

# Annual Report

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2006- 07



**Association for Rural Advancement through  
Voluntary Action and Local Involvement**

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## Chairpersons Note

Dear Friends

I am happy to present the ARAVALI annual report for the year 2006-07.

ARAVALI has completed 10 years of its operation and as it enters its eleventh year it is my privilege to be its Chairperson.

ARAVALI was set up by a team of visionaries. That partnerships and collaboration are important strategies for development, and will become even more important in the era of open economy was something that the founders visualized and wanted to set up mechanisms to be prepared for the change. The current development patterns prove how right they have been. The vision statement of ARAVALI holds good today as it did when it was first written up some years ago.

ARAVALI has over the past 10 years experimented with a variety of innovative ideas to build and develop these partnerships. Some very interesting initiatives have been undertaken and each of these has strengthened the partnership processes. Yet a lot remains to be done. We need to build upon these experiences. ARAVALI has, despite its interesting format and idea, still operated at the margins. We need to bring it centre stage to the new initiatives that are developing in the areas of Public Private Partnerships. Moving from the role of building collaboration, ARAVALI has to expand and evolve the agenda of Community VS (Voluntary Sector), Public Private Partnerships (CNPPP). During the past year the idea has been developed and linkages with the private sector have also been initiated that can shape this agenda.

One of the successes of ARAVALI has been its ability to be able to interface with both the government and the voluntary sector with equal ease and I am happy to say that we have been able to maintain that faith in both sectors. We have to be able to now also respond effectively to the demands that are being placed on us.

To expand outreach and make our programme delivery more effective, we have decided to open up a Regional Resource Centre in Jodhpur, and upgrade the existing project office in Ajmer also to a Regional Resource Centre. This will ensure that ARAVALI is closer to its clients and can provide more effective services and be more responsive and dynamic to client needs.

In building the ARAVALI agenda, one of the most crucial aspects to consider is the need for appropriate donor support. We have been privileged to have received good support from our donors especially the Aga Khan Foundation, the Sir Ratan Tata Trust, the Paul Hamlyn Foundation and the UNDP who have helped evolve the ideas of ARAVALI. We will hope to broad base this support and hope to also increase the magnitude of work over the next few years.

We are also proposing to expand the membership to the General Body of ARAVALI and have received a large number of applications. By broad basing the membership, we will be able to generate more interest in the organisation and also make the programming and initiatives more relevant.

As a strategy ARAVALI has continued to work with carefully identified smaller voluntary efforts. Our response from this group has been an important motivation to go on. Capacity development in the sector will thus remain an important agenda for ARAVALI. Civil society institutions like the voluntary agencies that ARAVALI is working with are important building blocks of democracy and we need to be able to encourage such initiatives and make them more widespread covering every district of Rajasthan. More than just 'projects', it is an institutional base that will help achieve the long term goals of development. ARAVALI would like to see a large number of effective development partnerships develop between the government and the voluntary agencies and also the private sector in each district of the state and for that to happen the voluntary agencies must have the intrinsic capacity to take on such evolved roles.

I take this opportunity to especially invite the donor community to join hands with ARAVALI to broad base the sector in a way that most areas of Rajasthan are effectively covered through civil society efforts and that these organisations can play an important and efficient part in the state's and country's development.

ARAVALI is also conscious of the fact that the sector is being invaded by a large number of players who have motivations other than public benefit, and are misusing the partnership frameworks for their own vested interests. Together with the networks and voluntary organisations in the state, ARAVALI has initiated discussions on issues such as self-regulation and organisational discipline.

ARAVALI has also brought in a greater amount of rigour in its work with the government on important issues that affect partnerships. We hope to strengthen these efforts and invite the government to take advantage of ARAVALI's understanding and experience in making the partnership process more effective and meaningful and directly beneficial to the poor for whom we are working.

ARAVALI's ten years have seen it go through several ups and downs. These experiences have strengthened ARAVALI and given it the confidence and the staying power. It has demonstrated its utility and proven its relevance in the development environment. I am confident that the team will be able to respond effectively to demands that ARAVALI's partners place upon it and set the tone for the 'next ten years of partnerships' which is the slogan on which ARAVALI will build its agenda and role.

I am happy to present the annual report. I look forward to your comments and suggestions on the report and on the roles that ARAVALI should play in the future.

**Vijay Mahajan**  
Chairperson

## Introduction to the Report

Over the last two decades there has been an ever increasing recognition of the role, and potential, of the voluntary sector in minimizing the plight of the poor and marginalized communities. This has also been reflected in the actions of the state wherein systematic avenues have been and are being created to seek significant collaboration between the State and the Voluntary sector. The state of Rajasthan has always provided for a conducive environment for the growth and involvement of the voluntary sector through its initiatives in education, health, management of natural resources, establishing confident democratic local self governance and sustainable community based development. The new initiatives of the government in expanding the livelihoods base also see a significant role for the voluntary sector in promoting innovations and expanding the scope of delivery.

On the other hand in response to the opening up of the government's development strategy to include the voluntary sector there has been a fairly positive response from the voluntary sector. Many new organisations have come up to associate with the government but have also led to increasing the factors that have had a corrupting influence on the sector. ARAVALI's approach has always been to help emerging voluntary organisations take up the development challenge, but, of late ARAVALI has also been dealing with these influences which could have a negative impact on the sector. The voluntary agencies that exist in the state range from one extreme of being led by strong development ideologies and thought and the other extreme where voluntary agencies exist only as implementation support units for government programmes. They also vary in terms of the wide differences in capacity. However analysed, there is a great need for a higher level of preparedness of the voluntary agencies to take on the challenges of partnerships.

ARAVALI has been operating on this cusp and has played a confident role in helping both the government and the voluntary sector understand each other. Even though this often resembles walking a tight rope, this balancing act is crucial to building effective partnerships. In doing so ARAVALI has also raised expectations for itself from both sides.

The initiatives that ARAVALI has taken on have been mostly in line with meeting these expectations and playing the support role for partnerships.

