chapter 3

CSO EXPERIENCES IN STRENGTHENING RURAL POOR ORGANIZATIONS IN ASIA

edited by Melissa Y. Moran

This chapter presents individual summaries of 16 case studies and papers presented at the "SCOPE Regional Workshop on Strengthening Rural Poor Organizations in Asia" held on 25-28 November, 2005 in Bangkok, Thailand.

Case 1:
Promoting Participatory Local Governance Through Village Networks in Kampong Thom and Kampot, Cambodia

by Dr. David Ayres, Arnaldo Pellini, and Dr. Anne Perez-Leroux (GTZ-Cambodia)

In Cambodia, which has emerged from years of conflict and continues to be characterized by strong hierarchical structures, this 3–year pilot project shows that it is possible to introduce bottom-up participatory decision-making processes. The promotion of "village networks" that are anchored on traditional self-help groups in the community can serve as vital links for dialogue between the villagers and the State-established Commune Councils.

Local–level Decentralization

Prior to the 2002 elections, local governance in Cambodia was characterized by a simple hierarchy. Commune authorities, representing the lowest level of government administration, were associated with political control, forced labour and military conscription, and local level defense (Eastmond and Öjendal, 2000). The commune authorities had no obligation to address and serve the needs of the residents of the commune, while commune residents had little or no motivation to interact with their Commune Chief.

Decentralization and the Commune Council elections marked a sharp break with the entrenched practices of the past, changing the institutional arrangements for local governance. State-appointed Commune Chiefs were replaced with popularly elected Commune Councils comprising between 5 and 11 councilors. While Commune authorities continue to have an important role as agents of the central government in the decentralized system, the new arrangements require them to be responsive to the needs of the people, and their primary focus has become the economic and social development of the commune.

No Community–level Constituency

A major challenge to the new system was that the councilors had no constituency. They were elected from political party lists (as the commune election law required) and therefore had a primary motivation to remain loyal to their parties, which had the right to remove them from the council. Thus, the councilors had little motivation to build constituencies among the villages that comprised the commune, and therefore weak incentive to address the needs of local communities.

Prior to the elections, the people's voice had often been represented by a broad range of traditional associations and community-based groups. However, the presence of these civil society organizations was not synonymous with widespread political participation. Traditional community organizations are first and foremost concerned with self-help initiatives at the local level rather than voicing popular political concerns. They also tend to have weak vertical linkages between themselves and local government institutions (Aschmoneit, 1998).

The Village Network Approach

The Village Network (VN) approach arose in response to that need. Its rationale is to bridge the gap between Commune Councils, as legitimate political representatives at the local level who need to become more demand-oriented, and civil society, which has limited experience in voicing political interests and concerns.

Structure

The networks are formed through village level elections, with Commune Council members invited as election observers. The average size of a VN is 5 members — with strong support given to female candidates for membership.

Once elected, the VN members are provided training to familiarize them with the basic concept of decentralization, the role and functions of the Commune Councils, participation in Commune meetings and the annual planning process. This training is conducted, over the course of one year, in a pagoda at monthly workshops with members of different VNs. In order to focus on concrete issues, group discussions at the workshops center on real examples of conflict and cooperation between the Commune Council and local communities.

In addition, reflection workshops are conducted every three months in the second year of operation of the networks, providing VN members with the opportunity to discuss their experiences in participating in Commune Council activities, the problems they have faced, and ideas for the future.

Acting as an informal representative of community interests, the VN links the community and the Commune Council, which has the mandate to provide public services that respond to community needs and demands. In practice, the various groups and associations existing in a community have the potential to channel community contributions to support the implementation of commune projects, provide regular reports about needs and problems at the village level, and also contribute to the yearly commune development planning process. As a next step, it is envisaged that the Commune Councils will provide funding to the networks to sustain community groups' participation in local governance activities *(See Figure 5)*.

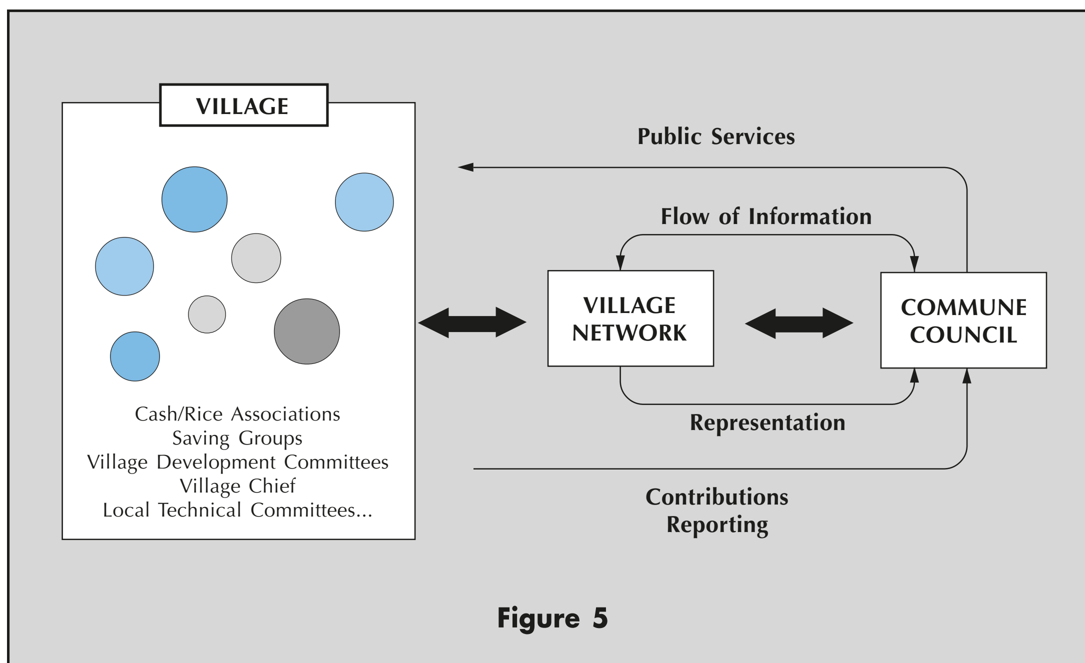


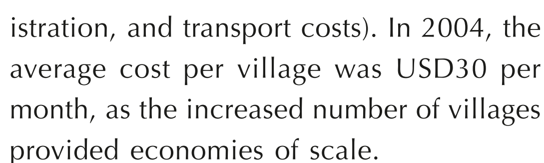
Figure 5

The first networks were established by local NGOs in Kampong Thom province in 2003. Four local NGOs[115] received funding and technical assistance from German Technical Assistance (GTZ) and German Development Service (DED) to implement activities to strengthen civil society participation in local governance in selected communes. These NGOs piloted VNs comprised of elected villagers, who generally represented existing and active interest groups or associations.

Responding to the different circumstances in Kampong Thom and Kampot provinces, two approaches have since been adopted for VN formation. In Kampong Thom, the Provincial Department of Rural Development (PDRD) now contracts local NGOs to facilitate formation of the networks, using IFAD funding to provide training in target villages. In Kampot province, where there is a limited number of local NGOs, formation of the networks and ongoing capacity building is directly provided by PDRD community development staff.

Because of its simplicity, it has been possible to rapidly expand the VN approach. Simplicity also positively impacts on the investments required to establish and maintain the networks. In 2003, the average cost per village of the VN in Kampong Thom was USD38 per month (salary of one NGO staff member, materials for training and admin-

[115] Minority Organization for Development of Economy (MODE); Cooperation for the Development of Cambodia (CODEC); Buddhism for Development Kampong Thom (BFDK); and Community Organization for Women Support (COWS).



istration, and transport costs). In 2004, the average cost per village was USD30 per month, as the increased number of villages provided economies of scale.

Lessons Learned

Sustainable Participation

The sustainability of traditional pagoda or village associations is beyond question. It can be linked to two factors. First, these associations are an indigenous structure, often formed without external assistance or support. Second, they are closely linked to the local social and cultural environments. Association leaders are often recognized as leaders of their communities, while association statutes often support a link with spiritual development.

While the traditional associations are an indigenous structure, the VNs represent a model introduced to the local communities from outside. In essence, the VNs are set up in order to bring together active community groups, *achars* (laymen) and other respected individuals, and link them to the Commune Councils. In terms of sustainability—with only three years of activity—it would be naïve to make any predictions about the long-term future of the networks, which continue to receive modest external support and technical assistance. Even so, the structure of the networks might work to ensure greater sustainability than would otherwise have been the case if alternative structures had been adopted. The present structure brings together people with clearly defined roles in the community. The VNs, rather than duplicating any of these roles, merely serve as a mechanism to facilitate interaction with the Commune Council.

Capacity Building

Ongoing experience has demonstrated that four elements are necessary in order to ensure that the knowledge gained by VN members is later put into practice through increased cooperation with Commune Councils:

1. **Training content must be linked as much as possible to participation and the actual practice of local governance,** rather than to theories and definitions that underpin participation and practice. In this regard, training content based on group discussions of concrete case studies has proved to be most effective. Additionally, study visits within the province and to other provinces have provided association members and local NGO staff the opportunity to observe and exchange experiences and ideas with colleagues involved in similar activities.
2. **Education materials should focus on simple and direct messages.** Initially, the local NGOs chose to use and distribute to Village Network members copies of the Law on Administration and Management of Commune Councils, and handouts prepared by the Ministry of Interior for Commune Councilor training. These materials proved too difficult for the participants to understand. In their place, what has worked particularly well are sets of posters developed by representatives of Commune Councils, VNs, local NGOs and associations that describe through images and limited text various aspects of the local governance process: including elections, participation in meetings and planning exercises.
3. **Capacity building must be provided on advocacy, facilitation, and conflict mod-**

eration skills that lend themselves to effective knowledge transfer. This is necessary because dissemination of the information acquired during traditional trainings has proved to be difficult.

4. **Clear definition and dissemination of the roles and function of the VN members vis-à-vis the Commune Councils is necessary.** The following list is derived from the experiences in Kampong Thom and Kampot:

    - Actively take part in capacity building and dissemination activities;
    - Transfer information and knowledge to the villagers;
    - Support villagers to understand the Commune's role in local development;
    - Provide a channel for two-way communication between the Commune Council and the local community;
    - Participate in the monthly Commune meetings;
    - Encourage villagers to participate in village and Commune development activities;
    - Organize monthly meetings at the village level to collect information and issues to be brought to the attention of the Commune Council;
    - Participate in the annual Commune Investment Planning process.

Plans for the future include testing other capacity building tools such as theatre plays, and reflection workshops at the village level with Commune Councils and district authorities where issues related to people's participation with Commune Councils are discussed. Underpinning these future tests is a realization that a focus on the concrete aspects of participation must be maintained, emphasizing interaction and cooperation between Commune Councils and local communities suited to local conditions.

Awareness about Participation

In 2004, an assessment of the VN approach was carried out among Village Network members as well as target group members. Respondents indicated that they were generally satisfied with the performance of their Commune Council and showed improved awareness about possibilities for participation. There is greater understanding, for example, that people do not need an official invitation to attend public Commune meetings, and information about the date and time of these meetings seems to be more available. However, there remains significant scope for improvement, particularly in relation to the issue of invitations to Commune Council meetings, as well as access to official documents.

Institutional Cooperation

Capacity building which focuses on civil society participation in the local governance environment should, whenever possible, involve Commune councilors and other local authorities to help strengthen cooperation and trust. Moreover, whenever possible, links and information flows should be established between civil society organizations, provincial and district authorities, and Commune Councils. If the local governance environment is regarded as a constellation of provincial and district authorities, Commune Councils and local communities, then the VN approach can serve as an opportunity for exchange and learning and as a mechanism that works towards breaking the mistrust and separation between "us" and "them" that often results from party politics and the traditional hierarchical structure of Cambodian society.

Conclusions and Recommendations

The experiences of the past three years with the VNs have shown that, despite hundreds of years of history characterized by top-down decision making processes by all levels of government, participatory local governance — which provides opportunities for the voices of the poor to be heard — can be developed in Cambodia. In order to achieve this, some principles can be drawn from the experience of the VNs:

- Traditional community-based groups such as pagoda associations represent an indigenous form of social capital and community mobilization. They represent dynamic local values and norms that can be the starting point to support and promote participatory and democratic decision-making processes.
- While the principle of bringing together traditional groups and active community members will continue to underpin the approach, a rigid model of partnership between civil society and Commune Councils should be avoided. The VNs should be considered as merely an option for promoting cooperation between Commune Councils and community members. When villagers and councilors are satisfied with existing village structures, then these might be supported in terms of building a more effective link with the Councils.
- Finally, the experiences in Kampong Thom can serve as concrete examples to advocate to decision makers at the national level in terms of demonstrating the benefits of increased participation for the local governance environment.

The VNs in Kampong Thom and Kampot represent a useful method to develop participatory local governance in rural areas in countries such as Cambodia that have experienced many years of conflict, instability and a regime that has attempted to rebuild society while cancelling traditional social values and norms. While Cambodian society is characterized by a strong hierarchical social structure, it is possible to introduce bottom up and participatory decision-making process stemming from traditional groups engaged in community development. This not only helps the sustainability and ownership of the process, but also promotes a major change in local norms, making use of dialogue, open discussion, and reflection.

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Case 2:

Lessons Learned in Community-based Coastal Resource Management in Bolinao, Pangasinan, Philippines

by Robert Charles Capistrano (Haribon Foundation)

In a poor coastal community experiencing declining fish catch due to destructive fishing practices and pollution, people learn that there is no food security without fish security, and fish security in turn is linked to the protection of the coastal environment. The task ahead requires, among others, a shared community vision, strong organizations, and the development of sustainable livelihoods.

The coastal waters of Bolinao, Pangasinan, Philippines were a haven for various marine species until the early 1970s. However, the latter part of the 1970s saw the onset of fishing problems, leading to a slow decline in harvest and the onset of poverty in the community. Illegal fishing activities using dynamite and cyanide were introduced. Pollution also increased due to oil spills from the growing number of motorboats in the area and waste products from the influx of residents along the coast of Bolinao. The crowding of motorboats anchored in the area also decreased the site for milkfish or *bangus fry (Chanos chanos)* fishing.

CBCRM Phase I

Thus in 1995, three institutions initiated a community-based coastal resource management (CBCRM) program in Bolinao. These three institutions were the University of the Philippines–Marine Science Institute (UP-MSI), University of the Philippines–College of Social Work and Community Development (UP-CSWCD), and Haribon Foundation for the Conservation of Natural Resources. This project was supported by the International Development Research Centre (IDRC). As the lead agency, UP-MSI handled the biophysical research and natural resource management component while UP-CSWCD focused on pioneering livelihood projects in the community. With its in-depth experience in working with coastal communities in establishing marine protected areas (MPAs), Haribon was tasked with community organizing, advocacy and mobilization activities.

This was a partnership that involved the coastal communities situated in the critical ecosystems of the Bolinao-Anda coral reef areas. Several fishers' organizations were formed per village or *barangay* that then coalesced to form a federation called *Kaisahan ng mga Samahan Alay sa Kalikasan* (Union of Organizations for the Environment) or KAISAKA. By the end of CBCRM Phase I in 1997, the project had achieved: (1) the formation of five people's organizations (POs), (2) the establishment of a marine protected area (MPA) in Balingasay and a mangrove reforestation area in barangay Pilar, (3) the implementation of livelihood projects, (4) the formulation of a coastal development plan, and (5) the creation of KAISAKA.

SAMMABAL

One of the POs formed was the *Samahan ng mga Mamamayan at Mangingisda sa Balingasay* (SAMMABAL), a fisherfolk organization in barangay Balingasay. Capacity building (e.g., basic ecology seminar, environmental law training, leadership and team building) and educational activities for its members (e.g., livelihood training and cross visits to other community-based marine protected areas or MPAs) were conducted. The resulting increase in environmental awareness spurred the organization to pursue the establishment of a marine sanctuary in Balingasay.

With regard to livelihood projects, SAMMABAL ventured into a *bangus* fry concession in 1996 and the creation of a floating cottage intended to promote ecotourism in the area. Unfortunately, both ventures were not sustained.

In the processing of the MPA, SAMMABAL secured an endorsement letter for the Barangay Council to obtain financial help from the Lingayen Gulf Coastal Area Management Commission (LGCAMC) for the construction of buoys and the purchase of other materials. The PO also obtained a certification from the municipal mayor confirming the completion of public hearings for the MPA and its impending approval. With these papers, SAMMABAL was granted a loan by the LGCAMC in December 1997. At the same time, the MPA was formally launched by a simple ceremonial positioning of buoys.

Kaisaka's Opposition to Cement Plant

With the technical assistance of the CBCRM staff, KAISAKA coordinated with the members of the Movement For Bolinao Concerned Citizens Inc. (MBCCI) and including women's group, religious organizations, youth and other stakeholders to hold mass actions against the construction of a cement plant in the area. These actions, which went from the local to the national level, led to the closure of the proposed project. Eventually, the environmental advocacy of various stakeholders in the area paved the way for the passage of the Coastal Development Plan.

SAMMAKA

Another PO in barangay Pilar, called SAMMAKA, embarked on buri *(Corypha elata)* craft and soap making projects. UP-CSWCD guided the PO on buri product development and quality control, and the CBCRM staff sponsored workshops on soap making. The buri craft project is still ongoing, but the soap-making project was eventually terminated due to quality problems.

SAMMAKA also ventured into mangrove reforestation to restore and protect its remaining natural resources. As a result, shells became abundant in the area and biodiversity improved. The group also launched experimental livelihood projects, such as sea cucumber and sea urchin culture in 1996. While the resulting increase in the number of sea cucumber was promising, the mortality rate of sea urchins was high due to the rainy season and the strong current in the area.

Challenges

When CBCRM Phase I ended in 1997, the federation was beset by various organizational problems, foremost of which was sustaining the active participation of its

member organizations. There were also fears that the federation would not be able to sustain its activities once the CBCRM program was terminated. This prompted Haribon to continue work in Bolinao from 1999 to 2002 to gain a deeper understanding of what makes a livelihood initiative successful and how this contributes to the success and sustainability of the CBCRM initiative. During the second phase, major undertakings included community mobilization, public environmental education, and the institutionalization of local management institutions such as POs.

CBCRM Phase II

In Phase II, the fisherfolk themselves did an assessment of their own people's organizations (POs) and livelihood and resource management-related projects; establishment of a marine protected area and mangrove reforestation; strengthening of established organizations and expansion to nearby sites; criteria-setting for sites and project selection; development of monitoring and evaluation tools; and conceptualization, planning, action-taking and reflection on their strengths and areas for improvement. As part of organizational strengthening and sustainability, the project was expanded to adjacent coastal barangays, and training of local community organizers (LCOs) was done. Thus by the end of CBCRM Phase II, there were eight (8) POs and six (6) local community organizers in the area.

Barangen Culture

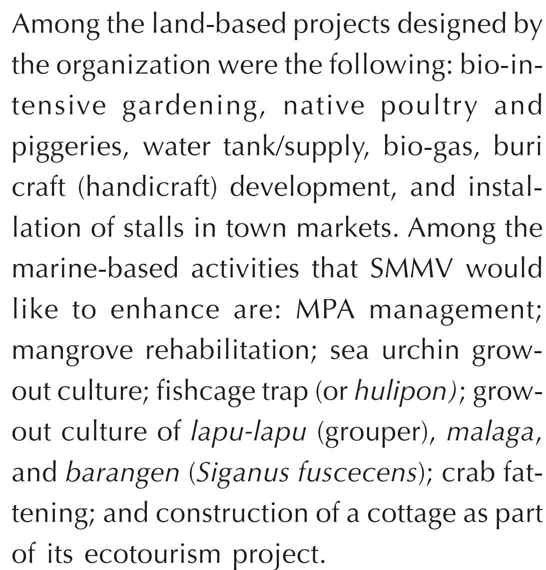
One livelihood experiment which the POs engaged in April 2000 was *barangen (Siganus fuscecens)* culture. Having noticed that *barangen* live in *bangus* or milkfish *(Chanos chanos)* fishpens and cages, the fishers thought of growing this type of fish in cages as well. The experiment went smoothly, save for the typhoon which hit the area in October 2000.

SMMV

In Barangay Victory, Santiago Island, Bolinao, fishers had observed the continuous degradation of their coastal area. Thus, the community members met to discuss possible solutions, and held consultations with other fisherfolk in the barangay. During the consultations, most of the fishers decided to form an organization called the *Samahang Maliliit na Mangingisda ng Victory* (SMMV).

In 2000, two projects were prioritized: a marine protected area (MPA) and a mangrove rehabilitation project. In addition, the PO agreed on the need to diversify livelihood projects while maintaining the integrity of natural resources. SMMV members attended participatory action research and training activities sponsored by the Haribon Foundation on such topics as Basic Environmental Education, Basic Leadership through Values, Orientation on Community-based Forest Management, Para-legal Training, and Sustainable Livelihoods.

The Sustainable Integrated Aqua Farm and Development (SIAFDEV) was a concept visualized through a participatory and collaborative effort of the SMMV members. The SIAFDEV seeks to integrate land- and marine-based livelihood projects that do not necessarily involve income-generating activities. The concept seeks to address resource management and rehabilitation initiatives in order to provide for present needs without compromising the demands of the future.



Among the land-based projects designed by the organization were the following: bio-intensive gardening, native poultry and piggeries, water tank/supply, bio-gas, buri craft (handicraft) development, and installation of stalls in town markets. Among the marine-based activities that SMMV would like to enhance are: MPA management; mangrove rehabilitation; sea urchin grow-out culture; fishcage trap (or *hulipon)*; grow-out culture of *lapu-lapu* (grouper), *malaga*, and *barangen* (*Siganus fuscecens*); crab fattening; and construction of a cottage as part of its ecotourism project.

The buri craft project in Santiago Island revived indigenous practices in product development while enhancing the participation of communities, particularly the women. Wherever localized food production prevails, women have played a pivotal role in both maintaining and strategically using biodiversity—as providers of food in the family to augment food security, and as carriers of local knowledge, skills for survival, and cultural memory. Thus, the role of women as leaders and movers of the federation is widely accepted in the community.

Moving Forward

Since Haribon left Bolinao in 2002, KAISAKA was able to generate support both from the community and from the local government. The federation is implementing a two-year project that seeks to replicate the initiatives in five additional barangays in the area with support from the United Nations Development Programme – Global Environment Facility – Royal Netherlands Embassy (UNDP-GEF-RNE) Small Grants Programme. KAISAKA initiatives continue to be information dissemination, community organizing, coastal resource rehabilitation, monitoring and evaluation.

Also, KAISAKA was able to access counterpart funds from the Marine Environment Research Foundation (MERF) of UP-MSI to support training in coral reef monitoring and management among the local communities.

Lessons Learned

From KAISAKA's experience, communities must be empowered to develop their own vision of sustainable livelihoods. This vision should be based on the conditions, resources, priorities, and values of the community. Thus, through community-based initiatives, KAISAKA members were enabled to take the lead in promoting and establishing projects and activities related to the rehabilitation, conservation and management of coastal and marine resources towards the development of sustainable livelihood for the communities of Bolinao. For a decade, the lessons learned in the CBCRM project have been shared with adjacent communities through community organizing, capacity building and resource management to further the protection and conservation of marine resources in the Lingayen Gulf of Pangasinan.

Communities have learned from experience that any decision about their organization should not be made by a chosen few. Any issue, no matter how ordinary, should be presented to the whole assembly for their awareness, evaluation and approval. Transparent leadership is important in earning the trust and confidence of constituents.

