

## Theme 1

# Sustainable and scalable institutional arrangements at the community level that facilitate livelihood improvement

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### Background

Two interdisciplinary research projects funded by the UK Department for International Development (DFID), Natural Resources Systems Programme (NRSP) are operating in Bihar and eastern Uttar Pradesh, India. The project partners are the ICAR Research Complex for the Eastern Region (IRCER), GY Associates Ltd. (UK), Rothamsted Research (UK), Cirrus Management Services Pvt. Ltd. (an Indian company specialising in rural livelihoods and governance), CABI Biosciences (UK), the Overseas Development Group, University of East Anglia (UK), and the International Water Management Institute (IWMI) (Sri Lanka).

Advances made by the projects, in the areas of social development and participatory technology development, appear to challenge some assumptions and concepts underlying existing

‘models’ for participation and livelihood improvement.

The project experience is presented under three themes:

**Theme 1** Sustainable and scalable institutional arrangements at the community level that facilitate livelihood improvement

**Theme 2** Practical ways forward for participatory land and water management in canal-irrigated areas

**Theme 3** New approaches to participatory technology development

### Introduction

Poverty tends to exclude people, leaving them helpless and vulnerable in many ways. Poverty is underpinned by complex institutional and governance arrangements that have both social and economic dimensions. On the one hand, established social and government institutions tend to perpetuate the *status quo*, and not infrequently resist change with coercion and violence, even under systems of government that are believed to be democratic; of which Bihar and eastern Uttar Pradesh (where the DFID Projects R7830 and R7839 experience is situated) are but two examples. Somewhat contrarily, programmes in India aimed at poverty reduction and pro-poor institutional change are largely initiated by governments, most commonly by the central government, which has the necessary resources. The **locus of control** almost invariably remains within the **Establishment** – politicians and bureaucrats working with/through such intellectuals and non-governmental organisations (NGOs) they choose to co-opt.

The scope and reach of such ‘top-down’ initiatives even when they are nominally based on ‘participative’ theories is always circumscribed by the amount of change that is politically acceptable

for the moment, and by the resources available<sup>1</sup>. The poor are almost never consulted, but are merely informed at the ‘appropriate’ stage of what is required of them by way of ‘participation’ by programme implementing agencies (often NGOs), by party cadres in certain states, or by local government officials. Compliance by the poor is taken for granted, and non-compliance often regarded as evidence of lack of respect for the government, absence of a will to overcome poverty, lack of intelligence, or ingratitude.

The ‘participative philosophy’ underlying most current government programmes is the result of an unfortunate synthesis of excellent pieces of work on the ground (mostly by NGOs) and government ways of working.

A relatively small number of NGOs, researchers, activists and intellectuals have long challenged and acted against ‘top down’ and techno-centric approaches, especially in the 1970s and 1980s. A number of ‘bottom-up’ approaches were developed, tested and proven, mostly on a small scale. These approaches were then enthusiastically promoted by international organisations and donors. It was believed that the way to ‘scale up’ was to get government agencies to think and act like NGOs, or to work with or through NGOs.

The results have not been quite as expected. Cumulative changes over the last two decades have indeed resulted in transformation of the language and overt philosophy of programme design in India. This is expressed in a new generation of ‘participative’ projects and programmes that usually rely heavily on bilateral/multilateral aid; e.g., micro-credit, watersheds, joint forest management, irrigation (distribution) management. However, this is not generally accompanied by any significant institutional change within government or by any significant attitudinal changes in people in government departments. Governments have sometimes tried to deal with this rigidity by ‘spinning off’ independent organisations. In practice, there is only nominal independence; government control and culture continue to predominate. NGOs, even the large and reputed ones, co-opted into government programmes have often had to make

serious compromises, leading to erosion and dilution of basic principles. New and dubious NGOs have mushroomed, as government programmes have ballooned. Having taken the position that real, scalable change can take place only through government, and that government-sponsored ‘participative’ programmes, such as they are, need to be supported wholeheartedly, international agencies and donors remain committed to them.

We believe that a second generation of reform of pro-poor programmes, policies and interventions is needed and is possible. As previously noted, there are fundamental contradictions in anti-poverty programmes conceptualised, designed, controlled and managed by established institutions – governments, international agencies, even NGOs, however well-meaning, sensitive or well-informed. Under the existing dispensation, most of them are unable to respond meaningfully to the needs, priorities and grassroots initiatives of the poor. The external intervener almost inevitably seeks and gains control and dominance.

