

**Report**

**On**

**Project-end Evaluation**

**Of**

*Facilitating Community Based Resource Management and development for  
ensuring livelihood security and sustainable development in Chacha Gram  
Panchayat of Nabarangpur district of Orissa*

**Prepared for**

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## **A. Introduction**

### **1. Background**

Regional Centre for Development Cooperation (RCDC), a Bhubaneswar based NGO established in 1993 by a group of development professionals and researchers started its work as a resource centre to strengthen other development organizations particularly in Orissa transferring skills on participatory development management. Unlike others who question the capacity of the rural community to plan for themselves, RCDC opted to implement a Stromme Foundation supported development project entitled “Facilitating Community Based Resource Management and Development for Ensuring Livelihood Security and Sustainable Development in Chacha Gram Panchayet of Nabarangpur District of Orissa” from January 2001 envisaging community-driven planning and implementation. After five years, the project faces its completion in December 2005. The Stromme Foundation contracted a two-member team of external consultants (one project management specialist and one micro-credit specialist with NGO management expertise) to evaluate the project in partnership with RCDC. This report highlights the major findings and recommendations based on an evaluation mission fielded in the first week of September 2005.

### **2. Summary of the Programme**

The project summarized in the following was expected to address the problem situation as described in the following:

The tribal people, particularly women were highly vulnerable. The development of human asset was hindered because they lack amenities like sufficient access to food in all seasons, primary health care services, water and sanitation, educational facilities, etc. The government refrained from typical development interventions in the reserve forest area because they did not fall under revenue area with the argument that any provision of services would recognize their illegal landholding on forest land.

People were not sufficiently organized. Lack of unity and solidarity among the poor within and between the villages were hampering their development. Gram Panchayet was also not active enough to materialize tribal self-rule with the consequence that they were not the actor of their development.

People were subject to exploitation due to high interest rate by moneylenders (100-120%). Alternative and affordable access to credits and seeds was missing to promote income generation. The tribal people also faced high degree of exploitation while they wanted to sell their produces thereby deteriorating their financial basis.

Deforestation, encroachment of forest by outsiders and unsustainable use of natural resources have deteriorated the basic physical condition for the survival of the people. Low productivity of agricultural inputs and poor management of lands led to further encroachment of forest.

To effect a change in the aforementioned situation, RCDC believed that the following premises would hold:

- Communities have adequate capacity to plan for their own development.
- Communities are better resource managers than the external agencies and the government.
- Communities can cope up with different situations to address their problems.
- Participatory planning and development will reduce the constraints in program implementation and achieving the objectives. It will provide answers to issue of sustainability of the program.

Based on these premises, RCDC facilitated the development of the programme following participatory logical framework analysis. The hierarchy of programme objectives followed the vertical logic as illustrated below:

Goal	Communities are able to exercise control over local natural resources and manage these local resources to alleviate poverty and ensure livelihood security without degrading the local environment”
Objectives/ Purpose	<ul style="list-style-type: none"> <li>• The community institutions and the gram panchayat become capable to articulate, design and implement development programmes in their areas and manage the resources of the panchayat for their own development.</li> <li>• The productivity of natural resources, agriculture and non-farm activities go up and ensure livelihood security for the entire population.</li> </ul>
Activities	<ul style="list-style-type: none"> <li>• Institutional capacity building</li> <li>• Human resource development</li> <li>• Land development and management</li> <li>• Agricultural development</li> <li>• Water resources management</li> <li>• Forest protection and management</li> <li>• Collection, processing and marketing of NTFPs</li> <li>• Alternative livelihood through micro-enterprise development</li> <li>• Building up capacity of the project staff</li> <li>• Process documentation to develop and propagate as a model of participatory development</li> </ul>
Inputs	The project envisaged one Coordinator, 2 Project Associates, and an Admin. Accounts assistant (half-time), 10 Volunteers Office infrastructure and materials
Budget	Rs.66,54,471 (including revolving credit fund for 5 years).
Target People	About 8,000 people (2000 families) in 6 revenue villages, 12 scheduled and 30 unscheduled hamlets Chacha Grampanchayat out of which 60% belong to tribals and 7% scheduled casts.

