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## Terms and Abbreviations used in this Report

### TERMS :

**Project :** In Myrada parlance, this refers to a geographic unit in which the organisation is working, e.g. Bellary Project, Kadiri Project, and so on.

**Programme :** This refers to a sector of activity, e.g. watershed programme, eco-san programme, and so on.

**CIDOR :** The expansion of this acronym is given in the table below. It refers to the Rural Training Centres established by Myrada at its project locations.

**CMRC :** The expansion of this acronym is given in the table below. It is a federated structure of community based organisations (mainly self help groups) within a defined geographical area that provides a wide range of services to its member CBOs as well as individuals and the community at large. The services are fee-based.

### ABBREVIATIONS :

ADB	Asian Development Bank
APRLP	Andhra Pradesh Rural Livelihoods Programme
APMCs	Agricultural Producer Marketing Committees
ASHA	Accredited Social Health Activist
CBO	Community based organisation
CB	Capacity Building
CDC	Centres for Disease Control Global AIDS Programme
CIDOR	Centre for Institutional Development and Organisational Reform
CMRC	Community Managed Resource Centre
DDP	Desert Development Programme
E.D.	Executive Director
FFS	Farmers Field School
GAP	Good Agriculture Practices
GHG	Green House Gas
GP	Gram Panchyat
GS	Gram Sabha
HIDA	HOPE International Development Agency
IC	(Swiss) Inter Co-operation
ICB	Institutional Capacity Building
ICTC	Integrated Counselling and Testing Centre
IFD	Integrated Farm Development
IFAD	International Fund for Agriculture Development
INM	Integrated Nutrient Management
ISRO	Indian Space Research Organisation

IWDP	Integrated Wastelands Development Project
KHPT	Karnataka Health Promotion Trust
KVIC	Khadi and Village Industries Corporation
KSAPS	Karnataka State AIDS Prevention Society
LEISA	Low External Input Sustainable Agriculture
LIFE	Live with Friends on the Earth
MASS	Mahila Abhivruddhi Mattu Samrakshana Samasthe
MEDOW	Medow Rural Enterprises Private Limited
MFI	Micro Finance Institution
MKVK	Krishi Vigyan Kendra
MSM	Men have Sex with Men
MSK	Mission Sunehra Kal
MYKAPS	Myrada Kaveri Pradeshika Samsthe
NABARD	National Bank for Agriculture and Rural Development
NACO	National AIDS Control Organisation
NGO	Non Governmental Organisation
NRHM	National Rural Health Mission
NWDPRA	National Watershed Development Project for Rain fed Areas
PAQE	Participatory Approach to Quality Education
PLWHAs	People Living With HIV/ AIDs
PRA	Participatory Rural Appraisal
PRI	Panchayat Raj Institutions
RMS	Rural Management System
RRC	Red Ribbon Club
SAG	Self Help Affinity Group
SDC	Swiss Development Cooperation
SGSY	Swarna Jayanthi Grameen Swarozgar Yojana
SHG	Self Help Group
SPIN	Self-help Promoting Institutions' Network
SRI	Systems of Rice Intensification
STI	Sexually Transmitted Infection
SW	Sex Worker
VHSC	Village Health and Sanitation Committee
VSAT	Village Satellite Ariel Telecast
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
UNICEF	United Nation International Children Emergency Fund
WDA	Watershed Development Association
ZP	Zilla Panchayat

# **Director's Annual Report to the Board**

## **April 1, 2008 to March 31, 2009**

### **1. Organisation Overview :**

The past year can be described briefly as the second year in the process of organisational transition, which started in 2007 and will end in 2010. The transition period was required because:

a) Some activities /areas were increasing, other were reducing and phasing out while new ones were emerging. Examples of these activities are: Activities that was increasing were those that capture Green House Gas (GHG) emissions like: Regeneration of degraded forests lands; grazing lands; promotion of an integrated organic strategy to improve soil organic health and productivity; organic farming in which vermi-compost, compost, biomass plantation on bunds, bio-pesticides, bio-fuels bio-fertilisers and LEISA. (Low External Input Sustainable Agriculture) play a major role. Activities that prevent/reduce greenhouse gas release were also enhanced like: System of Rice Intensification (SRI), intercropping and diversification, better management of cowsheds, fuel efficient stoves and collaboration with Companies producing clean energy. A new and holistic approach to sex workers especially minorities and MSMs emerged as well as a strategy to link CBOs with the National Rural Health Program. A whole range of issues arose during the past year related to promoting better governance in Gram Panchayats and in working with Corporates. This required Myrada to review its strategy and to develop guidelines for the future in a participatory manner and to train its staff and CBOs to realise the need for an integrated strategy. The Members of the Board, Project staff and leaders of CBOs were involved; all of them provided feedback as the process was recorded and shared with them from time to time.

b) Myrada is withdrawing from many areas where it had worked for several years and CBOs are emerging with their own mission; this called for Myrada to re-invent its organisation structure and position in the institutional universe it has promoted; Staff had to be re-oriented to understand and work within the new relationships that fell into place during the past two years; problems and issues arising in working relationships during the last year had to be addressed.