R7830 and R7839 have opened up, we believe, a small but significant way out of the dilemma. Many of the organisational building blocks we used (like self-help groups or SHGs) are not new. We believe that new answers are beginning to emerge in relation to the following questions:

- How can the ‘centre of gravity’ or ‘locus of control’ be kept within communities; how can power be kept diffused (so that no one person or clique acquires dominance), and how can leverage of the very poor and the poor, be increased directly rather than through surrogates?
- How can more be done with less money and other resources?
- How can things be taken much further?
- How can things be done in months rather than in years?

We are now able to show that communities can and will develop for themselves pro-poor interventions that go further, faster and into new dimensions; interventions that are more robust and sustainable, and can attract investment and services from the private sector.

Our experience challenges a number of assumptions often made by government and

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<sup>1</sup> Bilateral and multilateral aid has often mitigated effects of the second limitation in specific cases, but not the first. In any case, the overall leverage enjoyed by bilateral/multilateral donors in India is low in comparison to smaller and even less-developed countries.

bilateral/multilateral agencies, NGOs and academicians. We do not claim that our project experience is definitive or conclusive. We only highlight aspects that may be noted, challenged, validated, further developed and adapted by others. We do not attempt to provide a comprehensive description of our experience, or the evidence in support of our claims, both of which are available on request.

At first sight, much of what is described in this report may appear to be ‘old wine in new bottles’ since many elements of our experience are not new. Apart from the previously mentioned fundamental qualitative difference in underlying philosophy, all that our project has done (successfully, in our view) is to weave together strands from various disciplines and sciences to produce a seamless strategy for community-level institutional infrastructure development that is transferable, adaptable, and scalable, together with a number of ‘costed’ modules and micro-information management systems.

We shall argue, in due course, that there is no need for governments and bilateral/multilateral donors to initiate and support certain kinds of unsustainable and badly targeted, nominally participative, but actually ‘top-down’ programmes and service delivery initiatives. There are practical and superior alternatives, since our project experience indicates that certain approaches to institutional development lead to coalitions of community-based and private-sector actors that achieve and deliver more, at lower costs, and include the very poor, reduce the need for and expectation of subsidies, and where subsidies are used, ensure focused targeting, reducing leakages and inefficiencies. When left to people and not managed/controlled by external agencies, these processes open up new opportunities for the very poorest to sustainably increase their participation in the local economy, and to leverage a range of resources and advantages.

To enable all of which, policy change is needed in many dimensions. Policy management takes place at three overlapping levels:

- **Operational**
- **Strategic**
- **Political**

The **operational** level is about how programmes are managed. Typical policy issues relate to activities, technologies, promotion of

practices, norms, rules, procedures, accountability, incentives, and coordination.

The **strategic** level is about programme design; i.e., objectives, beneficiaries, organisational arrangements, partnerships, finance, outcomes and evaluation.

The **political** level is about strategic priorities, competing interests and demands, managing interplay of powers and influences, and compromise.

It is possible for knowledge, research and information to inform policy management but not to determine decisions. Decisions are often taken against the direction indicated by knowledge, research and information.

(Note: The separation of policy management into three levels is convenient and useful only up to a point. It does not mean that one level is more important than another. Too many programmes have in fact failed because of poor management at the operational level.)

The time-frame for policy change grows as the level rises, e.g., in India, current micro-credit, joint forest management and watershed policies at the political level evolved over two decades, and strategic changes over 5–10 years.<sup>2</sup> Operational changes seem to take from months to a few years. Transparency and visibility of processes seem to decline as the level of policy-making rises. (Note: These observations seem as true of government as international organisations. They are intended to be factual statements and, for present purposes, value-neutral.)

Experience from R7830 and R7839 is relevant to all three levels. It offers an interesting microcosmic view of policy management at various levels, and suggests how matters may be improved, e.g., much of our project work on early rice transplanting, poultry rearing, water use, information management and capacity building refers to the operational level; our work on institutional infrastructure development refers to the strategic level, and the way our project partners have worked together can be related to the political level. This report focuses on the last two levels, making occasional references to the first level that is dealt with under Themes 2 and 3.

