest chance of surviving and becoming sustainable even after the projects have ceased.

Based on project documents purporting to assess the growth and development of the groups formed through project interventions, few projects have been able reach Phase 4, and fewer still have gone on to form federations/coalitions.

The following sections describe in greater detail the status and level of maturity of RPOs in different countries in the region.

## General RPOs

(This section presents various issues and lessons, especially relating to the growth and development of RPOs and coalitions/

federations. This information has been drawn from supervision reports and assessments as well as from the evaluation of completed projects.)

## BANGLADESH

Lessons from IFAD project experiences in Bangladesh point to the need for strong grassroots institutional development in IFAD projects in the country and the importance of intensive monitoring and supervision by NGO/CSO staff to build the capacity of people's organizations. In the Smallholder Agricultural Improvement Project (SAIP), the absence of an exit strategy was pointed out, along with the concomitant concern for sustainability of the groups formed.

In a 2004 Supervision Report of the Sunamganj Community-Based Resource Management Project, the RPOs, particularly the credit organizations, were described as lacking a vision of where they were going; these RPOs did not know why they were organized nor had they instituted the requisite rules and regulations. Few members were even aware of the few rules that the RPOs already had. The report also argued for further training of social organizers in approaching and developing rapport with the community in the process of forming a credit organization. Social or community organizers also had to be trained to better appreciate and adapt to the group dynamics in group formation, the rotation of leadership in the groups, and the need to develop parameters to gauge the level of empowerment of the RPOs formed.

## INDIA

Data from projects in India hinted at several issues and problems related to the state of SHGs in the IFAD projects. Similar to the SAIP in Bangladesh, the Mewat Area Development Project (MADP) highlighted the need for a clearly defined exit strategy to promote the sustainability of the RPOs and of the project activities. SHGs were perceived as requiring continued support in terms of training, group strengthening, and other forms of technical assistance, beyond the project life. Furthermore, it was pointed out that not enough links had been created between SHGs and other village institutions that could assist in ensuring the SHGs' sustainability.

The Maharashtra Rural Credit Project (MRCP) case study described the experiences of several SHGs which have reached remarkable levels of development, as demonstrated by their ability to process and handle loans, to access loans directly from banks, and to move towards micro-enterprise development, when other SHGs had been hard put just to survive. The MRCP ended a number of years ago, yet many of the SHGs formed in the course of the project have continued to grow and have even paved the way for the development of more SHGs.

The VDCs however told a different story. These village institutions were formed to help federate SHGs in each village. As it turned out, however, this role tended to overlap with a similar function traditionally held by the village *panchayat*, rendering the VDC redundant in the process. These VDCs have also subsequently become mostly dysfunctional.

The Rural Women's Development Project (RWDP) demonstrated that in the face of limited human resources, a project should focus on improving the quality of existing SHGs rather than on reaching the target number of SHGs. A similar situation operated in three other projects - the Livelihood Improvement Project in the Himalayas, the Jharkland-Chhattisgarh Tribal Development Programme, and the Livelihood Security Project for Earthquake-Affected Rural Households in Gujarat. In these projects, the SHGs were generally not well-organized and members lacked even a basic awareness and understanding of SHGs. They were also insufficiently and improperly trained.

This poor quality of group formation was partly the result of the SHGs' shortcomings in basic recordkeeping and in facilitating and conducting regular meetings. At the same time, it was a reflection of the SHGs' need to develop self-monitoring mechanisms and capacities that would allow them to get regular feedback on their growth and development as SHGs.

Another insight gleaned from the project assessment reports is that the various needs of different target groups can only be articulated and addressed through a demand-driven approach.

A factor that could help to explain the poor performance and organizational development of SHGs in the above-mentioned projects is the lack of project staff to facilitate the organizing and mobilizing of people into SHGs. This personnel deficiency, particularly of women staff to follow-up on women's SHGs, was a serious observation in the assessment of

the Northeastern Region Community Resource Management Project for Upland Areas (NERCRMP).

Training of leaders, especially women leaders of SHGs, was an important recommendation in regard to the National Microfinance Programme. It was noted that women group leaders assumed extra burdens in leading and facilitating group processes but did not often have additional resources nor incentives to take on leadership functions. Equitable power distribution and gender balance in the VDCs were also regarded as lacking in the assessment of the Livelihood Support Project for Earthquake-Affected Rural Households in Gujarat.

In contrast, the SHGs in the Orissa Tribal Empowerment Livelihoods Programme exhibited a higher level of organizational growth and development. In two projects, namely, the NERCRMP and the MADP, it was recommended that the SHGs expand their area of influence and outreach through the development of clusters and federations. More work however was needed to clarify the role of clusters and federations of SHGs and to plan for the process of organizing these.

## INDONESIA

A key lesson from IFAD's projects in Indonesia is that farmers' groups have been used primarily as tools or mechanisms to deliver project outputs and the result has been the limited sustainability of project benefits after the closure of projects. Another lesson cited is that village institutions need to be strengthened to empower the local communities involved in the projects to access resources and assistance from external institutions.