Traditional agriculture, forest and Non-Timber Forest Product (NTFP), non-formal education, micro-credit with emphasis on micro-enterprise development activities and

forest and agricultural produce marketing as well as formation of the SHG federation were the major area of operations of RCDC during the last five years.

### **3. Objectives**

The broad objective of the evaluation was to assess the changes/impact on the target population that the project had been able to make as well as to assess the suitability of the concept of the programme and its impact. The project end evaluation was centred on the following:

- To assess the physical progress of the project and at the same time changes that have taken place in the lives of the target populace due to the project intervention.
- The evaluation will also focus on the impact that the project has created on the people and the area in about 5 years.
- To review changes in the community based people's institutions and their capacity to sustain the efforts of the project.
- To assess the significant changes in the economic and social life of the women due to the growing micro-credit activities.
- To identify the problems, if any, in project implementation and suggest/recommend changes in the programme implementation strategy for future intervention.

### **4. Scope of the evaluation**

The evaluation covered the support of SF to RCDC to implement the above-mentioned project. However, the full organizational set up and organizational development process was considered to be within the scope of the evaluation.

### **5. Evaluation design, process, methodology and limitations**

The evaluation design was based on the objectives and the scope mentioned in the TOR. The self-help group members, their leaders, GP representatives, one Bloc representative, extension workers from public health and agriculture, managing director of a rural bank, villagers of one control village and staff members of RCDC both from the field and management level were sources of information. The project document, mid-term evaluation report, annual reports, credit and savings records, baseline survey document, minutes of the group meetings, group based information, bylaws and quarterly reports were used as secondary sources of information.

The team has visited three villages out of which one was a control village. It conducted both focus group discussions and detailed individual interviews. In addition, the team had a group interview with the Federation members together with the *Sarpanch* of the Gram Panchayet and a group meeting with the PIC. The discussion with the staff members were held both as a group and individually to collect information, jointly analyze and interpret the collected facts and agree on certain recommendations for future. The team also undertook physical observations in the relevant project areas. The team welcomed the ideas from RCDC about changes in

future, analyzed them in view of its own findings and shared its conclusion with RCDC for consensus.

The research design followed to collect, analyze and interpret the information collected is as follows:

	<b>Issues</b>	<b>Information to be gathered</b>	<b>Source</b>	<b>Methods</b>
1.	Change in living condition	<ul style="list-style-type: none"> <li>• Vulnerability to diseases, income development,</li> <li>• State of education, health and agriculture</li> <li>• Power relation in the society,</li> <li>• Decision-making in the society</li> <li>• Dependency</li> </ul>	Beneficiaries, GP and Block level representatives, Govt. extension service personnel.	FGD, individual interview, physical observation, control group survey.
2.	Behavioural changes	<ul style="list-style-type: none"> <li>• Whether they seek roles and participation</li> <li>• Participation in planning</li> <li>• WatSan behaviour</li> <li>• Health and hygiene</li> <li>• Seeking/demanding services</li> <li>• Income diversification</li> <li>• Conservation of resources</li> </ul>	Beneficiaries, physical observation.	Interview with beneficiaries (FGD, ind., group) interview with govt. officers.
3.	Change in knowledge, skills, capacities, access to resources	<ul style="list-style-type: none"> <li>• Level of awareness on health, hygiene and use of safe water, education</li> <li>• Awareness about rights, benefits of organization</li> <li>• Awareness about conservation</li> <li>• Capacity to lead SHGs, decide and approach govt. agencies and demand rights</li> <li>• Capacity to plan for themselves.</li> </ul>	Beneficiaries, leadership of SHGs, Documents review	Review of documents, FGD with beneficiaries, case study and unstructured individual interview.
4.	Functioning of people's organizations (SHGs, Fed, VDC)	<ul style="list-style-type: none"> <li>• Regularity in meetings</li> <li>• Documentation of events</li> <li>• Functioning of bylaws</li> </ul>	Document, beneficiaries, leadership of SHG	Documents review, FGD and personal interview.
5.	Credit and savings operations	<ul style="list-style-type: none"> <li>• Policy orientation</li> <li>• Compliance of policies</li> <li>• Credit and savings</li> </ul>	Documents, staff members, beneficiaries	Documents review, FGD with beneficiaries