In playing the support role one crucial aspect is building the capacity of voluntary agencies as its core functions. It has been ten years since ARAVALI started working on this issue and despite some interesting initiatives and programmes over the past few years, we are still some time away from the dream of a significant number of effective voluntary agencies collaborating with the government on important issues of human development. Both in terms of numbers of organisations with competence and the environment for collaboration, which are the two issues on which ARAVALI has planned its interventions, the task is still immense.

We are however conscious of it and are on that point of the learning curve where with little effort we shall be able to scale up initiatives to levels where we can begin to gain results fairly soon. The first ten years of ARAVALI have thus been extremely useful in experimenting the field of development support in the Rajasthan context.

The vision statement of ARAVALI still holds, and continues to guide our involvement and programming. In line with the vision statement is the Mission Statement which we have modified a little to make it more inclusive to partnerships between different partners and thereby going beyond just a GO-NGO focus as has been the case so far.

The issue of partnerships in development is an evolution of the thinking that ARAVALI was formed with. In the changed economic environment where the private sector is playing a more significant role their involvement in the development process is natural especially in the areas of livelihoods development. ARAVALI has thus expanded the scope of its work to also play roles with private sector initiatives. The shape that these interventions will take will still take some time to evolve.

An important change in the year under review has been on the governance side. The Government of Rajasthan appointed a new Chairperson for ARAVALI. Shri Vijay Mahajan took over as the Chairperson thereby bringing back on track the vision of the founder members of having an eminent development professional as the Chairperson. The change has provided ARAVALI with a greater level of autonomy and also an opportunity to bring into Rajasthan experiences from all around the country.

The ARAVALI team was also strengthened with the appointment of a full time Executive Director. Shri Sachin Sachdeva who earlier headed ARAVALI from its initiation in 1997 rejoined the organisation as Member Secretary and Executive Director.

As our Annual Report each year points out – the period April 2006 to March 2007 has been yet another eventful year.

We welcome you to share our experiences through this report and look forward to your comments and suggestions

ARAVALI Team

## Human Institutional Capacity Enhancement (Incorporating CSG)

The Collaboration and Support Group (CSG) envisions the creation of a conducive environment within which collaboration can happen. This encompasses the two key premises of our work in ARAVALI and in effect encapsulates the creation of a strong, well spread, well knit, responsive and responsible voluntary sector in Rajasthan.

Recognising the expectations being placed on Voluntary Agencies (VAs) for performance of new and innovative roles in development interventions, ARAVALI employs specific strategies to minimize the capacity gap between the expectations of the government and what the voluntary agencies can actually deliver. Besides, the capacity, ARAVALI strives for establishing a facilitating environment wherein the “partnership” takes place in an environment of trust and mutual respect. In order to achieve this, the CSG works by providing information and outreach support to VAs which includes providing forums for interaction among different groups, providing professional support to VAs on a regular basis and organising and making information available.

Some of the initiatives that were taken up during the year were not necessarily in line with the core roles of ARAVALI. We however saw them as being good opportunities to raise resources for the organisation. Consultancies like these have helped build ARAVALI's reserve fund which was set up to initiate innovations which ARAVALI wanted to undertake but did not have funding support to take on.

The initiatives made by the group during the period under review:

### A. Information and Outreach support

Information and Outreach Support to VAs constitute a key area of CSG activity. The main activities covered under this include:

#### i. New VAs Interface workshop

ARAVALI organises periodic interface workshops with new Voluntary Agencies in the state. These are usually new organisations that have not been in touch with ARAVALI and would like to get associated. ARAVALI uses these workshops to know these agencies and also understand the growth processes of the sector, and in turn helps the agencies learn about ARAVALI and its programmes and share their expectations from ARAVALI. Three such interface workshops were organised during the year.

## ii. Database Development

During 2004-05, ARAVALI expanded the existing electronic compilation of detailed information on VAs active in the state of Rajasthan. The computerised information has also been updated this year and we now have a computerised database of around 500 VAs operating in the state of Rajasthan. The database has been a fast moving product of ARAVALI. The demand for a listing of information about voluntary organisations is high and both the government and the private sector in their search for building partnerships would like to know who they can best partner with. The database has been used extensively for short listing organisations for building partnerships.

## iii. Professional Support

The Professional Support services of ARAVALI work towards helping development agencies structure their programmes and initiatives in line with the larger development objectives of the state. It also helps in developing a pool of qualified, skilled and sincere development workers for the voluntary sector of Rajasthan. Professional support provided by ARAVALI has also worked towards enhancing institutional capacities of organisations working in Rajasthan. This is a professional service and recipients are encouraged to share the costs involved in providing such support.

**Among the initiatives taken during the year under review are**

### **Strategy paper for Catholic Relief Services (CRS), Rajasthan State Office, Jaipur**

The Rajasthan state office of CRS had requested ARAVALI in helping them to develop their strategy paper for working in the state for the next five years. This has been developed using a consultative process. Since their funding on many issues especially on food for work, watershed management, early childhood care and alternative education was coming to an end they wanted to evolve a new strategy. The ARAVALI plan for them outlined a strategy based on convergence and linking up with the main programmes of the government – the Sarva Shiksha Abhiyan, the ICDS, and the National Rural Health Mission.

### **Setting up an organisational structure for CSR initiatives of J.K. Laxmi Cement Works**

JK Laxmi cement works has been implementing development programmes in health and education in their factory area in Sirohi. They had requested support to help them plan out an organisational structure through which they could mainstream their community development interventions in Sirohi and Abu Road areas. ARAVALI was able to analyse their work and understand their requirements and then decide a suitable model. From the options that were presented to them they have decided to set up a Society under the Societies Registration Act. ARAVALI will continue working with this organisation to help them structure and plan their initiatives.