However, two projects—the Income-Generating Project for Marginal Farmers and Landless (P4K/III) and the Post-Crisis Programme for Participatory Integrated Development in Rainfed Areas (PIDRA)— both of which strongly emphasized the building of people's institutions and strengthening the capacity of the poor through their organizations, have seen significant progress in promoting people's empowerment and in building social capital in the local communities. In PIDRA, the SHGs are generally functioning well and "coalitions of the poor" or SHGs are emerging as a result of the maturing capacities of these groups. The PIDRA case showcased the impressive development of SHGs as well as the widespread consensus (i.e., among different stakeholders in the project) that regardless of their prospects for sustainability, SHGs are unwilling or ill-prepared to let go of external financial assistance. Vis-à-vis the VIDA, progress has been less remarkable. The VIDAs were regarded as lacking a long-term vision and as inadequate as an institutional mechanism for the project. The WMAs on the other hand were thought to require more improvements if they are to play an effective role in watershed management.

As a response to the lessons from previous projects, the newest IFAD project in the country, the Rural Poverty Reduction Programme, emphasizes the following elements in its strategy: 1) participatory, bottom-up decentralized approach to developing marginal communities; and 2) sustainability through investment in processes, linkaging, and institutions that

will strengthen the villages. Thus, project activities are selected on the basis of the soundness of their exit strategies.

## LAOS

The mid-term report on the Xieng Khouang Agricultural Development Project II recognized the importance of emphasizing capacity building of the poor and the RPOs, i.e., training and follow up support to villages in participatory planning, technical management and technical support to user/ extension groups to ensure the sustainability of the project assistance.

## PAKISTAN

Reports on the Dir Area Support Project showed that more effort was needed to form a reasonable number of VOs and/or WOs. Special mention was made of helping the VOs to identify women's issues and to actively involve women in planning and implementing activities so that they could address issues that they had previously identified as important to them. The report also recommended that the project should take on a more proactive role in sensitizing the VOs in ways of deepening their social mobilization processes in as much as they were found to lack a clear understanding of the concepts of self-reliance, sustainable development and strategic planning. They likewise had very limited knowledge of networking. Even those considered as mature groups did not have forward-looking development plans but tended to remain focused on welfare types of plans and projects.

As in other projects, the need to develop organizational indicators that could help the VOs/WOs monitor the level of their maturity as organizations was emphasizsed. The newest project in the country, the Community Development Project, focuses especially on the sustainability issue. It takes the position, as evidenced in project documents, that sustainability is contingent on strong leadership and commitment of all stakeholders, as well as on the effectiveness of participation mechanisms for formulating VDPs. The project aims to consolidate and strengthen the RPOs and to support the cluster of RPOs that could eventually form sub-apex and apex organizations.

## PHILIPPINES

The Western Mindanao Community Initiatives Project (WMCIP) called for alternative mechanisms to sustain the activities of RPOs that were formed through the project. In its evaluation of the level of maturity of the RPOs established, the Cordillera Highlands Agricultural Resource Management Project found that only 10 per cent of the groups had made it to level 3, i.e., that they had a good chance of becoming sustainable and that they would be able to manage the organizations by themselves; while 30 per cent fell below the average level of organizational development and had to be strengthened.

A Philippine project that was recently approved, the Northern Mindanao Community Initiatives and Resource Management Project (NMCIREMP), focuses on indigenous peoples, rural women and fisherfolk as its target beneficiaries. The project puts a premium on social preparation, mobilization, organization, and empowerment of community institutions as

building blocks of the social advancement and economic development of the project's beneficiaries.

## SRI LANKA

In the Dry Zone Livelihood Support and Participation Project, the project management team identified a social mobilization phase at which community groups are either set up or strengthened through the help of social or community mobilizers. The project has built into the project design the formation of federations of grassroots organizations or RPOs (those with previous IFAD support) as well as the formulation of an exit strategy at the start of the project to ensure its sustainability.

## VIETNAM

The Quang Binh Agricultural Resource Conservation and Development Project, which applied the social mobilization approach of the AKRSP, realized that full time facilitators, as exemplified by the SEMOT, showed a greater commitment to participatory development and that this has resulted in a breakthrough in decentralized management of the project. However, questions remain about the sustainability of project-specific community level institutions. An assessment of the project defined a sustainable RPO as being able to operate in harmony with existing institutions and initiatives. Problems that have been encountered by the project on the social mobilization processes are traced mostly to flaws in the project design which have pre-determined the nature as well as the "menu" of development activities that the RPOs and the villages were allowed to engage in.

## Focus on Women's Organizations in IFAD projects

A review of the various documents concerning projects covered by this review showed that most projects targeted women, either as the exclusive, or at least, primary beneficiaries of the projects. The review also reflected different levels and degrees of success in forming and strengthening of rural women's organizations set up under the projects. In a number of projects, the strategy was to build separate RPOs for men and women to allow the women to develop their own empowerment processes without the constraining influence of men. Other projects, such as the Rural Women's Development and Empowerment Project and the Maharashtra Rural Women's Empowerment Project (MRWEP), both of which are in India, targeted only women as beneficiaries. In many cases, this deliberate strategy has helped the women to overcome their lack of self-confidence.