		<ul style="list-style-type: none"> <li>documentation</li> <li>Recovery rate</li> <li>Vulnerability</li> <li>Attitude to credit</li> </ul>		and group discussion with staff members.
6.	Use of SHGs and Federation	<ul style="list-style-type: none"> <li>Linkage and advocacy with service providers</li> <li>Use for common benefits (fair prices)</li> </ul>	Leadership, Sarpanch, staff members	Group discussion with SHG leaders and Federation members.
7.	Sustainability of peoples organizations	<ul style="list-style-type: none"> <li>Management after phase-outs</li> <li>Linkage with banks</li> <li>Group size and its sustainability</li> </ul>	Leadership, staff members	FGD with beneficiaries and the SHG leaders.
8.	Sustainability of natural resources	<ul style="list-style-type: none"> <li>Use of natural resources in comparison</li> <li>Conflict livelihood and conservation?</li> </ul>	Beneficiaries, staff members, extension service personnel of the government.	FGD with beneficiaries and interview with agricultural extension personnel and physical observation.
9.	Programme management	<ul style="list-style-type: none"> <li>Use of participatory tools</li> <li>Use of planning, monitoring and evaluation tools</li> <li>Use of baseline surveys</li> <li>Performance oriented management</li> <li>Planning skills</li> <li>Reporting skills</li> <li>Advocacy skills</li> <li>Acceptance of the people and local organization</li> </ul>	Staff members, documents	Presentation by RCDC, Group discussion with staff members.
10.	Organizational change	<ul style="list-style-type: none"> <li>Suitability of the project organization</li> <li>Structural changes in the management</li> <li>Usefulness of rotational management</li> </ul>	Core management.	Bilateral and group discussion with the core team. Presentation by RCDC.
11.	Phasing-Out	Appropriateness in terms of concept and timing.	Staff members, SHG leadership	Group discussion

The project area is one of the remotest areas of Orissa. The effective working hours per day in the field were just around four to five hours due to long transport hours. The evaluation team supported by two senior RCDC officials has definitely overcome most of the language problems. Still, due to time constraints, most of the discussions were held in a mixed language (team members spoke in Bengali and the beneficiaries

spoke in Uria). This together with missing capacity of the team to read and understand the SHG-based documents in Uria language have caused some limitations in the understanding although excellent support was extended by RCDC.

## **C. FINDINGS**

### **1. Institution Building**

#### **1.1 Self-Help Groups and Federation**

The major achievements of RCDC include that it has facilitated the formation of Self-Help Groups (SHGs) from tribal community. Traditionally believed to be discriminated and exploited by other groups in the society, the organizations have provided them the room for sharing their problems, developing leadership qualities and raising their issues with appropriate authorities.

Focus group discussions and interviews with the beneficiaries have revealed that people value their achievement of being more united now. They have the opportunity to discuss common matters together and possess the capacity to talk also to outsiders freely and represent their interest.

The Federation, formed with representatives from SHGs, appeared competent to advocate for the causes of the tribal people. It has listed activities, which resulted in positive results. The leadership has easy access to Gram Panchayet leaders.

The Federation has more potential for development. It is still a body meeting on regular basis and registered, but has not come up with action-oriented programme. Subject to capacity building and facilitation, the leaders have the potentials to be representatives of the people at the Gram Panchayet level.

The community based organizations (SHGs, Federation) established so far are not sufficiently linked with the block and district level institutions, without which rights can hardly be claimed as many local decisions are taken at the district level. Being confined to one Gram Panchayet only, enough linkage could hardly be achieved. In other words, the geographical confinement of RCDC's work will not bring sufficient fruits from the community level organizations.

#### **1.2 Village Development Committee and Project Implementation Committee**

In comparison to earlier time, when Gram Shova hardly held meetings, the VDCs have now emerged as local watchdog bodies comprising SHG members and others. If sufficient capacity building of SHGs is ensured, they would remain represented in the VDCs to demand services from Gram Panchayets and other local level government programmes. While PIC will cease to exist after the completion of the project, the functions of the Federation will remain significant.

