Report

On

Mid-Term Evaluation

Of

Participatory Action for Community Transformation

Prepared for

LEAD, Jeypore, Orissa
Stromme Foundation

Prepared by

Sanaul Mostafa
Khursid Alam
Arun Kumar Hial

September 2005

Table of Contents

A. Introduction

1. Background

LEAD has been implementing a project entitled "Participatory Action for Community Transformation (PACT)" since 1997 with support from Stromme Foundation. In its first phase from 1997 to 2001, LEAD implemented the project in 12 villages of Jeypore Block and one slum pocket in Jeypore Municipality, Koraput District, and Orissa. The project was initially designed to achieve empowerment of the project participants to achieve sustainable agriculture and improve micro-economic activities and small enterprise development, physical health, which in turn would boost their socio-economic status. The major strategy of the organization was to empower people through promotion of people's groups.

A participatory evaluation of the first phase was carried out in July 2001. The post-evaluation consultations with SF led to the idea that LEAD should phase out from the rural areas and exclusively concentrate on 5000 families of the new Slum Pockets of Jeypore Municipality area for the period 2003-2007 as a complete Slum Development Programme for poverty alleviation.

The major activity components of the project during the second phase in the Jeypore Slum area are:

Formal Education: Pre-School Centres and Promotion of Primary and Secondary Education.

Social Development Education: Awareness Programme on Community Health – HIV/ AIDS prevention, Local Self Government, Rights of Women and Children, Adolescent Education, Homestead Land, Legal Education on Human Rights and against women atrocities.

Capacity Building: Leadership training, Self Help Groups management training, Training on IGA, Exposures to model slum development projects and TBA training.

Micro Finance: Credit for pretty business, credit for enterprise development, credit for housing improvement and talent financing.

The second phase (2003-2007) of the project the project has so far reached 1500 poor families stemming from diverse ethnic communities like Adivasis (Tribals) of Bhumia, Sano Paraja and Bodo Paraja, Harijans (Dalits) of Reli, Mendri, Behera, Paiko, Goada, Rona, Christian, Muslim, etc. Major interventions of the project have been family focused and implemented through Self Help Groups (SHGs). Awareness, Leadership development and efficient & effective management of SHGs have been crucial to streamline the process of development.

The second phase of the project is just half way through. Therefore, both SF and LEAD felt the need for a mid-term evaluation. This report highlights the objectives, methodology and major findings, and lists the recommendations for improvement.

2.   Objectives

The purposes of the evaluation as evident from the TOR were

- to assess the changes taken place in the people and the area due to the project intervention and the impact of the project,
- to review changes in the community based people's institutions and their capacity to sustain the efforts of the project and
- To define areas, where project interventions have been successful, sufficient or insufficient (strength and weaknesses). Defining areas, where (further or future) project interventions would be necessary (opportunity). Defining areas, where (further or future) interventions should be avoided and where project activities were at risks (threats).

The evaluation was designed to cover the support of SF to LEAD to implement PACT. The organizational set-up and organizational development process was partially within the scope of the evaluation.

4.   Research Design, Process, and Methodology

The evaluation team has developed a research design in cooperation with relevant staff members of LEAD. Based on the terms of reference, it identified the criteria and information requirement and linked them with the data collection methods. Unstructured personal interviews, focus group discussion, physical observations/verifications, and documents review constituted the methodological mix for data collection.

At the programme participants level, the team and the LEAD staff decided to focus on health awareness, education of the children and mothers, social development (women rights, legal education), capacity building of group members, SHG leadership (skill training, group management, entrepreneurship training) and micro-credit in comparison to the time in 2003.

In view of education, literacy rate, enrollment of children, completion for primary schools, basic learning points, extra-curricular issues, and pedagogic means of the teachers were the basis for data collection.

To assess changes in the social development sector, the team and the LEAD-staff agreed to see changes at the knowledge, attitude, practice and benefits level due to provision of services in the area of legal education, women rights, rights of the minorities, tribals and dalits, local self-governance, health awareness, leadership, SHG management, skill development, entrepreneurship and TBA training.