### **Proposal Development for DISHA**

DISHA has been working on the issues of “differently-abled” people particularly children. It is also engaged in building capacities of individuals to develop appropriate human resources to work with mentally challenged children. DISHA is seeking financial support from interested donors. While their capacity to work with children is high, they felt constrained in their capacity to write a proposal to seek funds. They approached ARAVALI with this issue. We supported them by helping them develop a concept note that could be developed into a proposal. We also worked with them to identify a list of potential donors that they could approach.

## **B. Research and Studies**

### **District Level Monitoring**

ARAVALI was invited by the Government of India (GoI) to take up this study. The Government of India was keen to have a concurrent assessment of the rural development programmes being implemented by the state government. ARAVALI had done a similar exercise for the GoI in the past. However this was a much larger exercise covering 10 districts in the state. The monitoring had to be accompanied by field verification of completed tasks under the Rural Development and Total Sanitation Schemes of the Ministry of Rural Development, Government of India. ARAVALI decided to undertake this assignment as it would provide an insight into the field level realities of development programmes of the government.

Given the intensity of field work, external consultants are hired. Besides, a task force within ARAVALI was also formed to support field consultants appropriately.

The reports have been submitted to the GoI. At the time of writing we have just received comments from them and we are working on them.

### **Random Sample Survey of Habitations**

This was an exercise taken up on the request of the Department of Drinking Water in the Ministry of Rural Development New Delhi. The objective of the study was to verify the implementation of drinking water schemes set up under various government programmes.

This exercise took a substantial time of the CSG team. It involved taking up a field survey of 755 habitations across Rajasthan. We were able to reach out to about 10,000 families residing in remote locations across the state to study their habitations to check for issues such as access to water. Information on this study can be made available to anyone having interest in this issue.

The two tasks were more complicated than they seemed as the availability of data was a major constraint in taking the studies forward. There was an unfortunate delay in beginning the assignments and therefore we ended up behind schedule. Though ARAVALI has been able to do a fairly good assessment the essential learning has been that assessments of this nature are best undertaken by larger social research firms; or alternatively, in case ARAVALI has to undertake a similar exercise it would be advisable to set up a team separate from any online responsibilities.

### **C. Interactive forum of GO-NGO-PRI and Capacity Building of NGOs in Health Sector**

During the year under review, ARAVALI closed its involvement on the UNICEF funded initiative in Dholpur, Baran and Jhalawar on the project titled "Interactive forum of GO-NGO-PRI and capacity building of NGOs in health sector". This had been operational since October 2005 and aimed to facilitate a meaningful dialogue on development related issues at an interactive forum comprising the PRIs, voluntary agencies and government. In addition, linked to the implementation, was the need for building capacities of the voluntary agencies on a wide range of issues including community mobilisation, management systems within the organisation especially accounting practices and most importantly on Training on Maternal and Prenatal Death Enquiry (MAPEDI). Other Capacity Building Initiatives **included** building capacities of NGOs through notification of maternal deaths and monitoring of MCHN days

Meetings of the GO-NGO-PRI forum were facilitated in the three project districts. ARAVALI had provided technical support in the formulation of the agenda, facilitating the discussion, preparation of the minutes; follow ups of the decision etc. Discussions were held to develop an understanding on the GO-NGO collaboration process. As a phase out strategy ARAVALI has requested a local NGO to take this initiative forward in future.

ARAVALI is following on these strategies in all project districts. In 2007-08 we will expand the idea of the forum to 10 more districts.

### **D. New Directions for the CSG Group**

#### **Workshop on Community-NGO-Public-Private-Partnership - CNPPP**

In view of ARAVALI's long term interest in the area we facilitated a workshop on what we are calling CNPPP for the Rajasthan Mission on Livelihoods. Partnerships and what is called PPP has found acceptance in the infrastructure development sector specially in building roads, bridges, factories etc under a build operate transfer mechanism. However the same concept is expected to be implemented now in the social sector and the current thinking on the subject tends to equate the two rather different areas. As an organisation that is conscious about these issues we hope to be able to create a dialogue on these issues and help to develop suitable frameworks for partnerships in the social sector.

As a strategy ARAVALI's one day workshop collated different experiences to outline the scope, constraints and expectations of stakeholders in social sectors for partnership. The idea has been seeded and we hope to be able to have more discussion and debate on the subject and help evolve the strategy.

### **Efforts to mainstream Health Agenda in ARAVALI**

Following the work undertaken by ARAVALI in Dholpur, Baran and Jhalawar and the initiation of the National Rural Health Mission as the government's attempt to revitalise the health services delivery sector in the country ARAVALI has begun to focus on the Health sector. In its first perspective plan ARAVALI had planned initiatives in health but had not taken them on. The idea of the NRHM is built on partnerships and it seeks the involvement of both the private sector and the voluntary agencies.

ARAVALI sees the lack of suitable partnership mechanisms in the social sector as being a gap that it can fill up and help in defining the frameworks for partnership in the health sector. ARAVALI also recognises however, that the number of voluntary agencies with capacities to work in the health sector is limited. ARAVALI has begun an assessment of NGOs in health and sees itself playing an important role in increasing the numbers of organisations that can work effectively in partnership with the government and communities on health issues. ARAVALI is designing a strategy to improve the quality of implementation of JSY in the state. This would help us in addressing capacity building issues of VAs as well as would enable us to understand the dynamics of partnerships in the sector of health.

## **E. Workshops, Meetings and other Engagements**

During the period under review, members of the CSG initiated and participated in discussions on key issues which were organised by other organisations. Some of these are:

- Initiation of discussions with the Indore School of Social Work on collaboration to help improve the capabilities of graduates that can match the requirements of the development sector. We also recruited young professionals for our ongoing programme Professional Assistance for Voluntary Agencies (PAVA) from here.
- Workshop on Health Insurance organised by UNICEF
- Workshop on Social Entrepreneurship organised by Seva Mandir
- Dissemination ceremony of the report titled "State of Worlds Children" organised by UNICEF, Rajasthan office.
- A discussion organised by Network of People Living with HIV/AIDS
- State level capacity building workshop on Right to Food- Jointly organised by the Institute of Development Studies and ASTHA Sansthan, Udaipur.