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<sup>2</sup> For example, revised guidelines for watersheds, or changes in unit cost norms.

## An overview of our experience

### Our project focus

‘Projects R7830 and R7839 seek new ways to improve the livelihoods of poor people.’ It took nearly 2 years for the project team to reach some level of agreement on what this statement implied. Our work is in an area that is richly endowed from an agricultural standpoint – an abundance of water and fertile land – but that suffers from low productivity. We began work on the ground in June 2001 in about 20 villages near Patna (Bihar) and extended our activities in 2003 to 47 villages, just as well endowed, in Maharajganj (eastern Uttar Pradesh). The early versions of our project logframes dwelt more on land, water, crops and soil than on people and poverty.

### The first half: 18 months

From the very beginning, there were two main, and for a long time, irreconcilable points of view within the project team.

The dominant view was that:

- Agricultural technologies should target people who own land; the rest are not farmers
- Farmers could be mobilised into groups or contacted as individuals
- It is the function of scientists and other experts to analyse problems that face agriculture, and to develop solutions
- These solutions are to be pilot-tested and demonstrated, through partnerships with individual farmers. It is usually necessary to ‘incentivise’ such partnerships, to obtain cooperation, and to cover the costs and risks of participating farmers
- Research processes and findings should then be documented, papers published, and the results offered in the public domain for uptake/adoption
- People will in due course adopt practices so developed.

The minority view, held by a very small sub-team of rural development practitioners in the project team whose role was to facilitate a dialogue between scientists and the poor<sup>3</sup>, is summarised as follows:

<sup>3</sup> This group took a somewhat ‘fundamentalist’ position with respect to participation, while the other did so in relation to technology.

- There was no way of knowing in advance whether any of the assumptions underlying the project logframe or the project team was true
- All people in project villages, including the poor should be given opportunities to form genuinely self-selecting groups, pool whatever resources and energies they wished to, and determine their own priorities and courses of action, **irrespective and independently of the project logframe**
- If it turned out that **some of them**, at whatever stage, wished to engage with issues related to land, water, crops and/or soil, and wanted to collaborate with project scientists, that would be a happy coincidence which could possibly be built on
- **All external actors** without exception needed to first improve their own understanding of people in village communities, especially the poor, the socially excluded and women, and of the livelihoods of such people
- That improved understanding needed to be combined with the large information/knowledge/experience base available to the project team and offered to people in ways that would help them make informed choices. The project team would **offer people nothing more than information and opportunities** for exposure, leavened with frequent discussions (conducted on an equal footing where everyone would be free to challenge everyone else). The project team would desist from offering solutions, and only seek to **generate a productive ‘ferment’** which, it was hoped, would lead to wise and informed choices by the people
- The project should **refrain from providing any incentives or subsidies** that could distort people’s decisions<sup>4</sup>
- The people would themselves define and develop institutional structures, rules and processes, and take full responsibility from the beginning for mobilising resources and management<sup>5</sup>. The project team would merely point out options exercised by other

<sup>4</sup> The whole project (to the extent it is of any use to communities) is of course, in a sense, a subsidy, especially demonstrations, exposure visits and the like. At the workshop, we intend to elaborate on this.

<sup>5</sup> In government and international donor-supported watershed, joint forest management and participative irrigation programmes, these are defined by international and domestic consultants, project staff, and sometimes by legislation.

communities in similar situations, and constantly challenge people to review their own assumptions and to evaluate critically all available options.

The first 18 months (up to January 2003) saw R7830 and R7839 progressing on two independent parallel tracks with little hope of any convergence. In this period, a cadre of local village-based volunteers was developed by the team that subscribed to the second viewpoint, and some 122 SHGs with a higher than usual poverty focus were catalysed into existence (of which 100 survive today). Communities quickly learned from each other and most processes became self-perpetuating. Even the minimal support provided by the project for SHG formation was withdrawn within about a year of entry into a village. Before withdrawal, however, the following institutions/systems were established, in many, if not most cases:

- Village-level coordination committees by federating local SHGs
- A network of local volunteers – part-time workers who received a nominal payment for the time they spent on catalysing SHGs, but no payment thereafter. Some of these adopted formal organisational structures, by becoming registered societies
- A robust, low-cost, micro-information collection system. Almost all SHGs took responsibility to collect information on savings, credit, recoveries and certain other specific elements of information on agreed formats, and to transmit the data sheets to project staff each week. This was then transferred to an electronic database.