The MRWEP is a continuation of, or a follow-up to, a previous, successful women's project. It aims to empower women to make use of choices in all spheres of their lives – economic, social as well political. Thus, a major component of the project is grassroots institution-building which would assist SHGs and their "second tier" organizations, i.e., their federations, to access microfinance and sustainable livelihoods. Its precursor had been able to develop women SHGs into participatory, democratic institutions, enabling their women members to assert themselves both in their households and in their communities.

The goal of empowering women in the households is a common feature of many

**Table 4. Summary of Problems and Issues concerning RPOs in IFAD Projects in Various Countries in the Asia and Pacific Region**

| COUNTRY | ISSUES AND PROBLEMS | COUNTRY | ISSUES AND PROBLEMS |
|---|---|---|---|
| Bangladesh | No exit strategy for sustainability of SHGs; Lack of training for social organizers; SHGs have no vision or objectives nor do they know why they have been organized; Need to evolve parameters for empowerment; Too much power vested in manager; Relatively high drop out rates for groups and members; Competition for group funds with too many SHGs and too little credit funds; Intensive supervision and monitoring by NGO staff essential to building RPO capacity. | Laos | Need more support for capacity building for planning and implementation. |
| Cambodia | Need to encourage the formation of farmers' associations | Maldives | Reasons for failure: inappropriate community development strategy, vague project design, insufficient capacity building inputs; delayed release of funds. |
| China | Weak institutional capacity of women's groups; Unclear tasks of VIGs and questions on their composition. | Pakistan | Need for more efforts to organize reasonable number of village organizations (VOs)/women's organizations; Inadequate involvement of women in planning/implementation of activities; Need to address women's issues; WOs should be oriented more towards income generating activities, rather than just social sector needs; Need to sensitize VOs to deepen social mobilization process; Lack of clear understanding among VOs of self reliance, sustainable development, networking and strategic planning. |
| India | Need for exit strategy for sustainability of SHGs; Need for continuing support, training, group strengthening; Inadequate links between SHGs and other village institutions; Need for SHGs to make themselves heard by government and within the village; Focus on quantity, not quality, of SHGs; More women staff needed for forming and facilitating SHG processes; Need to form SHGs into clusters and federations; Need to develop SHGs' self-monitoring capacities; No leadership rotation plans; Lack of leadership training, especially for women leaders; Lack of awareness among many SHGs of basic SHG concepts; Need to ensure equitable power distribution, including gender balance, in VDCs. | Philippines | Need for alternative mechanisms to sustain activities of people's organizations (POs); Around a third of POs at a low level of organizational maturity. |
| Indonesia | Institutional strengthening needed; Low level of SHG capacity/maturity; Inadequate knowledge/confidence to become pro-active SHGs. | Vietnam | Questions of sustainability of project-specific village institutions at community level. |
| Kyrgyzstan | Cumbersome registration process for new cooperatives. | | |

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projects. The Agricultural Diversification and Intensification Project in Bangladesh for example cited among its successes the significant improvement in the strategic position of women: i.e., 90 per cent of women participate in decision-making and financial management at the household level compared to just over one-third of them prior to the project. In the Arhangai Rural Poverty Alleviation Project in Mongolia, which had livestock distribution as a major component, women who participated in the management of the herds and in the processing of milk products reported increased awareness of their self-worth and accomplishments. However, it must also be noted that the empowerment of these women has come at the price of a greater workload for them.

Projects also described gains made by women in the socio-political arena, specifically opportunities to improve their mobility and accessibility, and to broaden their income-generating options. In two projects, the AqDP and the SAIP in Bangladesh, women members and women's organizations outperformed the men members and the men's organizations.

Greater participation by women was regarded as crucial in other phases of the project as well, especially in planning and implementation and other initiatives to enable them to address issues that concern them. In VDCs as well as in other RPOs which consist of both men and women members, a more equitable power distribution, particularly relating to gender balance, must be ensured.

Assessments of some projects also showed the weak institutional capacity of women's groups that had been formed. The NERCRMP in Bangladesh strongly recommended that to facilitate the development of WOs, more women should be hired to set up and facilitate SHG processes. More training and capacity- building activities targeting women have likewise been suggested, such as in the Environment Conservation and Poverty-Reduction Programme in Ningxia and Shanxi in China, which called for a vast functional literacy and training program to allow women to participate in technical skills training and related productive activities. Other projects in China, such as the Southwest Anhui Integrated Agricultural Development Project and the West Guangxi Poverty Alleviation Project, made similar recommendations for literacy and technical training in agriculture and income-generating skills.

## INITIATIVES IN FORMING COALITIONS AND FEDERATIONS OF RPOS

More initiatives towards developing higher levels or layers of organization, such as in associations or federations, have been undertaken in projects in India. The NERCRMP aimed to direct the development of all NaRMGs and SHGs in participating villages towards the formation of clusters and associations. Prior to that, however, the role of clusters and federations/associations had first to be clarified to both the NaRMGs and the SHGs. The value that would be added at each layer of the organization had to be explained in detail, along with the principle that these new layers or apex organizations were to be created only in cases where collective action is imperative and can be made sustainable.