In a holistic manner, CBCRM likewise addressed the issue of food security. There is no food security without fish security, and

Table 3. Historical Development of CBCRM in Bolinao, Pangasinan (1995–2005)

	Phase 1	Phase 2	Community Initiated Project	Total
Duration	1995–1997	1999–2002	2003–2005	
Catalyst	UP–MSI; UP–CSWCD; Haribon	Haribon	KAISAKA	
Number of Community Organizations Formed	5 POs	3 POS	5 POs	13 POs
Marine Protected Areas Established	1	2	5	8
Mangrove Reforestation Sites Established	1	1	5	7

fish security in turn is linked to the maintenance of biodiversity. Thus, the project responded to coastal environment issues by making environmental protection an integral part of poverty mitigation through the establishment of MPAs and through mangrove resource rehabilitation.

Recommendations

Coastal communities engaged in livelihood projects, as with any other business, must be open to the risks involved. There are no guarantees for profits, just as there is no assurance against losses. However, beyond the economic aims of the federation is the development of its members. Each setback should be seen as a lesson well-learned; and the members must not only be enabled to spot and grab opportunities that arise, but also to generate and sustain opportunities themselves.

Development agencies must critically reflect on their guiding values and principles in ways that would empower and emancipate grassroots communities towards equity, sustainability, and participatory development. However, instituting change on the ground can only come from the communities themselves if agencies empower them and build their capacity to have a collective vision of sustainable development based on their conditions, resources, priorities, cultures and values. These are research gaps that can be addressed, particularly for communities that are still in the process of defining their future.

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Interviews with local leaders in the community.

Case 3:

The Coalition of Indigenous Peoples and their Campaign for IP Rights in the Philippines

by Dave de Vera (PAFID)

Empowerment of the poor will happen only if they have assured access to resources. In the case of indigenous people (IP) communities, this means gaining access and control over their ancestral lands, and their inclusion and participation in the definition and formulation of policy. This story describes how 140 IP organizations in the Philippines successfully came together under a national coalition (KASAPI) to advocate for the passage and implementation of the 1997 Indigenous People's Rights Act (IPRA).

The indigenous peoples of the Philippines (110 groups, 10 to 12 million) constitute about 16% of the country's population. Most of them live in environmentally-critical areas that are considered as public domain.

Problems Faced

The policy environment had always been among the major issues and problems facing indigenous people (IP) communities, because government policies did not recognize the traditional rights of such communities to their territory. In fact, occupation and habitation of any part of the forest zone was a criminal offense and there was very little opportunity for participation by IP groups. Another major concern was the very poor living conditions in these communities. Human development indicators had always been lower and poverty indicators higher among IP communities than the rest of Philippine society. And more importantly, for the longest time, most IP groups were losing their lands and their lives because they did not have legal titles over their land.

Thus, the situation called for action on two related fronts. First, there had to be an advocacy for a change in policy ensuring that the rights of indigenous peoples would be recognized by law. Second, indigenous peoples had to obtain assured access to resources by securing legal titles over their lands, including their traditional waters.

Prior to the start of coalition building, small but very fragmented groups of indigenous communities existed. Participation and policy development at that time was more ornamental than substantive—IP representatives were asked to join meetings, sign attendance sheets, and that was it. When they started raising their hands, they were not given the opportunity to speak. Increasingly, it was the educated, sophisticated, and more urbane indigenous peoples leaders who dominated the dialogue. Those who knew how to speak English, dressed up well, and had the right connections were always the ones who were invited to attend policy dialogues.

Previous attempts to scale up organizing of indigenous peoples at regional and national level were usually initiated by politicians and vested interests outside of IP communities.

The Process of Coalition Building

Action clearly needed to be taken. A broader coalition of indigenous peoples organiza-

tions had to be built up that would provide them a voice in the on-going debate and struggle for the enactment of a law that would recognize the rights of IP communities. Strategic partnerships with civil society organizations and other progressive entities within government had to be established, because the advocacy effort could not be done by the IP groups alone. The government and the private sector had to be engaged in a continuing dialogue to sensitize and educate them on the essence of traditional rights. At that time, there was very little understanding of what the communities really meant when they said, "We need land security. We need that our rights be recognized."

These actions, however, were met with a number of challenges. Ideological differences among the IP communities had to be bridged. Political pressures and interests had to be checked. There were many individuals and groups wanting to be "part of the show" but having clearly different interests. Cultural differences had to be recognized, with representatives of 110 different communities living amidst diverse geographical areas of the Philippines. And funding was always short.

Nevertheless, through a year-long process of consensus building, a national coalition of indigenous peoples in the Philippines was organized. It was called KASAPI or *Katutubong Samahan sa Pilipinas*. Founded in 1997 in a national assembly of 140 representatives of indigenous communities, it brought together 14 regional and subregional federations and about 240 indigenous peoples organizations from all over the Philippines.

A Law is Passed, Titles Acquired

The primary initiative of KASAPI was direct advocacy to lobby for the passage of the Indigenous Peoples Rights Act (IPRA). KASAPI representatives were among the main actors who lobbied directly with senators and representatives of Congress so that the IPRA would be enacted. They had to talk with like-minded entities, such as environmental organizations who were also concerned about the areas inhabited by indigenous peoples. They had to confer with farmers groups who were also facing land tenure issues, and they had to link with human rights advocates who were concerned about the continued violations of human rights of indigenous communities.

As a result, in 1997, the Indigenous Peoples Rights Act was finally enacted into law in the Philippines. The IPRA law recognized three basic rights: (a) it recognized the rights of ownership of indigenous communities over their ancestral lands and domains; (b) it respected the traditional resource management practices of indigenous communities; and, (c) it required the securing of free, prior informed consent from a community prior to the implementation of any project or initiative within areas that are identified as traditional territories.

Through KASAPI, IP representatives were given direct participation in the drafting of the implementing rules and regulations of the IPRA, with most of their major recommendations being adopted. Many of their community elders were also eventually appointed as commissioners of the office[116] that was tasked to implement the law that they had lobbied for.

[116] National Commission for Indigenous Peoples (NCIP)

As an outcome of the law, 26 titles covering 847,000 hectares of ancestral land, were obtained. In addition, 125 recognition certificates and 37 community forest management agreements were acquired. In fact, a communal title covering a whole island, including portions of the ocean, was granted to an IP community — a first in Asia.

Lessons Learned

In the course of the coalition's efforts, there were a number of difficult lessons learned:

1. The very high expectations of the coalition partners and members were difficult to meet. When the momentum of the coalition slowed after the start-up phase and after initial gains had been made, such high expectations were not met.
2. The traditional IP leaders had limited readiness and capacity to adjust to their new role as government policy makers and implementors. They did not understand the implications of the transition from being a community leader, then an advocate, and then a policy maker.
3. The growth of the coalition was not matched by the capacity of the coalition to manage itself. The resulting size of the coalition made it unwieldy and affected its dynamism and ability to respond.
4. Acceptance and understanding of the rights-based law was not easy and affected the partnerships among the various sectors. Many of the coalition partners started drifting away when they saw that their interests might be affected by the Indigenous Peoples Rights Act. Many farmers groups were worried that traditional territories might cover agrarian reform lands. A number of environmental groups feared that the indigenous peoples would wield so much power that they would affect conservation efforts. In fact, there was a break between those who were promoting protected areas and the indigenous peoples, because the latter declared their stand against involvement with the protected areas system.

KASAPI's Current Role

The coalition has since adopted a new role and function to accommodate current needs. In fact, it scaled down, instead of scaling up once it was clear that the main objective of the coalition had been met. However, in order to address continuing needs and challenges, KASAPI now serves as a watchdog for the implementation of the IPRA law. Rather than continuing as a large coalition, the members have adjusted the structure and operations of KASAPI to optimize resources, scaling down to a more manageable size for cost efficiency and effectiveness. It now maintains a small secretariat that does the work of disseminating information and monitoring the implementation of the IPRA.

Case 4:

Capacity Building for Ancestral Domain Management Planning: Empowering Indigenous Communities for Self-determination

by Dave de Vera (PAFID)

The 1997 Indigenous People's Rights Act of the Philippines, which recognized the rights of indigenous peoples (IP) over their ancestral lands, also recognized IP rights to manage the resources in their traditional domain. The Philippine Association for Intercultural Development (PAFID) has developed new mapping and planning systems to assist IP communities to formulate their ancestral domain management plans, and to negotiate these with other stakeholders and policymakers.

What do we mean when we talk about traditional leadership in institutions? The lack of tenure and legal recognition of traditional rights has had a profound impact on the ability of indigenous communities to exercise leadership and manage resources. These are directly linked. The leaders of a community can only exercise their authority if their authority and their traditional rights are recognized.

However, oftentimes traditional leadership and local resource management can no longer be exercised as these have been superseded by new structures imposed by government as well as private regimes.

Now, traditional leaders have often become mere deputies of more powerful external entities. Traditional management systems are often branded as primitive, unscientific, backward and anti-development. Because of this inability to exercise authority, the wealth of knowledge in traditional leadership and resource management systems is no longer passed on to the younger generation. The elders no longer have any incentive to pass it on to their children because government does not respect it anyway, or a new private company comes in and imposes a new management regime.

The traditional territory of an indigenous community defines who they are. From their land emanates their identity. Their leadership roles and resource management systems are born out of their unique relationship with the resources in their territories. Without traditional lands, there is no indigenous person. Both are closely linked. The exercise of leadership in indigenous communities and institutions cannot be divorced from the recognition of their land and territorial rights.

So, what have been the demands of the indigenous peoples in the Philippines? They demand to strengthen and revive indigenous peoples' leadership and their management institutions. They demand to secure legal recognition over their land. They demand to regain the right to determine their development needs, priorities, policies; and control over their resources based on their own unique perspective.

What are the challenges? I have mentioned earlier that the indigenous peoples were al-

ready successful in securing a positive policy environment. But how do you utilize the progressive provisions of the Indigenous Peoples Rights Act (IPRA)? How do you actually do this on the ground? How do you formulate an indigenous peoples' management plan with multi-stakeholders in environmentally critical areas?

All of the remaining resources in the Philippines are indigenous peoples' land. All of the water that goes down to the lowlands are generated by the watersheds where the indigenous peoples are. How do you then strengthen the capacity of the indigenous people leaders to negotiate with policymakers and other influential groups in an equal manner? They are actually given equal space and they are listened to.

What interventions have been done? With some funding from IFAD, PAFID is trying to build the capacity of indigenous peoples in the formulation of an Ancestral Domain Management Plan, which shall be:

- Participatory;
- Technically efficient; and
- Effective in documenting the traditional management arrangements and enhancing the role of traditional leadership in institutions.

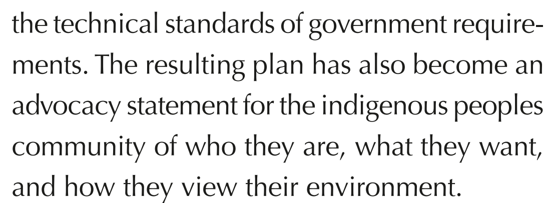
What are the tools and methodologies that we have utilized? Essentially, it is a participatory geographic information system (GIS)—a community-based GIS, which is as efficient and as effective as the sophisticated types. It utilizes community mapping, three-dimensional (3D) modeling and participatory planning in which other stakeholders are engaged.

For example, in 3D modeling, they collectively identify critical local information and then generate their own data from their own specific and unique experiences. They collectively analyze the local data and generate the plan based on the information that they gather in this process. They engage other stakeholders in this collaborative planning exercise.

Through a Memorandum of Understanding with the local government of Impasug-ong, Bukidnon Province, the Ancestral Domain Sustainable Protection Plan was developed by the people and adopted as the main framework for the consolidation of all management plans of an environmentally critical area. The Ancestral Domain Management Plan was based on traditional systems and in the process, reinforced the role of traditional institutions.

The 3D model constructed by the community did not focus solely on their domain but included the whole municipality. As a result, the model is now being used by the municipality itself as a reference for its own local government plan. Imagine a municipal government actually trying to learn from what has been started by traditional elders. Using the 3D model, land use and tenure patterns have been determined and an indicative Ancestral Domain Sustainable Plan has been formulated.

Another example shows how the data generated can be linked to a formal GIS. Rather than bring the full-size 3D model to meetings and presentations, it can be linked to an existing GIS because the data is technically efficient. As a result, data that the community has generated can be communicated with policymakers as it equals or even surpasses



the technical standards of government requirements. The resulting plan has also become an advocacy statement for the indigenous peoples community of who they are, what they want, and how they view their environment.

Traditional information, rules and arrangements are then respected by policymakers since these are now supported by technical data. It is no longer looked upon as primitive or unscientific because it actually has technical information that policymakers understand. The experience of traditional leaders in engaging other stakeholders on an equal footing has built their confidence and, at the same time, earned respect from other stakeholders. Now in Mindanao, when a *datu* or a traditional chieftain speaks in a municipal meeting holding a map, he is a *datu* who is respected.

Security of land tenure assures the continued exercise of traditional management and the existence of community institutions. As I earlier emphasized, without security of land tenure, there is no exercise of traditional leadership and existence of management institutions.

Lessons

- Traditional leadership and management systems are not static. They may be thousands of years old but these adapt to changes and respond to new challenges. That is why they continue to exist.
- Participatory planning was possible due to a favorable enabling environment. We were able to look at certain provisions of the law that we could use as a basis for what we were doing. Then the authorities would have no choice but to accept the output of the people.
- The exercise of traditional leadership and sustainability of its institutions can only happen with secure access to and control of their lands.

Case 5:

The First Tiller Farmers in Former Dutch Estates in West Java, Indonesia

by Apih Safari (STKS/FORKI) and Noviar Safari (STKS)

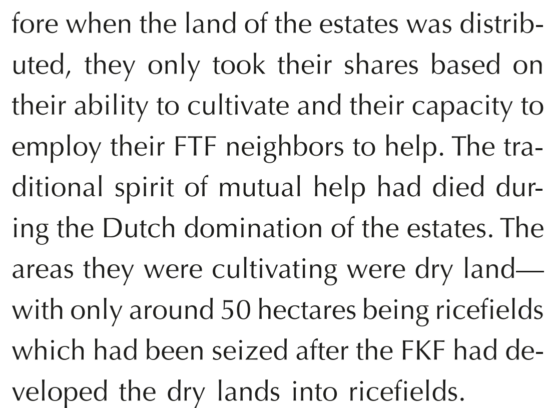
This narrative presents the continuing struggle of some 1,000 farmer families in two former Dutch Estates in West Java, Indonesia whose awarded lands were earlier seized by military officials, veterans and civil authorities successively from 1965 to 1978.

The Ganjartemu and Pasirpadang estates in West Java, Indonesia were formerly managed by a Dutch colonial enterprise, namely *de te Batavia gev. N.V. Maatschappy tot expolitatie der Pamanukan en Ciasem Landen* (P&T Lands PT). The two estates had 1,116 hectares of tea plantation. On August 22, 1957 the estates were returned to the government of the Republic of Indonesia by the regent of Sumedang district; and on April 26, 1958 by the Minister of Agrarian Affairs.

Actually, the estates had been seized by local farmers—who were mostly ex-field workers of the plantations—together with the armed fighters for Indonesian freedom from the Japanese in 1945. These "first tiller farmers" or FTF were also known as PETAWA, *Petani Penggarap Awal*. Since that time, there was mutual help between the Armed Forces (*Tentara Nasional Indonesia* or TNI) and the FTF. The TNI facilitated land distribution in cooperation with the Emergency Subdistrict Chief for the FTF, while the FTF supported the TNI with foodstuff, shelter, and protection (e.g., in times of danger during Dutch military operations, investigations, searches, etc.). Based on a diplomatic agreement between the Republic of Indonesia and the Dutch colonial military force, the whole TNI in West Java was required to evacuate to Jogyakarta, including the TNI assigned in the district where the two estates were located. The national tragedy of the *Partai Komunis Indonesia* (Communist Party of Indonesia) or PKI rebellion on September 30, 1965 also caused tremendous misery to the FTF whose lands were seized by the armed forces, veterans, and civil authorities successively from 1965 to 1978. In response to the FTF appeal to the *Forum Kerakyatan Indonesia* (FORKI) that participated in the fight for overthrowing the military regime in 1978, an advocacy team was assigned to conduct thorough research at the location. Then followed three years of struggle in which the FTF themselves were involved, a struggle that resulted in the return of 400 (out of 600) hectares of tilled FTF lands. During the period of 2000 to 2005, tensions between the FTF and the landgrabbers often flared.

The FTF Struggle

The life of the FTF in both subdistricts was very hard. As mentioned, most of them were former hard laborers of the estates while others were poor farmers who had their own land (between 700 sqm to 7,000 sqm) to cultivate. Only a few FTF had the opportunity to cultivate larger parcels of land, since distribution of land was based on their abilities and capacities. Their combined states of poverty and ignorance led to their powerless condition—socially, economically and politically. They had no bargaining power at all. There-



fore when the land of the estates was distributed, they only took their shares based on their ability to cultivate and their capacity to employ their FTF neighbors to help. The traditional spirit of mutual help had died during the Dutch domination of the estates. The areas they were cultivating were dry land—with only around 50 hectares being ricefields which had been seized after the FKF had developed the dry lands into ricefields.

As has been mentioned above, the involvement of the Forum Kerakyatan Indonesia (FORKI) or Indonesian People Forum (IPF) was a result of the FTF appeal. The response to the request was as follows:

1. After an internal forum discussion which included students from Universitas Padjadjaran (UNPAD), Institute Koperasi Indonesia (IKOPIN), and Universitas Winaya Mukti (UNWIM) and with Prof Sayogyo as FORKI advisor, an introductory visit was carried out to the rural areas where the FTF were victims of land seizure. Various data and findings were noted down, then discussed among the members of a newly-formed Advocacy Team for FTF.
2. Aside from the thorough research conducted by the team, meetings and discussions were carried out in the villages concerned. Each village formed an organization with a Chairman, Vice Chairman, Secretary, Treasurer, and a General Assistant. A Coordinator was appointed by the five village leaders in a democratic manner. This process was carried out during one year, in 1999.

A long-term plan was made for reclaiming the lands by the FTF and a strategy was formulated to carry out two types of actions:

Political action — demonstrations by FTF members and other farmers' groups;

Legal action — finding any remaining original documents (most had been seized by the military authorities before the land seizures), e.g., a card which granted the holder the right of land cultivation based on the size stated in it.

After seven years of hard struggle, 60 percent of FTF lands have been reclaimed, although attacks and various dirty tactics have been used by the landgrabbers to retake the lands. It is significant to note, however, that they avoided direct violations of the law in order not to be hated, and to win the sympathy of the authorities and the community.

Challenges Faced

The problems could be described as follows:

1. **From the landgrabbers.** Although most of the landgrabbers had released their seized lands which were thus reclaimed and managed by the FTF, some landgrabbers were still attempting to take the lands back. In some cases, the landgrabbers surrendered but paid their bodyguards to terrorize the FTF.
2. **From the authorities.** Although the former Bupati (Chief of the District) took the side of the FTF, some interested district officials, most of the subdistrict police and the district police, and nearly all the chiefs of the villages in the conflict areas took the side of the landgrabbers. In general, the reason was land and money. The current Bupati knew nothing or ignored the FTF. Many of the disputes of the FTF against the landgrabbers resulted in unjust settlements.

3. **From the First Tiller Farmers.** After three years (1999–2002) of the reclaiming process, the struggle by the members of FTF to reclaim and till their lands showed signs of succeeding. However, the continuing struggle to reclaim around 250 hectares consisting of several hundred parcels of land for several hundred passive farmers was declining. Some FTF members became "traitors" due to unbearable poverty. Moreover, the current economic condition after the increase in the price of oil burner material in 2005 increased the prices of foodstuffs by more than 20%—resulting in greater poverty among the farmers as whole.
4. **From the difficulty of funding.** To begin with, the Advocacy Team was not inclined to search for a donor to fund the FTF struggle. There were several reasons for that attitude, i.e.: (a) to avoid the threat to building self-help and self-reliance; and (b) the Forum Kerakyatan Indonesia (FORKI), of which the Advocacy Team was a sub-organization, was a liquid association, therefore it was difficult to find any funding agency to support. Further, the Forum did not foresee the advocacy-type struggle as being a long-term process needing continuous funding.

Strategies to Address the Obstacles

Through a general meeting among the members of FTF, FORKI Presidium and the student organizations, the emerging obstacles were identified and discussed. The objective was to unite all the interested farmers who had ever been supported by FORKI in West Java. After thorough consideration, all agreed that a district-level farmers organization would be established.

A farmers organization named Serikat Tani Kerakyatan Sumedang was declared and its leadership was formed, with membership consisting of farmers' groups which had linked with FORKI during the struggle for various farmers' interests in Sumedang district. The early planning had successfully raised the struggle of FTF to the level of a national issue; even prompting Vice President Megawati Soekarno Putri to pay attention to the case of the seizing of farmer- tilled lands (according to the Agrarian Law, after 20 years of tilling, such type of lands could become private).

The strategy also called for carrying on such approaches as demonstrations, correspondence, and other activities addressed to the central government level—particularly with regard to abolishing the invalid certificates held by the landgrabbers. Political actions were mostly changed to the filing of civil lawsuits in the courts against the landgrabbers.

Significant Impact of the Struggle

1. The successes of the struggle which benefited the members of FTF in particular and the farmers in general are as follows:
   - The poor people who had no land at all and the ex-hard laborers of both plantations now had lands to cultivate for their own needs. Despite failure in some villages and partial success in others, the impact was still meaningful. Around 2,400 persons were saved from starvation and some were able to send their children to school.
   - Viewed from the social aspect, where the people were still tied to the practices of feudalism in the form of fearfulness and the feeling of powerlessness, the movement itself had awak-

ened their awareness of their potentials and rights, and raised their confidence and courage. During demonstrations and other group activities, they learned that there was no harm in these as long as the aspirations were not false. There was no barrier between the concerned authorities and themselves if the proper approach was used.

- The introduction of organizations—First Tiller Farmers (FTF), Serikat Tani Kerakyatan Sumedang (STKS) and Indonesian Farmers Association (IFA) of Sumedang District —tremendously encouraged and awakened the poor farmers to their potential, with such organizations as their tool or vehicle to attain their common interests.
- The success of the struggle inspired similar cases nationwide, as well as attracted both local and national media attention—benefiting not only the FTF but also the poor farmers in the country as a whole.
- Sustainable self-governing FTF in the framework or the main organization of STKS would be significant since along with the struggle of reclaiming the lands, organizational implementations always developed from time to time in order to fit the situation and condition which affected the wheel of organization for the next sustainable empowering the poor farmers.

2. A number of failures were also experienced:
   - The team failed to create good leadership among the 7 board members of FTF.
   - The failure also affected the struggle, causing it to last longer than the estimated duration to complete the reclaiming process (5 years), with all FTF members getting certificates for their reclaimed lands.
   - The effort to include all of the 1,000 farmers whose lands were seized—although only around 600 farmers could be organized—was also a challenge to the organization.

Lessons Learned

Since the process towards building a stable, self-governing organization as a vehicle for sustainable welfare development is still ongoing, continuous involvement of the Advocacy Team is still needed. The difficulty of finding a good leader locally is the main difficulty. Most of the farmers are illiterate, with only some having obtained elementary school education. Those who had higher education—some were faculty graduates, some were ex-officials—had left the organization due to unacceptable conduct in the eyes of the members. This difficulty of building leadership continues to be a problem.