## Livelihoods through Microfinance

The microfinance initiative of ARAVALI began with the introduction of the Swaran Jayanti Gram Swarozgaar Yojna in the year 2002. From an initial effort at popularising the idea of SHGs the programme has evolved into a voluntary agency support initiative to help strengthen their initiatives in microfinance and help them think and evolve a livelihoods agenda.

The past year has been a phase of transition. It saw the completion of an extensive initiative to build organisational capacities in microfinance and the beginning of a new phase. During the year ARAVALI has made a strategy shift from an extensive approach to support in microfinance to an intensive support in engaging with partners. Voluntary agencies are now being seen as Self Help Group Promoting Institutions (SHPIs). ARAVALI however sees these voluntary agencies as institutions that need support in planning and implementing their initiatives.

Basing the programme on this agenda, ARAVALI provided inputs to 20 organisations to enhance their implementation standards for a microfinance programme and built up an understanding of the sector and thereby helped them become more effective institutions. However, an external assessment of our intervention advised a closer association with the partner organisations for providing intensive support to their programmes.

An initiative called PAHAL was thus conceived for providing intensive support to 10 partner organisation in 3 geographic clusters. During the year considerable time has been devoted to conceptualizing the initiative, leveraging of financial support, selection of partners and setting the ground for implementation. The Sir Ratan Tata Trust, Mumbai agreed to financially support this initiative for a period of 3 years. The initiative began in August 2006.

Among the crucial areas that were identified for inclusion in the new project were

- developing qualified human resource for the sector
- start-up and initial maintenance costs for the microfinance and livelihood programmes
- defining and developing quality standards of the programme in the context of Rajasthan
- Evolving/developing a 'Revenue Generating and Self Sustaining Model' for SHG based credit operations.
- Effective partnerships for large-scale livelihood promotion.

While some of these are generic issues, they do have a long-term impact on the programme. ARAVALI is planning to make a multi pronged initiative to address some of these issues.

The activities of this group are classified into Capacity Building, Thematic Training Programmes, Support for Strengthening Organisational Systems, Facilitating Linkages, Building Staff Capacities, Research Studies, Publications and Sector Initiatives. The details of the activities taken up during the past year are as follows:

## **A. Capacity Building**

### **Placement of Human Resource**

This is done through two programmes - Professional Assistance to Voluntary Agencies (PAVA) and placing Local mF facilitator. PAVA is our earliest programmes and has seen several changes. The basic objective has remained constant over the years – i.e. provide professional assistance to voluntary agencies through short term and long term support through professionals. In the current model, it is envisaged that young professionals will be recruited from institutions of repute and placed with small groups on a cost sharing basis between ARAVALI and the NGO partner. These people are referred to as PAVA interns. These interns are mentored by the senior staff within the NGO and someone in ARAVALI. It is seen as a mutually beneficial relationship. Once the intern completes 3 years in the NGO where s/he is placed his or her exit from the organisation is also facilitated by ARAVALI.

The local mF facilitator is a new initiative of ARAVALI. Field level implementation was seen to be a major gap area for smaller voluntary agencies and in the absence of a suitable person to actually handle that role, the SHGs that were formed and supported lacked the strength necessary. The *local mF facilitator* was seen as a local youth from the area who could be trained to take on this more evolved role of facilitating SHGs.

As a part of the new initiative, eight of the ten proposed PAVA interns have been identified and at the time of writing have been placed. ARAVALI has recruited these interns from XISS, Ranchi and the Indore School of Social Work.

Also part of the initiative was the selection and placement of new Local mF facilitators; 23 such people have been identified and have been placed at 10 partner voluntary agencies. These mF facilitators provide supportive supervision and handholding support for both partners and the community organisations

### **Facilitating exit of graduating PAVA interns**

During the year, 5 PAVA interns who have completed 3 years in the programme have been facilitated to graduate and exit from the programme. Among them one PAVA intern has been engaged by the parent voluntary agency and the rest have been placed with other agencies. All the PAVA interns are working in the development sector.

### **Microfinance Management Development Programme (MMDP)**

The MMDP is a new initiative of the group. It seeks to build the capacity of participants who function as program leaders (coordinators) in the partner

organisations. Linked with the SAMDP it can prove to be a very potent combination in building up capacities for the Livelihoods and micro Finance Sector.

One MMDP was organised during April 2006. The programme focussed on providing inputs to build an understanding and skills of participants on performing in revenue based microfinance and livelihood promotion programme. This programme was well received and 31 participants from 17 partner organisations have participated in the programme

### **Development of business plans**

Developing the micro-finance programme of the partner organisations needs a structured approach going beyond project cycle frameworks. To achieve this transition ARAVALI has facilitated formulation of business cum work plans for 10 partner organisations. These work plans will form the basis of functioning of the partner organisations.

## **B. Support for Strengthening Organisational Systems**

### **Intervention in Insurance Linkages**

ARAVALI has entered into a Memorandum of Understanding with VIMO SEWA to launch their insurance products in Rajasthan. ARAVALI in partnership with SEWA will facilitate introduction of the composite insurance product. The pilot for the product has been initiated at Ajmer and during the 1<sup>st</sup> quarter about 1200 families has been enrolled.

### **Bank Linkage**

ARAVALI has been facilitating partner organisations that are to be empanelled as "Business Facilitators" with different Banks. This will allow the partners to leverage the necessary credit support. During the year nine organisations have been empanelled with different banks. Bank Managers however are a little risk averse, and in many cases we are still facing a reluctance on the part of bank managers to facilitate proper bank linkages.

### **Software support for MIS in microfinance programme**

ARAVALI is facilitating the procurement of software for partner organisations. The demonstration of the selected software has been done with the partners and is in the final stages of installation.

## **Research Studies and Publications**

**Preparing a data base of best SGSY Products in Rajasthan.** A study on preparing the data base of best SGSY products was conducted during the year. The study covered all 32 districts of Rajasthan. Primary data has been collected from 867 SHGs formed under SGSY across 32 districts.