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The MRCP case study highlighted the learning that the federation of SHGs does not happen spontaneously, but requires some degree of support to bring about and to sustain. For instance, provisions for the creation of such federations must be made in the budget of local government units that have committed to supporting them. SHGs need to be given appropriate skills and knowledge to prepare them for federation-building. Rules and systems, such as a constitution and by-laws, which provide the governance mechanisms for the federation must be formulated. A system to wean the federation from financial dependence on external agents, such as collecting membership dues from primary organizations, must be put in place. Registration by the federation under the Indian Societies Act 1860 is likewise required. The case also noted that the absence of organized marketing networks or federations has proved to be the biggest constraint to the growth of most SHGs.[5]

The experience of the Tamil Nadu Women's Development Project, which was supported by IFAD from 1990-1998, is likewise instructive in this regard. In 1999, when IFAD evaluated this project, some 75 per cent of the SHGs formed in the course of the project had subsequently been grouped into cluster level federations, with plans to further federate them at block, district, and state levels. These SHGs perceived the following advantages in forming federations:[6]

➢ Federations can progressively take over some of the supervisory functions of NGOs that had previously provided field support, thus promoting self-reliance among the women's groups;

➢ Federations can contribute to strengthening savings and loan activities;

➢ They have the power to lobby for women's rights through such mechanisms as local government councils;

➢ Federations can undertake larger-scale and more significant projects given that problems or needs are shared among several groups and villages, thus allowing economies of scale;

➢ They allow women to become involved in promoting longer-term social and policy changes that have deep implications on improving their quality of life;

➢ Federation membership provides women with a sense of belonging to a larger and important organization;

➢ Federations can reduce overall transaction costs for a project.

The project also developed a set of guidelines on how to set up such federations:

➢ Development of federations should be based on need;

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5  Braganza, M. (2005) "Maharashtra Rural Credit Project Case Study".

6  Taken from: IFAD – Federating Women's Groups: Lessons from India. (www.ifad.org)

- Formation of group clusters should be done only when groups have been trained and have been operating for a certain period of time;
- Member-groups must have democratic and efficient decision-making processes and mechanisms;
- Where possible, groups of similar maturity should be clustered together to prevent stronger groups from dominating the weaker ones.

The PIDRA project in Indonesia, on the other hand, organized SHG federations in 2004 in the 18 villages where the project was initially implemented. A role that the federation was expected to take is to facilitate exchanges of expertise and experiences among the member-SHGs. Even at the early stage of federation-building, the case study contended that the federations will need various types of technical assistance from the project to be able to undertake the role of facilitating the strengthening of the member-SHGs.[7]

For WMCIP in the Philippines, the design of the project did not make explicit provisions for forming coalitions or federations of RPOs despite its emphasis on community organizing and strengthening of sectoral groups at the village level. The WMCIP case study argued that had the project integrated the concept of federation building into the design, the federations would have been able to address the problem of lack of capital. Communities could have pooled together their savings and resources as equity for their micro-enterprises. Federation- or coalition-building could also have facilitated the mobilization of a mass base to undertake common activities, including claims-making or advocacy work.[8] Nevertheless, the WMCIP case study in the Philippines reported that with the help of several NGOs and government agencies, federation-building did take place anyway, as did extensive linkaging and networking. Such RPO federation-building at the village and inter-village level (multi-sectoral groups) has had very promising consequences in expanding the voice and power of these RPOs vis-à-vis government, etc., and in improving the chances of sustaining the benefits obtained from the project.

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[7] Gonzalez, R. (2005) "Participatory Integrated Development in Rainfed Areas (PIDRA).

[8] Polestico, R. (2005) "Western Mindanao Community Initiatives Project (WMCIP) Case Study".

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# Enabling Factors in Building RPOs

Evaluation and assessment reports of several projects which focus on RPO building have yielded many useful learning and insights into the formation, development and expansion of these organizations. Several examples are presented which identify the factors that have contributed to the successful formation of RPOs. Documents on the Tamil Nadu Women's Development Project, which closed in 1998, highlight many findings on the organization of SHGs, especially women's SHG, that point to factors which account for the success of the SHGs formed.[8] These are:

- ➢ Basic group characteristics: relatively small and homogeneous membership; rotating leadership responsibilities; continuity of membership in the group; and application of established rules for group operation;
- ➢ Group cohesiveness;
- ➢ Gradual group development;
- ➢ Training for sustainability;
- ➢ Transparent group management and operations;
- ➢ Regular meetings;
- ➢ Undertaking group projects or collective action;
- ➢ Linking to other village institutions;
- ➢ Formation of federations of groups;

- ➢ Phase-out of support; and,
- ➢ Continuation of an institutional structure beyond the project life-span.

Lessons drawn from the organizing strategy used by the PIDRA project have led to the following recommendations related to the strengthening of SHGs that had been formed:

- ➢ Facilitators should live in the villages so that they can respond in a more timely manner to the problems of the SHGs/RPOs;
- ➢ SHG meetings should be held regularly, e.g., weekly;
- ➢ Training programs and other forms of capacity-building should be

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9   IFAD – Lessons on Sustainability of Women's Group from Tamil Nadu.

provided on the basis of the actual needs of the target beneficiary groups rather than in accordance with a set and planned curriculum.