### **The second half: 15 months**

The next 15 months (following January 2003) was a period of scaling up in many dimensions. An unexpected momentum had built up, which the small sub-team responsible for facilitating community processes was barely able to manage, given the limited resources available. Some 42 new SHGs were added in this period (in the 20 original project villages), with no direct project support whatsoever. In January 2003, the project tried to replicate its experience with vastly reduced resources. It entered new clusters of villages in Patna and Maharajganj districts. By December 2003, SHG promotion by the project team ceased

because available resources had been exhausted, but the number of SHGs continued to grow. By March 2004, there were 278 SHGs in three clusters in Patna district (in addition to the SHGs in the original cluster), and 62 in Maharajganj, almost all of them continuing to receive support from volunteers who were no longer paid by the project. Savings and credit activities continue to this day. SHGs continued to submit weekly datasheets to the project team regularly until the field team was dissolved in March 2004.

By the end of 2003, 77 villages with which the project worked included 13,505 households in all, of which some 6,527 are estimated to be poor, and among which 2,728 have an SHG member. On average, every second poor household and almost every fourth household had an SHG member. Each SHG met on a certain day of the week, at a time and place known to everyone in the area. The same was true of village coordination committees, and groups of volunteers. An efficient word-of-mouth communication system complemented by telephones connected the entire local community. This gave the poor unprecedented levels of access to information, and opportunities to make use of it. People began to develop new links to the external world, usually quite independently of any support from the project team, although any ideas from the project team were always welcome. They began to access new markets, to make bulk purchases of farm inputs, to negotiate arrangements among themselves, to manage local resources, to explore micro-enterprise opportunities, to negotiate new equations within villages and outside them. A complex second-generation web of institutions and relationships began to develop, and continues to develop to this day.

### **Endgame: 6 months**

Winding up and leaving people to themselves proved to be a difficult and at times painful process, especially because a certain momentum had built up. However, unlike most projects, R7830 and R7839 had no problems with communities at all. It had been made clear to all from the very first day that the project could not support communities on a long-term basis. From the second year, the project had actually exited from several villages; and there were no pleas for extension from the communities.

Expectations of and requests for project extension came mainly from people external to communities, but involved in the project. The tendency of the external intervener to perpetuate his/her presence is not new. Nor is the tendency of external agencies (government and international donors) to extend projects.<sup>6</sup> These tendencies could have both positive and negative implications for poverty reduction and sustainability. They raise larger questions related to the role of external agencies, and their accountability in terms of long-term impact.

### **Changes in the project team**

October 2002 saw the beginning of reconciliation of opposing views within the project team. Scientists in the project team became aware of new opportunities created by the very large 'surface of direct contact' with communities that the new institutional network had made possible. They were challenged to make use of the unprecedented levels of direct access now available to very poor households, whose stakes in land, water and agriculture had never been recognised. A gradual attitudinal shift from a prescriptive to an interactive mode took place in the project team, which some found painful, but was now generally accepted as inevitable. People in villages had meanwhile learned to assert themselves and insist on their priorities. They welcomed meaningful support from external agencies (including the project team), but rejected any external imposition. Even the poorest now scarcely hesitated to 'tell off' anyone who presumed to 'talk down' to them.

Within the second sub-team (whose original role it was to facilitate a dialogue between scientists and communities), divergent opinions began to develop towards the end of the project. These are yet to solidify. We may be in a position to report on them by the end of the project, and some might be discussed at the workshop.

### **Changes within communities**

New equations are continually emerging within the project villages. Old and bitter confrontations are beginning to give way to new collaborations, based on internally negotiated 'win-win' situations. There are fewer troubled waters available in which opportunists can fish.

<sup>6</sup> "If some is good, more must be better", as Galbraith pithily remarked, in the context of deficit financing. (These may not be his exact words).

People in villages had always been made aware, right from the beginning, that the project would end in less than 3 years, and that the project team would not provide active support to any SHG for more than a year. All financial and material resources have been mobilised by the people themselves, and every detail of day-to-day management has always been in their hands. Withdrawal of the project team from a village is therefore seen as a sign of graduation and maturity, not as a calamity. Unfulfilled expectations are mainly related to taking things further and into new dimensions. These require new kinds of service providers and partners, including business partners.