In other words, with the VDCs now vitalized and a Federation in place, a local level community driven system has emerged which will demand accountability from public/local government agencies.

## **2. Economic Empowerment**

### **2.1 Impact of Credit and Savings**

The project has lessened the dependency of the people on the local moneylenders. This achievement is however partial, because the credit amount and its formal application makes them still dependent on money lenders, who charges them an interest rate of about 100% per year, retains part of the credit amount as initial payment and enforces tough means for recovery. The belief that the adibashis would always maintain a credit relationship with the moneylenders irrespective of credit access to other sources might not hold if they have sufficient access to credit including at emergency times.

The project has helped the people diversify their income sources. Some took up petty businesses; some have diverted from day-labour to concentrate on agriculture. The income situation has improved significantly. They are cultivating more land than before, e.g. from two acres previously to 3.5 acres now.

The existing credit and savings management, which has created a better option than going to moneylenders, requires to be managed in a way that it conforms to the requirement of the formal banks, which run special schemes for the SHGs. RCDC's savings and credit operations appeared very significant in this regard.

## **3. People's Participation**

### **3.1 Project level**

The project considers people's participation, particularly of women members, in the project planning and implementation, as its major thrust. RCDC has been guided by the belief that people can plan for their future and implement on their own.

Although the project was conceived based on preliminary survey and secondary information from the government, comprehensive consultations with the grass root people through PRA and logical framework analysis generated the overall project concept within the first year of the project resulting in the five-year plan. Village Development Committees comprising representatives from the relevant villages including target people and PICs (representatives at Block level) contributed to the development of the programme.

For implementation, the SHGs and VDCs have been developing Annual Plans based on the Five Year Plan. These annual plans, which took note of the problem issues mentioned by the SHGs, were the basis for the project application of RCDC to SF. Based on the Annual Plan, RCDC has prepared its own quarterly and monthly plan. In addition, the staff members at the field level prepared their own Work Plan for the implementation of the Activities mentioned in the Annual Proposal to SF.

In addition to planning, SHGs, VDCs and PICs are engaged in the implementation of the project. For example, the SHGs manage credit and savings. Issues related to the village and Block is addressed by VDC and PICs. Lobbying with the government officials and access to government programmes and extension services are taken care of.

### **3.2 Community level**

The Federation formed at the Panchayet level has emerged as an effective organ to demand rights of the people from Gram Panchayet. However, formalization of the work processes of the Federation is still evolving.

### **4. Access to Public/Govt. Services**

Due to campaigns of the people, birth attendants now visit homes in the villages. Vaccinations are now accessible.

While Gram and Palli Shova were merely issues on papers in the past, meetings now take place with the presence of community representatives. Changes have also occurred in the area of roads and accessibility of water.

RCDC facilitated the access of the SHGs to formal banks, local extension offices at Block and Gram Panchayet levels regarding education, health, forest department and agriculture.

Health department, which was originally less responsive to people's needs, now provides services (service of lower health professionals and provision of basic medicines). However, the quality of the service and its continuity is in question, unless lobbying and advocacy continue.

RCDC has motivated the adibashis to send their children to schools. They face exclusion of membership if they do not comply. Adult literacy is no more an issue although poor literacy has made them dependent on animators. People do not sufficiently address the issues like quality of education at schools and dropouts after primary education. Linkage to secondary education remains a rarity.

The access to the Forest Department made it possible that people now have tube-wells, although some of the project areas are officially within the Forest.

### **5. Comparison with similar but not targeted communities (Control group)**

The team has visited a village of the neighbouring Gram Panchayet, which is not a project area of any development agency. An ethnic minority called "Santa" lives there. The village has 60 households and is not recognized as a revenue village. On average, the households have 2 acre land for cultivation. Depending on the ability of the households, they lease the land among themselves. One harvest a year focusing on maize and paddy is a regular feature. While maize is a cash crop to finance their daily necessities, paddy satisfies the year-round food needs. They also grow vegetables in a

limited scale. The value of the crops amounts approx. 5000 Rs per year. During the dry season, they have limited scope to work as day labour earning 25 Rs and 20 Rs by male and female respectively on maximum 10 days a month.