This study gives an understanding on the status of SHGs (promoted under SGSY) in various parts of the state, their capacity building and other requirements.

Moreover the data base will give a fair idea of the kind of potential economic

activities that could be promoted on a large scale, the scope of value addition in the existing activities as well as the status of the forward and backward linkages for each activity. The findings can contribute to a great extent to define the scope of intervention in livelihood activities.

#### **Major Findings of Study on SGSY**

1. Out of Rajasthan's 32 districts, 20 districts have financed
2. Less than 50 SHGs each and 2 districts did not finance any SHGs under SGSY till January 2006, indicating slow progress of the scheme.
3. Nearly 20 per cent of the SHGs formed were defunct at the time of the study.
4. The group formation process used BPL list (instead of socio-cultural) based homogeneity resulting in large number of defunct SHGs.
5. There is no system for supporting the record maintenance system of the SHGs which have a low literacy base.
6. Dairy activity is the most prevalent. There have been no special efforts to build backward and forward linkages for the activity.

#### **Publication of ARAVALI Development Features Service (ADFS)**

Two issues of ADFS solely on topics related to microfinance have been published during the year. Issue 62 of the ADFS issue contained articles directed to building a conceptual understanding of the overall microfinance programme. Financial services for the Poor in India, and Understanding Microfinance – Why the poor need microfinance services? The issue also carried an analysis of the financial service provider organisations in the context of Microfinance and Livelihood and building a conceptual framework on livelihood promotion SHG as a tool for creating social capital.

Similarly, Issue 64, contained articles directed towards building a conceptual understanding of the overall microfinance programme. Framework for assessment of Institutional and Financial standards Developing Financial and Institutional Discipline in SHG based Microfinance Programme Conflict resolution in microfinance programme

#### **Baseline Study**

A baseline study of the operational areas of the 10 partner organisations has been conducted in association with Centre for Microfinance to understand the socio-economic profile of the communities. This study will provide an in-depth understanding of the cash flow in the area. This understanding will help in designing the microfinance and livelihood interventions in the area.



## C. Sector Initiatives

### Microfinance Reflection Retreat – Colloquium on Development Finance

As in the previous year, a Colloquium on Development Finance was organised in Jaipur to provide a forum to discuss the emerging issues and trends in the area of microfinance. As a prelude to the colloquium, a meeting with the community leaders was organised to analyze and assess the perspective and impact of microfinance among the rural poor. The ideas and experiences shared by the community leaders were presented to the forum during the colloquium.

The colloquium of 2006 was planned to discuss ways for “Meeting challenges for scaling up and deepening impact of microfinance in Rajasthan”. In the colloquium eminent speakers from the Government, Banking, insurance and voluntary sector shared their thoughts and experiences. The open deliberations led to an idea on the ‘Way Forward’ identifying the following as key focus areas

- As the state of poverty is not uniform across regions and caste groups, government agencies, voluntary agencies and projects should keep this diversity in mind while forming SHGs and therefore have different approaches for different groups.
- Going by the high number of SHGs in the state, partners in the process are enjoying the comfort level of a plateau after an initial climb towards high numbers, but a renewed effort towards improving the quality of SHGs is needed while including more and more people into SHG processes by forming more SHGs.
- Efforts should be directed towards developing benchmarks for impact assessment, measuring social capital and leadership development.
- Capacity building of the community and partner organisations should be a major focus of all future endeavours in this direction.
- Business Development Services and vendors should be identified to take the mF initiatives to a higher level.
- Areas of capacity building should be focused and in line with the target population's capacity and inclination.
- Insurance products especially health insurance should be made a part of the services being offered by mFIs.
- Federations of SHGs should be promoted to give them more voice and a larger arena to function, at the same time mFIs should restructure them to provide services of a higher order and spread over a broader spectrum.

The initiative which started off as simply one which would strengthen capacities of voluntary agencies on the SHG programme is also now evolving itself to a livelihoods programme. Livelihoods through microfinance will continue to be an important aspect of the programme initiatives of ARAVALI.



## **Livelihoods through Natural Resource Management**

Natural Resources Management was one of the earliest areas that ARAVALI had identified to work in and in the initial years it was indeed our largest programme. The emphasis on NRM given the importance of natural resources on people's livelihoods will continue.

ARAVALI aims to develop a group of organisations with capacities to take on effective roles in designing and implementing projects in the area of Natural Resources Management. Simultaneously, the programme aims to work with the government on important NRM related programmes and increase the partnership possibilities between the government and NGOs.

The programmes and activities implemented by the NRM group during the period under review are as follows:

### **1. Sustainable Community Based Approaches to Livelihood Enhancement (SCALE)**

SCALE was initiated in 2002 with support from the Aga Khan Foundation. ARAVALI was introduced into the programme as an Outreach partner along with the Development Support Centre and as part of a much larger programme implementation initiative of the Aga Khan Rural Support Programme. The idea was to contribute to development practice and provide a wider platform for dissemination of innovations, best and improved practices and experiences and cross learning across organizations.

The major focus during the year under the SCALE project was on strengthening the human resources and enhancing the institutional capacity of 23 partner NGOs through support activities. This was received well by the partner organisations and their feedback indicates that they found these initiatives useful. The main support activities undertaken during this period are listed in the following table.

An important element of the support initiatives is the continuity of support and hand holding. All partners with whom ARAVALI engages benefit from this continuity, Support – usually through quality time spent with the voluntary agency teams in the field is on topics like rainfed agriculture, watershed management, water use efficiency, institutional support. Hand holding support is thus on-site and in situ. ARAVALI staff provides contextual support to different levels of staff within the organisation and also helps the organisations improve planning and implementation.