Case 6:

Influence of Women Self-help Groups in Grassroot Self-governance Institutions in Madhya Pradesh, India

by Shrdha Kumar (SAMARTHAN)

In 1993, the Parliament of India passed a constitutional amendment whereby rural local bodies were positioned as the institutions for local self-governance. These institutions, called Panchayati Raj *Institutions, were envisioned as the means for promoting economic empowerment and social justice at the local level.*

For Samarthan, an NGO working in Madhya Pradesh, it was important to keep panchayats *accountable to people, and to use their collective strength to influence larger systems. Hence, it helped build and strengthen community-based organizations (CBOs) and federations to intervene and demand accountability from local elected bodies. Also, it facilitated the collective voice of CBOs and village* panchayats *to establish accountability at higher tiers of governance (at block and district levels).*

Madhya Pradesh, an extremely progressive state—although one of the poorest and most underdeveloped in India—enacted its State Act in 1993 and further included elements of direct democracy called *Gram Swaraj* in 2000. The legislation mandated the village *panchayat* as the body for decision-making and participatory planning at the village level.

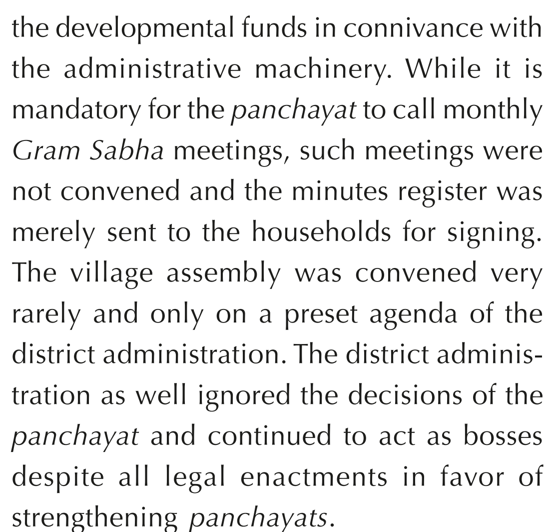
Contrary to expectations, however, the legal provisions resulted in reinforcement of the existing social power structures. Accountability of democratically elected institutions was weak. Many of the local people's institutions engaged in corrupt practices. The broad social disparities between men and women, rich and poor, upper and backward castes, etc. continued. Faced with such challenging conditions, there was a need to increase the effectiveness of the village *panchayat*, especially as the voice of the deprived in the process of self-governance and change.

Structure for People's Participation

The constitutional framework of the country and the legal framework of the state mandates the *Gram Sabha* or village assembly (i.e., *Gram Panchayat*) as the body for collective decision making, monitoring and supervision of the village *panchayats*. Thus, the various levels of people's participation are as follows:

National: Parliament
State: Assembly
District: *Zilla panchayat*
Block: Block *panchayat*
***Panchayat* (cluster of villages):** Village *panchayat*
Village: *Gram Sabha* (Committees and CBOs)

In the absence of an active *Gram Sabha*, however, elected *panchayat* representatives would discretely carry out activities and fudge



the developmental funds in connivance with the administrative machinery. While it is mandatory for the *panchayat* to call monthly *Gram Sabha* meetings, such meetings were not convened and the minutes register was merely sent to the households for signing. The village assembly was convened very rarely and only on a preset agenda of the district administration. The district administration as well ignored the decisions of the *panchayat* and continued to act as bosses despite all legal enactments in favor of strengthening *panchayats*.

Intervention by SAMARTHAN

Samarthan perceived that the *Gram Sabha* and Village *Panchayat* are important and sustainable civil society institutions. Although the *panchayats* had a constitutional mandate for bottom up planning, it was important to keep them accountable to people and to use their collective strength to influence large systems. Therefore, Samarthan strategized its intervention in building and strengthening small community based organizations (CBOs) to intervene and demand accountability from local elected bodies. It facilitated the collective voice of community-based organizations and Village *Panchayats* to establish the accountability of the district administration as well as higher tiers of governance at the block and district levels.

Samarthan had been working in Madhya Pradesh for nearly a decade primarily as a strategic support organization on participatory development and governance. It believed in enabling and strengthening the capacities of small civil society organizations. To strengthen its own role as a capacity building organization, it decided to initiate field experimentation on the institutional mandate of 'learning by doing' in the district of Sehore[117].

Local Governance Model

In Sehore, all of Samarthan's interventions were aimed at facilitating the building of a model of participatory development and governance. It strategically promoted the collectives of youth and women to influence the process of self-governance. At the same time, it converged other programs on capacity building of *Panchayats*. This helped to complement the strengths of various stakeholders in building a larger governance model.

Key interventions in building a participatory governance model:

- Formation of youth groups for developing local leadership;
- Promotion of Self Help Groups (SHGs) for women's empowerment;
- Providing small untied grants to *panchayat* to initiate micro planning;

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[117] Sehore is one of 48 districts of Madhya Pradesh, and is one of the 100 poorest districts of the country. It has a primarily male-dominated society and polarized caste equations with dominating OBC (Other Backward Caste) groups. The district covers an area of 6.5 sq.km. with 1,000 inhabited villages in 7 towns. The district population is 80% rural. Sehore is faring poorly on many development indicators like education, average life expectancy, infant mortality rate, etc., yet it is extremely politically volatile due to its proximity to the state capital.

- Capacity building of *Gram Panchayats* on various dimensions to improve their effectiveness;
- Building networks of elected representatives and establishing an information center at the block level to cater to their information needs;
- Action research on the empowerment process of the marginalized in the local self-governance bodies;
- Intervention in urban wards for strengthening the overall governance in the district.

Strategies for Group Formation

1. **Selection of field workers from the cadre of youth leaders' SMILE program.** SMILE was a program that recruited a cadre of local youth leaders, both girls and boys, to serve as facilitators of development efforts (e.g., sanitation, education and other developmental campaigns). The program facilitated quick training and understanding of developmental issues amongst these youth leaders, many of whom were subsequently assigned as field workers for mobilizing and motivating women's participation. Thus, the field workers selected for Samarthan's Self Help Group (SHG) building began as motivated youth who wanted to bring about social change.
2. **Minimum critical mass of groups.** Attempts were also made to promote a minimum critical mass of groups in a particular geographical area. Initially 53 groups were promoted in 29 villages. Many more groups later mushroomed on their own in the same or adjoining villages. There were usually 2 to 3 groups in a village, each with approximately 10-13 members. Though the caste varied among the group members, the groups were largely homogeneous (same economic class) and had shared objectives and a larger purpose of influencing governance.
3. **Capacity building inputs.** Capacity building involved a combination of classroom training, exposure visits, and group discussions. The latter were specifically used for raising awareness on different development issues (e.g., health and nutrition of women and children) and to strengthen the groups (e.g., team building, recording of financial transactions, etc.). The most important input provided to the group, however, was on the functioning of village panchayat. Field workers then provided support for such matters as documentation requirements for approval by higher tiers of government, writing the minutes of the village panchayat, planning the budget, developing cost estimates of public works, etc.

The field workers themselves were likewise provided with continuing inputs on local self-governance and the role of CBOs in the Village *Panchayat* and *Gram Sabha*. They also attended trainings on participatory principles and—together with women SHG members—went on exposure visits to large gatherings of elected representatives (specifically elected women representatives) to motivate them in the political and developmental process of the village.

Institutional Linkages for Long-term Sustainability of the Groups

Two sets of interrelationships were employed for greater impact and sustainability:

1. Collective Action Through Formation of Cluster Level Network and Federations

The SHGs were federated as Cluster Associations comprised of groups within an area of 8 to 10 villages. The formation of clusters led to the development of networks amongst different groups and provided them an opportunity to share their experiences with groups in other villages that have similar concerns.

A cluster, as defined, involved an area that would require a member to commute a maximum distance of three to five kilometers to and from cluster meetings. Thus, office bearers of the groups, along with one ordinary member of each group, could easily attend such meetings. Meetings of the cluster associations were also held by rotation in the different villages for the convenience of the members. Usually held once in two months or once in a quarter, such meetings primarily addressed larger management issues of the SHGs as well as identified agenda for collective action.

Supportive youth groups or *Kishori* (adolescent girls) groups were also found in many villages, complementing the efforts of the main groups in fulfillment of the cluster's larger objectives. For instance, teenage girls of one group helped in teaching and enhancing the literacy of the group members.

Many of the SHG members also became members of the standing committee of the Village *Panchayat*. These inter-linkages not only resulted in sustainable impact and life for the clusters, but also contributed significantly in bringing about transparency and accountability in local self-governance institutions.

EFFECTS OF FEDERATING GROUPS

- *The field workers were able to provide minimum support in time of emergencies by attending cluster meetings. Therefore, the groups did not suffer due to withdrawal of regular support.*
- *The inter-group experience sharing succeeded in tapping the resources of different groups to help each other.*
- *Being a larger entity, the federation was able to function as a strong pressure group on the district administration and higher tiers of government institutions.*
- *The federated groups were able to engage large banking institutions to give large sums as loans for economic activities.*
- *The federation was able to put pressure on defaulting members for timely recovery of loans.*

2. Collective Economic Activity

Many groups operated as economic enterprises, with the resulting collective energies and interdependence helping to strengthen the group process. One example was the weekly market in the village, which then became an attraction for a large number of adjoining villages. Grocery stores, flourmills and tailoring were among the economic activities undertaken by the groups as collectives. Enterprise management has helped in identifying the strengths and weaknesses of the different group members; as well as in conveying the concepts of participation, interdependence, division of labor, etc.

Influence on Local Self-governance

The groups have thus been strategically linked to sustainable institutions, either as active

members of the *Gram Sabha* or as members of its various committees that directly influence the decision-making process. *Fig. 6* is a diagrammatic representation of the participation of women SHGs in the village assembly and the influence of their collectives on the district administration.

Influence on District Administration and Higher Tiers of Local Bodies

1. **Women's voice in the Village Assembly.** The Gram Sabha had been generally insensitive to the issues of concern to women (e.g., installation of hand pumps, irregularity of meals in village schools, etc.) as male village leaders dominated the meetings. When women would actively voice their concerns, they would be laughed at or rebuked by the male members. Thus, the participation of the groups in the Village Assembly was instrumental in focusing the attention of the locally-elected body on gender issues and the importance of being sensitive to women's needs in the service delivery programs of the Government.
2. **Engagement in community-based activities.** The law provided for a village development fund, called the *Gram Kosh*, for empowering the village in terms of mobilizing resources as well as planning for development. However, the absence of inputs and skills, combined with a lack of interest and confidence led to inactive village assemblies, which could then

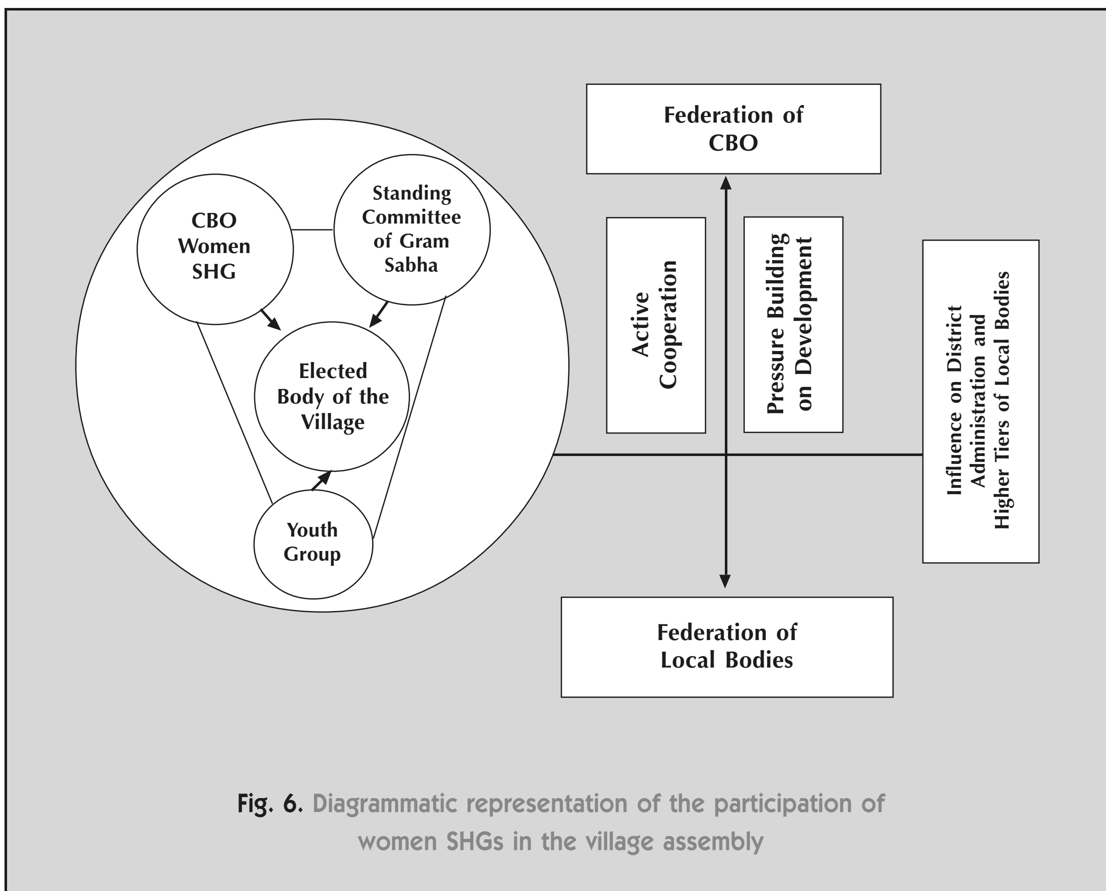


Fig. 6. Diagrammatic representation of the participation of women SHGs in the village assembly

not set the agenda nor influence the meetings of local bodies. Meanwhile, the Village *Panchayat* either evaded accountability or planned the development of the village as per their own perception.

Once inputs were given to the groups on legal provisions, participatory planning and skills, their role as Village Assembly members and management of the village fund, the community organizations were able to facilitate many small local projects based on the needs of the people. The subjects of their planning included boundaries for schools, repair of hand pumps, construction of community buildings, creation of soak pits near the hand pumps, laying of roads and deepening of wells.

These groups mobilized large amounts of community resources (an average of Rs.100 thousand a year), more than 50% of which was contributed by the community either in cash or in the form of labor. This facilitated the investment of funds by the village *panchayat* according to the priority needs of the people.

Impact of the Group Process

Fifty SHGs were initiated and monitored as part of the project objectives. They gained the acceptance of society and credibility in the village bodies, leading to the emergence of many more groups in the vicinity. These groups have also become the support structures and are replicating the project objectives.

Group Level

Even after the project cycle had ended, the groups continued to meet regularly and work towards self-help and participatory governance. Below is a profile of their continuing growth beyond the project cycle:

- Savings of the group are increasing, with a total group saving of Rs.750 thousand.
- 100% recovery of loans continues.
- Increase in the credit limit from the bank in the last one and a half years.
- The cluster federations have become registered bodies and maintain their records, ledgers and cashbook.
- New avenues are being explored by the group for income-generating activities.
- Many women ran in the last *panchayat* election and approximately 50 women are holding positions in elected bodies.
- Continued active role in the village assembly.
- Increased accountability and transparency in elected local bodies wherever the groups were formed.
- The federations have become strong and are able to influence higher tiers of governance.

Individual Level

The enhanced knowledge and skills and the changed attitude of women group members have motivated many of them to make important decisions in their own lives. They are now able to handle bank transactions, materials procurement, marketing and other activities on their own—including traveling long distances alone. Their active role in the public domain has considerably reduced their dependence on the male members of their family. Their enhanced economic status has also helped them in planning the family expenditures according to their own priorities. All these factors have created a new-found status for these women

in their families and in society, leading to greater self-confidence and self-esteem.

The increase in the income of women group members has likewise translated into increased control over choices for themselves and their families. Most of the SHG members are now sending their daughters to school, with some trying to send their children to private schools where English is taught in primary classes. Some of the traditional birth practices have also begun to change in favor of women.

Further, the concept of self-help has enabled the women to tide their families over contingencies and emergencies. Thus, there is considerably less dependence on moneylenders to meet small credit problems. At the same time, many of the groups have turned into profitable economic enterprises, bringing about an unprecedented change in the life of the group members and in the power equations in the area.

Accountability of Local Institutions

The *panchayat* elections of December 2004 had vibrant participation from women SHG members. Five members ran for the position of the *Sarpanch* (head of the *panchayat*), while as many as 30 SHG members became ward members. Even prior to the election, many of the group members had become part of the standing committee and other important committees of the local bodies. Whether part of the elected body or not, the SHG members have emerged as an important pressure group for maintaining the accountability and transparency of local institutions. Since the groups have started wielding considerable influence in the local polity, it has become important for local politicians to lend sensitive ears to the development needs advocated by these groups.

Besides acting as a strong pressure group in local bodies, these members are also facilitating participatory planning with the help of *panchayat* funds—perhaps eventually serving as a model of 'bottom up planning' in the years to come.

Lessons and the Way Forward

1. A project cycle of only three years challenges the process and puts pressure on the groups and organizations involved. While the short-term objectives of 'self help' may be achieved in this period, larger goals—such as engaging women in the political process—would be difficult to fulfill. It is equally difficult to create a meaningful federation in three years. Fortunately, Samarthan had a sustained presence in the Sehore district, and its field workers were residents of the same geographical area. This proved advantageous when minimum support was needed in the event of contingencies even after the withdrawal of the project.
2. Training and other project activities that were decided upon in a non-participative manner affected the long-term sustainability of the groups. For example, training on livelihood options such as piggeries, goat raising, weaving, etc. were pushed by the donor agency without consultation with the stakeholders. Thus, many of these training activities were a waste as they did not use the traditional skills available in the group and instead imposed unknown skills; nor could they

provide backward and forward linkages. These activities provided no meaningful gain in terms of the project objectives.

3. Multiple objectives in group formation—like economic empowerment combined with influencing local governance institutions—also challenge the field worker's capacity. While livelihood and better governance are interlinked, they require different skills and competencies. It is difficult to find these two specialized competencies in one person.
4. Also, the group's expectations with regard to economic gains constrain the process of political participation. Livelihood, being a more tangible outcome than governance, tends to capture the group's fascination much more than intervention in local bodies. Therefore, very high-order skills are required to keep the group motivated to pursue all the intended objectives. Again, it is extremely difficult to find this combination of competencies in one person alone.
5. Madhya Pradesh offered unique opportunities for practicing grassroots democracy due to the enabling constitutional provisions and the State framework. However, such strong and direct linkages between local bodies and people's institutions may not be present in other circumstances. Therefore, the strategies adopted by Samarthan in the Sehore district of Madhya Pradesh may be not be readily applicable elsewhere due to a different policy environment.

Case 7:

Role of FECOFUN in Promoting the Sustainability and Upscaling of Rural Communities in Nepal

by Ghan Shyam Pandey and Nabaraj Dahal (FECOFUN)

Community Forestry (CF) holds the key to the restoration of forest resources and reduction of poverty — by improving the tenurial security and livelihoods of the rural poor through their local institutions. However, studies have shown that, due to social discrimination, CF user-groups are often dominated by the elite, and poor households are still marginalized from decision-making processes and the equitable sharing of benefits.

FECOFUN, or the Federation of Community Forestry Users in Nepal, has over 10,000 affiliated user-groups through its 74 chapters. Among its various initiatives is the promotion of community-based enterprises that ensure participation, co-ownership and benefit-sharing by the poorest households in the community.

In Nepal, 38% of the population lives below the poverty line, and the hills districts, in particular, suffer from acute poverty caused by unsustainable use of forest resources, which in turn leads to degeneration and reduction in product supply (Sharma, A.R. and R. B. Thapa, 2004).

Most of the Community Forestry Users Groups (CFUGs) in Nepal, however, are very rich in high-value but low-volume Non-Timber Forest Products (NTFPs). Thus, Community Forestry (CF) is the policy innovation aimed at providing productive assets for the benefit of the poor by bringing about social changes and establishing efficient property institutions at the local level (I.S. Karki and S. Tiwari, 1998). A forestry sector policy document (HMG/N, 1989) endorsed CF as a priority program aiming to support decentralization in resource allocation and decision making as well as putting priority on the resource-scarce poor and socially-marginalized groups in the forests.

The major features and working premises of the Forestry Sector Master Plan are:

- Four imperatives of development are as follows:
  a) Fulfillment of basic needs;
  b) Sustainable use of forest resources;
  c) People's participation in the benefit sharing and decision-making process; and
  d) Social and economic upliftment (progress);
- The prerequisites of national development, like peace and security, can be fulfilled only if the basic needs of the people are satisfied;
- Over-centralization of the decision-making authority would weaken the morale and confidence of the people;
- Abundant local resources and the power of local communities may be creatively managed and mobilized through a community forestry development program;
- If the right of decision-making was decentralized to the level of the user groups

dependent on the forests, their decisions would be more action oriented;

- The key to sustainable development of forest resources of the country is the involvement of the user groups in the process of decision making and benefit sharing;
- The major responsibility of the government field workers shall be to facilitate and to support the people in the sustainable use and management of the forest;
- The people's traditional accepted right to make decisions on fuel wood and fodder collection free of cost shall be systematized;
- Information dissemination will be emphasized so that women and wood cutters may take active part in decision making and benefit sharing;
- The livelihood of poor and landless people will be maintained by forest-related activities;
- In line with the principle of decentralization, community forestry plans shall be formulated and implemented immediately;
- Local users should be made aware that they shall receive the direct benefit from the conservation of natural forests and plantation areas.

Community Forestry is of prime importance for the restoration of forest resources and poverty reduction through improving the livelihood of the rural poor by institutionalizing their local organization. However, due to social discrimination against rural and minority groups, most studies reveal that CF is dominated by the elite (Nurse, M, D.B. Khatri, D. Paudel and B. Pokharel, 2004) and has not been able to provide equitable sharing of benefits among the weaker sections of society. Poor households are still marginalized from the decision-making process, equitable sharing of community funds, and social inclusion.

FECOFUN Initiative

The Federation of Community Forestry Users, Nepal (FECOFUN) emerged after four years (1991-1995) of discussions, interactions and workshops on how to assist the CFUGs of Nepal. Through its village, range post, district, regional and national assemblies and committees, FECOFUN greatly expanded its organization from the grassroots to the national level. Out of a total of 14,000 government-recognized CFUGs in the country, more than 10,000 have been affiliated with FECOFUN through its 74 district chapters. Nine million people, managing more than 25% of the national forest as community forests, are directly involved in the FECOFUN movement.

FECOFUN strives to promote self-reliance among CFUGs through institutional capacity building to capitalize on the resources in order to meet their diverse needs (IIDS, 2005: report on assessment of FECOFUN and its programs and strategies). Its objectives are to initiate efforts towards the preservation of natural resources by protecting the rights of CFUGs; creating awareness and imparting knowledge on forest-related policies, rules and regulations among uninformed users; developing a sense of community; and bringing dynamism to the research and development of forest management technology. FECOFUN conducts various programs to upgrade the economic and social status of women and disadvantaged communities, and contributes to the government's poverty alleviation program through community processes.

FECOFUN helps CFUGs by providing training and other support—such as boundary dispute settlement; preparation, revision and renewal of constitutions and operational plans with wider people's participation, reflecting the needs and aspirations of the users, particularly women, the poor and *dalits* (IIDS, 2005: report on assessment of FECOFUN and its programs and strategies).

Good Governance in Community Forestry

Devolution is the transfer of rights and responsibilities to user groups at the local level (Shrestha, Naryan K, B. Shrestha, P Thapa, 2004). A good example of devolution in Nepal are the CFUGs which have been legitimized by the Forest Act and regulations, and given the right and the responsibility to conserve, manage and sustain the common forest resources through Community Forestry (CF). FECOFUN has developed its own list of characteristics and indicators of sustainable forest user groups (Shrestha, Naryan K, B. Shrestha, P Thapa, 2004). It has also taken initiatives to introduce good governance within its organizational structures, as this plays a key role in addressing the issues and challenges of Community Forestry (Pandey, Ghan Shyam and Kedar Khadka 2004).