With regard to micro-credit, the issues of assessment included existence of credit and savings policy and their compliance, recovery rate, outstanding and bad loans, utilization of loans, conditions (interest rate and installments), documentation,

monitoring, overlapping and performance trends, accessibility to banks and other informal institutions. In view of credit, passbook with entries, regularity of payments, savings policy, and its compliance, use of savings for income and withdrawal of savings were the major issues of concern.

The assessment of SHGs included issues like existence and compliance of bylaws, regularity of the meetings, attendance, savings behaviour, leadership, conflict resolution, existence of action plan and activities, achievements, dependency on the field workers, learning, documentation, etc. In case of the Federations, the issues were the same. However, access to city council for advocacy was an additional issue. The same was true for the community-based organization like Cooperative Society.

The assessment of LEAD as an institution was based on programme cycle management (project identification, planning, implementation, M&E), documentation and reporting, change management, financial management, organizational structure, governance management, skills and staff size, funding basis, networking capability and acceptance in the community. While data collection on other issues was mainly the responsibility of the evaluation team, the assessment of LEAD was a participatory one.

The process of evaluation comprised mainly four phases as outlined in the following:

- First, the evaluation team reviewed the project documents.
- Second, it sat together with the relevant LEAD staff members and the Executive Director to understand the objectives of the evaluation, the process, identify the issues for evaluation, source of information and data collection methods.
- Third, the team, accompanied by one capable former staff member of LEAD, undertook field visits to beneficiary groups and LEAD-run school for tribal boys and girls. It gathered information A meeting with the Executive Committee, the Minister for Science and Technology of Orissa and local government representative (Vice-Chairman) stemming from the area were also part of the enquiries of the consultants.
- Fourth, the team again sat together with the relevant staff members of LEAD, discussed the major findings, and agreed on the conclusions and recommendations.

D.   Findings

1.   Target people and SHG level

1.1   Targeting and Outreach

With its project "PACT" LEAD has so far reached 1500 families through 56 Self-Help Groups (SHGs) in 7 clusters of Jeypore town, which is significantly lower than the planned 5000 within the second phase. About 557 people have received credit on average Rs 4,625. A total of Rs 1,844,269 is outstanding. The total average savings accumulated per SHG is Rs 2,602. The number of children admitted from pre-school to formal primary school is about 150.

1.2   Change in the livelihood situation: Impacts and Behavioural Changes

The members of the SHGs have developed self-confidence and acquired communication skills and knowledge on development issues. The group members have improved awareness about health. They are aware of required cleanliness and practice it at home. They also learned how to make oral saline if people suffer from diarrhea. They also know that unsafe water causes diarrhea and that the use of boiled water particularly during the rainy season is the remedy. Although they know about the utility of safe latrine, only few have access to latrines. Community latrines are not available as well.

The micro-credit from LEAD has saved the programme participants from their dependency on the moneylenders, who have been charging almost 10-15% interest per month. This also spared them from inhuman enforcement by moneylenders who used to take possession of their houses and lock their houses if not repaid in time. Hardly any investment brought return to repay such a rate. In addition, LEAD has made the self-help groups. Some of the self-help groups have also received loans from the banks at 11% interest per annum, which is below the moneylender's rate.

The recipients of credit have used it mostly for productive purposes like investment in petty businesses (tailoring, tea stall, grocery, etc.). Many women have employed themselves with the loan money. Earlier, they were dependent on their husband's income. The male earning member sometimes spent part of the money for unproductive purposes.

Atrocities against women were not much reported. The targeted women received legal awareness and have now knowledge of their rights. There are instances of claiming property rights successfully. The women from the Muslim Street have responded positively to the questions of their rights. Although they initially faced reservations from the male family members, they had subsequently no trouble to meet together. The members now know how to enforce property rights of women from parents and husband.

The children of the slums in the age of five and below visit pre-schools operated by teachers for 3 hours a day. Children learn alphabets, number-counting, drawing, cleanliness, etc. The attendance is almost 75%. The teachers visit parents if a child is

irregular. A sizable number of children come without having taken any breakfast. The passed-out children have easy access to formal primary school. The teachers received training on pedagogic skills. They use books, but keep them in the school apprehending that the children do not have suitable condition at home.

1.3   State of capacities of SHGs and Federations

LEAD conducted PRAs to identify problem issues before the conceptualization of the projects. The project participants were actively involved in the planning and implementing process of the project. The project participants appear being able to initiate various development activities in their area due various trainings and awareness programmes organized by the project.