The villagers do not have any access to any government health, education, agriculture and other programmes. The status as non-revenue village is one reason. Five persons are receiving old age benefits. Other schemes have not reached this village. The village has only one water point, which is sometimes defective with the consequence that they satisfy their water needs with the water from a nearby stream. The villagers regularly experience diarrhea and malaria cases. Pre- and post-natal care is absent. Vaccination is not offered at the village. Rather, they are told to take children to a place three kilometer away. Literacy is about 10%. Only one matriculated person lives in the village.

The village has its traditional system of one headman who resolves the conflicts. The Ward Member from the village has little voice in the Panchayet. The existing Sarpanch hardly addresses the needs of the people except that he pledges changes before elections.

The above situation of the village clearly indicates a lower degree of human development than the project area. The control village has a socio-economic profile, which resembles the pre-project situation of the project area. Indirectly, it reveals the achievements made by the project. The situation in the control village demands changes. The village people who participated in the consultation with the evaluation team are also aware of their situation and therefore welcomed RCDC to work in their area and promised all-round support.

## **6. Areas of concern in project implementation**

RCDC's work is pointed towards phase-out from the very beginning as it entrusted the SHGs not only with the nomination of the animators but also with the management of credit and savings. However, RCDC has not clearly defined its understanding of phase-out yet. It is not clear whether it is going to be a geographical phase-out without any post-phase-out relation of RCDC with the SHGs.

Formally, it is not yet clear what will happen to the outstanding revolving fund with the SHGs, which RCDC received as loans from SF and need to pay back. A strategy is not in place to recover the loans within this year. In short, the phasing-out requires on one side the decision on how to decide over the outstanding. If the revolving loan is to be recovered, the question arises how to maintain linkage with the SHGs after phase-out. Whether RCDC should help the SHGs to establish linkage with the bank before it phases out remains an issue.

Micro-credit and savings management, objectively seen, has seldom a humanitarian face. Its existence itself is human enough in a context when the relatives and moneylenders charge an interest rate of 60-120% and enforce the payment through unethical means. The difference lies in the credit conditions. However, with regard to

repayment conditionality, they are similar. Otherwise, the system will hardly sustain. RCDC has so far not been successful in establishing a sustainable system, because drought and humanistic organizational values have kept them from demanding repayment.

Provided the existing practice continues, the system would eat up the revolving fund rather than maintain it for future. The profile of existing performances is characterized by the facts that a) recovery is low, b) the outstanding is under threat to be bad loans and sufficiently classified in terms of recoverability, c) high rate for group level delivery, d) humanistic attitude of the animators to pursue the loans as they were nominated by the groups, e) use of loans in agriculture, particularly maize, which destroys the long-term sustainability of land resources, g) use of loans for consumption during crisis, f) disbursement of loans to persons, who have loans already and j) missing of group mortgage, as everybody has a loan.

The SHGs members appeared differently able to pay back and save in different seasons. Although the public schemes envisage equal regular savings, flexibility should be sorted out to better match the liquidity situation of the community with their obligations to pay back and save. It is not uncommon that many people can pay back more than required after the harvesting season and are able to pay back less than the usual installment during the dry season.

## **7. Sustainability of the project**

The target people were involved in the planning process and have provided inputs for the annual plan. The meeting of SHGs, although assisted by the animators, has emerged as their platform to discuss their issues. The target people have indicated that they would continue their group activities. The Federation formed with the representations from SHGs is regarded as their institution. The external people like Sarpanch also recognize that SHGs and Federation are functioning.

The SHG members have demonstrated that they have potentials to run their institutions. However, low level of literacy will remain a barrier to keep records of the groups. The savings and credit activities and maintaining of the group-based records will require the work of the animators also in future. The question arises how their honorarium can be financed after phase-out.

Although the SHGs appear to sustain with certain capacity building, the group size as required by law to be bankable may be in risk because group members may migrate, naturally die or be excluded due to irregularity. The existing group management policy does not allow entry of new members and punishes the exit.