Vis-à-vis the IFAD administrative set-up, the PIDRA experience has demonstrated the need for more regular supervision missions and visits by the IFAD Country Programme Manager (CPM). A flexible lending mechanism, as exemplified by that set up by PIDRA, and which emphasizes a demand-driven strategy/approach, suggests the need to establish a more permanent and ongoing in-country presence that would allow a more intensive, continuous monitoring and supervision of the project, in place of the usual intermittent supervision missions. There are other reasons for needing closer monitoring of such types of projects. These include: the broad range of financial transactions and the demand-driven 'menus' of activities that could be undertaken by the communities; and the involvement of many actors, particularly the beneficiary

**Table 5. Factors in Building RPOs and Coalitions/Federations**

| RESPONSIBLE ACTORS | CRITICAL FACTORS or ELEMENTS |
|---|---|
| Within IFAD HQ and administrative set-up | In-country presence to ensure intensive and ongoing supervision by IFAD, especially of multiple-component, and demand-driven projects; continuing and timely support for building and strengthening of RPOs/coalitions/federations, which is sustained beyond the project life and which is incorporated into the project design;<br>Clear exit strategies for projects to ensure greater sustainability of RPOs and other village institutions supported by projects;<br>Sufficient support for capacity building of RPOs incorporated in the project budget |
| Within Project: field staff, partners, etc. | Access to resources and links to other stakeholders, esp. government;<br>Full-time facilitators who live in the village;<br>Capacity building activities for RPO leaders and members, such as training given on a need basis;<br>Sufficient and quality training for project staff, particularly social organizers/mobilizers who are key to building strong and sustainable RPOs |
| Within the RPO, Federation or Coalition | Regular weekly meetings;clear set of rules which are known and understood by all members;<br>Meting of sanctions for non-compliance with rules;<br>Capacity building of leaders and members which enables leadership rotation;<br>Innovations in addressing the needs of members given the heterogeneity of groups, e.g., poverty endowment funds. |

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groups, which actively plan and implement the projects.

*Table 5* summarizes the various factors that are critical in building RPOs and their coalitions/federations that are within the control of IFAD headquarters in Rome, including the country programme managers (CPMs), and those within the purview of the IFAD project staff and their partners or collaborators in the field, i.e., government, NGOs/CSOs, etc.

## Organizing Strategy and Institutional Environment

The strategy that PIDRA used in its organizing work with target villages involved a phased approach both to entering the villages as well as to the formation of the SHGs. This mode of organization has resulted in the staggered evolution and development of the various SHGs. In 2004, village-level federations of SHGs were organized in 18 villages in the East Java province. Following the organizing framework of PIDRA, these four-year old SHGs should have reached a level of sustainability that would allow the phase-out of facilitator-teams. However, this did not happen. A large number of the SHGs continued to need external assistance in their organizational processes. To ensure the continuity of the social mobilization and organizational development processes, volunteer COs (VCOs) from the villages are now being trained to replace the facilitator-teams upon the completion of the project.

The MRCP provided for the establishment of VDCs, which would help federate the SHGs in each village. As it turned out,

however, this role tended to overlap with a similar function traditionally held by the village *panchayat*, rendering the VDC redundant in the process. On the other hand, in areas where the two village institutions have been well integrated, a focus on gender and poverty concerns has been more apparent. The case study also highlighted the importance of SHG federations in improving and scaling up the SHGs' marketing efforts.

The WMCIP design was basically process-oriented, focusing on participatory planning and implementation, community development and institutional strengthening. The project attempted to combine the development framework of the government while facilitating NGO assistance in developing the capacity of the local communities through organizing and strengthening of different village-level sectoral associations. It did not promote the building of coalitions and federations of RPOs as part of its organizing strategy, but this took place anyway.

## Role of External Agents in the Social Mobilization Process

### Community organizers and social mobilizers/facilitators

Community organizers (COs), or social facilitators, organizers or mobilizers as they are sometimes called, are key to building and strengthening RPOs. It is these COs that initiate the group processes that lead to group formation, such as drawing out the needs and expectations of villagers who are the target beneficiaries. Generally, COs or

facilitators utilize a variety of participatory tools and approaches to drawing out inputs from beneficiaries. They help in the training and capacity-building of the beneficiaries in organizational as well as technical areas.

In projects such as PIDRA in Indonesia, COs are recruited from the villages covered by the project and are trained in social mobilization processes by external social facilitators, either government or NGO. Thus, it is not always the NGOs/CSOs nor project staff that provide the training for the social mobilization process.

In the Quang Binh Agricultural Resource Conservation Development Project in Vietnam, the SEMOT concept was adopted from the approach pioneered by the AKRSP. The SEMOT, acting as full-time facilitators, was responsible for conducting the series of PRA to determine community needs and to lay the foundation for local management systems.

The Northern Mindanao Community Initiatives and Resource Management Project in the Philippines described two kinds of social or community organizers hired by project-contracted NGOs. These are the Community Development Facilitators (CDFs) and the Community Development Coordinators (CDC) who are tasked to mobilize the community, organize community institutions, and strengthen the capacity of existing and new institutions. These COs are selected as much as possible from the project areas with preference being given to women.