The activities under SCALE are described below

### **Documentation and Dissemination**

- i. **Ten issues of ‘Pahal Logon Ki...’ (Community ingenuity)** – This is a regular two page publication on community based best practices on Natural Resource Management and livelihood enhancement. It does not have a fixed periodicity but so far 38 issues have been published. It is widely circulated among government and non government organisations. Given the response, we have decided to include people’s initiatives in other sectors as well.
- ii. **ARAVALI Development Features Services - ADFS** is a regular periodical and each issue is devoted to providing specialised information on a carefully selected area. The NRM group was responsible for four issues that covered information related to Government Programmes, Issues focusing on Natural Resource Management, Micro finance and Livelihood, NREGA, Right to Information, Funding information etc. 70 issues of the ADFS have been published so far.
- iii. **Aajeevika Pahal (Livelihood Initiatives)** – This is planned as a series of booklets that highlight success stories of community based livelihoods. We are in the process of finalising the following two booklets:
  - Aajeevika booklet on the best practices identified for livelihood enhancement of the poor on Chauka Model of wasteland regeneration promoted by GVNML has been prepared and would soon be published and distributed after finalisation.
  - Aajeevika booklet on Community managed lift irrigation schemes is being prepared by ARAVALI.
  - In addition booklets on livelihood experiences related to Bamboo based livelihoods and JFM, and Masons working on ferro-cement roofing and cement reinforced mud bricks for Western Rajasthan are being planned:

There are a large number of experiences of this nature and we would be happy to incorporate some experiences that the readers may know off. We welcome you to send these to us.

- iv. **Developing Livelihood Perspective Plans** ARAVALI facilitated two partner organisations namely Progress in Banswara district and SWERA in Ajmer district for preparing organisational Livelihood Perspective Plan (3-5 years) focussing on the livelihood opportunities in their area of operations. This livelihood plan was within the larger context of the organisations perspective of its work in the area. These livelihood plans are leading to the development of what are now being called Family Livelihood Support Centres.

- v. **Working on Water Use efficiency and Field Demonstration –** Water is a critical resource for Rajasthan and one of ARAVALI's focus areas. Drip irrigation, sprinkler irrigation, and better irrigation management are areas where ARAVALI has chosen to work. 5 drip irrigation demonstrations were set up with partners as Field demonstrations which in turn were visualised as a means to overcome a resistance to change. Drip irrigation has been specially focussed on this year. For promoting water use efficiency through drip irrigation demonstrations have been installed with 20 farmers in 4 partner organizations namely WASCO in Jalore, Lok Kalyan Sansthan in Barmer, Jan Chetna Sansthan in Sirohi, and Progress in Banswara.

#### **Meetings, Workshops and Seminars:**

- a) One-day Experience sharing and awareness generation workshop on the National Rural Employment Guarantee Act was organised on August 29, 2006. Forty participants from as many organisations from six districts participated in the workshop. The State NREGA Convenor also participated in the workshop. This workshop provided a forum to VAs to interact with the government as well as an opportunity to get direct feedback from the field.
- d) A two-day Regional Workshop for Sharing and Dissemination of best practices for livelihood enhancement and community based NRM initiatives was organised in Ajmer district from 27<sup>th</sup> to 29<sup>th</sup> November. Forty-five participants from about 30 organisations from adjoining districts participated and shared their experiences. The district administration representatives also participated in the workshop.
- e) Outreach Coordination Committee meeting (OCC): ARAVALI hosted the OCC meeting on 30-31 January 2006 for SCALE National partners (AKRSP-I, APMAS, DSC, ARAVALI), AKF and special invitees from RMoL, Udyogini, PRAYAS, and ICICI-Prudential participated. This provided an effective platform for peer learning and sharing leading to more effective collaboration and innovation.

#### **Training and Capacity Building initiatives:**

This is a key component of all our programmes. During the period under review, we organised programmes on both technical and managerial issues.

- i. **Technical Training on Rainfed Agriculture:** ARAVALI's initiatives in this direction are guided by a strong need to enhance the productivity of rainfed agriculture in the state. On an average, the productivity of cereals and other crops in Rajasthan is just about one-fourth that of similar areas in Gujarat and Haryana. The ARAVALI initiative is to develop suitable and relevant curriculum, appropriate reading and training material and also see how we can incorporate these ideas into the state training institutions like the State Institute of Agriculture Management. Given the emphasis on sustainable livelihoods, a five-day technical training on rainfed agriculture

was organised in December 2006 in partnership with the Vidya Bhawan Krishi Vigyan Kendra, Udaipur. A total of 23 participants from 19 organizations from 11 districts of the state participated in this training program. 3 such training programmes and follow up meetings have been conducted so far covering 60 participants. Implementing such trainings ourselves provided a ground for experimentation and improvement of the content and pedagogy used

- ii. **Input Services Provider (ISP) Training - (Also called the Gopal Training)** Livestock rearing is crucial to rural livelihoods but it is always been hampered by the near absence of veterinary care and breeding facilities close to the village. A 120-day ISP for livestock training was undertaken along with BAIF to build service providers who can work at the village level and with core capacities on supporting Animal Husbandry. This will be developed further and evolved into a complete programme for Input Service Providers who can take on a larger role in helping develop the livelihoods of poor families. The ISP is selected by the community and the voluntary agencies working in the area. Nine partner organisations have been supported to take up this training programme. We have thus far provided 2 Basic Primary Training Programmes covering to 50 participants from 30 voluntary agencies in the state.
  - iii. **Training on Accounts and Financial Management:** A three-day training on accounts and financial management was organised in September 2006 at Jaipur in which about 30 participants from 19 organisations participated. The training was specifically organised to develop a common understanding on best practices for Accounts and Financial Management. CEO's and senior accountants from VAs participated in the training.
  - iv. **Building Local Livelihood Interns:** Livelihood Interns are people local to the area with an understanding of agriculture and other locally relevant livelihood opportunities who are identified by ARAVALI and trained to take on livelihood focussed roles in the organisation. 5 such livelihood interns are working with partner organisation. ARAVALI sees these interns as important components of the process of capacity building at the organisational level.
2. **State level experience sharing workshop on National Study on Strengthening the Participatory Processes in Watershed Development Programmes** in India was organised along with WASSAN, Hyderabad on the completion of Process Documentation study of 8 successful watersheds in the Rajasthan state.