The sustainability of the SHGs is a necessity as a watchdog to reap benefits available for the tribal people and scheduled caste. For that, it needs to maintain the group size between 10-20 members. Therefore, to keep them bankable, the SHGs should maintain a minimum of 10 members. Since many SHGs are just above the minimum size requirement of members, the degree of absenteeism suggests that drop-outs may cause a crisis in future, unless a policy is undertaken to encourage the SHGs to

maintain the required size through new members if for valid reasons the group size reduces to a lower level than the minimum size of 10.

Based on the findings it is evident that RCDC has achieved its purpose to build community based organizations (SHGs). If posed for phase-out, RCDC will leave behind SHGs, Village Development Committees and the Federation.

RCDC has a plan to phase out and thus also a plan to delegate the responsibility to the CBOs, so that they take charges from January 2006. Irrespective of the plan, the animators still perform the crucial tasks. The phasing out from January is thus questionable. In addition, RCDC has not clarified yet, what it understands under phase-out. Should it be a geographical phase-out or complete phase-out from the existing target group or a programmatic phase-out. In addition, RCDC has not clarified what will happen to the loan amount provided. Since the loan is not a grant and part of the service charges needs to be swapped, it requires clarifying how to recover the money now invested with the target people.

Through institution building at SHG and Federation level, RCDC helped the tribal people to become bankable. The reference that they are already linked with the formal bank is a sign of sustainability. However, the credit behaviour of the people may not sustain their access, as, unlike RCDC, formal banks will require a culture of scheduled repayment.

## **8. Project Management, Project Design and Change Management within RCDC**

### **8.1 Project management**

The project organization includes a full-time Coordinator, 2 Project Associates, one Accounts-Cum Admin. Assistant and ten volunteers engaged as animators. The project is occasionally visited by RCDC head quarter officials to assess the progress of implementation. The SHGs have recruited the animators from the locality and RCDC pays honorarium for their part-time service.

The involvement of volunteers as animators instead of field-based staff members was believed to incur low project costs, bring ownership of the SHGs in the decision-making from the very beginning, and establish closeness of the beneficiaries to animators who can guide them in the institution building process.

On the contrary, one could ask the question whether the existing system of volunteers as animators is a suitable one to manage a professional savings and credit business. The animators, being recruited by the SHGs, would unlikely be motivated enough to press for discipline from SHG-members in their repayment of the installments. A discussion with the animators gave the impression that they would be rather humanistic while enforcing the credit policies. The honorarium spent for the animators appears low, but the magnitude of work per animator in terms of number of SHGs and villages they serve, is low as well. It is almost 50% less than a possible full-time recruited field-level staff would perform.

The activity of the animators has become more credit and savings related. Considering the fact that RCDC's thrust is participatory development thereby creating an environment where the tribal people can enjoy their rights, the credit- and savings intensive work of the animators contributes limitedly to RCDC's prime endeavour. Under these circumstances, RCDC needs to ask itself whether the animators should be rather entrusted with rights-based issues and a separate group of field worker to be recruited by RCDC should pursue a more effective credit and savings business based on clear policies and procedures. RCDC seemed not clear enough about the situation that the skills and capacities required for these two different categories of work may not be acquired and practiced by the existing animators.

RCDC opted for participatory project management. The involvement of the staff members, animators and beneficiaries along the project cycle is commendable. There exists a high degree of openness between RCDC and beneficiaries, which allows scope for critical discussions.

It is generally considered as strength of an NGO that it enters into partnership and joins alliances with other NGOs pursuing similar or complementary objectives and learn from each other. RCDC seems not sufficiently in contact with other NGOs in the project district.

Unlike usual practice to inform the implementing agency about the commitment of the donor for a certain period, RCDC is not clear about the budget it can expect from Stromme Foundation for the year 2005. Without this, it has difficulty to determine the exact amount it can receive after having swapped the interest income from the credit services to be credited to Stromme Foundation. Such a situation might cause a liquidity crisis for RCDC if it spends more than the commitment received late.

## **8.2 Project Design: Project objectives and suitability of the strategies**

The project has evolved over the years from a natural resource management project towards a more local institution building initiative assigned with participatory development. While this evolutionary process was on, the accompanying Activities of RCDC did not change much.