Among the characteristics of good governance in CF are: transparency, accountability, participation, responsiveness, strategic vision, rule of law, gender equity, efficiency, and effectiveness. However, among the 14,000 CFUGs, only a few hundred practice transparency, good forest governance, and participatory decision-making. Poor and disadvantaged groups are marginalized from decision-making processes, and their needs are not considered in management discussions (Pokharel, B. and D. Niraula). The poorest cannot afford to participate and take leadership responsibility because they are not compensated for their time.

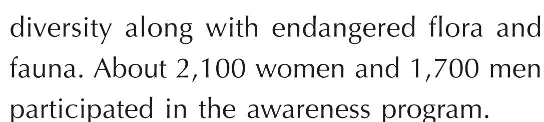
Within the CFUGs, rich and poor, male and female, and the so-called upper caste and the lower caste speak and are heard differently. The poorest are the ones who suffer the most because, even if they do participate, their voices are not heard and do not translate into practice for their benefit and welfare.

Sustaining and Upscaling Rural Poor Communities

In 2004, FECOFUN, the District Forest Office (DFO) of Dolakha (one of the remote districts of the country), and Asia Network for Sustainable Agriculture and Bioresources (ANSAB) launched forest certification for sustainable forest management and entrepreneurship development, particularly to support the rural poor and marginalized groups in 21 CFUGs of Dolakha and Bajhang. A total of 14,077 hectares of Community Forest managed by 4,695 households were certified as sustainably managed forest (Dahal, N., 2005).

Awareness Raising

The Public-Private Alliance (PPA) selected FECOFUN to act as Forest Certification Resource Manager on behalf of the CFUGs. FECOFUN conducted an awareness campaign among all users—focusing on the poorest of the poor—about legal provisions, their rights and responsibilities, and the benefits of sustainable forest management. Other discussions during household visits and hamlet meetings dealt with conservation of high-value forest resources, benefit sharing, workers (users) rights, and conservation and protection of bio-



diversity along with endangered flora and fauna. About 2,100 women and 1,700 men participated in the awareness program.

Selection of Poor and Deprived Households

A systematic mechanism was then built-in to identify the poor households, using the key informants' procedure. Economic status, natural resources, physical resources, health status, and social relations and access were used as indicators for the identification of such households. In each CFUG, ten to 25 households were selected.

The selection of these poor and deprived households was carried out in the belief that poverty of their communities could only be overcome if they could manage the forest resources in a sustainable way following the principles of good governance, social inclusion, and caring for the livelihoods of the dependent community.

Revision of Operational Plans and Constitutions

Hamlet meetings and discussions were conducted to draft the operational plans (OPs) and constitutions of the CFUGs, with the help of the DFO office, ANSAB and FECOFUN—based on the principles and criteria of the Forest Stewardship Council (FSC). A detailed resource inventory, including the total stock and Annual Harvestable Amount (AHA), used both technical and indigenous techniques to calculate the projected annual harvest of forest products.

Although Community Forestry has led to remarkable improvements in forest conditions, the benefit-sharing and decision-making processes are not fair to all users. Rules to ensure the equitable distribution of benefits from forest resources and transfer of management in favor of the poorest of the poor are urgently needed. Thus, during the revision of OPs and constitutions, all users were very careful to incorporate the necessary provisions and procedures to be implemented afterwards.

Certification

The FSC appointed an assessor to review all aspects of FECOFUN and the proposed CFUGs for the certification in September 2004. Based on the assessor's report, the FSC awarded FECOFUN a "sustainable forest management certificate" on behalf of the assessed CFUGs (FECOFUN, 2005). As a result, the CFUGs had plenty of certified Lokta *(Daphne bholua)* and Argeli *(Edgeworthia gardeneri),* the raw materials of handmade paper, and the opportunity to market them.

Situation Analysis

A few private entrepreneurs had established a handmade paper factory with the sole source of raw material being the CFs. But the CFUGs were not benefiting from the resource; only collectors received a nominal wage from the entrepreneurs. After certification, the users realized that the resource was being mis-utilized and they were not benefiting from their own resources. At the same time, some of the enterprises were suffering from a lack of mature raw materials and had to close.

In this context, the users proposed to the former entrepreneurs the establishment of a factory owned by all, including the most deprived and those who were primarily dependent on forest resources for their meals.

DFO, ANSAB and FECOFUN facilitated several meetings for these discussions. It was agreed to develop the community-based model to get maximum benefits without losing the integrity of the forest resouces.

Special Ownership by the Ultra Poor

Ten CFUGs within the same geographic territory had plentiful *Lokta* and *Argeli*, so they agreed to establish the community enterprise themselves with the help of some supporters. Each CFUG then selected two ultra poor families—those who were solely dependent on collecting forest products for their daily needs—from among the identified marginalized communities. It was agreed that these families would be provided a certain fund from the CFUG. In the selection process, all users were consulted and given the chance to propose and justify the choice of an ultra poor household.

Enterprise Establishment

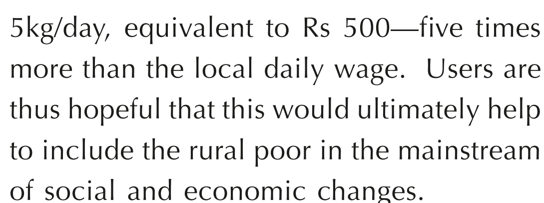
The total working capital of the enterprise was set at Rs. 10,000,000[118], 10% of which was provided for the 20 selected ultra poor families through funds donated by FECOFUN, ANSAB, DFO, former private entrepreneurs, and concerned CFUGs. The remaining 90% was raised as follows: CFUGs 30%, interested individuals 15%, former entrepreneurs 35%, and national level entrepreneurs 10% (BDP, 2005). A 10-year business plan was developed, outlining the working strategy, working procedures, and roles and responsibilities of all concerned stakeholders (BDP, 2005). The plan clearly stated that the selected deprived families would be given working priority in the enterprise, according to their interests and capacities. They would be provided regular training, as well as worker's insurance for their family's security.

In 2005, its first year of production, the enterprise produced 340 cores of handmade paper. Profits are to be distributed proportionately among the investors annually.

The Effects of Enterprise Development

Until 2004, CFUGs permitted users to individually collect the bark of *Lokta* and *Argeli* and sell it to local contractors, who paid them Rs. 60-70 per kg. Users would also collect from neighboring CFs without caring about proper harvesting techniques nor future regeneration. They would collect even premature bark. Today, CFUGs issue permits to any interested users to collect forest products. However, they are not allowed to sell to contractors. The CFUGs buy all the collected raw materials from the individual users at Rs. 100-110 per kg, and sell these to the local enterprise. There is regular monitoring and coaching during harvest, to control over-harvesting and mismanagement of resources. A detailed inventory shows the exact quantity of raw materials to be collected per year. Thus no more than the recommended quantity may be collected. Moreover, the selected ultra poor have first priority in collecting the product. They can collect up to

[118] [2005 exchange rate: RS.015= US$1]



5kg/day, equivalent to Rs 500—five times more than the local daily wage. Users are thus hopeful that this would ultimately help to include the rural poor in the mainstream of social and economic changes.

Conclusion

The Community-Based Enterprise model is seen as the best model for involving all parties—including the poor and deprived—as community entrepreneurs. It does not only serve as the backbone for the protection and conservation of forest resources (ensuring a continuing supply of raw materials over a long period) but it also earns economic returns by mobilizing local forest resources and manpower. Moreover, the various stakeholders possess a broader business background—from collecting in a sustainable manner to efficient marketing. Most of the raw materials had previously been exported unprocessed at a minimum price. But with the establishment of enterprises at the local level, employment opportunities increased and the final products began selling at a higher price. At the collection level as well, the enterprises have become responsible about buying the raw materials from the CF users at a better price.

As Nepal manages most of its accessible forests as Community Forests and most of these are rich in Non-Timber Forest Products (NTFPs), support must be given to CFUGs to develop local enterprises incorporating the interests of marginalized and deprived communities in their areas. FECOFUN is committed to support such efforts and is ready to disseminate the lessons learned.

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Case 8:

Rebuilding Livelihoods in Gujarat, India–the Poor and Women Lead

by Reema Nanavaty (SEWA)

The Self-Employed Women's Association (SEWA) is a member-based trade union of nearly 800,000 poor, self-employed women workers in seven states in India. Thus, following the devastating earthquake that hit Gujarat state in 2001, SEWA was invited to take the lead implementaion role in the "Jeevika" Program aimed at economic recovery of 40,000 rural households in three affected districts of Gujarat, with focus on the poorest of the poor.

On 26th January 2001, Gujarat was rocked by a devastating earthquake, which rendered about 60,000 SEWA members and their families homeless. Their household goods, assets, tools and equipment were lost or severely damaged. Many small and marginal farmers suffered heavy losses due to cracking of the fields, caving in of wells, sinking of the motor pumps in the borewells, and injuries to cattle. Water harvesting and storage structures in the villages were also badly affected.

In response, the Self Employed Women's Association (SEWA), together with the International Fund for Agricultural Development (IFAD), the Government of India (GOI), and the Government of Gujarat (GOG) initiated a unique partnership called "Jeevika": Livelihood Security Program for Earthquake Affected Households in Gujarat. Jeevika (or "means of livelihood") is an all encompassing program aimed at economic recovery of 40,000 rural households in the three affected districts of Gujarat. It is the first time that the National Government, the State Government and a local grassroots membership-based organization jointly entered into a partnership agreement with a multilateral organization such as IFAD.

Self–employed Women's Association

SEWA is a member-based organization of poor self-employed women workers. It has a membership base of 796,755 women workers in seven states of India, with the majority living in the State of Gujarat. These women work in the informal sector of the economy, with no fixed employer-employee relationship. SEWA's main goal is to organize them for full employment (work security, income security, food security and social security; i.e., health care, child care and shelter) and for self-reliance, individually and collectively, both economically and in terms of decision-making.

SEWA was invited to be a partner in the Jeevika Program because of its presence in the affected areas, its reputation for community capacity building and its widespread membership. The partnership was thus initiated in which SEWA became the lead implementing agency while the GOI and GOG took responsibility for channeling the IFAD funds to SEWA and monitoring the program activities. This partnership marks an important precedent, as it is the first time that the Government of India has entrusted full implementing authority of an internationally-funded

program to a non-government organization (NGO) and could represent a valuable model for future development partnerships.

The Program: "Jeevika"

The main aim of Jeevika is to rebuild livelihoods rather than provide relief. The Program embraces an integrated, demand-driven and need-based approach to implement a comprehensive rural development agenda. The main objectives of the Program are to:

- Provide greater and sustainable livelihood security to the most economically vulnerable households living in harsh, disaster-prone and increasingly fragile natural environment;
- Enhance their capacity to withstand future disasters;
- Empower and build the capacity of marginalized groups among victims to recover;
- Build the capacity of existing membership-based community organizations;
- Improve the productivity of the natural resource base in a sustainable and equitable manner.

Jeevika expands on SEWA's approach to rural development which recognizes that, in a multi-risk environment, livelihood security depends on diversification. Jeevika is a comprehensive integrated Livelihood Security Program. It is highly decentralized wherein Village Development Committees (VDCs), called as Jeevika SEWA Mandals (JSM) and Self Help Groups (SHGs) play the central role in program planning, implementation and monitoring. The main aim of the Jeevika program is to make the village members and families aware and self-reliant in such a way that they can secure their livelihoods in the face of any disaster. The priority is given to the poorest of the poor families to help them rise above the poverty line.

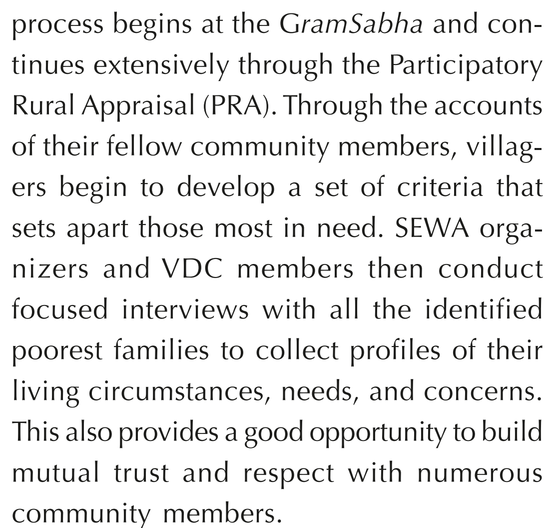
JSMs are formed in each village by the villagers themselves, comprised of representatives from poorest of the poor households from all castes and communities who clearly understand and follow the philosophy of Jeevika. The JSMs are responsible for coordinating the planning, implementation and monitoring of the activities in their village. Each JSM has a minimum of 11 members, at least eight of whom are women. The JSM acts as a contact point between SEWA and the village. Thereafter sub-committees are formed to focus on activities chosen by the members for implementation and monitoring. Two volunteers are selected by the village to assist in Program implementation.

Targeting the Poorest of the Poor

By targeting the poorest of the poor, SEWA seeks to ensure that, the entire community gets the benefits in such a way that those most in need get the major portion, following the bottom-up model of development.

SEWA's partner villages for Jeevika are selected on the basis of the following four criteria: number of Below Poverty Line (BPL) households; level of SEWA membership in the community; potential for land and water management activities; and severity of earthquake-related damage. For a village to become a partner in the Jeevika Program, approximately two-thirds of its households must be BPL.

SEWA asks each community to identify who amongst its families are the poorest. This



process begins at the *GramSabha* and continues extensively through the Participatory Rural Appraisal (PRA). Through the accounts of their fellow community members, villagers begin to develop a set of criteria that sets apart those most in need. SEWA organizers and VDC members then conduct focused interviews with all the identified poorest families to collect profiles of their living circumstances, needs, and concerns. This also provides a good opportunity to build mutual trust and respect with numerous community members.

Preparing Village Development Plans: Participatory Micro-planning

SEWA works with each community from the initial stages of their partnership to form a VDC or JSM which will ultimately be responsible for implementing the Program. It begins with participatory micro-planning, which extends participation beyond mere information collection to the actual planning of the development agenda itself.

Each village prepares its own development plans. The entire community sits together—women and men, direct beneficiaries and others, those with water sources and those without, those with land and those who are landless—and puts the needs of the poorest in the forefront. The plans are finalized by consensus and owned by all in the village. This ensures effective action and implementation of the program.

As of 2005, long-term micro-plans had been prepared in 54 villages, covering a range of activities from Rs. 5,000 to Rs. 2.6M with a total budget of Rs. 140.4M.

The most significant indicator of the program's performance, as identified by the communities themselves, has been the dramatic reduction in migration by households for economic reasons in these areas. This is indicative of the benefits of a holistic, integrated approach because it is the result of combined interventions of Jeevika which provide villagers with:

- the choice of new economic activities (e.g., nursery) to supplement or substitute traditional livelihood activities;
- the opportunity to access working capital (Swashrayee Mandal loans, direct lending);
- improved agriculture and integrated land and water management (LWM) activities;
- support for traditional livelihood activities such as salt farming, crafts and animal husbandry (cattle, goats and sheep);
- social programs which offer villagers the opportunity to work while their children are taken care of;
- expanded educational opportunities for women through *Jeevanshalas*.

Traditional Crafts

As a business under the program, crafts are promoted through the SEWA Trade Facilitation Centre (STFC), a company owned and managed by the women artisans of Kutch and Patan. In order to further develop crafts as a major economic activity and see crafts as an industry, STFC is establishing a handicraft park, Banas na Ana in Patan district. Banas na Ana is a combined craft resource center; museum; production facility with state-of-the-art machinery, tools and equipment; outlet for events; training, workshop and conference facility; and support service center, including a bank counter. In the first

year of operation, it is expected to generate employment for 1,500 artisans for embroidery, beadwork, leather, patchwork, machine operations and maintenance and multi-purpose stitching.

Salt Farming

SEWA provides capacity building and technical support to salt farmers to introduce techniques for producing industrial grade salt and improve the quality of salt produced. It also provides working capital through a revolving fund to salt farmers to lift them out of the cycle of debt and dependency on traders. The Program also provides *agarias* with technical assistance and quality monitoring supported by Central Salt and Marine Chemical Research Institute (CSMCRI). For marketing support, Jeevika links the salt farmers to Gram Haat, which in turn links *agarias* directly to buyers, eliminating middlemen so the farmers are able to obtain a better price for their salt.

Beyond technical and financial assistance, Jeevika provides supportive services such as child care and health care to salt workers. SEWA has likewise been identified to implement the Government of India's "Namak Awas Yojana" scheme in Surendranagar district, in which it is proposing that salt farmers be provided with permanent houses in the villages and temporary shelters at the work site.

Along with the National Institute of Occupational Health (NIOH), SEWA conducted a study of the occupational hazards and diseases faced by salt workers, and is now following up on the recommendations of this study to improve working conditions and help the workers manage the risks that they face.

Agriculture

Jeevika's agriculture interventions are aimed at introducing productivity enhancing techniques and inputs through trainings and other capacity-building activities covering the entire agricultural cycle. Farmers are taken on exposure visits, and demonstration plots are established to illustrate and promote improved agricultural practices and inputs.

A participatory survey showed that farmers in all three districts experienced increased productivity as a result of these interventions. Examples are:

- 10-30% of farmers in 49 villages adopted improved agro-practices for sowing, seed treatment, fertilizer, composting, harvesting, etc. and 25-80% adopted improved seed varieties;
- 393 farmers from 24 villages had their soil tested after awareness training was conducted on the benefits of complete soil testing;
- 14 farmers from 10 villages developed kitchen gardens, adopting agroforestry and horticultural practices taught in trainings;
- 85 farmers adopted techniques for efficient use and conservation of water, with some developing kitchen gardens using minimum drip systems.

The Program has established 14 grain banks, and a survey has been undertaken to check out the potential of seed banks. The Program also plans to establish Agro Service centers at the cluster level—each serving 10 to 12 surrounding villages—to provide adequate and timely agriculture services and various high-quality inputs locally to farmers at standardized prices. Further, SEWA has coordi-

nated tie-ups with Agricultural Universities for continuing training of farmers.

Nurseries

SEWA members are encouraged to develop nurseries, raise saplings and thus green their villages while earning income from these activities. This is their campaign to "Feminize Our Forests". To date, nurseries have been established in 26 villages. These have generated additional income for women belonging to poorest of the poor families. Women tending to nurseries are encouraged to sell 20% of the plants on their own, and then to plant and maintain the remaining 80% of the saplings in public areas in their own village, such as around schools, temples, village ponds, etc.

Micro-finance Services

Jeevika employs a self-help group approach to provide financial services and social security to the rural poor. Swashrayee Mandals (self-help groups of self-employed women) allow members to draw on the group's resources to invest in income-generating activities and micro-enterprises, repay old debts, save incrementally for insurance, and make regular contributions to SEWA's Work Security Fund.

Mandals are supported and encouraged to participate in overall village development in their communities. They also serve as "pressure groups" to demand government services or participate in various development campaigns. Ultimately, the Mandals are seen as agents of change in their communities by participating in and promoting various development activities, spreading information, monitoring activities and schemes, etc. in Jeevika.

The Program is currently supporting 1,343 Swashrayee Mandals with 29,383 members across the three Program districts, with 8.8 million rupees in savings mobilized. Eighty-nine Mandals are participating in the integrated social protection initiative; 449 of these are practicing internal lending, revolving 3.8 million rupees as small loans to 666 members. To date, 51 groups have accessed loans from SEWA's District Associations worth Rs. 736,500 for 290 members.

Disaster Mitigation and Preparedness

An institute (AIDMI) was engaged to develop and run Women Led Multi-hazard Disaster Mitigation training cycles for SEWA members in the targeted Gujarat districts, covering three modules:

- "Women Led Disaster Mitigation and Preparedness";
- "Women Led Disaster Relief and Response";
- "Women Led Emergency Medical Response".

In the period from December 2003 to September 2005, AIDMI conducted 45 Jeevika trainings involving 1,233 participants.

Enhancing Livelihood

The Program has initiated several other interventions to enhance livelihoods in the target districts:

1. Tools and Equipment Libraries

Jeevika has established tools and equipment libraries managed by JSMs through which the poorest of the poor can rent various tools at a low cost. Fees are set by JSMs to cover

the cost of repairs and maintenance of the tools and operating the library.

2. Organic Farming

Jeevika promotes environment-friendly agricultural practices, such as the use of organic fertilizers, which will improve long-term land quality. An awareness drive on the use of vermi-compost fertilizer, for example, has been initiated. The Program has also linked vermi-compost producers to private sector partners to supply compost on a large scale to increase the profitability and viability of the venture. Through the Village Cleanliness Campaigns, villagers are taught how to separate dry and wet waste and convert wet waste into organic fertilizer.

3. Expanding Livelihood Opportunities

Through SEWA Gram Mahila Haat and SEWA Trade Facilitation Centre, Jeevika is building market linkages for rural producers. Gram Haat's interventions provide rural producers with better market information on prices, quality and demand while linking rural producers directly to buyers (bypassing traders).

SEWA has also entered into a partnership for agriculture commodity trading through National Commodity & Derivatives Exchange Limited (NCDEX). The partner will facilitate commodity trading through their website and set up warehousing facilities. This will provide farmers some security against price fluctuation, and allow access to the partner's weather insurance products.

4. Rural Distribution Network System

A Rural Distribution Network System has been set-up by SEWA in collaboration with a leading corporation. The main aim is to protect rural producers from market exploitation and to provide them with a platform to market their traditional goods. Under this system, the goods produced by the villagers are cleaned by another group of villagers, and the packing and processing is also done at the village level. The entire supply chain is completed in the village itself. This exercise has helped SGMH to build its credibility for future partnerships with other organizations as well as with its rural producer membership base.

Challenges Faced

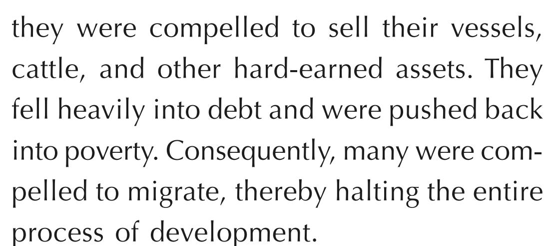
The Jeevika Program is a multi-partnership among IFAD, SEWA, the Government of India and the Government of Gujarat. The success or failure of the program depends on all the partners playing their role properly and equally.

Also, the main objective of this program is to provide livelihood security to the poorest of the poor households. When investing in the poorest of the poor, results cannot be achieved in the short term. The investment is in the *process*, which has to be strong enough so that, at the end of the Program, the poorest of the poor are on their way to self-sustainability. Hence, the major focus is on the *process* and not the activities.

Crisis

One of the Program partners, the Government of Gujarat, stopped the release of Program funds in November 2004.

This adversely affected about 14,000 poorest of the poor households in the three districts. Loss of income and non-payment of wages due to lack of funds brought starvation to these families. In order to survive,



they were compelled to sell their vessels, cattle, and other hard-earned assets. They fell heavily into debt and were pushed back into poverty. Consequently, many were compelled to migrate, thereby halting the entire process of development.

However, since the Program had adopted a highly participatory approach—even when the government abruptly stopped the release of funds and when SEWA was compelled to withdraw the work that had already been started—the community VDCs and District Associations developed their own plans to sustain the activities. The trades which could become self-sustaining by assured market linkages will be sustained through bank linkages. A detailed business and feasibility plan has already been prepared. In the case of support services, such as child care and education programs, the communities have mobilized resources locally by collecting contributions and donations from the stakeholders in the villages as well as from the traders and the Chamber of Commerce. This proves that, given the opportunity, the villagers themselves—though poor—can take the lead in the process of development.