The SHGs have a high degree of freedom to decide and identify activities on their own. Selected women have received leadership training who shared their learning on how to manage the SHGs. The leaders of the SHGs, particularly of the Federation have received leadership training. They solve any internal conflicts either through internal negotiation or through the Federations.

At this moment, the SHGs are not guided by any standardized bylaws. The decisions are taken in the group. However, the existing practice does not allow new membership so easily and makes exit extremely unattractive. The benefits accumulated are not distributed. Some SHGs however mentioned that they would allow new members to satisfy the membership requirement if the new members either pay in advance the existing share each member has or agrees not to claim share of the existing fund.

The group members have access to banks if they have 10 to 19 members. The average group size is around 14 including members who are not attending regularly. LEAD does not have a policy, which will allow new members to take in and separate from members who are either irregular savers or not attending the meetings.

The literacy rate in the community is very low due to insufficient interest of the target people to participate in the literacy classes. Although few women have received adult literacy, the SHG members and their leaders appeared intelligent, vocal and communicative enough to manage groups.

There has not been any plan of action for phasing out. The programme participants are not aware of this so far.

1.4   Micro-credit management: Systems and management by SHGs

The micro-credit programme is one of the most appreciated components of LEAD. The SHGs mentioned that they manage credit and savings operations on their own. About 40% of the SHGs can maintain their records without even any external support. Others need support for documentation. The SHGs are confident that they can run SHGs with partial external support, which can be drawn even from family members. The adult literacy sessions offered to a part of the women will be helpful in this process.

LEAD has a credit management policy. A standard savings management policy is introduced recently. So far, they receive credit either individually or per group at the rate of 15% per annum. The group members decide on the amount, but agree on a standardized repayment procedure of 10 installments per year. The repayment has a positive trend while the overall repayment is now about 60%. A substantial amount of funds (Rs 159,300) is with the community and may emerge as bad loan due to poor repayment behavior of the borrowers. A section of the borrowers might have mistakenly believed that the loans were grants. A loan of Tk.734,505 to Education Complex was provided from the RLF. The amount is not paid back. The auditor suggested separate account t for all funds receivable from SF. This is yet to be undertaken.

2.   Organization Level

The evaluation team looked not only at the management of the programme, but also at some issues relevant for the organization as a whole.

2.1   Project Identification

LEAD undertook participatory planning processes to identify the project. Good rapport within the community enabled LEAD to involve the community. However, it did not have sufficient expertise to interpret the findings from participatory enquiries. The identification of the target people appeared partially not targeting the extreme poor in terms of income. Should poverty be understood more from rights-based perspectives (entitlement of land, evictions, exclusion, etc.), the choice of the existing group can be justified.

2.2   Project Planning

The PRA process applied during the planning process determined the content of the project and made it needs oriented. LEAD has strong access to local institutional stakeholders. This is sometimes counterproductive because they want to push their issues to be included in the programme, which might not always be compatible with the interest of the people. In addition, LEAD faces problems in the long run planning because its donor commits funding for shorter planning period.

2.3   Project Implementation

LEAD has a highly motivated young team to implement the project. They are self-critical and willing to learn. The team is adequate in size. However, LEAD has experienced staff turnover recently. The Executive Director, due to some emergency responsibilities for the Church, could invest less time than required to guide the young team towards a desired efficiency level. The staff skills to implement the project were at times less than required, as new staff needed their time to be oriented.

Being very close to the community, the LEAD has achieved successes. It also experienced some problems while enforcing repayment of the credit. In addition, the politically motivated people to impose their agenda have targeted LEAD. A move initiated by the local administration also led to discontinuation of the fishery-based

income generating projects in ponds by slum-based Cooperative Societies because the administration preferred using it as a tourist spot, which subsequently failed.

2.4 Project Monitoring and Evaluation

LEAD does not have any M&E cell or unit to record and report the problems and achievements. The staff members are not sufficiently skilled enough to conduct monitoring. An M&E system or guidelines are yet to be in place to register the changes and report on them.

2.5 Project Documentation and Reporting

LEAD documents the programme implementation. However, it lacks expertise for analysis of the information and reporting on them. Therefore, LEAD cannot use the information properly.