While COs or social mobilizers/facilitators are critical to the institution-building of

village organizations and institutions, it has been noted that in several projects, orientation, training and capacity-building of some of these staff were insufficient. This lack of proper orientation and training on how to approach the community, build rapport with community members, and form the RPOs in a systematic and effective manner has set back the building and development of RPOs and other village institutions. A notable lack of training and sensitization on gender concerns among the staff was observed in the Aquaculture Development Project in Bangladesh.

## NGOs/CSOs

Of the 69 projects reviewed, about 22, or one-third of the projects contracted NGOs/ CSOs specifically to assist in the social mobilization of the project beneficiaries. In many cases, however, the involvement of these NGOs/CSOs was also technical in nature, e.g., microfinance, livestock, agricultural production, etc. NGO/CSO assistance and involvement in IFAD projects were strongest in Bangladesh, India, Indonesia and the Philippines.

In summary, NGOs have been tasked with the following specific roles and functions in helping to build and strengthen RPOs:
  ➢ Assistance in identifying target beneficiaries;
  ➢ Skills training, providing knowledge and information to groups;
  ➢ Formation of RPOs;
  ➢ Introduction of participatory processes to the project;
  ➢ Facilitating the social mobilization process;

➢ Facilitating processes in the groups/communities;
➢ Support to RPOs.

In some projects in Laos and Vietnam, the national umbrella organizations of women, i.e., the Lao Women's Union and the Vietnam Women's Union, were actively engaged particularly in those projects where rural women were the target beneficiaries. These women umbrella organizations assisted the formation of local women's savings and credit groups in the project areas, and provided access to research, training, and technical help.

In some cases, NGOs acted as full partners with other project stakeholders, such as government; in others, NGOs functioned more as sub-contractors, implementing particular components or sub-components of projects. At times, the NGOs involved or contracted were locally based, following the thinking that local NGOs have a better grasp of the context than non-local ones. The P4K/III project in Indonesia contracted eight local NGOs to assist in project implementation, especially in SHG formation. PIDRA engaged three local NGOs in the design of the project, and another three NGOs from the area were tasked with coordinating the project at the provincial level. For project implementation, 14 NGOs were contracted for Phase I based on their experience and expertise in gender and community development.

In India, the MADP hired 16 NGOs; RWDEP, 11 NGOs; and the JCTDP had 17 NGOs facilitating the social mobilization process in the project sites, both to support SHGs and VDCs. NGOs/CSOs were also active

partners in the Philippine projects as NGOs/CSOs have a good track record in community organizing and social mobilization.

In certain instances, international NGOs were engaged in the project when NGOs/CSOs in particular countries did not have sufficient expertise in the project requirements. NGOs like MYRADA in India or the Aga Khan Rural Support Project in Pakistan were sometimes tapped for advice and training on their successful social mobilization methodologies for projects in Indonesia and in Vietnam.

**NGO Performance and Assessment**

IFAD, project staff and the people themselves have all acknowledged the contributions made by NGOs to the success of IFAD projects. At the same time, some NGOs have been criticized for their lack of capacity and/or their inability to produce expected results. In Bangladesh, NGOs were taken to task for:
➢ Poor performance and capacities (Smallholder Agricultural Improvement Project);
➢ Rivalry among themselves, resulting in problems for the group (Agricultural Diversification and Intensification Project);
➢ Difficulties in getting some beneficiaries to work with them because of a previous bad experience (Sunamganj Community Based Resource Management Project).

In fact, the 2004 IFAD evaluation of the Bangladesh project portfolio recommended alternative approaches to developing self-governing RPOs in place of the current

approach which has tended to be dominated by the NGOs.

The PIDRA case reported mixed results from the involvement of NGOs. For one thing, many of the NGOs abandoned the project to take up government postings, thereby undermining their effectivity in their assigned roles. Another NGO weakness cited by the case had to do with their limited understanding of both the PIDRA formats and financial internal management systems, making it difficult for them to comply with these requirements. The next phase of the project will need a different set of skills from NGOs, or even a different group of NGOs, that would focus on the more technical concerns of the project, such as microfinance, micro-enterprises.

The WMCIP case also reported that not all of the NGOs contracted effectively delivered the services they were supposed to. NGOs in this project experienced many problems in their first year of engagement in the project, including fast turnover of staff, although implementation was ironed out later on in the project. On the other hand, the project credited the NGOs for linking up the RPOs and the target communities to relevant agencies to access needed resources.

In the MRCP, NGOs collaborated with participating banks to implement particular project components. Nevertheless, the Project Completion Review noted that the NGOs, not the banks, should have exercised a stronger role in the selection of target areas and beneficiaries in order to ensure that the focus remained on the poorest sectors.

Other lessons have been gleaned from working with NGOs in IFAD projects, as follows:[10]

➢ The catalytic or support role of the NGO has to be clearly defined and understood so that the target beneficiaries, rather than the NGOs, would make the decisions for their groups;

➢ The basis for compensating NGOs must be clarified so that NGO performance would be gauged not according to how many groups they have set up, or how much credit they had been able to access for the group, but rather according to the quality of the groups thay had established, etc.