Processes initiated by the project are less than 3 years old and yet to mature, although we believe that they are far more mature than those initiated by government, internationally funded, or NGO-managed projects that are twice or thrice as old and have much larger resources. Having said that, it would be too much for us to claim that people in our project villages are now satisfactorily empowered, or that any significant poverty reduction has taken place. The best we can claim is that the institutional trajectory appears promising and sustainable today. Time will tell.

At this moment, we are able to articulate certain well-founded policy implications of our experience, which are summarised below.

### **Policy implications of our experience**

#### **Community institutional infrastructure development**

We argue for community based institutional infrastructure development rather than externally conceived and designed SHGs, water user associations (WUAs), watershed committees and the like which tend to be promoted by line departments, missions, NGOs and others, primarily to serve their own purposes. We do not disagree with the basic concepts underlying these types of organisation. People facing poverty and exclusion are rarely, if ever, able to deal with their situations effectively if they remain atomised. Savings and credit-based SHGs are the most common kind of micro-organisation. Activity-based groups focused on an asset or activity are also frequently encountered, and sometimes (mistakenly in our view) also called SHGs.

Micro-enterprises and farm-based activities are most often undertaken by individuals or small partnerships that are distinct and non-congruent with SHGs or activity-based groups. There is no single organisational structure that is capable of serving all needs. It is possible and feasible for an individual to be an effective member of a number of organisations and networks at the same time.

Most projects and programmes seek to create organisations and federations based on pre-determined and externally fashioned visions, organisational designs, rules and institutional relationships. In such programmes, the locus of control remains outside local communities, with experts (overseas and Indian), leaders and workers in the external intervener's organisational domain. Programmes are usually initiated through externally conceived 'entry-point activities' that generate (in our opinion) artificial 'goodwill' and raise unrealistic expectations. All this creates dependence, perpetuates the presence of the external intervener, and adversely affects sustainability and the ordering of priorities.

In our project, we have from the very beginning, rejected the structural approach to institutional development. We have experimented with and established what might be called a **dialectic**<sup>7</sup> approach to **institutional infrastructure** development, whereby an ever-growing and evolving network of institutions, relationships and norms are established through iterative and dynamic processes whose chief features are:

- Self-examination by communities and the external facilitator
- Reference to external experiences and information
- Review of available resources, capacities and opportunities
- Challenging of assumptions held by various stakeholders
- Repeated re-examination of positions and arguments

All these lead up to a series of practical and manageable decisions by communities.

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<sup>7</sup> "dialectic: ... the art or practice of logical discussion as employed in investigating the truth of a theory or opinion ... ";  
"infrastructure: ... the basic underlying framework or features of a system ...";  
extracts from Webster's Encyclopedic Unabridged Dictionary of the English Language, 1994, Gramercy Books, Avenel, New York, pp. 397 and 731. In this report, we ascribe these meanings to the words dialectic and infrastructure.

The dialectic approach is NOT to be confused with 'process' approaches. Although there are similarities in language used, there are important differences in practice. Experience shows that the 'process' approach is time-consuming and relies on human resources located within or controlled from an external organisation. Scalability is an issue.

This dialectic process is patiently followed and fostered independently with each group in each village, even if we appear to be 'reinventing the wheel', because it leads to community ownership, capacity development and internal bonding. The same principle applies to programme design and management, especially at the community micro-level.

Our project demonstrates the value of **unspectacular entry** into villages, the value of local volunteers, of **incremental non-deterministic facilitation**, and **avoidance of distorting incentives** and flooding communities with external funds, resources, technologies and advice<sup>8</sup> Our unspectacular, incremental approach is especially useful in areas that are prone to endemic violence and suffer from poor governance. Traditional entry-point activities only serve to raise expectations and help the not-poor and less-poor to crowd out the very poor and the poorest.

Avoidance of *a priori* links to any externally conceived programme, project or activity is a key feature of our concept. Any links to such programmes must be promoted only after community-based organisations and their networks have reached a certain stage of maturity.