ARAVALI was the nodal agency in Rajasthan to document the processes adopted during various phases of watershed programs. The study was undertaken in eight successfully treated watershed projects implemented by both government and voluntary agencies.

The recommendations of the study have been shared in the state level workshop held at Jaipur in December 2006; 43 participants from

Government departments; ARAVALI partners NGOs, Voluntary Organizations, Representatives from CBOs, Academicians and consultants participated in the workshop. A detailed report can be accessed from ARAVALI.

3. ARAVALI conducted the **Midterm Evaluation of 13 Watersheds** implemented under National Watershed Development Programme for Rainfed Areas in Rajasthan along with The Energy Research Institute, New Delhi. These watersheds were from following Districts of Alwar (2), Ajmer (2), Tonk (1), Banswara (4), Chittorgadh (2), Dungarpur (1) and Nagaur (1). The report has still not been finalised by TERI. Interested persons are welcome to access the details and data that we have on the report.
4. In 2006, UNDP invited ARAVALI to prepare **Human Development Report for Tonk**. This was the first time that a district level HDR was prepared. The report has been finalised. The quality of life and the level of human well being have been ranked across *panchayat samities*. The report has analysed the status of human development attainment and key human development challenges on a spatial basis. At the time of writing, a proposal is pending with the Government of Rajasthan, Department of Planning to share the findings of the report with a wider audience at the district level and use it for planning better development interventions.
5. On the occasion of its silver jubilee celebrations Society for Promotion of Waste Land Development (SPWD) conducted a series of its evaluation across the country. One of the studies was conducted by ARAVALI to assess its programme with PEDO (People's Education and Development Organization), Dungarpur (during 1985-1992) and to study how it helped in formulating and conceptualizing of PAHAL project of district administration. The decentralized nursery initiative of SPWD was found instrumental in shaping PEDO's approach of decentralized nursery and overall natural resource management.

## **The Social Mobilisation Project (Ajmer Livelihoods Initiative)**

The Social Mobilisation around Natural Resource Management for Poverty Alleviation (SMP) was a project that was initiated by ARAVALI in collaboration with 6 partner organisations in Ajmer district. The project is an effort to enhance livelihoods of the poor and marginalized communities and in creating an enabling environment for partnership between the government and voluntary agencies. It is being supported by UNDP and Ministry of Rural Development, Government of India.

The SMP was ARAVALI's attempt to be directly involved in a field area armed with a project focused support package, work closely with voluntary agencies who had the responsibility of working directly with communities and in the process support them to be able to develop as effective voluntary organisations. The experience has been encouraging and the intensive focus on capacity building within the context of a programme has proven to be most beneficial.

The project comes to an end in December 2007. Most of the activities for the project have been undertaken and are at various stages of completion and maturity. Some of these will continue even beyond the completion of the project.

### **Institutional Development**

The institutional development process has been one of the main focus areas of the project and can be classified to be the one major achievement of the project till date. In all, the project has worked on organising, facilitating and strengthening over 750 quality self help groups of women, setting up 13 farmer's clubs, 19 village level, 4 Gram Panchayat level, and 2 Cluster level associations formed and 2 dairy cooperatives registered.

The institutional development process has been accompanied with a strong focus on building human resources to be able to take on the challenge. The project has worked on training 25 personnel from the partner voluntary agencies as SHG coordinators and through them trained 35 SHG facilitators (munshi) to help the SHGs with the accounting systems, and all the groups on group functioning and management.

At the community level, skill up-gradation of the community has taken the following form

- 135 members trained on vocational skills in the Non Farm Sector (leather, sewing, appliqué, other handicrafts)
- 123 groups trained on best practices of rainfed farming (Bajra, Moong, Maize)
- 121 groups trained in best practices of livestock rearing (Goat Rearing)
- 145 families trained in horticulture (Aloe Vera and Fruit Orchards)

## **Investment planning**

A second important focus of the programme was on planning investments of the capital that would get generated through the SHG initiative. The project has helped 206 SHGs develop a vision for the group and prepare microplans on what they would like to do in developing a livelihoods perspective.

Rs 46 lakhs has been mobilised as savings by the groups and Rs 65 lakhs has been leveraged as credit from banks. Rs 72 lakhs was the microcredit assistance fund that the project had made available to the groups.

Using the funds that were generated through savings and through the support fund, Rs 1.8 crore worth of assets have been created for over 3000 families. Livestock has been one of the main assets preferred by the community. In addition, 56 private farm ponds have been dug; 20 ha. uncultivable area has been bought under Aloe Vera plantation; 3.75 ha. area (15 families) bought under orchard plantation and 5000 trees have been planted for fodder and fuel

## **Linking to services**

As far as the groups developed are concerned, one of the important aspects of the project was to help them take advantage of government schemes that were accessible. The project has linked 454 families (details available on request) to government welfare schemes, 1300 children have been enrolled in angawadi and formal/informal schools.

This process when undertaken as part of the project was being facilitated by the partner voluntary agencies, but they are quickly developing as independent initiatives that the women in the self help groups are taking up.

To further promote the linkages, a district forum comprising the government, voluntary agencies and panchayati raj institutions meets once every quarter to share ideas and possibilities of working with synergy. A district facilitation committee comprising officials has also been set up which also meets once every quarter. This has ensured that all the key departments involved with development initiatives in livelihoods come together on a common forum to share their ideas and possibilities for improving the livelihoods of the poor.

## **New Ideas**

As an outcome of the project activities, an insurance product has been launched in association with VIMO SEVA. Almost 1300 families have been covered under a composite insurance plan comprising health, life and assets. The policy holders are essentially women. In addition, 770 families have been covered under non-life policies and 440 families have asset insurance through the National Insurance Company. These are all new initiatives and require some time to stabilize. We do not want to talk too much about these initiatives as yet and hope that as time passes these initiatives will be able to speak for themselves.