Case 9:

Building Village-based Peoples Organizations in Northwest Bangladesh

by CDA

Through constant field experimentation, the Community Development Association (CDA) has developed a system for building village-based People's Organizations (POs) which are then formalized into independent, multi-tiered governance structures. These POs and their higher tiered structures then form the collective basis for the poor to work for village development, as well to work for change at the union *and* thana *levels. CDA's Institution Building program is based on the working principle that, for the poor, "unity is strength" and "organization is power."*

A key constraint on development in Bangladesh is often acknowledged to be poor governance and weak institutions. The state bureaucracy is inefficient and self serving. Corruption and crime are increasing. There is weak local government and, at the village level, people have limited access to the power structures and hence can make little or no contributions to the social, economic and political context.

Other development constraints are gender inequality, illiteracy, poor health care and nutrition, rapid population growth, declining land fertility, and the lack of livelihood opportunities. Development thinkers give little attention to promoting the livelihoods of the poor and hardcore poor in the rural areas, causing widespread migration to urban areas.

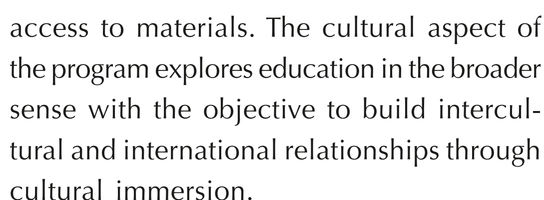
CDA's Program Structure

Community Development Association (CDA) has been working in the North West of Bangladesh since 1986. It was founded with the strategic aim of poverty reduction and people empowerment. CDA's vision is of a society united through its people-centered democracy by good governance which is socially just and free from all forms of discrimination. Human rights will be established and the community will be economically productive within an ecologically-balanced environment.

CDA has a holistic program which embraces all the areas within its definition of the development context. There is one core program, Institution Building (IB), which is implemented through an infrastructure of village-based organizations and federated networks. The IB program is described in detail throughout the rest of this case study. There are also five supporting programs (described below) and three cross-cutting themes which are fundamental to each of the programs, namely: gender; human rights; and policy, advocacy and networking.

CDA's programs have a strong bias towards a rights-based approach. The five supporting programs are:

Education and Culture. This program is centered around the demand for the government to fulfill its commitments with regard to provision of educational facilities, development of quality teaching skills and improved



access to materials. The cultural aspect of the program explores education in the broader sense with the objective to build intercultural and international relationships through cultural immersion.

Health. The aim of this program is to promote good health and health facilities. It tackles the high maternal mortality rate through awareness raising and education. CDA aims to provide general health education, improve the use of sanitary latrines and ensure access to safe water. The main advocacy campaign is for people's access to government health facilities.

Livelihood. This program seeks to ensure food security through the creation of employment. Aside from traditional activities such as skills training and a savings and credit schemes, CDA has rights-based activities including demands for policy reforms in regards to a guarantee for a minimum of 200 man-days labor, ensuring compliance to the national wage rate, reduction in child labor and elimination of women and child trafficking.

Environment and Sustainable Land Management. Through this program, CDA provides skills and awareness training on organic farming practices, sensitizes the community to environmental issues and initiates advocacy campaigns to ensure that environmental legislation is fully functional.

Human Resources Development. This program expands on traditional 'training' activities to include all aspects of developing human resources. It includes activities such as promoting technology, improving communication skills, developing management, leadership and coaching skills.

The Institution Building Process: The Vision

People's Organizations (POs) are the foundation of CDA's institution building process. POs are a means to make positive change at the village level; collectively, they create a strong mechanism to pressure for policy reform and good governance.

CDA's vision for the future of People's Organizations (POs) is that the landless and disadvantaged people in society are able to participate effectively and efficiently in the mainstream socio-economic and political decision-making process. The POs will emerge as formidable power groups and "free standing" organizations, empowered and capable to undertake activities on a sustainable basis.

There are six tiers (or levels) to CDA's governance structure, starting at the primary people's *samity* group and culminating in the highest committee at the Constituency level. The People's Organization is a true federation in the sense that all members of the *samitys* are also members of the POs. At higher levels, there are committees representing the various members of their respective organizations.

Para Based Groups (Samity). Villages are divided into several *paras* or clusters. Within each *para*, groups called *samity* are formed, either all male or all female, each with 25-35 members. All socio-economic and consciousness-raising activities are undertaken at the group level. A five-member management committee (MC) is elected for a term of one year, with a Chairperson, a Secretary, a cashier and two members.

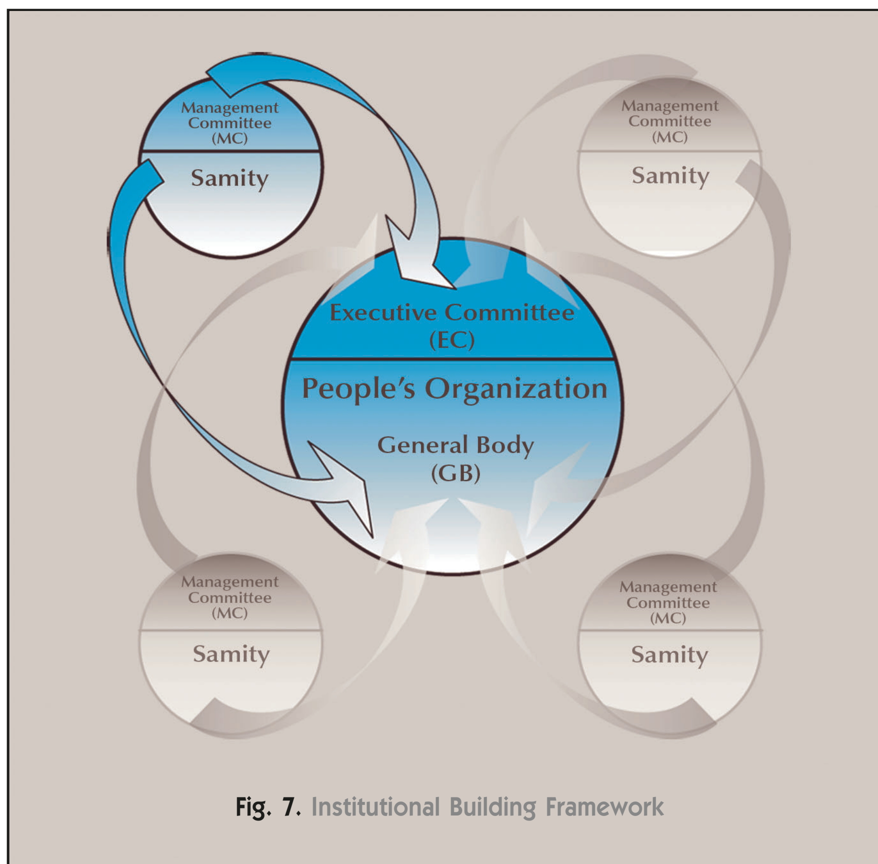


Fig. 7. Institutional Building Framework

People's Organization. A PO can be created when there are a minimum of four *samity*s, two of each gender. All members of the *samitys* are automatically members of the General Body (GB) of the PO which is the highest policy making body *(See Fig. 7)*.

To ensure a good cross-sectional membership of the PO Executive Committee (EC), the chairperson, secretary and cashier of each *samity* are automatically made PO committee members. Members of the EC elect a chairperson, a general secretary and a treasurer with the criteria that the position of either chairperson or secretary must be held by a female member. The EC members are elected for a period of one year. The EC is the nerve center of the PO. It provides leadership in managing activities and the members act as representatives of their respective *samitys* in sharing information, concerns and issues.

Group Composition. Membership in the groups is open to all poor families. It is estimated that 60% of families are in this category and so are eligible for membership. To ensure integration, the remaining 40% are invited to participate in selected activities for their common interest. Baseline information is collected in order to identify the group members and collect information on their economic and social conditions. Members are selected according to specific criteria.

PO Volunteers. When a PO reaches the "Separation phase," it is recommended that it recruits a volunteer staff member. The volunteer receives a small allowance which is

	Phase	Characteristics	New Activities
6	**PARTNERSHIP PHASE (RECIPROCATION)** POs take collective decisions through democratic processes for planning, implementing, and evaluating their own activities. They work in partnership with CDA, other NGOs, GOs, CBOs and civil society.	➢ Self-governed ➢ Self-reliant ➢ Partnership ➢ Reciprocation	➢ Partnership and convergence ➢ Consultancy ➢ Research/study/ technology development ➢ Training and information dissemination
5	**SEPARATION PHASE** POs build up strong leadership for combating poverty, protecting human rights, good governance, and environmental advocacy. They are involved in greater civil society networks and alliances. They practice values on social responsibility for peace.	➢ Self-reliant ➢ Sustainable ➢ Partnership ➢ Convergence	➢ Research/study ➢ Coordination/networking with other NGOs, LGOs and elite
4	**EXPANSION PHASE** The POs build relationships with local and national institutions, for tapping resources and building alliances for advocacy. They practice values for national solidarity.	➢ Advocacy ➢ Networking	➢ Committee formation ➢ Networking/coalition/alliances building ➢ Mobilization ➢ By-laws preparation/review workshop ➢ Training (policy, advocacy, resource mobilization, technical-related)
3	**INTEGRATION PHASE** The Samity federate into POs. They strengthen human resource capacity and promote values on human and material resource management. Networks are built at local level.	➢ Capacity-building ➢ Institution Building (PO)	➢ Advocacy/networking ➢ Legal aid support ➢ Cultural activities ➢ By-laws preparation and policy workshop ➢ Issue-based committee ➢ Fund raising for income generation ➢ Implementation of joint projects ➢ Training (leadership, communication, project management, advocacy, resource management)
2	**INITIAL PHASE** Samity members initiate small projects for income generation and employment. They start the practice of some primary values.	➢ Consciousness raising ➢ Capacity-building	➢ Implementation of small projects ➢ Loan disbursement and collection ➢ Self-monitoring and reporting ➢ Issue discussion, meeting, and workshop ➢ Day observation and protest ➢ Training and education
1	**MOBILIZATION** Poor people are organized in samity groups at village level. They hold discussions on social, economic, cultural, environmental, and gender issues. They design ways and means of solutions for development and start small savings.	➢ Awareness ➢ Dependents ➢ Helpless	**Activities** ➢ Village selection ➢ PRA/survey ➢ Group formation ➢ Issue discussion ➢ Savings and deposits ➢ By-laws preparation ➢ Participatory planning ➢ Discussion with civil society ➢ Literacy

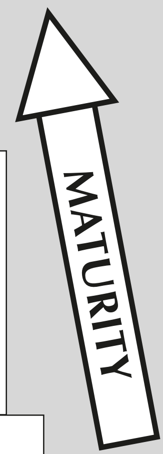


Fig. 8. Stages of PO Progression

provided by the PO through their own finances. CDA helps to facilitate the selection of such volunteers and provides them with training.

Constitution and Sub-committees. Each PO develops a constitution or by-laws, specifying the goals, objectives, management and decision-making structures, scope of activities and other guidelines for operating and managing the PO. When required, the EC sets up sub-committees on specific issues or to expedite tasks.

Activist Groups. PO management is primarily focused on administrative and collective efforts. However, CDA also creates activist groups in each PO to provide members the opportunity to advance new ideas and strategies, to look for possible breaks in the approach to problems, and to bring about a sense of priority that is derived from their strong convictions. These activist groups provide the necessary motivation and mobilization to the entire PO. They are trained on rights-based approaches and advocacy and mobilization techniques to further their aims.

Cultural Groups. The POs have the option to establish cultural groups, whose purpose it is to motivate the group members and other villagers through drama, folk culture and other cultural activities.

Group Finances. Each *samity* is responsible for raising its own finances and internally generating its own resources through weekly subscriptions. Weekly, each member contributes a small amount of money, depending on his/her capacity. In some cases, group members may provide crops or other items in lieu of money. The *samitys* donate money to the PO for its financial sustainability as per their policy guidelines. CDA's field staff help facilitate bookkeeping and strongly encourage each PO to have its own bank account.

Inclusion of the Marginalized and Poorest

- It is CDA's intention that all groups of society are included within its program—particularly those who are neglected, suffer from additional hardships or for various reasons are outside the mainstream of NGO development activities.
- **Women and Girls.** CDA's most recent strategy has put gender as a focus area of every program by making it a cross-cutting theme.
- **Hardcore Poor.** Bylaws of CDA's groups are such that 100% of the hardcore poor have access. The groups are given the responsibility for the development of the poorest of the poor.
- **Indigenous Communities.** CDA encourages the integration of indigenous communities—also known as *adibashi* or aboriginal people—into its groups and programs.

POs as Catalysts for Community Development

The PO becomes an instrumental force in the community development process of the village, contributing to national development. Institution-building activities increase the critical awareness of the rural poor, enabling them to realize their role in society and their relation to the rural power structure. In forming self-governing groups, the disadvantaged are able to assert their rights while practicing participatory decision making amongst themselves.

As the village organizations grow in strength, they become the focal point for grassroots leadership and, as the groups and individuals develop themselves, that leadership translates into a tool for lobbying for change at the union, thana and ultimately the national level.

With increasing maturity, the POs become more externally focused. They act as development catalysts by facilitating three-way dialogue between themselves, the GOs and NGOs (including, but not exclusively with CDA). This ensures people's participation in decision-making processes and provides an opportunity for dialogue and cooperation.

PO Activities. Each PO plans its activities for one year in advance through a process initiated by CDA to coincide with its own organizational planning process. Mature POs are taken through a week-long process to develop their own strategic plans for activities based on their own priorities, as well as a strategy for continuing their work once they have formally separated from CDA.

PO members meet once a week to discuss various development issues, problems and methods to solve them. In addition to participation in CDA's project activities, the groups are encouraged to initiate activities relating to their own particular needs.

PO Progression. The viability and continual progression of the POs is measured through different phases in its development process. The six phases have been defined as mobilization, initial, integration, expansion, separation and partnership. The PO has to pass through each of the phases with a set of distinct characteristics. CDA conducts PO gradation surveys to determine the group's capability versus the phase requirements.

Separation and Partnership. The final step of a PO's progression is its formal separation from CDA. 'Freestanding' or 'partnership' POs are defined as self-governed, self-controlled and self-reliant institutions having their own identity and distinctiveness in which the members can take collective decisions through democratic processes for planning, implementing and evaluating their own activities. They are capable of cooperating with other organizations on a partnership basis to undertake socio-economic development programs for the benefit of the members and the society.

On successful completion of all the necessary activities, a Memorandum of Understanding (MOU) is prepared along with other

TYPICAL EXAMPLES OF PO ACTIVITIES:

- *Preparation of a participatory village development plan*
- *Participation in CDA events, e.g.,PO discussions, awareness campaigns, mobilizations and training*
- *Conducting local level salish/mediation*
- *Bringing control over local level corruption and anti-social behavior*
- *Raising the profile of women in social movements and enhancing their participation in local level elections and decision-making*
- *Initiating a loan program and internal auditing of accounts*
- *Communicating with legal aid associations and assistance with cases in law courts*
- *Establishing relationships with other organizations, special committees, NGOs and government departments*

documentation such as bylaws, project contracts and organizational rules and regulations. A phase-over ceremony concludes the separation process.

Coordination committees

The village-based POs are united through Coordination Committees at Ward (WCC), Union (UCC), Thana (TCC) and Constituency levels (CCC) to strengthen their institutional capacity. The framework is intended to mirror that of the local government structure.

The committees adhere to policies and organizational system guidelines. They work collectively with CDA and local government through various partnership projects. Through collective efforts and strength in numbers, the committees are able to mobilize groups to tackle larger issues such as access to resources and ensure better access to the government systems.

CDA Facilitation

CDA facilitates the institution-building process through field staff known as Village Organizers (VOs) who work from local area offices. Each VO looks after five POs so that they can attend each PO for one day in each week. The VOs facilitate the creation of new groups, help assess their needs, oversee meetings, help the POs plan and execute their activities, and conduct some field-based trainings and workshops. They also collect data on group and committee composition and activities as per CDA's monitoring and information systems (MIS) format.

The Area Coordinators (ACs) are the field-level management and are responsible for overseeing the field work, as well as helping to facilitate some trainings and workshops. They also facilitate the coordination committee meetings.

Developments for the Future

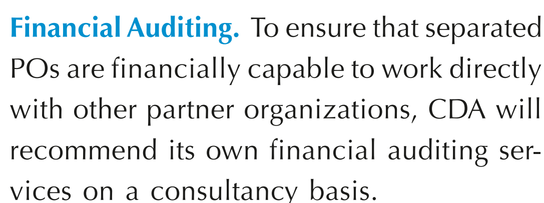
In relation to lessons learned, the following improvements have been initiated or proposed for CDA's Institution Building program:

Village Coordinators. Traditionally, separated POs have no ongoing regular contact with CDA with regard to capacity building. It is proposed to introduce the new role of Village Coordinator (VC) to coordinate the activities of 10 POs. The emphasis of the role will be coordination rather than organization.

Benchmarking and Exposure Visits. PO leaders will be offered benchmarking visits to other POs during the Integration phase to motivate and inspire them. Leaders of POs achieving the Separation phase will be offered exposure visits to other institutions to start the process of partnership, networking and linkage building.

New Definition of Each Phase. A participatory workshop will be used to redefine the characteristics of the POs at each stage. The requirement to update the current definitions comes with an increased desire to monitor progress and hence the need for verifiable indicators.

Continuous Gradation Tools/Self-assessment. A continuous auditing system will allow POs to progress to the next phase whenever they have satisfied all the requirements of their current phase. The information will be collected through regular MIS and will replace the current cumbersome gradation surveys.



Financial Auditing. To ensure that separated POs are financially capable to work directly with other partner organizations, CDA will recommend its own financial auditing services on a consultancy basis.

Project Support Fund. CDA will develop a partnership with the separated POs on the basis of production and business. The POs will be encouraged to invest and earn their own money, and utilize their own capital and administrative skills. CDA will encourage and train the POs to prepare project proposals and apply for their own funding so that they form partnership linkages directly with other institutions.

Effectiveness Tools of Committees. CDA has been auditing POs for some time and tracking their development through gradation surveys. It is now intended to introduce a similar capability building and measuring system for the committees.

New Activities. New governance activities will be initiated within the wider community. Plans include various activities to increase women's participation in governance and to reduce political interference (corruption, terrorism, nepotism and political influence) on non-partisan issues.

Lessons

Some of the major external constraints and barriers are discussed below:

- Lack of funding is a poor excuse but a realistic barrier to the continuation of work. Building the POs requires significant financial resources, particularly with regard to field-based staff and training. Institution building is by nature programmatic rather than a project. Changing donor strategies makes securing program funding within a medium-sized NGO a significant problem.
- A good strategy for generating internal funds is through a credit and savings scheme but it is easy for this to overwhelm the real reason for the existence of the POs. Care must be taken to clearly establish the groups' purpose and identity to prevent this from happening.
- Recruitment of good quality staff is an issue for organisations outside of the capital city, Dhaka. In regional areas there are fewer facilities and a more basic standard of living which seldom attracts staff.
- Some highly publicized fraudulent NGOs take the money of the poor people before 'disappearing', leaving behind an atmosphere of distrust. CDA will not consider these practices.

The following practical lessons have been learned over time:

- The credit and savings program should be run by separate staff to distinguish it from the core program. However, the two programs are highly interdependent and so there must be close collaboration between staff at all levels and joint ownership for results.
- The commitment of the PO leaders and members can vary with their satisfaction with the implementing organization. Frustrations with other sectors of the integrated program may directly affect the institution building (IB) program. Hence all frustrations must be treated as significant even if they do not initially seem related to the IB program.
- The villagers need to make optimal use of the working hours that are available

to them. They are less likely to be interested in a program that requires them to attend meetings scheduled at the time when they could be earning money. Hence it may be necessary for the field working hours to be flexible such as early mornings and in the evenings.

- Agricultural employment opportunities are very seasonal. An NGO's training calendar should be timed to match the seasons and availability of participants.
- The issues that are identified from the context and introduced to the group members as awareness and advocacy points must be specific.
- The implementing organization must have a clearly-defined political (non-partisan) strategy.

Conclusions and Recommendations

One of CDA's most significant advantages in its efforts to build, strengthen and sustain its People's Organizations is that the groups are established for the purpose of a better governance system. It is probably this factor which distinguishes CDA from many other organizations who establish coalitions for the specific purpose of delivering a single project. CDA establishes groups because this is its main strategy, rather than just a means of delivering an alternative objective. A disproportionate amount of time and resources is given to the infrastructure and capacity development of the groups. Of course, CDA does introduce projects and the activities of its other programs to its POs, but these are not the sole reason for the groups' existence.

With regard to key recommendations for re-application, the groups should: have a continual strengthening program towards a goal of sustainability and independence (or partnership); have a strong focus on leadership capacity, infrastructure and systems; and consider CDA's learnings in relation to gender segregation and integration of groups.

Case 10:

Building Poor People's Institutions as a Means to their Empowerment: The Self-help Affinity Group Approach

by Saleela Patkar (MYRADA)

MYRADA is a large NGO with 450 staff working directly with 1.5 million poor in Southern India. "Building poor people's institutions" is its short mission statement. It manages 15 major projects in three Indian States and has major involvements in three others where it has deputed staff to Government or conducts regular training and visits. Its major activities are promoting self help affinity groups, watershed, water and wasteland management, forestry, community management of sanitation and drinking water, housing and habitat, improvement of primary school education, technical skills for school dropouts, micro enterprise generation, preventative health care, a major HIV/AIDS prevention programme.

MYRADA currently works with about 9,300 self-help groups (SHGs) with 150,000 predominantly women members. However, it is MYRADA's efforts at collaborating with a wide range of actors in the government, financial sector and CSOs that has led to an explosive growth of SHGs in India. By last count, over 1.6 million groups comprising 24 million households had been credit-linked to banks and microfinance institutions (MFIs). Three times as many groups could be in existence – mostly formed by government agencies. Such large-scale and rapid expansion of SHGs has created pressures to maintain quality of interventions and new strategies to develop networks of SHGs to nurture and sustain these groups.

The Concept of SAGs

Self-help affinity[119] groups (SAGs) consist of 10-20 members drawn from a relatively homogeneous economic class (i.e. poor), self-selected on the basis of existing affinities and mutual trust; members meet regularly at a fixed time and place and pool their savings into a common fund from which they take need-based loans. The group develops its own rules, regulations, and sanctions for violations; the meeting procedures and processes, leadership change norms, intensive training and handholding, are designed to enable SAGs to function in a participatory and democratic manner. The objectives of the SAGs go beyond thrift and credit—to include the overall development of mem-

[119] Self-help affinity groups typically refer to groups promoted by MYRADA. In the late 1990s, the SHG strategy was accepted by the Government of India as a major programme to mitigate poverty; funds were allocated in the budget; targets were set and groups promoted by Government all over the country often without adequate capacity building. It was then that MYRADA changed the name to Self Help Affinity Groups or SAGs.

bers in the social, political, cultural and economic arena, i.e., SAGs are 'credit plus institutions' (Fernandez, 1998).

However, for SAGs to take a significant stake in effecting change in their communities, it became necessary to network and federate to gain strength in numbers. MYRADA, the SAGs and federations have gone through a long learning experience and currently two forms of representative institutions of SAGs exist. First, the federations representing about 15-20 SAGs in a compact area act as a network of SAGs. Second, social enterprises called Community Managed Resource Centres (CMRCs) representing 100-150 SAGs that provide a range of services like training, counseling, secretarial support, and information dissemination to member-SAGs for a fee. CMRCs and Federations also involve in altruistic activities to benefit their members and the community at large. However, these representative institutions of SAGs are not easy to put in place – not if they have to be accountable and responsive to their members. Early attempts of MYRADA in building federations of SAGs did not succeed as they were large and unwieldy, and the representatives in federations captured power at the cost of their member SAGs.