Our project experience shows that micro-organisations, in contrast to large organisations, are capable of faster and more significant change. Some of this capacity is transmitted to networks developed through micro-organisations. The resultant whole may be amorphous, but is far more robust, flexible and capable of responding to dynamic situations than monolithic institutional structures like watershed associations, forest management cooperatives, and the like. If the building blocks (micro-organisations) and networks are largely composed of the poor and

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<sup>8</sup> To use a biological analogy: The composition and volume of food ingested must be appropriate to nutritional needs and digestive abilities of an organism, failing which damage or even death results. Another analogy, an agricultural one: Flood irrigation is wasteful and can cause rot and damage; drip irrigation is superior in many ways.

very poor, as in our project, social and economic imbalances are somewhat redressed. Such networks and micro-organisations are far more effective as guardians of the interests of the poor than any external agency (including NGOs) can ever hope to be. This has important implications for improvement of village-level governance (panchayats), poverty-focused programmes, relief work in times of calamity and distress, and service delivery.

Although this desirable end has long been discussed, our project has demonstrated how:

- Robust, sustainable networks can be initiated within very short time-frames and at very low costs, simply through facilitation
- Networks can develop in a demand-led and responsive way, conceptualised and designed by internal stakeholders, never (at any point) designed, controlled or managed by external agencies
- Such networks not only sustain and grow independently, but also develop capacities to cope with unforeseen stresses, to repair or manage damage
- Given the low costs and self-sustaining momentum of our processes, it becomes realistic and desirable to work toward saturation of villages and communities within a given area. Each individual household is able to develop a range of choices, and is frequently able to participate simultaneously in a number of organisations and activities. For example, a woman may be a member of one SHG and also of a dairy cooperative, while her husband could be a member of another SHG, in addition to being part of a farmers' discussion group, a partner in a seed procurement and supply business, and a member of an irrigation outlet channel user group. All could interconnect in various ways, within *panchayats*, or a village federation, or any other way they choose
- Time-frames can be shortened to months from years leading to rapid positive changes in equations within villages and local markets
- Contrary to 'received' wisdom, it is possible to include the entire range of poor people, especially and including the very poor (except the very few destitute who may be old, sick or physically/mentally challenged who need to be supported by welfare)

- A trajectory that leads to near-saturation of the poor in any given cluster of villages can be established. Once a critical mass and momentum is established, a continually expanding and changing institutional web begins to develop, including second and third generation institutions. The functions of the external intervener become progressively redundant. New external actors and service providers become relevant
- The very poor, who are often clubbed with the destitute as capable only of absorbing 'handouts' and in need of indefinitely extended support, soon learn to assert themselves, and even to assume leadership roles. The project has several emerging examples.

### Sequencing programmes

An important implication of our project experience is that some level of community-based institutional infrastructure development must precede rather than accompany other kinds of programmes and service delivery, if the latter are to achieve poverty focus, sustainability and cost-effectiveness. Such institutional development requires specialised skills, a particular type of organisation with certain specific management practices, and a particular kind of human resource.

Once a basic level of institutional infrastructure is in place, incremental interventions (of the kind discussed under Theme 3) become economically attractive to a range of actors. Some follow almost automatically. People reach out and link up to external economic value chains, markets (for inputs and produce), technologies, and services. The infrastructure makes it possible for communities to access simultaneous support from a number of different sources and organisations. For example, a community may obtain micro-credit from a financial institution, education from an NGO, and seed or fertiliser from a private company. Over time, new layers or segments to existing institutional webs may be expected to develop organically, e.g., partnerships, joint ventures, and contractual arrangements.

There also seems to be a need to catalyse development of micro-level civil society consciousness to protect the poor from predatory or unethical practices of government agencies and those of the private sector.

## **Costs and time-frame**

An important achievement of our project is that we are able to provide cost breakdowns for every bit of institutional infrastructure development attempted by our team, down to the last rupee. Overall, our unit costs compare very well with many a government or internationally funded programme. With every day that goes by, and as the scale of intervention grows, unit costs decline and become more competitive.

Our project has also significantly shortened the time-frame for institutional development, and expanded the scope of such development.

## **Capacity accumulation, NOT training**

We have developed and demonstrated capacity-building methods that are different, in that they are largely independent of literacy and education, and thereby enhance the scope for community-led and managed interventions, and the development of community-based human capital. We have conducted no formal training at all for institutional infrastructure-related capacity development.