➢ NGO support is most important at the early stages of group formation. Afterwards, it should be gradually phased out to prevent the SHGs from becoming too dependent on the NGOs. NGOs should also build the group's capacity to take over the group's operations. NGO support thus needs to incorporate an exit strategy.

➢ NGOs themselves sometimes need training to increase their effectiveness in the implementation of projects.

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[10] IFAD – Lessons on NGO Partnerships from a Women's Development Project in Tamil Nadu.

# Findings, Conclusions & Recommendations

IFAD's strategic thrusts for the Asia and Pacific region for 2002-2006 include the building and strengthening of RPOs and their coalitions/federations coupled with rights-based approaches and capacity-building of the poor. These thrusts constitute major and important shifts in the direction of helping in the empowerment of the rural poor.

The foregoing review of IFAD project experiences in building and developing RPOs in the Asia and Pacific region has yielded a number of positive findings in this regard. However, whereas there have been many positive experiences in the *formation* and *strengthening of RPOs*, particularly of SHGs, only a few project experiences, mostly from India, have yielded encouraging and useful lessons in the building of coalitions or federations, which is the next phase in the development of RPOs. In the WMCIP case study in the Philippines, the work of federation building was undertaken even though this was not explicitly stated among the project objectives. This (RPO) federation-building at the village and intervillage levels has had very promising consequences in expanding the voice and power of these RPOs vis-à-vis government, etc., and in improving the prospects of sustaining the benefits obtained from the project into the future.

Projects that developed clusters and federations of SHGs did so to scale up the economic empowerment of the groups, primarily women SHGs, through the expansion of their linkages with external institutions, such as banks. At the same time, some of these federations came to address not just the economic empowerment concerns of their women members but also, as a result of their increased numbers, their socio-political empowerment. Increasing the scale of activities as well as their bargaining power can help to ensure a greater chance of sustainability, not only of the federation and their member RPOs but also of project activities and benefits. This is particularly relevant in light of IFAD's strategic thrust for 2002-2006 of strengthening the RPOs and their federations.

The review also noted that the context for coalition- and federation-building varies among countries, with some offering a more

conducive environment than others. Hence, projects and project partners must provide greater support for the formation of coalitions and federations and for subsequent assistance in their continued development.

However, it was also observed that many project-related and supported RPOs have not developed far or fast enough in order to progress to the next level of coalition- or federation-building. Some projects succeeded in forming their target number of SHGs, but were not quite as successful at forming groups of good quality. Hence, the recommendation to refocus on raising the quality of the SHGs and their membership rather than continuing to expand their numbers. Several projects reported that many SHGs had no clear vision of where their groups were headed nor were they aware of or familiar with the aims and objectives of the SHGs. Such problems are usually the result of projects being simultaneously begun in an area by different donors that have their own rules and requirements. In fact, projects generally tend to form new organizations instead of exploring the possibility of working with groups that already exist, assessing their viability, and if found viable, mobilizing them and facilitating their development as RPOs for purposes of the project.

This highlights the importance of recognizing, prioritizing and providing support for capacity-building of the poor and of their organizations in organizational as well as technical matters. Training programs, including literacy programs, can help ensure a proper levelling off of information, and understanding of organizational rules, thereby strengthening

governance mechanisms. Proper orientation on the concepts of SHGs has been cited in most projects as essential for both the SHGs and their members and leaders. Training activities however should be given as and when needed by the beneficiaries and RPO leaders/members rather than as a function of rigidly set schedules of training activities as has often happened in many of the projects.

Capacity-building covers more than training activities. It also involves active mentoring and facilitation by social mobilizers or community organizers to assist in the development of RPOs as organizations as they move from one organizational phase to another. This kind of support is particularly important in conflict resolution, group management, and in setting up effective monitoring systems.

The evolution of RPOs into coalitions and federations and the sustainability of these groups will happen if the process is properly facilitated, and assuming that the RPOs are ready for such a move. Without a strong capacity-building component that aims to enhance the empowerment of the rural poor, beneficiaries will remain passive recipients of project benefits rather than becoming active owners of the project, contributing substantially to various phases of the project, and even beyond it. Part of capacity-building is making the RPOs aware of the indicators and parameters for assessing their level of maturity, and training them to keep track of their progress themselves.

This capacity-building is also critical to the community organizers or social mobilizers/

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facilitators who are tasked with building up the RPOs.

Just as importantly, RPOs must be helped to build strategic partnerships or, at least, linkages with various sectors and groups, especially government agencies and institutions, NGOs/CSOs, and the private sector, which can help enhance their sustainability through the provision of greater access to information and possibly human, technical and financial resources.

Other problems and issues have been raised, particularly the lack of exit strategies to address the sustainability of these RPOs and of the project activities and benefits after the life of the projects. Such exit strategies need to be incorporated into the project design to allow sufficient resources to be allocated. For example, exit strategies for projects need to address the following: developing adequate internal organizational capacities and incentive systems among the organizations, including assisting the RPOs to generate and sustain their own resources. Likewise, dynamic and effective social mobilizers from the communities must be trained and developed in order to continue to assist these organizations or coalitions/ federations in their organizational processes. At the same time, these mobilizers/facilitators themselves must be supported financially during the transition period.