The twin challenges for a facilitating agency like MYRADA are therefore (i) to deliberate, define and deliver the norms for 'good institutions' in society and (ii) to instil these norms in as large a number of organizations as required. Well-managed and governed people's institutions are the bedrock of a functioning democracy and given the structural inequities and vested interests in our society, these norms can only be built from below. MYRADA differentiates between two kinds of institutions – (1) *Participative Institutions* or *Primary Institutions* where every individual member has the opportunity to participate in the management and governance of the body, and (2) *Representative Institutions* – where a smaller section of individual members take decisions on behalf of the primary members. Governance of representative institutions, which are more prone to capture, depends on sustained work within participative organizations of people.

SAGs are excellent participative organizations to work with. Being small, built around affinities, and with frequent opportunities to meet, manage resources, and learn, they become the preferred people's institutions to work with for larger developmental goals. To enable them to function as robust and sustainable institutions, MYRADA invests in training and mentoring them over many years. SAGs are regularly assessed in participatory exercises for their showing in the six features of good organizations as shown in *Fig. 9*. It is hoped that this stress on sound management and governance would enable

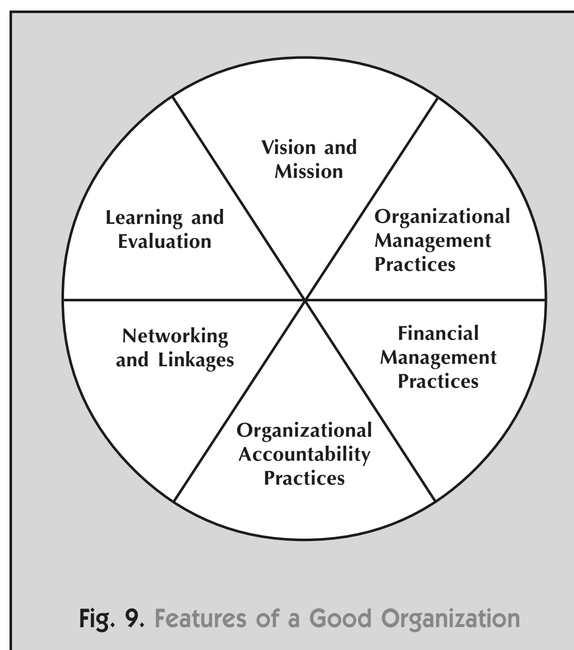


Fig. 9. Features of a Good Organization

SAGs to develop appropriate controls in any representative organizations that they network or federate into.

Impact of the Self-help Affinity Group Approach

SAGs, with the inputs of their federations and CMRCs, have achieved considerable impact for their members and their families – as reported by the Humboldt University Berlin-CATAD (Berg, Bredenbeck, Schürmann et al., 1998) impact study, supported by evidence from other studies.

Individual Empowerment of Members

1. A significant increase in knowledge and awareness of members as groups grow older – though members were largely illiterate and they had attained more/new professional and technical skills.
2. Some 86% of members were able to cross the poverty line in 5 years – with a greater savings rate.
3. While the total workload on SAG members increased due to group activities, they felt the benefits far outweighed the costs. There was increased delegation of household responsibilities to husbands, though often to other female members.
4. Women's control over decisions within the family (purpose of loans, purchase of assets) increased significantly and "low participation" women were usually in the younger groups (also MYRADA and ORG-MARG 2002: 23). Otis (2004:8) studied the voting behavior of SAG members and concluded that women show greater ability to vote independently of their spouses as a consequence of empowerment in an SAG (65.9%). Women's share in the household income, assets like land/houses, also rose significantly (MYRADA and ORG-MARG 2002: 27-28).

Involvement in the Community

5. Older groups had greater linkages with other institutions like federations of SHGs, colleges, Rotary Club, government offices, Panchayat Raj Institutions, and other SHGs. Most new groups mention older SHGs as a source of inspiration and information (MYRADA and ORG-MARG, 2002:20). Otis (2004:9) mentions that 95% of SHG members felt free to associate outside of their families, 85% attributed this to the SHG. More respondents of older groups also had experienced freedom of mobility (to come and go freely without the express permission of their families) (MYRADA and ORG-MARG, 2002).
6. There was a sharp increase in older groups managing village infrastructure (community hall, drinking water systems, community forests, roads) and at least 50% of them had been approached to solve problems in the community and had representatives in at least two other local bodies. Groups in Chitradurga district were involved in an average of 6 non-credit activities ranging from reproductive and child health services, re-enrolling school drop outs (esp. girls), improving school infrastructure, supporting students, disabled persons and widows, anti-liquor advocacy, etc. without the financial assistance of the support NGO (Reisinger and Weinkopf, 2003). However, many members felt that being in the SHG had not made them any more important in the eyes of the other people in the community and that women were more likely

to seek their assistance (MYRADA and ORG-MARG 2002: 35).

7. There was a dramatic increase in members' beliefs that all castes are acceptable in their home and that there was inequality in the village even though it never reached 100% in any age category. Many women had never interacted beyond their street, caste or men from other families before (Otis, 2004: 10-11).

It would be reasonable to conclude from the above that processes within the SAG and in building their capacities have supported the following:

1. **Increasing autonomy and agency** of individual SHG members within their families, and in their larger community—despite their status as women, often poor and from lower castes and minority groups. As Krishna et al. (2001:5) mention, SHGs are usually the first and often the only formal institutions for women's participation in society.
2. **Expanding members' sense of identities** built along existing relationships of trust (affinity), SHGs also enable widening of these relationships of trust to other castes, religions and class. Voluntary involvement of SHGs as organizations in other associations in the community (such as SHG federations, natural resources management groups, PTAs) and in local governance bodies (Panchayati Raj Institutions—both in elected positions as well as in the general body or Grama Sabha) (Fernandez, 2003). Interactions with older SHGs confirm that they take a prominent role in training SHGs formed by government agencies. They also mention that new development projects tend to hire articulate SHG members as staff and hence where older and strong SHGs are in plenty, new groups tend to be strong[120].
3. **Creating spaces for learning and action.** Management and participatory skills/ values learnt in SHGs are highly valued as they enable members to infiltrate, participate and negotiate in other fora and demand greater accountability and transparency within other local institutions. Many members of NGO promoted groups had also 'tried out' membership in 'government groups', but felt these groups were driven by 'petty short-term interests' and would not empower them. They particularly pointed out the lack of training for 'government groups'.
4. **Enabling a political role.** Federations, as networks of SHGs, enable them to lobby the government, evict encroachers from common property resources, and determine political stances that run counter to common Indian political wisdom (Sa-Dhan, 2004). Though SAGs themselves remain party-neutral, members have contested and won/lost PRI[121] elections. About 5% of all group members in MYRADA have been elected to PRIs (Fisher and Sriram, 2002:112). Women in Holalkere mentioned that SAG mem-

120 Author's interviews with Resource Centre members in Chitradurga, Kolar and Dharmapuri districts: January 2003: MYRADA: Study of Community Based Resources Centres – unpublished.

121 Panchayati Raj Institutions – local elected government

bers had openly refused cash and other goods offered by a local candidate to buy their votes in recent elections.

Lessons Learned and Pointers for Action

Policy Advocacy for Upscaling the SAG Approach. MYRADA's policy advocacy activities have been based on the belief that critique of mainstream policies and practices is best offered by demonstrating functioning and credible alternatives to the unresponsive, the inappropriate and the inequitable. Policy change works best when a substantial number of community-based organizations have demonstrated the validity of a principle or idea. This strategy helped a small idea to be fine-tuned and presented to two key actors in the development space: NABARD[122] and IFAD. It is to the credit of these two agencies that the self-help group approach has become the Indian Model of Microfinance and a ubiquitous strategy for women's empowerment in projects managed by CSOs and government agencies alike.

Challenges to the Self-help Group Approach and the Way Ahead

SHGs as Projects. MYRADA has witnessed development actors accept, co-opt and then water down powerful ideas. MYRADA stresses that it is not the provision of credit that empowers, but the learning that women gain from managing credit (through SHGs) that truly does so. MYRADA also believes that mere participation does not empower; it is only when participation leads to institution-building that the poor have spaces that enable empowerment. Most government agencies that promote SHGs do so with steep targets, with untrained and inappropriate staff, and do not invest in the capacity building of these organizations. These agencies do not acknowledge the autonomy of SHGs; they treat them as conduits for credit, subcontractors for their schemes, the last link in the delivery chain or as creatures of their making with a lifetime co-terminus with a scheme or project. Bilateral and multilateral donors also display this 'project' focus.

To reduce the negative impact on institutional building that this project context imposes, it is important to ensure the following:

- Groups need to be formed on the basis of affinity, not on the criteria for beneficiary selection based merely on someone's poverty status – this requires a change in the traditional approach to costing of the community organization component which is guided by the number of beneficiaries.
- At least six to eight months must be devoted to institutional capacity building[123] before the group is asked to prepare plans for investment in infrastructure or to apply for grants for individual assets.

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[122] National Bank for Agriculture and Rural Development was carved out of the Reserve Bank of India (RBI) to focus exclusively on the 'priority sector' lending issues, and is hence a key player in any poverty lending programmes: see www.nabard.org/roles/mcid

[123] A manual with 24 training modules has been developed by MYRADA, entitled "The MYRADA Experience: A Manual for Capacity Building of Self Help Affinity Groups". It has been translated into several languages.

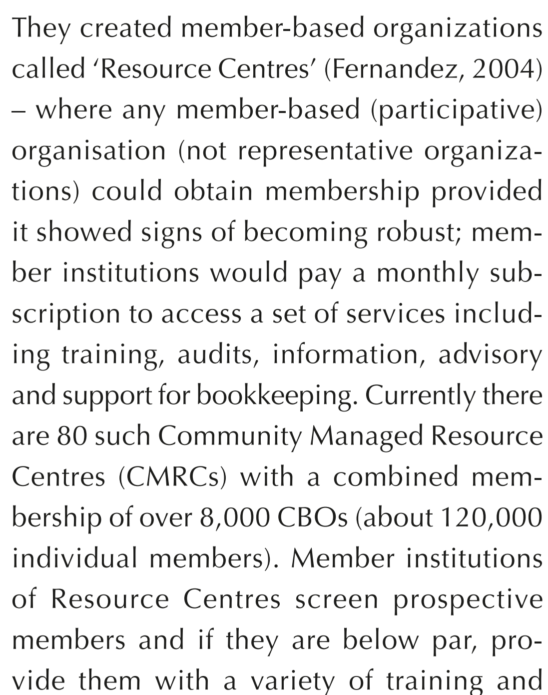
- During this period, a significant investment in capacity building is required; this should focus on helping the group to build a vision and a strategy which are not limited by the "project" on hand but by what the group envisages in the long term.
- If the project envisages provision of credit, the group should be assessed on the basis of its institutional strengths (not on the viability of each individual loan) and a line of credit provided to the group, leaving the group to decide on the purpose of each loan, on the interest rates, repayment schedules and on sanctions where members fail to conform to agreed schedules or accepted norms of social behaviour.
- Adequate investment must be made for networking between such primary groups and this should be started early in the life of the project so that SHGs can support each other after the exit of a project infrastructure.

The Dominant Discourse of Microfinance (or a 'no-fat model of Microfinance') approaches groups (such as SAGs) as means to support microfinance operations. Group building is a transaction cost reducing mechanism and the groups themselves do not necessarily serve other developmental purpose. CSOs that have worked with SAGs however see microfinance activities as a means to institution-building for overall development; e.g. 'PRADAN and MYRADA…emphasised the need to promote organisations that poor people own, control and manage…to do this effectively, poor people need to organize around concrete activities around which they have a direct stake' (Fisher and Sriram, 2002:105). The trajectory of most SAGs starts with voluntary savings, followed by credit management with own funds and bank loans, and gradually they get involved in the wider social issues that affect them. SAGs require good organizational and financial management practices; a group that effectively manages its microcredit activities is more likely to sustain and enable members' involvement in social issues. Poor credit management is often a case for early mortality of groups (Osborne and Lüders, 2003).

MYRADA believes that the Indian poor need more than easy access to credit. Their ability to participate in and hold accountable various institutions is dependent on their comfort in designing and managing institutions of their own. The SAGs offer such opportunities to learning and advocacy and as a complex and 'unwieldy' model for delivering both microfinance and empowerment, they remain relevant even in times when the growth of finance-only MFIs may significantly make credit available to larger numbers of poor minus the hassle of running their own institutions. In fact people's institutions hold the key to making development actors accountable to the poor.

Strategies for Sustaining Impact

While federations of SAGs were effective in the tasks they took on themselves, increasingly it was evident that they did not possess economies of scale to provide services that were in demand in the local areas. At the same time, the international donor community began to consciously move away from Southern India to other parts of the country where poverty was more pronounced. With dwindling budgets for social intermediation, it was clear that previous strategies needed to be reworked. The solution emerged from the people.



They created member-based organizations called 'Resource Centres' (Fernandez, 2004) – where any member-based (participative) organisation (not representative organizations) could obtain membership provided it showed signs of becoming robust; member institutions would pay a monthly subscription to access a set of services including training, audits, information, advisory and support for bookkeeping. Currently there are 80 such Community Managed Resource Centres (CMRCs) with a combined membership of over 8,000 CBOs (about 120,000 individual members). Member institutions of Resource Centres screen prospective members and if they are below par, provide them with a variety of training and advisory inputs to prepare them for membership. Between July and September 2004 alone, these RCs had conducted over 15,000 training programs for their members and other paying institutions through trained local resource persons – mostly members of SAGs and over 75% of them women. From their tentative beginnings a few years ago, CMRCs have enabled SAGs access to a range of inputs that support the overall development of members and their communities. The CMRCs are taking a central role in initiating pro-poor development activities in geographies that coincide with PRIs and it is hoped that they would make local government institutions more effective, accountable and just.

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Case 11: Scaling Up Through Partnerships: The Case of Landcare in the Philippines

by Delia C. Catacutan, Ph.D. (World Agroforestry Centre/ICRAF)

In the mid-1990s in the southern Philippine region of Mindanao, soil degradation was among the urgent environmental issues associated with agricultural development. Thus, an approach known as Landcare drew interest as a means of enhancing the development, dissemination and adoption of appropriate conservation farming measures by farming communities.

Landcare was an approach for mobilizing collective action by local communities to deal with land degradation and natural resource management issues. It was a grassroots initiative based on a *three-way partnership* of farmers, local government units (LGU), and the World Agroforestry Centre (ICRAF).

One Landcare pilot-project involved the propagation of "natural vegetative strips" (NVS) as a form of low-cost conservation farming in a municipality in north-central Mindanao, called Claveria, followed by nearby municipalities. The initial uptake of NVS encouraged ICRAF to examine the phenomenon further, to see how public sector research and extension institutions could develop more effective techniques to diffuse the NVS technology rapidly to a large number of interested farmers. With increasing demand for training in soil conservation technologies, ICRAF established a partnership with the municipal government to set up the Contour Hedgerow Extension Team (CHET) in 1996, comprising a trained farmer, an agricultural technician, and an ICRAF staff member.

In late 1996, a number of trained farmers agreed to form a municipal-wide group, which was given the name, Claveria Landcare Association (CLCA). The CLCA then proceeded to set up community Landcare groups in the villages and sub-villages of Claveria to help promote NVS. Landcare thus developed into an approach that rapidly and inexpensively disseminated conservation farming technologies based on an effective partnership between farmers, local government, and the ICRAF staff. This three-way partnership, described as the *Landcare triangle*, has resulted in widespread adoption of NVS and agroforestry practices.

Ingredients for Success

While it was widely agreed that the technical merits of NVS were a major advantage, rapid adoption was also attributed to the triadic partnership of the CLCA, the LGU, and ICRAF researchers and facilitators. The CLCA and its network of landcare groups promoted farmer-led extension of technologies, while ICRAF provided technical and logistical support and the LGU provided policy and financial support. LGU informants agreed with Landcare facilitators that the CLCA was the center of the partnership and was crucial to success.

Other important ingredients included the catalytic role of ICRAF in technology development, effective facilitation, and the provision of effective training programs. The stable political situation was also impor-

tant, in which LGU political leadership and administration were in the hands of one political family, and Landcare leaders had an established relationship with LGU officials. It can be concluded from this case study that the Landcare program flourished in Claveria because of a favorable environment, in which locally adapted technologies had emerged, the LGU was supportive of grassroots initiatives and had the desire to work with farmers and other agencies, and ICRAF provided a long-term research and extension presence.

Given this initial success, Landcare was scaled up in other sites using different modes. The hypotheses were twofold: (1) Landcare could be implemented more widely given the differences in farming systems, socio-political, institutional, and economic environments in various Philippine locations; and (2) Landcare could be scaled up at the least cost through partnerships. The latter was based on the fact that ICRAF had limited resources to initiate a scaling up process.

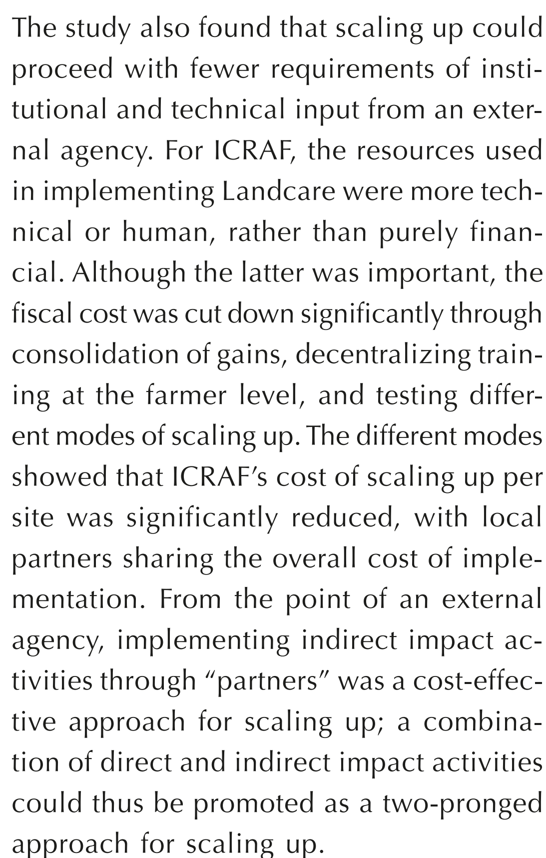
The Need for Flexibility

Scaling up Landcare in the study sites was met with flexibility using different modes of scaling up to adapt to specific conditions, conforming to Berman and Nelson's (1997) view that success depends upon adapting a model program to the local situation. However, this did not come easily; in the process of adaptation, some aspects of the Landcare Program were changed to fit to the local conditions, at the same time as the Landcare Program changed the local situation. It was difficult to juggle the compromises and tradeoffs between process and outcomes, especially where Landcare involved both technical and institutional innovations. For instance, the promoted technologies were more easily adopted than was the Landcare process itself because they were less complex and easier to implement.

Although, Berman and Nelson (1997) support the view that outcomes are more important than fidelity to the adopted model, this provided some philosophical and operational challenges in scaling up, and raised concerns about the sustainability of the adoption process. The relative importance of scaling up just the technical innovations or the institutional innovation was a matter of institutional choice. In this case, ICRAF was rather free flowing, because it did not perceive Landcare as a prototype, nor had it established a long-term scaling up strategy at the outset. Implementation was met with a myriad of issues including political conflict, leadership, participation, and sustainability issues, but the overall outcomes were impressive. The most important outcome was the improvement of human and social capital, enabling farmers to adopt conservation technologies and agroforestry practices with foreseeable improvements in natural and financial capital.

Outcomes

There was evidence that Landcare had, in one way or another, reoriented the extension system and effected changes in local budgeting and policy formulation. At the farmer level, it regenerated the culture of volunteerism and cooperation, and fostered community participation. Relative to varying levels of investments and different timescales at each site, the extent to which the goals were achieved (e.g., technology adoption) and the positive spillover effects demonstrated cost effectiveness.



The study also found that scaling up could proceed with fewer requirements of institutional and technical input from an external agency. For ICRAF, the resources used in implementing Landcare were more technical or human, rather than purely financial. Although the latter was important, the fiscal cost was cut down significantly through consolidation of gains, decentralizing training at the farmer level, and testing different modes of scaling up. The different modes showed that ICRAF's cost of scaling up per site was significantly reduced, with local partners sharing the overall cost of implementation. From the point of an external agency, implementing indirect impact activities through "partners" was a cost-effective approach for scaling up; a combination of direct and indirect impact activities could thus be promoted as a two-pronged approach for scaling up.

Some broad generalizations can be made about the preconditions for successful scaling up, with the relative importance of each precondition depending on local realities.

Preconditions for Successful Scaling Up

1. The wider adoptability of NVS, and the flexibility to develop complex agroforestry systems from this starting point, was an advantage. Hence a set of widely adoptable technologies would be desirable for effective scaling up. Where a proven technology is absent, a locally adapted technology could well be a starting point.
2. It appeared that Landcare succeeded in areas where farmers were wholly focused on farming, conservation efforts were promoted and supported, and farmers were not affected by rapid economic change, such as the growth of large-scale agribusiness or non-agricultural employment. However, where these conditions are absent, Landcare could potentially expand its scope to include NRM-based livelihood options, industry-based strategies and foster private sector support.
3. Landcare had better prospects where local politics were stable, allowing the Landcare triangle to prosper. However, in cases where LGU support is limited or where the political situation is hostile, a committed and highly competent external agency is an essential ingredient, offsetting the immediate need for LGU support.
4. In connection with the above, a highly competent external agency proved desirable, not only for offsetting the weakness of the LGU, but also for providing the necessary technical expertise and longer-term presence to explore different strategies and adopt a step-wise development approach. However, this requires high institutional competencies that might be uncommon even with experienced NGOs and with other research and development (R&D) institutions.
5. An initial level of human and social capital is desirable, but is not essential for scaling up, as Landcare involved investments for maintenance and expansion of human and social capital within a sensible timeframe.
6. Effective training, communication, and facilitation are essential ingredients for scaling up, without which the essence of farmer-based extension embodied in the Landcare approach would be difficult to achieve and maintain.

In summing up, Landcare could be only partially scaled up where the conditions that made it successful in one site were not fully replicated in the other sites. This supports the finding of Lovell et al. (2003) that scaling up research in NRM was challenging because the rules or relationships that hold at one scale often do not transcend scales. Several authors (Berman & Nelson 1997; Schorr et al. 1999) agree, and stress that successful scaling up depends on replicating the conditions where the program has worked rather than replicating the program itself. The implication is that these conditions should be considered in planning for the scaling up of Landcare beyond its current domain, as they define the mode, strategies, and scope of the scaling up process. Finally, the case studies have shown that to mobilize communities for Landcare outcomes, a balance has to be sought between community-initiated change, *partnerships* with local governments, and promotion of technological and institutional innovations by external actors, this balance depending on a range of contextual factors.

Case 12:

Managing the Value Chain of Community-based Enterprises: Providing Affordable Access to Technology, Resources and Markets

by Rene Guarin (UMFI)

A perennial problem of community-based enterprises (CBEs) has been their inability to grow and operate beyond the project period of development programs that initiated them. CBEs are businesses anchored within the community, owned and managed by people's organizations, and engaged in the trade or processing of local raw materials. In many of the CBEs that the Upland Marketing Foundation, Inc. (UMFI) has assisted or worked with, the focus, orientation and origins of the business were mainly production-based. Each so-called enterprise was set up because of either an abundance of a local raw material or the introduction of a technology for processing a local material. The perspective of seeing the business vis-à-vis the market or the industry it belongs to is not considered. In some cases, the business was a result of rights advocacy, where the emphasis is on the communities' right to have a living rather than on tapping a promising opportunity. But without proper understanding of or access to markets for their products, most CBEs enjoy only limited success.