## **Micro-level information management**

We have demonstrated that micro-level information systems greatly improve transparency and accountability, and that such systems can be established and operated at very low costs, especially when communities can use systems to obtain customised reports and summaries relevant to their priorities and purposes (as distinct from project monitoring and reporting requirements). Very simple electronic database structures (developed elsewhere, outside the project) have been used to capture important elements of information very close to the point of occurrence in time and space. This reduces the scope for error and manipulation.

For future programme design, we would recommend that data management be organised as a separate line function completely independent of all other line functions.

This needs to be complemented by yet another line function, possibly outsourced, that is responsible for independent verification of data entering the system as well as reports generated by the data management team and/or other line/staff functions.

## **Indian agriculture policy must first recognise the poor**

Much of Indian agricultural policy targets the landowner rather than communities with stakes in agriculture. Much of the research and extension also targets landowners, and focuses on improvement of physical productivity of resources like land and water, or of such inputs as labour, fertiliser and seed. This needs to be integrated with realities on the ground, and 'solutions' customised to address local needs and distortions.

## **Institutional change in government, donors, and NGOs**

We have demonstrated that government agencies, scientists, academic institutions, international and bilateral/multilateral donors and their consultants, indeed every person or external agency that wishes to work with or for the poor, must be prepared in advance to make significant organisational and attitudinal changes to be able to respond effectively to community priorities. One of the first things to become clear to everyone in our project team was that farmers were not just those who owned land. Almost every household, every woman, child, and animal had an active interest in natural resources. Any technical 'solution' that elegantly optimised one or a few parameters had no hope of working or becoming relevant, especially not for the poor. It follows logically that any programme or intervention attempting to deal with a resource such as land or water needs to recognise all stakeholders and stakes in that resource, and to seek to co-opt as many of them as possible. A multi-disciplinary approach that takes account of market and other ground realities is obviously indicated. There was much resistance to such ideas within the project team. Our project has been only partly successful in bridging internal differences, but has established a trajectory.

Scientific establishments, policy makers and others involved in rural development, poverty reduction and service delivery – government, international and private sector – need to explore new ways to interact with and learn from communities. They need to design their research, and develop programmes, services and products in consultation with communities, and to learn to customise and modify them in response to

emerging needs on the ground, especially the needs of women and the poorest. Our project demonstrates how this can be done on a cost-effective basis. This needs to be compared and synthesised with other experiences.

An important lesson is that large and monolithic organisations need more time to change, adapt and respond to opportunities and rapidly changing situations created by the kind of institutional infrastructure we suggest. There also seems to be an underlying argument in favour of restructuring monolithic organisations. Our project experience suggests that there is a need for substantial institutional change within government agencies, research bodies, bilateral/multilateral agencies, NGOs, and the way they relate to one another. Our experience provides one more illustration that individual learning and change do not lead to institutional learning and change. Widespread learning, change and growth can easily occur within individuals, with little effect on the institution as a whole.

### **Business models for service delivery**

Market-based and government service providers have been slow to respond to opportunities created by the project, mainly due to their own internal organisational infirmities. The banking sector in particular, is yet to respond meaningfully. The absence of institutional finance is a serious constraint that the project team has addressed with very limited success. Many processes initiated by the project are therefore likely to reach a plateau within months.

The project team has sufficient material to further develop and predicate business plans and models for large-scale, for-profit, poverty focused, micro-credit delivery and for certain other kinds of farm inputs and services. Some elements of these future models have been taken up on a commercial scale and are being pilot tested in southern India. Others are being developed by individual project partners.

### **Endnote**

Our project has generated a large volume of quantitative and qualitative data on savings, credit, social aspects and livelihoods of poor communities in Bihar and Uttar Pradesh, most of which remains to be analysed and further developed. This data

is available on demand from Cirrus Management Services Pvt. Ltd., Bangalore (contact [ashokms@vsnl.net](mailto:ashokms@vsnl.net)). The project also leaves in place a range of human resources and experience within communities that is yet to realise its full potential.

As our project nears its end, we are conscious that our experience has many missing elements. Members of our team as well as others who engage with us will no doubt further develop our experience and report new findings and outcomes in the future. A number of independent organisations at local (state) and community levels have spun off, carrying with them the project experience. It would be interesting and useful to observe their work as it progresses.

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