Another element of an exit strategy is assessment of government policies, both existing and potential, which may affect the sustainability of the RPOs and their federations or coalitions. Projects need to be able to advocate for policies that are favorable to these RPOs and that can increase government's support for RPOs particularly after the project has finished.

It appears that IFAD has not been able to grapple with this sustainability concern as much as is warranted, implying too that it has not provided for the resources required for continued support of the RPOs, and their coalitions/federations after the projects close or before the RPOs/coalitions/federations are able to transform themselves into self-reliant, self-sustaining organizations. A critical question that must be raised with IFAD is, "To what extent is it willing to allocate the resources to assist in implementing the projects' exit strategies?"

Problems regarding social mobilization processes that have been faced by projects are traced mostly to flaws in the project design that predetermine the nature and set 'menu' of development activities that the RPOs and the villages are allowed to engage in.

Thus, the fundamental indicators that RPOs must demonstrate before they can form themselves into apex bodies pertain to their own level of development and sustainability as RPOs. The following are some of the key questions that RPOs must answer to determine their readiness and capacity to be sustainable.

> How strong are their linkages with government, including local government units and government agencies that impact on their organizations and communities?
> How strong are their linkages with private sector groups, particularly banking and other financial

institutions that can provide them with necessary credit and capital requirements, or with donors?

➢ Vis-a-vis NGOs/CSOs, with whom can they collaborate to access resources, including financial, technical and human resources?

➢ How strong is their collaboration with other people's organizations/RPOs, on common concerns and issues, especially in order to engage in lobbying and advocacy?

## RECOMMENDATIONS FOR IFAD

Which of IFAD's interventions are crucial to promoting the growth and maturity of RPOs, and their coalitions and federations, and to helping to ensure both their sustainability and that of IFAD project benefits?

The following recommendations have emerged from the various documents covered in the review as well as from the author and participants at the "SCOPE Regional Workshop on Strengthening Rural Poor Organizations in Asia" held on November 25-28, 2005 in Bangkok, Thailand:

### 1. FOR IFAD HEADQUARTERS AND CPMS:

#### 1.1 Design of projects:

➢ Ensure that there is a clear and doable exit strategy for RPOs/coalitions/federations formed in all projects, defined as early on in the design as possible with adequate budget allocations;

Examples of elements of this exit strategy are the following:

• the sustainability of projects depends largely on internal organizational capacities; thus, adequate incentive systems must be put in place to build and maintain such capacities, including assisting the RPOs to generate and sustain their own resources;

• developing dynamic and effective social mobilizers from within the community who can continue to assist these organizations/coalitions/federations in their organizational processes, and supporting these mobilizers/facilitators themselves during the transition period;

• assessing government policies, both existing and potential, which may affect the sustainability of the RPOs and their federations or coalitions and advocating for policies that are favorable to these RPOs and can increase government's support for them particularly after the project has finished;

➢ Inform and involve as many government agencies (multi-sectoral) as possible in project formulation to enable RPOs to link with as many of these agencies and thus gain access to more resources even after the project ends;

➢ Ensure timely and sufficient provision of resources to support

organizational processes of groups, including the coalitions and federations formed by projects. Projects are often ambitious in terms of planned outputs, but budgets for institution-building, which takes time and effort, are often limited.

➢ Make sure that the poorest and most vulnerable are reached, particularly in credit and microfinance activities;

➢ Provide closer and more responsive supervision of FLM (flexible lending mechanism) projects to be able to respond quickly and relevantly;

### 1.2 Capacity building among staff:

➢ Continue to increase awareness and understanding among IFAD staff on the critical importance of RPOs and their coalitions/ federations to reducing poverty and sustaining project gains, through regular exposure programs that demonstrate the effective functioning of these RPOs/ coalitions/federations. These exposure programs may include both IFAD and non-IFAD related projects.

## 2. FOR IFAD PROJECT STAFF AT COUNTRY LEVEL:

➢ Provide opportunities to expose project staff (including government agencies involved in the projects) and RPO/coalition/federation leaders to projects where social mobilization processes have proved to be successful and sustainable;

➢ Ensure sufficient and quality training for project staff, particularly of social organizers/mobilizers as these are key to building strong and sustainable RPOs;

➢ Before project implementation, recognize existing informal organizations of the rural poor, assess their viability and consider the possibility of mobilizing them instead of immediately forming new organizations which can result in additional impositions on the people;

➢ Set up indicators of RPO growth and development, which the RPOs themselves can use to monitor and assess themselves regularly;

➢ Provide the necessary training for RPOs to be able to do self-monitoring of these indicators;

➢ Recruit facilitators and COs who can work full-time, live in the village, and are able to respond to the needs of the groups;

➢ Ensure that there are more women facilitators/COs, particularly in the formation of women's groups;

➢ Provide capacity-building activities for RPO leaders and members, such as training that is provided according to need rather than to comply with a set schedule of project activities.

A critical question remains as to how far IFAD is willing to go in terms of providing material, financial and human resources in order to build the capacity of RPOs, nurture them, and to mentor those groups that are moving towards the formation of coalitions and federations in the different phases of the project as part of its ongoing strategic thrust of empowering the rural poor and their organizations.