Although RCDC claims to have a logical framework, the existing project document delivers a structure without Outputs, which are generally considered to be the prime deliverables of any implementing agency. The internal vertical logic of the existing objectives appears not consistent enough in terms of content and theoretical understanding.

For example, the goal statement "Communities are able to exercise control over local natural resources and manage these local resources to alleviate poverty and ensure livelihood security without degrading the local environment" have three objectives at different logical level. While "Communities are able to exercise control over natural resources (capacity development) can be seen as one of the instruments to achieve that "communities manage local resources" (change of behaviour), which in turn may

be treated as an instrument to contribute to “Poverty alleviation with sustainable resource management”.

In addition, the existing project objectives, which are generally treated as contributive to the goal statement, appear logically at the same level as the Goal statement. For example, the project objective “The community institutions and Gram Panchayet become capable to articulate, design and implement development programmes in their areas and manage the resources of the Panchayet for their own development” has two objectives at different logical level. That “Community institutions and Gram Panchayets become capable to .....” expresses a capacity development to achieve that they “manage the resources of the Panchayet for their own development” (behavioural change).

The analysis above asks the question whether the aforementioned project with the given title actually followed the hierarchy of objectives given below:

**Goal:** Sustainable livelihood security at reduced poverty

**Purpose:** Communities and their institutions exercise control over natural resources, manage them and adopt alternative options for livelihood.

### **Outputs**

1. Communities in the form of SHGs and Federations are able to exercise control over natural resources
2. Alternative livelihood options are available for the tribal community.
3. Tribal people have access to affordable public/govt./NGO services.
4. Tribal people have access to fair price for their produces and required inputs.

The existing Activities should be brought in relation with the aforementioned Outputs.

### **8.3 Change Management within RCDC and its possible implications**

Organizational structure of RCDC finds itself in an evolutionary process facilitated by a change management consultant. The existing thought goes towards having an Executive Committee elected/selected by a General Body. The founder members, which were part of the Executive Committee earlier and at the same time were involved in the management of programmes, will constitute a management committee to be accountable to the EC. The Executive Director will be one of the Management Committee members and will perform a Coordination function for a period of three years. The other members will follow on rotation. The Members without Executive Director will be in charge of different geographically distributed Centres, from where different projects of RCDC will be implemented. It also envisages the formation of an Advisory Committee attached to each Centre. The Committee will be composed of experts in respective areas and be member of the General Body of RCDC.

The aforementioned approach keeps the Executive Committee as the policy making body. However, the proposed Management Committee comprising the founders of RCDC will emerge as core players.

The proposed restructuring of RCDC has both advantages and disadvantages. The advantages are:

- a) The founders of RCDC who are committed to development will be involved in the direct implementation of the programme. Their dedication will influence that the staff members consider their work not merely as jobs but as development work;
- b) It will bring the required separation of governance from management to avoid conflict of interest and loose accountability;
- c) The rotation will provide the scope for improved capacity of coordination, external contacts and advocacy initiatives for the founder members;
- d) It will allow the proposed Centres to operate autonomously and to adopt flexibilities and implement more context specific and grassroots oriented projects;
- e) The concept will ensure attachment of experts who will enrich the centres programmatically;
- f) Each centre head if also rotated will be exposed to different programme areas and will gain potentials to contribute more to the society.

The disadvantages are manifold as well:

- a) Since the Management Committee is to be run by four founders, a weak EC is likely, which will also presuppose a weak General Body as well. In other words, the governance will not be effective enough and logically the accountability will suffer. The founders' poor performance, if any, can hardly be questioned;
- b) It cannot be assumed that the founders are best implementers or managers. One founder may be more productive as EC member or as field-based implementer or rather as Executive Director. The rotation deviates from the principle that staffing should be primarily based on required skills;
- c) The precondition that all Advisors (to be) attached to different Centres must be General Body Members will limit the scope for choice. There could be people, who may not want joining as General Members for valid reasons, but could be extremely useful as Advisors.