In addressing this situation, UMFI engages communities from the perspective of the markets and the industries they belong to. While the main imperative is to fulfill the right of the communities to have access to better livelihood opportunities, UMFI believes that this should never be the sole reason for choosing or engaging in a business activity. Traditionally, market concerns are addressed, in most cases, by aligning or correcting the issues and limitations of the communities' production capacities with the realities and requirements of both the industry and the markets. UMFI's approach is to manage the value-chain of the CBEs as a means to provide a holistic and appropriate set of interventions that will allow the CBEs to enter, survive and thrive in the market way beyond the period of development programs that initiated the businesses.

UMFI's Partner-CBEs

Pecuaria Development Cooperative Inc.

One of the partner-CBEs of UMFI is the Pecuaria Development Cooperative Inc. (PDCI), the major producer of Healthy Rice. The farmer members of PDCI were among the recipients of the agrarian reform program of the Philippine government. In 1991, the group was organized into a cooperative and was awarded with 817 hectares of land in Lanipga, Bula, Camarines Sur. Among the cooperative's initial programs was sustainable agriculture, which sought to make the farm areas productive and to increase income by selling organic rice at a premium price.

The project was a success in terms of making farmers shift from conventional rice production to organic rice farming, and farm productivity also increased. After five years,

PDCI was producing organic rice on a regular basis and was ready to engage the market. However, they found that customers—whether at the local public market, through the government rice procurement program, or at trade fairs—were unwilling to buy their produce at a higher price.

UMFI was invited by the Philippine Development Assistance Program (PDCI was then part of a program of PDAP) to assess the situation and determine what could be done to address the problem on marketing. UMFI accordingly conducted a market-industry study which showed that:

- A very small percentage of the market knew what organic rice was (.58%), although many of the surveyed consumers valued the product attributes and benefits of organic rice.
- Consumers wanted the health benefits of organic rice, which they understood to be rice grown without the use of chemicals and pesticides.
- Fifty per cent of the target consumers were willing to pay 35% more for such a product and that they would normally purchase their rice from supermarkets and groceries.
- The product must first meet the basic requirements of high purity, whole grains and good eating quality.

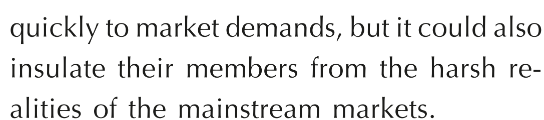
Using this information, a business plan was devised that served as a basis for a partnership between UMFI and PDCI. The plan called for positioning PDCI's organic rice as the Premium among the premium rice in the market and targeting the upper health-conscious segment of the market. PDCI was to be the main supplier while UMFI would handle the sales and distribution of the products to supermarkets and groceries in Metro Manila. At the time of the product launch, the cooperative sold the rice to UMFI at PhP25.00/kg or PhP5.00 higher than their original selling price. The rice was repacked in 2kg plastic packs that highlighted the terms "Chemical and Pesticide Free" and was sold at a retail price of PhP30.00/ kg.

Kalahan Educational Foundation Inc.

Another partner-CBE of UMFI is the Kalahan Educational Foundation Inc. (KEF), producer of Mt. Fresh Jams and Jellies. KEF was also a recipient of a land distribution program of the government, being the first tribal group to be awarded tenure over their ancestral lands.

Among the major programs of KEF was the processing of local forest fruits—guava, santol, dagwey and other fruits found within their ancestral domain—into finished products, specifically jams and jellies. They believed that having the value-adding activities within the community would not only make the community care more for their forest (as an income source) but would also mitigate migration of the young by providing job opportunities for them right within their community.

Unlike many CBEs, KEF conducted its own market studies and was able to determine who to sell to and how to reach them. As early as 1990, KEF was already selling directly to selected stores and supermarkets in Metro Manila. However, given their distance from the market, their volume of trade and their limited personnel, KEF decided to tap UMFI to serve as its marketing arm in Metro Manila. From KEF's point of view, not only was UMFI nearer the market and therefore able to monitor and respond more



quickly to market demands, but it could also insulate their members from the harsh realities of the mainstream markets.

UMFI's interventions

Links with the External Environment

If CBEs' businesses are to be anchored on the strength of organized farmers groups or business units, this must be balanced with efforts to set directions and plans drawn from their external environment. The reality however is that, for most CBEs, the view of the external world is quite limited; and their distance, their scale of operations, their limited experience, and their lack of expertise work against them. Thus, UMFI provides its partner communities with essential linkages with the outside environment—access to markets, technology and financial resources—thereby allowing them to acquire the needed inputs and perform the needed business activities.

Links with the Consumer

UMFI links with the consumer by engaging in promotional and advertising activities. The foundation co-sponsors activities of consumer groups that UMFI believes would be appreciative and would be buyers of the products it carries (e.g., "Tour of the Fireflies" annual bike tour around Metro Manila to promote a clean environment, healthy living, and the use of bicycles to reduce pollution; World Food Day; World Fair Trade celebrations; exhibits and trade fairs anchored by development organizations). In addition, UMFI will soon launch its website where consumer groups will have access to information about its products and, more importantly, about the communities that produce these.

Support Services

Aside from sales and distribution functions, UMFI also conducts market research for a group of products that communities may have. At times, it purchases packaging materials, print labels, or plastic pouches in bulk and allows its partner-suppliers to purchase these in small quantities. By spreading the costs among the different CBEs it assists, UMFI enables the communities to identify the right products, develop their quality, and improve their look and market appeal without having to shoulder all the direct expenses this would normally entail. This service is maintained even after the products reach the markets.

UMFI likewise continues to identify and develop new products for its CBE partners. It even looks for the needed inputs from Metro Manila, such as packaging materials and replacement parts, and sells these back to them. Finally, UMFI also handles the promotions and limited advertising functions to further expand the markets for its partners' products.

'Investing' in its Partners

Although UMFI acquires market information to assist many communities, this is oftentimes treated as an investment rather than an expense. UMFI does not charge the communities up front or immediately, but projects to recover this through the margins generated from future marketing activities of new products.

In addition, UMFI is always on the lookout for new processing technology or equipment that may be used by the CBEs. While providing CBEs with affordable access to these,

UMFI ensures that such affordability is not simply a result of spreading the costs over many partners but also due to lower acquisition costs. To do this, UMFI does not perform all these functions by itself but links up with other groups or outsources services to other groups, both public and private, that are better equipped for the job.

Developing "Champion Products"

As enterprises become more business oriented, the preference for "better", more saleable products, or for bigger and more stable groups, sets in and leaves out the weak products and groups that really need more help. To address this, UMFI developed the concept of "champion products". These are products that are of high quality, saleable and, yes, produced by bigger and more stable groups. Once these champion products are found and maintained, this allows UMFI to take in "weaker" products from smaller groups. While these products may still sell, they do not provide the scale and volume needed to recover the cost of operations. Therefore, it is the champion products that generate the real income, providing the stability for the marketing or business activity to devote more time and effort to taking in more smaller products and possibly upgrade them as well.

Challenges Faced

Payment

The payment system is one of UMFI's biggest challenges. When the enterprises are just starting, the volume of trade is small and manageable—normally amounting to around PhP 50,000 per month or even less. For these small transactions, UMFI can pay the suppliers cash or within 15 days. However, as the business grows and volume transactions reach hundreds of thousands of pesos per month, UMFI has to ask for credit terms from the suppliers, normally 60 days. This 60-day term credit is actually shorter than that given to UMFI by the supermarket outlets that normally pay for their purchases beyond 60 days, and at times even beyond 90 days. The reality, however, is that farmer groups are not used to being paid in "terms". This has led to major tension between UMFI and its suppliers in the past and may do so in the future. To address this situation, UMFI recently requested financial intermediaries or FIs (not the commercial ones but NGOs and cooperative banks) to explore opening a credit line for its suppliers.

Quality

Product quality is another major challenge that UMFI faces. It is very strict on this matter and conducts a series of talks and guided business transactions for the farmers or communities to understand the importance of maintaining quality. It has, however, had to return products to suppliers due to poor quality. In the end, it seems that the best teacher is the actual experience of having their products returned to them and the community incurring the loss and expenses of that transaction. Since product quality had already been agreed to by both UMFI and the community, the erring party accepts the consequences of the mistake. Open communication and continuous feedback between UMFI and the community, plus constant monitoring at the community level to ensure that agreed systems and steps are followed, are the elements that will ensure consistently good quality.

Table 4. UMFI Sales (2001-2005)

Period	Sales
2001	Php 1.8M
2002	Php 5.6M
2003	Php 10.8M
2004	Php 10.2M
2005	Php 12.0M
TOTAL	Php 40.4M

Conclusion

Through all the above interventions—and despite the above challenges—by the year 2005, UMFI had sold PhP 40 million worth of community products that it had helped develop.

For UMFI, the continuing challenge is how to hasten and expand its process and bring in more products to the mainstream, while remaining within the context of tapping and growing local market potentials. For the next five years, the organization targets to at least double this output with annual sales expected to reach at least PhP 20 million.

Case 13:

The ROSA Model for SHG Formation in Uttar Pradesh, India

by Bharat Bhushan (PANI)

*The People's Action for National Integration (PANI) seeks to mobilize self-help initiatiaves and collective people's actions through formation and capacity building of community-based organizations. Self-Help Groups (SHGs) formed by PANI for savings and credit as well as micro financing have proven to be an effective method of socio-economic development of the rural poor. PANI developed a successful model of SHG formation, called the "ROSA" model. (First Phase: **R**=Rapport building with rural poor, Second Phase: **O**=Organizing rural poor in SHGs, Third Phase: **S**=Strengthening the SHGs, and Fourth Phase: **A**=Action creation in SHGs).*

Through this successful model, PANI has formed 1,766 SHGs (1,500 women SHGs and 266 men SHGs) and their 130 federations in 12 blocks of nine districts in Uttar Pradesh. Out of these, PANI has been successfully implementing SHG-based micro financing with 1,158 SHGs in three blocks of three districts on the concept of SHG-based/managed community banking called "The People's Fund" (locally called *Loknidhi*). This concept is being gradually replicated through a scaling-up strategy.

Background

Uttar Pradesh, where PANI works, is India's most populous state. About 78% of the state population depends upon agriculture and agriculture-based labor for their livelihoods. The poorest of the rural poor consist mainly of the landless, agriculture-based laborers and marginal farmers with very limited holdings of cultivable land.

With very limited resources and options to earn and meet their immediate basic needs; poor families are often forced to take loans from local moneylenders or big farmers for emergencies at very high interest rates. The poor also resort to mortgaging their land, house, utensils and even labor to moneylenders.

At the same time, the rural poor are unable to access government schemes and facilities on health, education, social security and livelihood, due to lack of information and organized initiatives. The prevalent anti-poor attitude and the absence of a poor-friendly environment in line government departments and banks continuously cause the failure of government poverty alleviation schemes and programs.

Formation of Rural Poor Organizations (SHGs)

The following are the key objectives behind PANI's formation of SHGs:

- To help the rural poor to help themselves (enabling poor people, so that they could realize their rights and entitlements);
- To bring collectivity in people's action/ Self-Help Initiatives (SHIs);

- To generate powerful voices among the powerless poor;
- To develop community structures to bring about sustainability in the development process;
- To initiate the people-centered process for holistic development (i.e., social, economic and cultural development as well as active participation in the local self-governance system).

The following capacity-building programs and activities are implemented for the sustainability of the SHGs:

- SHG management;
- Financial management;
- Leadership development in family, society and local government;
- Entrepreneurship development;
- Gender and development;
- Social and political rights;
- Role of SHGs in strengthening of local self-governance system (*Panchayati Raj* Institutions);
- Establishing interface with government departments like health, education, *panchayat* and social welfare.

PAHEL and "The People's Fund"

Considering community empowerment as a benchmark in the development process, PANI concentrates on the economic enhancement of the rural poor. Thus, the core team of PANI has conceived the "community demanded" concept, in the form of PAHEL (People's Action for Holistic Enhancement in Livelihood). The People's Fund (*Loknidhi*) is a component of this broad concept and addresses the financial needs of SHG members through livelihood generation.

The People's Fund is a cluster of 100 SHGs, homogeneous in terms of their socio-economic status. It is based on the concept of *"A fund of the poor, by the poor, and for the poor"*—providing a self-operational community banking system at local level. Apart from micro-savings by poor families, PANI also mobilizes the micro-finance facilities of various government and non-government financial institutions and support agencies in order to promote entrepreneurship development and livelihoods at the local level. Meanwhile, federations of SHGs (called "apex bodies") take initiatives to influence the local government to address the social issues and problems faced by the rural poor.

Rationale of this Concept/Model

It is noted that the rural poor need ready access to micro-finance services at the community level, to enable them to manage their savings and to generate livelihood opportunities at their own level. Hence, PANI acts as a micro-finance intermediary and mobilizes micro-financial services from various government and non-government institutions, and implements the system through The People's Fund, owned and managed by SHGs of the rural poor.

Operational Strategy

PANI forms clusters of 100 SHGs, with each cluster acting as a self-operational unit of The People's Fund. The program implementation team of PANI then provides financial management services to this unit. All the 100 member-SHGs of this unit remit their membership fees on a monthly basis to The People's Fund. In turn, each member-SHG benefits from the micro-financial services of The People's Fund, as this is an integral part of its management.

As per the concept of PAHEL, the PANI also provides the other planned inputs to the member-SHGs for their holistic development.

Replicability

Through this community-managed model, the savings of SHGs are pooled together and then channeled in productive directions for livelihood creation by providing other vitally relevant inputs. This model has been replicated in many PANI-assisted communities. Moreover, this model has been formulated for replication in the 148 member-CSO network known as SATHI-UP (Supporting Association for Thematic and Holistic Initiatives-Uttar Pradesh).

MAJOR COMPONENTS IMPLEMENTED TO ENHANCE THE SUSTAINABILITY OF CBOs

Component I: *Formation of SHGs and their federations (CBOs);*

Component II: *Institutional development of CBOs through capacity building;*

Component III: *Self-help initiatives by CBOs;*

Component IV: *Linkages with local government (PRIs), financial institutions and resource agencies;*

Component V: *Community-demanded PAHEL concept/model of sustainable development, in operation since 2003. The operationalization of the PAHEL model is the best practice of PANI.*

Outputs, Impacts And Milestones of the PAHEL Model

Outputs Achieved thus Far:

- 21,192 poor and marginalized families organized into 1,766 SHGs and 130 federations, and working towards their sustainable development;
- Food self-reliance in poor families;
- Poor families free from the exploitation of moneylenders and landlords;
- Easy credit facilities to poor families through SHGs and The People's Fund;
- Reduction in the number of landless families;
- Reduced corruption in government departments at the local level;
- Regularized primary health and education services with quality at satisfactory level;
- Increased health and hygiene practices among families;
- No dropping-out of girl children from school;
- Increased income status of poor families;
- Reduced gender discrimination in families and local self-governance system;
- Active women representatives in local self-governance at village level.

Impact

- Self-operational SHGs and federations of rural poor families;
- SHGs and their *Gram Panchayat*/village level federations/CBOs actively influence the decision-making in local self-governance (*Gram Panchayat* Body), indicating community participation in the process of local governance;
- SHGs are taking self-help initiatives and realizing their rights and entitlements;
- SHGs are development-oriented and playing their role and responsibilities for their holistic development through creation of sustainable livelihoods under the operation of the PAHEL concept.

- Poor families have become exploitation free and socially empowered, and are participating actively in local self-governance, but now there is a demand to foster the process of economic development, for which the PAHEL concept of PANI has been in operation since 2003.
- Federations (apex bodies of SHGs) are self-operational, but now they need more organizational/institutional development inputs in order to become sustainable rural poor organizations.

Some Failures

- Families in acute poverty are not completely taking initiatives for their sustainable livelihood generation.
- Men SHGs are comparatively less active than women SHGs.
- A positive attitude among banks towards SHGs was difficult to develop; banks and government did not undertake the work of SHG formation and promotion.

Lessons Learned

- The anti-poor attitude of representatives in local government and in the government bureaucracy was the main constraint in building/strengthening the SHGs. Through perspective building of SHGs and their interfacing with local self-governance and the government machinery, this anti-poor attitude was reduced.
- Enhancing the institutional capacity and developing the perspective of SHGs and their federations are necessary to strengthen these rural poor organizations.
- The expertise of PANI in community mobilization and the ROSA model of SHG formation contributed a lot to the successful formation of rural poor organizations.

Recommendations

PANI's ROSA model of SHG formation and its microfinance-based PAHEL model of sustainable livelihood creation can be replicated in other projects, as it has been formulated on the pragmatic approach of SHG formation and promotion of their village-level federations. These federations of SHGs act as informal community-based organizations (CBOs) and serve as a platform for the rural poor to address their social problems and influence local self-governance in favor of the poor. In turn, each SHG acts as a unit of its federation and takes initiatives for the economic development of its members.

Case 14:

People Centered Conservation and Poverty Reduction in Mongolia's Southern Gobi Region[124]

by IPECON

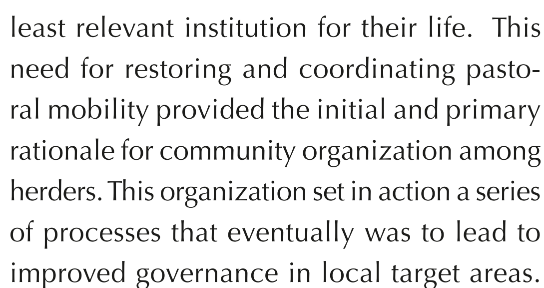
In the Gobi, community organizations re-emerged during the late 1990s, driven by the need to coordinate mobility of herder households. Community organization has triggered local innovations in self-organization, pastoral management and production, nature conservation, and livelihood strategies. Now, Community Organizations are becoming acknowledged local institutions for natural resource management and important actors in poverty alleviation and local self-governance.

External support was provided in the form of technical assistance and process facilitation. When the interventions started, the social, economic and ecological situation had become so dire that the initiatives for collaboration among herders were driven by the need to survive under very adverse conditions.

The tools and methods used in appraisals and planning with communities typically included mapping (natural resources, social, mobility), seasonal calendars in relation to men's and women's workloads, resource use, income and expenditures, ranking and scoring on wealth and wellbeing and income sources, Venn diagrams for institutional analysis, household livelihood analysis, changes and trends in local environment and biodiversity, analysis of problems and opportunities, weaknesses and strengths. The project also included semi-structured interviews with key informants, interviews with focus groups and transect walks. Often, facilitators left the initial community meetings when problems and opportunities had been identified and the group had begun to plan collective action. At this stage, the facilitators offered to come back if the group felt they wanted support in planning. While the PRA exercises provided a wealth of information and insights into local natural resource management issues and livelihoods, the primary objective was to initiate local community action.

In the early surveys and PRA exercises, herders frequently expressed the need for regulation of pasture use, for an institution to coordinate herders' movements. While the district governments are formally charged with this responsibility, livestock herders frequently rated the local government as the

[124] The work described in this case study has been undertaken in the framework of two projects of Mongolian-German Technical Cooperation ("Nature Conservation and Buffer Zone Development", 1995-2002, and "Conservation and Sustainable Management of Natural Resources – Gobi Component" 2002-2006), currently implemented by the "Initiative for People Centered Conservation" (IPECON) of the "New Zealand Nature Institute" (NZNI). The area concerned includes 13 districts (soums) in Omnogobi, Bayankhongor and Uvurkhangai provinces (aimags) in Mongolia's South.



least relevant institution for their life. This need for restoring and coordinating pastoral mobility provided the initial and primary rationale for community organization among herders. This organization set in action a series of processes that eventually was to lead to improved governance in local target areas.

Leaders and Community Centers

A workshop in 2002 with community leaders in one district of Uvurkhangai Province sought to evaluate factors for successful leadership and organizational development of community organizations. The jointly identified factors clearly reflected principles of good governance, such as transparency, joint decision-making, and accountability for use of funds. Findings of the workshop also indicated that the most successful groups (in terms of social cohesion and effective implementation of activities) were those where elders supported young people who took initiative and where men supported women who took on a leadership role. Typically, well functioning groups had a leader identified by consensus, a council, a community fund established through contributions by all member households, and a community center, the latter mostly being a communal *ger (yurt)* for meetings and other joint activities.

The first of these community centers was established in the Middle Beauty Mountains (Bayan Bag, Bayandalai Soum, South Gobi Province) by local herder women who felt that a "mobile community center" would serve their needs better than a meeting house in the *bag* (smallest administrative and territorial unit) center. Taking care of small livestock, and children, in the summer camp sites, the women were not able to attend bag center meetings. Their response was the mobile community center that traveled with them when they moved to new pastures. The center and the community group, now named "Shine Ireedui" ("New Future") were to become a rural center for organizational development and learning.

The success of the group, namely the completion of a resource use contract with local authorities, led to numerous exchanges for experience sharing. Individuals and groups from the region began to visit the "successful" herder community to learn about their processes of organizational development, their community norms, their planning and implementation of communal activities and natural resource management, and their cooperation with government and other organizations. The learning was not confined to inter-community learning. District governors and other officials attended training with the community organization that was becoming a model in the region. By going through the process of developing their organizations, communities themselves had learned about principles of good governance, and government organizations benefited by learning from them. Moreover, the strengthened community organizations became more able and active partners in collaborative management of natural resources and in addressing rural development issues. They began to demand better services from government and to communicate their concerns more effectively.

Processes and Impact

While "Nukhurlul" initially focused on developing community norms for pasture management, they soon diversified their activities into nature conservation, poverty alle-

viation and livelihood development. Initiatives to improve governance and to develop technologies have likewise emerged from the "Nukhurlul" movement.

Community organization initiated by herder households also spread to Soum centers and was adopted there by poor households with few or no livestock. The "Eson Bulag" Community of Bayanlig Soum, Bayankhongor province, reports alleviation of poverty among member households since being organized as a group. The Community of 24 poor households has collaborated in cultivation of vegetables and rye crops. After witnessing successes in livelihood improvement and social solidarity in a woman's self-help group in their Soum center, the households decided to work as a group, now voluntarily and with objectives set by themselves. The Community has used the modest community fund to enable members to participate in public meetings, provide assistance in case of sickness and extend micro-credits to member households. While much of their produce is used for subsistence, modest income has been generated through sales in the soum center; among the reported uses of cash are school supplies for children, enabling them to attend school.

Access to micro-credits enabled households to escape a cycle of poverty in remote rural areas, and the social solidarity in the Nukhurlul meant an end to social exclusion, an aspect of poverty that can be as devastating as material wants.

To better capture, and to quantify the impacts of community organization, a participatory monitoring and evaluation system has been established. It is based on indicators that were developed with local communities for their local areas. It thereby provides a tool for local planning, for monitoring change at household and community level, and it enables communities to adjust their strategies for improving their livelihood through sustainable use of natural resources.

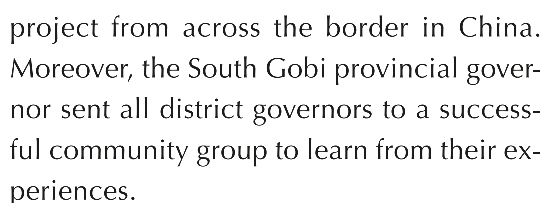
A Model for Poverty Alleviation

An ongoing Participatory Poverty Assessment, undertaken by the Asian Development Bank in Mongolia's rural areas found that key informants and focus groups in the South Gobi viewed the Nukhurlul as important actors in poverty alleviation, employing different communal strategies including internal redistribution of livestock, joint marketing and mutual support in diversifying income.

District governments have seen the value of community organization for better land use and maintaining pastoral mobility and in some cases have transferred management rights and responsibilities over allocated land to Nukhurluls. This includes land within Protected Area boundaries, thus constituting a new approach to park management in the country that facilitates resource access and benefit sharing.

Around the park, organized communities have begun to benefit through the provision of tourism services and products.