Based on the project document, which is reviewed yearly, LEAD prepares an Annual Work Plan. This in turn is used as a basis for monthly work plan of the field workers and the project coordinator. The field workers report monthly and quarterly and receive feedback from monthly staff meeting.

2.6 Change Management

LEAD is open to changes. However, in the absence of a functioning M&E unit demand for changes based on possible internal and external learning is not raised.

2.7 Organizational Efficiency

The capacities of the human resource LEAD is presently more than at satisfactory level. Its systems and procedures for group management, credit and savings management are still evolving. LEAD has adequate experience in organizing and carrying out development programs for the weaker sections of the society in both rural and slum areas.

2.8 Financial Management

LEAD practices a Project Accounting and Monitoring Information System of its own. It is committed to maintain transparency at all levels on the financial transactions. However, late submissions of the bills and vouchers to the accounts section by the program organizing staff sometimes cause delay in maintaining accounts. The SF-deputed Auditors and Micro Finance experts have boosted the process of internal evaluation and monitoring from time to time. The visits of the SF-deputed professionals provided an opportunity for LEAD to learn more about monitoring and evaluation processes of the project.

2.9   Staff motivation

The staff members of LEAD appear to have a team spirit. Hierarchical relationship does not exist. They have strong sense of responsibility and accountability. However, coordination at the top management is not sufficient. A recognition system for the performances would have motivated the staff more for better results.

2.10   Acceptance in the community

The provincial government and the local municipality, as it was evident from a meeting with the provincial Minister for Science and Technology and the Municipality of Jeypore, appreciate the work of LEAD. In addition, being close to the community, political organizations sometimes try to gain LEAD's work in their favour. Although both the provincial government and the Municipality are highly critical of NGO's role in general, they would welcome LEAD's role in reducing unemployment. The Municipality even proposed that LEAD should undertake efforts for solid waste management.

2.11   Funding basis

LEAD has three projects supported by different funding agencies. The fund flow is however irregular. The Koraput district falls under the most underprivileged districts of India. The Koraput-Bolangir-Kalahandi districts are in the focus for the funding agencies worldwide. Because of the similarity in the types of district, people, problems, situation and socio-economic status of the people, the combined geographical space entailing these districts is recognized as KBK region. Many of the funding agencies are attracted to support projects in this region.

The Indian govt. has imposed some restrictions on the fund flow to NGOs. The NGO Monitoring Act would restrict the NGOs to get funds from different funding partners. It may also restrict the NGOs to organize many development programs.

LEAD does not have enough funding partners. Poor resource mobilization, possibly due missing fund raising skills, might have contributed to that.

F.   Recommendations

- LEAD requires a significant improvement of the capacities of its staff members at different levels. The field workers should be trained on TOT and advocacy skills, so that they can transfer the skills to SHGs and Federations. The staff members also need training on how to manage micro-credit programme professionally. The project coordinator needs training on monitoring, advocacy skills, and the executive director on fund raising and organizational development.

- LEAD requires a professional approach for micro-finance operations. Both credit and savings policy should be standardized with the provision that the poor can save flexibly. Credit operations should be separated from other work of LEAD and need to be operated by skilled credit worker. The micro-credit operations can continue on full-cost recovery basis. The SHGs and the Federations should remain a channel for information dissemination to the community-based organizations.

- LEAD requires the introduction of an M&E system supported by guidelines and software. A special monitoring cell involving evaluation and monitoring professionals needs to be set up with LEAD supported by an inter-related Management Information System. The project staffs need to be capacitated on participatory M&E system and practices. The monitoring system should cover both the operational and results level. SF should guide LEAD to develop its monitoring system.

- The staff of LEAD at all levels need to be trained on how to document facts on the communities and program processes in a proper way and analyze better the situation at the community level. This would improve monitoring of the project achievements.

- LEAD may strengthen its entrepreneurship development programme for well performing members/SHGs covering diversified areas of skills. The objective is to develop businesses at higher investment level.

- LEAD may develop proposals for other donors to work for community-based solid waste management in its project areas in cooperation with the Municipality. A project for the dropped-out/unsuccessful youth and bridge financing of the Asram for tribal children should be developed as well.

- LEAD should introduce a phase-out plan with the provision that it will maintain limited relationship with the SHGs and Federations as network members.

- A separate bank account for SF funds should be opened.