Under the above circumstances, the logic should prevail that both management and field level staff should be skilled enough. RCDC has the required division of labour and its staff should demonstrate high level of motivation. RCDC needs to be accountable to a strong EC as well to emerge as a transparent and effective organization. The new rotation system coupled with a Management Board may not satisfy these criteria. The founders of RCDC may assess their own capacities and personal priorities and choose their roles either in the EC or as Executive Director or as Head of the Centre in the field.

## E. RECOMMENDATIONS

- SF should support the continuation of the project for one more year. RCDC should phase-out from several good graded SHGs, study the implications of phase-out and prepare for complete phase-out by 2006. In this process, more capacity building of CBOs will be necessary for the leadership of SHGs, Federation and Cooperatives. They should get training on organizational development, advocacy and lobbying with local government institutions. The members of the Federation should receive advocacy and negotiation skills to raise issues at the Block and district level.
- The team recommends replication of the project to other areas in the same district. However, the future project design should be more sharpened. RCDC should decide whether it pursues at the Purpose level only “ability” or a behavioural change of its target people. The reference to sustainable resource management may be seen rather as a principle than at the purpose level. A project with the objective of sustainable resource management will require many more components, which the existing project does not include.
- Before replication, RCDC should follow a similar process of grass root consultation. However, it may include a livelihood analysis of the people looking at human capital, social capital, physical capital, and natural capital, financial and institutional capital for the area. The baseline survey needs adjusting to the nature of the project instead of making it a standard socio-economic survey. An institutional mapping should also be undertaken to know which other agencies are working and what their focus is.
- RCDC should make use of its information bank more for grassroots level project management. For example, the animators should know SHG-wise information of the beneficiaries and work for their improvement. Periodically, they can measure whether the expected changes occur instead of just implementing the Activity. The changes should be recorded and compared with the expected changes at the Output and Purpose level.
- RCDC should continue with the savings and credit operations only if it can run it following the basic principles of the programme. The existing situation suggests that in future its credit and savings operations should confine on making the SHGs bankable. As soon as a SHG has been linked with the bank, RCDC’s credit and savings operations should be discontinued. The staff members should instead concentrate on empowerment, advocacy, rights, alternative livelihood issues, etc.
- The desire to establish a Micro-Finance Institution in future must be subject to accomplished professionalisation of the micro-finance programme including its separation from other programmes, capacity building of the staff members, introduction of a policy based on self-sustainability. Since such an institution is not seen as an income earner for RCDC and formal rural banks exist to serve the SHGs, the rationale of establishing a Micro-Finance Institution is in question. RCDC may rather lose its uniqueness and existing focus if a micro-Finance Institution is in place.
- RCDC should emerge more as an advocacy organization both at the State and local level. The existing focus on institution building is an asset. It should develop advocacy tools, materials and more effective mechanisms to demand public services like water, roads, health and education. Agricultural extension

and diversification should be sought and research on sustainable land management initiated. Within the district level, the existing commitments of the government should be demanded.

- Since traditional area of employment and income is limited, RCDC should stress more on entrepreneurship development for off-farm activities linking the target people with the market (forward and backward). The idea of establishing cooperatives to ensure fair price for buyers and sellers goes in the right direction, but RCDC should make a group of SHG-members capable to run such cooperatives/shops in their own account as a business venture. RCDC should however provide technical assistance and help them link with the value chain.
- RCDC should establish linkage with other NGOs in the locality and share experiences and lessons learnt. NGO partnership may be sought in complementary areas provided there exists NGOs specialized in health, water and sanitation, family planning, etc. More opportunities should be sought for issue-based alliance with other NGOs at the district and state level on the rights of the beneficiaries.
- RCDC should strengthen the capacities of the Federation to take up advocacy roles also at the Bloc and District level. Provided RCDC replicates the project in other GPs, similar Federations should be established and all of them should be guided to come under an Apex to undertake effective advocacy. RCDC, even if it is in alliance with other NGOs, will require an organized and mobilized group at the District level. The Federations should be linked with other societies and women cooperatives for linkage with procurement, processing and trading.
- SF should approve the budget before financial year and provide sound information basis for swapping the expenditure with the income from micro-credit to be credited to SF.