### **Coming Together**

Apart from the physical achievements of the project outlined above, an important outcome has been the coming together of a large group of women. This is, in a way, the social capital of the area and something that can be built upon further. As the intrinsic strength of the groups increases with every experience they have, and considering that the numbers are significant these groups can be effectively used for other interventions as well. The groups have begun to address issues of PDS delivery, of access to safe drinking water, to removing encroachments. These are all indicators that the mobilisation process is leading towards a level of significance and aiming for change.

### **Future Plans**

The UNDP funding may come to an end at the end of 2007 but the work that has been put into motion will continue. There is a need to further strengthen the initiatives taken especially in the field of access to water and improvement of land resources. The systems for delivery of credit and insurance services have been set up but need strengthening. The social action agenda is coming to light – this has to be nurtured further.

The entire initiative is proposed to be up-scaled but will depend on the availability of funding. ARAVALI plans to develop a much larger initiative based on these experiences in Ajmer. Another important learning which ARAVALI will develop is the idea of working closely with a group of voluntary agencies on capacity development initiatives.



**ARAVALI STAFF**  
(As on 31<sup>st</sup> March 2007)

Name	Designation	Qualifications	Experience
<b>Ambuj Kishore</b>	Programme Officer (Re-know)	PGDRM (XISS)	6 Years
<b>Amar Chand Kataria</b>	Programme Assistant	B.Com	
<b>Anil Kumar Jain</b>	Programme Assistant	M.A. (English)	8 Years
<b>B. K Singh</b>	Programme Manager (Re-know)	M.Sc (Agricultural communication and Extension)	13 years
<b>Bhairu Lal Gujar</b>	Administrative Assistant	8 <sup>th</sup> Pass	11 Years
<b>Biswaroop Thakur</b>	Programme Officer (Re-know)	PGDRD	5 Years
<b>Dilip Kumar Yadav</b>	Senior Programme Officer (SMP)	B.A.	20 Years
<b>Ishwar Babu Bairwa</b>	Programme Officer (SMP)	PG-Agriculture	7 Years
<b>Lokesh Gupta</b>	Accounts Officer	B. A.	11 Years
<b>Manish Singh</b>	Programme Officer (HICE)	M.A. (SW) (Indore SSW)	8 Years
<b>Neelesh Kumar Singh</b>	Programme Officer (HICE)	PGDRD	7 Years
<b>Rishu Garg</b>	Programme Officer (Re- know)	PGDFM	5 Years
<b>Sachin Sachdeva</b>	Executive Director	PG- IRMA	18 Years
<b>Satya Narayan Singh</b>	Administrative Assistant	9 <sup>th</sup> Pass	11 Years
<b>Shweta Agarwal</b>	Programme Officer (CSG)	M.S (Human Development) SNDT Women's University Mumbai	6 years
<b>Sourav Roy</b>	Programme Officer (HICE)	B.Sc (Forestry), M.A. in Social Work (TISS)	6 Years
<b>Yogesh Gupta</b>	Programme Officer (Re-know)	B.Tech (Agri)	9 Years

## List of General Body Members

Mr. Vijay Mahajan, Chairperson
Pr. Secretary, GoR Panchayati Raj & Rural Development,
Pr. Secretary, Finance
Pr. Secretary, Agriculture
Pr. Secretary, Forest
Pr. Secretary, Social Justice Dept.
Pr. Secretary, Education
Secretary, Plan
Secretary, Rural Development Department
SEVA Mandir, Udaipur
Sahyog Sansthan, Udaipur
Lupin HWRF, Bharatpur
Peoples Education & Development Organisation (PEDO) , Dungarpur
Prayas Sansthan, Chittorgarh
Society to Uplift Rural Economy (SURE), Barmer
Astha Sansthan, Udaipur
Urmul Trust, Bikaner
ECAT Bodhgram, Nagaur
Punjab National Bank, Jaipur
Rajasthan Bal Kalyan Samiti, Jhadol, Udaipur
Rajasthan Mahila Kalyan Mandal, Ajmer
Shikshit Rozgaar Kendra Prabandhak Samiti (SRKPS), Jhunjhunu
Vishakha, Jaipur
Shiv Shiksha Samiti, Tonk
Gramin Vikas Navyuvak Mandal, Lapodia
Lok Kalyan Sansthan, Barmer
SWERA Sansthan, Ajmer
Prayatn Samiti, Udaipur
Gandhi Manav Kalyan Society, Udaipur
WASCO, Ramseen, Jalore
Navyuvak Mandal Sansthan, Mithi Reduwali
Daang Vikas Sansthan, Karauli
Jan Chetna Sansthan, Abu Road, Sirohi
Manglam Vidhyapeeth, Jaipur
Sandesh Khadi Gramudyog Sansthan, Thanagazi, Alwar
Maharaja Ganesh pal ji Charitable Trust, Karauli

Shri Maharshi Dadhich Education Society, Keshavpura, Kota
Prayatn, Dholpur
S.R.Society, Jaipur
Ravindra Vidhya Mandir Samiti, Kota
Rajasthan Gramin Vikas Samiti, Ajmer
Education & Rural Development Society (ERDS), Bharatpur
Sriyatham, Bikaner
Shanti Maitri Mission, Bikaner
Dhara Sansthan, Barmer
The Bank of Rajasthan Ltd, Jaipur .
Treasurer, ARAVALI

## **ARAVALI** **Basic Information**

**Registration Number & Date**  
184/Jaipur/04-95/23/7/1994

**FCRA Number**  
1225560091

**Chairperson**  
Mr Vijay Mahajan

**Auditors**  
M/s Umesh Dangayach & Co.  
Chartered Accountants  
12, Ram Nagar, Shopping Centre  
Shastri Nagar, Jaipur - 302016

**Bankers**  
State Bank of India  
Calgary Hospital Campus  
Malviya Nagar  
Jaipur - 302017