Some of the most successful Nukhurlul in terms of improving pasture management, value addition to livestock products, social coherence and role in local development, have seen visits by groups from neighboring areas, from other provinces of Mongolia, and even from staff of a rural development



project from across the border in China. Moreover, the South Gobi provincial governor sent all district governors to a successful community group to learn from their experiences.

It is fair to say that the Community Organizations in the Gobi have become acknowledged local institutions for natural resource management, as well as important social actors in rural development who are piloting new ways for poverty alleviation and livelihood strategies. They may be emerging units of rural self-governance in Mongolia. Already, parliament members (2000-2004) from the South Gobi have introduced community organizations under their chosen name of "Nukhurlul" as civil society organizations into Mongolia's civil law.

New Challenges and Needs: Local Institutions and their Cooperation

"Communities can influence the government". This was how a community leader participating in a 2002 workshop expressed one impact of community organization. Already then, Nukhurlul had become more vocal.

In a 2004 workshop with 46 community leaders, and representatives of government, it became apparent that Nukhurlul, in some instances, had entered into disputes with local government, mainly over fees for land or natural resource use. The government, they argued, is not managing and protecting the land, and the community organizations, as the stewards of the areas, should not have to pay fees to the government.

These disputes are emerging as a result of community organizations, and signal the strengthening of civil society in rural areas. Skills and knowledge on both sides are needed to develop the capacity to maintain a constructive dialog and build consensus.

Local workshops with all stakeholders, dedicated to joint learning about local cooperation and governance, poverty and resource management, their interrelationship, problems and solutions were undertaken by IPECON in March 2004 in five districts.

Lessons Learned

Community–based Experience Sharing

To date, numerous community groups and officials from other provinces, as well as staff of other donor supported programs in rural development and natural resource management, including a group from neighboring China, have visited the "Shine Ireedui" and other community groups in the Gobi project area. Community-led learning and experience sharing began through word of mouth that triggered visits by individuals and groups to households that had organized to work together in resource management and livelihood improvement.

The community-led learning seen in the Gobi may be the emergence of "Herders Field Schools", a pastoral equivalent to the concept of "Farmers Field Schools" developed by farmers communities and supported by development practitioners in South Asian and African countries (CIP-UPWARD 2003).

Process–orientation

The process of consensus building on land use, developing norms for natural resource management, the emergence and strength-

ening of institutions and the development of cooperation among different stakeholders, all take time as well as flexibility and adaptability. Such processes may take decades even in countries with well established institutions and mechanisms for decision making. Too often, donor-supported projects are planned for too short periods. This applies even more for countries that are undergoing major transformations, like Mongolia, and are developing a new institutional and legal framework. Short timeframes of donor projects promote the tendency of project workers to take shortcuts rather than allowing the time needed for participatory processes. Our project support has concentrated on facilitation, and material and financial assistance is, with few exceptions, provided as co-funding. This principle is applied to capacity development as well; participants in training sessions are expected to at least contribute to the cost, if not cover fees entirely.

Linkages: Local, National, International

The participation of representatives of livestock herder communities in a number of international events has been facilitated. As a result, members of rural communities in the Gobi have shared their experiences with pastoralists from many countries in events like the "Mobile Peoples Workshop" at the "World Parks Congress" in Durban 2004, at the "Karen Meeting of Livestock Keepers on Animal Genetic Resources", 2003, the "Eco Agriculture Conference, Nairobi, 2004" and the "Global Pastoralist Gathering", 2005, in Ethiopia. Participation in the events enabled representatives to form alliances to promote the role of mobile pastoralists in conservation and to advocate extensive livestock husbandry as an adapted, modern management strategy for dry lands. The shared experience of common concerns and experiences has empowered participants to articulate their concerns more effectively and to foresee challenges that may lie ahead for them. For herders in Mongolia, where currently intensive versus extensive livestock husbandry and changes in tenure of pasture land are being discussed, these international experiences may prove crucial in advocating enabling policies to maintain pastoral livelihoods and rational management of arid lands through mobility.

Success Factors, Barriers and Next Steps

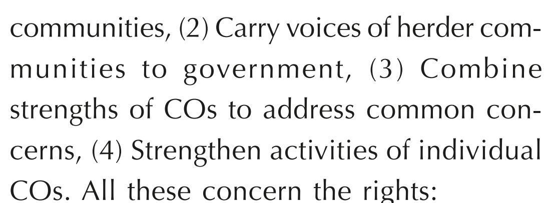
Success factors, barriers and next steps have been identified in the following areas:

- Building Sustainable Community Organizations;
- Linking COs with each other;
- Linking Community Organizations to Local Government;
- Linking COs to Resource Agencies

An Emerging Agenda: Defending and Securing Rights

The need to better safeguard and promote the rights of local communities to access and benefit from local resources is emerging as an agenda of rural communities and as the primary reason to improve linkages among community organizations.

Among the reasons for forming associations of community organizations identified by workshop participants (November 2005) were: (1) Protect and promote rights of herder



communities, (2) Carry voices of herder communities to government, (3) Combine strengths of COs to address common concerns, (4) Strengthen activities of individual COs. All these concern the rights:

- To use and benefit from local natural resources;
- To exclude outsiders;
- To prevent gold mining;
- To use/access land (for vegetable production/pasture);
- To be recognized as organizations that protect local resources and environment.

Recommendations

1. Community Organization in Mongolia's Gobi has developed models for sustainable natural resource management, namely pastureland management, and for community-led poverty reduction. Community organizations in the Gobi are seeing a rapid increase of interest in and demand for experience sharing and study tours from other regions in Mongolia, and from outside the country.

   While community organizations in the Gobi have been supported (by IPECON within the framework of German Technical Assistance) to become trainers and facilitators to share their experiences and successes, there is a need to further develop capacity in the Gobi for community-led learning, and to facilitate an appropriate process of scaling-up to other regions that enhances sustainable outcomes. The lessons learned in the Gobi pertain to natural resource management and to poverty reduction, and are therefore very relevant for the IFAD supported Rural Poverty Reduction Programme (RPRP). Therefore, IFAD support to enhancing capacity for experience sharing in the Gobi, and to facilitate the process of scaling up is recommended.
2. Community Organizations in the Gobi also have had successes in improving linkages to local government and contributing to improved local governance. Necessary interventions to further enhance local governance have been jointly developed by COs and local government in the Gobi (facilitated by IPECON). The intention was to develop a model for good governance in rural Mongolia that again can be scaled up to other regions.

   The second recommendation to IFAD is therefore to support interventions to develop a model for good governance that can be scaled up as well to other regions including the RPRP implementing area. In the very comprehensive approach of the RPRP, governance issues are not addressed, and scaling up of experiences in improving local governance would therefore complement other components of the RPRP and enhance sustainability of RPRP interventions.

Case 15:

Building Social Capital: A Way to Empower the Poor in Local Development

by Dang Ngoc Quang (RDSC-Vietnam)

Over the past decade, recognition has considerably expanded among development agencies in Vietnam on the need for increasing the participation of civil society in general, and of target beneficiary groups in particular, in the entire project development cycle. Participation, or the active involvement of stakeholders and beneficiaries, has been an essential strategy for the success of many poverty-eradication projects.

RDSC started in one district of Thanh Thuy Phu Tho Province in 1996. It then expanded to another district of Quang Ninh in Quang Binh Province in 1998. In 2004, the program was replicated in one more district of Thanh Son in Phu Tho province. In 2005, the Japan International Cooperation Agency (JICA) requested RDSC to implement a villagers' support project in Kon Tum Province in the central highlands.

CBOs in Vietnam

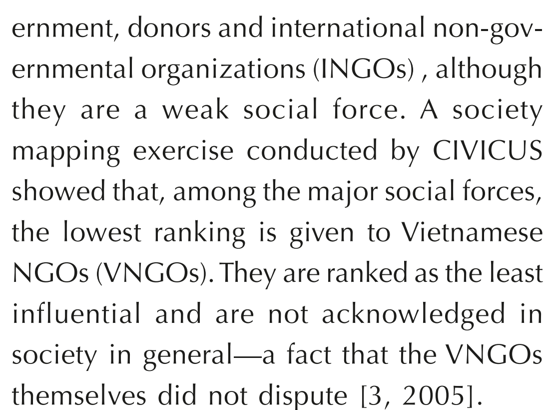
On the basis of legal status, there are three types of farmers' organizations in Vietnam's rural areas: (1) informal groups with no registration, (2) semi-formal organizations which are approved by the Commune People's Committee, the lowest level of government, and (3) agriculture cooperatives which are registered with the District People's Committee and function under the Cooperative Law issued in 1996 and amended in 2003. To date, there are about 10,000 agriculture cooperatives in the whole country.

Nguyen Van Nghiem (2005) indicates that the Vietnam government does not hold records of collaborative groups, although he estimates that there are about 200,000 such groups in the country. The Vietnam Alliance of Cooperatives reported [3, 2005] that there are 300,000 cooperatives; while, according to Strumpet, in the micro-finance sector alone there are about 100,000 credit cooperatives.

According to Chu Tien Quang (2005), farmers' groups exist widely in areas where there are no cooperatives and serve as the main form of cooperation among farmers in the Mekong Delta. As of March 2005, there were reported to be 115,405 farmers' groups in the whole country—38,760 of which were in the Mekong River delta (33.6% of total farmers' groups), 27,258 in the North Central Coast (23.6%), and 199 in the North West (0.17%). A large number of such farmers' groups eventually become formal cooperatives. During 1997-2004, for instance, out of a total of 2,196 newly-established cooperatives in Vietnam, 1,565 (71%) were originally farmers' groups.

Informal groups are also formed around agricultural activities, as well as neighborhood activities, such as dancing, sports, festivals and celebrations. These informal groupings are not registered, but are known to the administration. Research by CIVICUS says that they could number in the millions.

Non-government organizations (NGOs) in Vietnam are increasingly accepted by gov-



ernment, donors and international non-governmental organizations (INGOs) , although they are a weak social force. A society mapping exercise conducted by CIVICUS showed that, among the major social forces, the lowest ranking is given to Vietnamese NGOs (VNGOs). They are ranked as the least influential and are not acknowledged in society in general—a fact that the VNGOs themselves did not dispute [3, 2005].

Social Capital of the Poor

Working with various rural and ethnic minority communities, RDSC is aware that social capital exists in many forms. The poor use their social capital to manage their limited resources. A traditional form of social capital of the poor is their informal organizations, such as tontines or ROSCAs providing micro-finance services to their members; labor-sharing schemes in crop or animal production; or animal-sharing schemes. These groups and their working principles provide the foundation for assistance to the poor in building their own organizations.

RDSC has also found that mass organizations in villages, such as Women's Unions, function as formal conduits of government support to the poor and women. These village-level mass organizations are potential partners in establishing linkages between organizations of the poor and local government.

Since its establishment in 1995, RDSC's approach has been to ensure local participation, to legally secure entitlements to assets—especially public services, such as agricultural extension, micro-finance services, local infrastructure—and to build social capital so that the poor are empowered to improve their own lives. In this approach the key component of all interventions necessarily involves *building institutions*—i.e., building organizations of the poor themselves. Another important component is establishing linkages with support institutions that mediate the access of the poor to assets, technologies, markets and rules.

A recent RDSC review suggests that community-based organizations (CBOs) assisted by its projects should function not only as a means to strengthen the social capital of the poor and women, to secure their assets, and to generate benefits for them. To effectively contribute to poverty alleviation, CBOs should also exert political influence and provide better access to markets. This influence can be secured when CBOs are networked and are connected to the local political system. Hence, RDSC's program for 2004-2006 is heading in this direction.

CBOs Supported by RDSC

As of June 2004, working in three communes of Thanh Thuy District of Phu Tho province of the Northern Up-land region, RDSC facilitated 17 CBOs involved in micro-finance services, food production, animal disease control, pest control, and piglet production. In Quang Ninh District of Quang Binh province in the North Centre Region, RDSC has supported the poor in forming 30 CBOs, covering cattle banks, a rotating fund for household hygiene facilities, and agri-inputs supply cooperatives.

In each commune, CBOs supported by RDSC can be grouped into four categories:

1. Public services (veterinary service, pest control, women's health groups);
2. Production groups (rice seed-production, piglet production, bamboo-shoots production, honey production);

3. Micro-finance cooperative groups;
4. Support and advocacy (a type of networking institution, connecting different CBOs and support groups in community planning, advocacy for interests of women and the poor in commune policy making, and coordinating NGO/CBO activities with government programs in the communes).

Development Towards Self-reliance and Sustainability

Working with local women's unions and other activists, RDSC assists the community to form primary organizations of the poor, building organizational management capacity, and technical and financial capacity. Material and financial support from outside decreases over time (normally three years). Then the ownership and management is fully transferred to the farmers' organizations, although they may be given technical support for another three years.

RDSC applies a three-step approach in building sustainable, self-governing institutions of the rural poor: (1) learning with the poor, (2) working with the poor, and (3) supporting the poor. The program includes leadership building through a management training program which covers participatory planning, monitoring and evaluation, as well as financial management. Internal resources of the CBOs are generated through local fundraising, cost sharing, and savings. These internal resources are crucial for building local ownership and long-term sustainability.

The participation of the poor in RDSC projects is as important as that of the better-off sectors of the community. A survey found that in project villages, the rate of participation among the poor was 94%; among the middle-income group, 93%; and among the better-off, 96%. All the women in communities reported their participation, while 93% of the men did.

RDSC has devised a mechanism of providing funding to CBOs and their community to implement their plans, which addresses the issues of poverty and promotes their ethnic minority identity. In the three years since 2001, 16 micro-projects were developed and successfully implemented by the community with a total value of VND 400 million—about half of which was mobilized by the community itself.

Local Governance

In RDSC's programs, building links between CBOs and the local government is a primary focus. Local leaders of the CBOs are driving forces for community development planning. Since 2005, CBOs' village development plans have been acknowledged and integrated into the development plans of the commune governments. Evaluating RDSC's Village Development Planning approach, the commune governments have stated that they have never had such comprehensive socio-economic data upon which to plan their communes and to monitor their progress.

The Development and Poverty Reduction Committees in project communes in Thanh Thuy District, for instance, are comfortable cooperating with the commune government in managing local infrastructure development programs funded by the district government. The Committees in Yen Mao also reported that they coordinate well in a community health project, which is funded by an Italian NGO.

Upscaling and Building Linkages Among Organizations of the Poor

In its early phase (1996-1998), RDSC was working in only three communes of one district of Thanh Thuy. Linkages were developed among these communes, manifested most prominently in micro-finance. Local women leaders of Phuong Mao, a veteran commune in savings and credit services, came to Yen Mao to assist the women to develop new savings and credit cooperatives for themselves, and to acquire group formation and accounting skills. The linkages were later extended to a new commune, Tu Vu. The leaders of women's micro-finance co-operatives began to function as resource persons for seven other new communes. Similarly, exchanges, exposure trips, and study tours were organized by CBOs and facilitated by RDSC amongst bee-keepers, piglet producers, and managers of Commune Development and Poverty Reduction Committees. Farmer-trainers from one commune were invited to conduct veterinary training in new communes of both Thanh Son and Thanh Thuy Districts.

In its current phase (2004-2007), RDSC is exploring ways of building linkages of CBOs at a higher level—for example, the district level. The CBOs working in specific areas of interest, such as animal production, bee-keeping, or integrated pest management, can refer to the legislation on associations forming coalition, which can then help their member-organizations in accessing better government services in their respective areas. Further, the core unit of the associations can help farmers in other communes to adapt the lessons learned in their communities, thereby expanding the impact of the program.

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Case 16:

Insurance for the Poor: CARD Mutual Benefit Association

by Marie Jennifer de Leon and Melany Viajante (CARD-MBA)

What are the issues faced and lessons learned in establishing an intitutionalized insurance system for low-income households? The CARD Mutual Benefit Association (CARD MBA), located in San Pablo City, Laguna, the Philippines, is the insurance arm of the CARD Mutually Reinforcing Institutions. The other institutions that compose the CARD MRI are the CARD Inc., the CARD Bank, the CARD Development Institute and the CARD BDS Center. Founded as a social development organization in December 1986, the CARD group has evolved into an outstanding microfinance institution (MFI) in the Philippines.

CARD MBA's mission is to promote the welfare of marginalized women; to extend financial assistance to its members in the form of death benefits, medical subsidy, pension and loan redemption package; and to actively involve the members in the direct management of the association including formulation and implementation of policies and procedures geared towards sustainability and improved services.

CARD MBA was spun off from CARD's Members' Mutual Fund (MMF) in 1999 and became a separate legal entity which was registered with the Insurance Commisssion and is owned and managed by the members.

Clients

CARD MBA's clients are the member borrowers of both the CARD Inc. and CARD Bank. These are landless women who have a monthly per capita income of PhP 1,500 (US$26.7) and below, and total marketable household assets of not more than PhP 100,000 (US$1,785).

In 2002, the CARD MBA decided to start expanding its client base to include non-CARD members as a result of a technical assistance study supported by the Canadian Cooperative Association (CCA). The study showed the potentials of expanding to non-CARD members who are very poor but who may not yet be interested in seeking credit since their immediate need is for insurance services. Moreover, the study revealed that CARD MBA could also offer insurance services to institutional members of micro-finance institutions (MFIs), cooperatives and other people's organizations seeking access to insurance for their poor members. The study also showed that CARD had a competitive advantage in providing insurance since it already had a strong presence in the rural areas and a well-developed network for delivery of services.

Organization and Management

CARD MBA is managed and governed by a seven-member board of trustees that is elected annually by the membership. A board member can be elected for a maximum consecutive term of 2 years to ensure leadership rotation among the members.

Aside from its head office in San Pablo City, CARD MBA has at present five provincial

offices located in Quezon, Mindoro Oriental, Mindoro Occidental, Camarines Sur and Masbate Provinces.

The day-to-day operations of CARD MBA are managed by a full time team of 24 staff headed by a General Manager. To complement the staff of MBA, MBA Coordinators, who are members of the association, are elected by the general membership during its annual membership meeting. Each coordinator is assigned in each branch where CARD Inc. and CARD Bank operate. Moreover, CARD MBA's Board of Trustees is elected from among the coordinators.

The MBA coordinator's major responsibility is to facilitate claims validation of members. The MBA coordinator coordinates with the Center Chief and Branch Managers in validating claims requirements and preparing reports needed by the CARD MBA Head Office to process payments of the benefit claims of the members. This very effective feedback mechanism allows timely settlement of claims of the members. Furthermore, the CARD MBA coordinators have regular monthly meetings with the staff of the branches where CARD Inc. and CARD Bank operate to insure better services and coordination. In fact, before new or modified products and services are introduced to members, this mechanism insures wide acceptance among members of the association.

CARD Inc. and CARD Bank charge a 2% service fee of gross premium on the collections from the members since both CARD Inc. and CARD Bank, through their branches, perform collection and other bookkeeping services for CARD MBA. The branches of CARD Inc. and CARD Bank take in the weekly collections from members and, at the end of the month, remit these to the CARD MBA Head Office.

A Board of Advisers—composed of the Chairman of CARD MRI, the CEO and the Vice President of CARD Bank, the Executive Director and the Associate Director of CARD Inc.—sits in regular board meetings of the CARD MBA in an ex-officio capacity. This advisory board provides policy advice, as well as management and technical assistance on the operations of CARD MBA.

Lessons Learned

On Product Management

- New product development requires a clear understanding of **demand**, *and* a clear understanding of what impact the potential product is likely to have on the **institution**. The venture into a pension scheme through the Members Mutual Fund was a great benefit to the members, but there was no assessment of its impact on CARD—nearly bringing financial disaster if not for the timely intervention.
- A microinsurance product can be developed and implemented reasonably well with **limited donor funding**. The CARD MBA has received no funding directly from donors, and has developed a set of simple insurance products that have the potential to assist many low-income households. However, donor funding to other CARD agencies has provided important infrastructure and the delivery mechanism for CARD MBA to operate effectively and efficiently.
- When there is **bad news** to tell the members, it is helpful to offer something

that would benefit them at the same time. For example, one of the reasons CARD was able to get member agreement to the elimination of its pension liabilities was because CARD offered to start an MBA that members would own.

On Governance and Management

- When the board of an insurance company is comprised of only members who have practically no experience in corporate governance it is necessary to have an **advisory group** that is experienced and has the authority to guide the board. Such an advisory committee has been critical to the successful oversight of CARD MBA.
- Sound and objective **business analysis and planning** are necessary for the successful launch and continued sustainability of a new product. This should follow a formal and controlled process that includes pilot testing, and actuarial review. The Members Mutual Fund was launched without these and led CARD to a disastrous precipice.
- Careful consideration of the **tax implications** is essential when creating an insurance company. CARD wanted to convert the MBA into a formal full-service insurance company. However, when it realized the tax implications, that plan was abandoned.

Recommendations

Advice from CARD to MFIs who are considering a move towards microinsurance:

- "Follow your calculator, not your heart." Insurance requires understanding the financial implications of not just the premiums, but also of the claims and expenses.
- "The successful tie-in with core financial products is a key to success." The delivery of insurance through the bank and NGO allows CARD MBA to be extremely efficient, making premiums more cost effective for the low-income market.
- "The core business is most important" and you should not move your focus from there. CARD started moving into insurance when its core business was loans. This did not work, and ultimately the organization needed to separate the businesses.
- "You need to know your members and they need to know you." Because of the relationship between CARD and its members, they were ultimately willing to relinquish CARD of its responsibility for the pension obligations.

CARD management has learned important lessons about separating the insurance business from the MFI business. Its narrow escape from disaster showed that one should not manage an insurance business without the right resources: professional insurance management, actuaries, and systems. CARD's experience has made it stronger; now it has an efficient set of insurance products for the low-income market from a mutual benefit association that is owned by the members.

annex 1
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The International Fund for Agricultural Development (IFAD) is a specialized agency of the United Nations dedicated to enabling rural poor people to overcome poverty. It began operations in 1978 in response to a resolution adopted by the 1974 World Food Conference calling for the establishment of an international fund to finance agricultural development programmes and projects primarily in developing countries. IFAD provides financing and mobilizes additional resources for programmes and projects that promote the economic advancement of rural poor people. The organization's activities are guided by three strategic objectives: to strengthen the capacity of rural poor people and their organizations; to improve equitable access to productive natural resources and technologies; and to increase rural poor people's access to financial services and markets.

ANGOC

The Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC) is a regional association of 21 national and regional networks of non-government organizations (NGOs) from 11 Asian countries actively engaged in food security, agrarian reform, sustainable agriculture and rural development activities. Its member-networks have an effective reach of some 3,000 NGOs throughout the region. ANGOC was founded in Bangkok in February 1979, following a two-year series of village and national level consultations in 10 Asian countries, leading to the World Conference on Agrarian Reform and Rural Development (WCARRD), Rome, 1979.

The complexity of Asian realities and the diversity of NGOs highlight the need for development leadership to service the poor of Asia—providing a forum for articulating their needs and aspirations as well as expression as Asian values and perspectives. ANGOC seeks to address the key issues related to agrarian reform, sustainable agriculture and rural development in the region.

The Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP) is a regional, intergovernmental and autonomous organization. It was established on July 6, 1979 at the initiative of the countries of the Asia-Pacific region and the Food and Agriculture Organization (FAO) of the United Nations with support from several other UN bodies and donors. The Centre came into being to meet the felt needs of the developing countries at that time as an institution for promoting integrated rural development in the region.

From the original six members, CIRDAP has now grown as a Centre of 14 member countries. The member-countries are Afghanistan, Bangladesh (Host State), India, Indonesia, Iran, Lao PDR, Malaysia, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.

The main objectives of the Centre are to: (i) assist national action, (ii) promote regional cooperation, and (iii) act as servicing institution for its member countries for promotion of integrated rural development through research, action research/pilot projects, training and information dissemination.