c) The Management decided that Myrada's thrust to build institutions and its management model of decentralisation had to be taken to its logical conclusion by encouraging some projects and institutions it promoted to become independent legally. Myrada would continue to support them financially and be present on their Governing Boards for five years if requested. This has resulted in several new Societies and Companies which took time and effort to set up and operationalise during the past year. The Board decided to lend the name "Myrada" to those who would continue to be committed to Myrada's Mission. Alongside a second line of leaders has been identified and nurtured – 17 Junior Project Offices were selected and are undergoing training. They report to the Project Officer but are fully in charge of staff in their area; they have to raise local resources, relate with Bank and Government officials and endeavour to build their programs. They receive all communications from head office and participate in common programs of senior management staff

d) The Executive Director will reach the age of withdrawing from active administrative involvement in Myrada but will continue to support the organisation in several ways; his position will be filled by a new recruit in August 2009. Meanwhile Mr. Meenakshisundaram, the Executive Vice Chairperson has been involved with the organisation over the past one year and has played a key role in the transition period which was critical for a smooth transfer. A sudden withdrawal of the E.D. and an immediate replacement would have caused an “organisational shock” which would have been unhealthy for Myrada. This transition had to be managed delicately during the past year. The Board has decided to split the responsibilities of the member secretary and the Executive Director which were so far handled by one person. The present EXECUTIVE DIRECTOR will become the Member secretary and the new recruit will be the Executive Director.

e) Several international donors like Plan have withdrawn from the South; hence this gap had to be filled, partially at least by resources from local government which independent institutions based in the districts are the best suited to mobilise; hence the decision to promote legally independent institutions in the Districts in accordance with its Mission, fits in with the new roles required from the decentralised and independent Project Units. This also helps to reduce the administrative load of the Head office and reduce costs. However this decentralisation took time since it requires preparation of the staff before and mentoring after the units are legally constituted

f) The pilot experiment of the Community Managed Resource Centres (CMRCs) which are critical institutions in the new institutional universe, was being carefully monitored and mentored by Myrada staff during the past two years; this took considerable time and effort from staff at all levels; it can now be said that the CMRCs are a viable institution where the SAGs are strong and staff committed. The 96 CMRCs that have emerged have responded well to local situations more flexibly and quickly than Myrada has been able to. During the past year those that have become financially viable have been registered as independent societies and were trained to function professionally.

*The CMRCs have attracted the attention of several State Government Departments and NGOs involved in SHG promotion especially in the context of withdrawal. Large projects from Chattisgarh, Jharkhand, Orissa, Uttaranchal, Meghalaya Maharashtra and Tamil Nadu have sent senior staff to Myrada to interact with the CMRCs. Myrada has followed up these visits. In general it finds that Government Programs tend to form federations and to give them major responsibilities (they become another link in the government’s delivery chain) as well as to pay all the federation Staff. This is not a sustainable model. NGOs on the other hand are reluctant to hand over power to peoples institutions; some also have an ideological hang-up that prevents them from allowing peoples institutions to charge for services even after they have worked in the area for 10-15 years and to accept a position where their staff reports to the peoples institution*

**1.1: NOVIB’s core grant played a critical role during this transition in several of the above mentioned areas. For example:**

**a) NOVIB's Support for New Activities:** The Core grant supported new activities for which project funds were not available or because the needs emerged during the year and could not be planned in advance. Examples are: i) to reach out to minorities who are not in the groups; particular attention was given to sex workers from the minority community in four Districts and to sanitation in parts of towns and large villages dominated by minorities; ii) Skills training was provided to take up alternate livelihoods for sex workers who opted for them during the year; iii) to support peoples initiatives which emerged for introducing organic and sustainable farming and land use in cotton, cereals and vegetables; informal institutions were organised and supported to manage production and marketing iv) after the pilot experiment in eco sanitation latrines met with a good response, the demand to spread the model of eco sanitation latrines in other Myrada Project areas was supported; v) software programs were created in the areas of health, agriculture, education for the V-SAT program (where the technology was provided free of cost by ISRO) and for the newly installed FM Radio Station; vi) initiatives to reach out to handicapped and those who are not in the SAGs were supported; vii) marketable and non traditional skills to dropouts and women were provided; viii) roof water collection in houses and schools, recharge of wells and traditional water sources, sub surface dams in dry streams located in acute dry areas which has now been replicated by the Government in Anantapur District were all supported by the Core grant.

**b) NOVIB's Support to set up and mentor new peoples representative institutions like Community Managed Resource Centres and marketing groups, to improve the quality of SAGs and governance in Gram Panchayats:** There are now 96 Community managed resource centres which emerged at different times depending on the decision of the SAGs, Watershed groups and Sex workers groups which came together to set up a CMRC. Some are financially self sufficient, others are on their way to becoming so. The core grant helped these CMRCs to get established and supported them till they became self-reliant. It also supported to improve the quality of SAGs in and outside Myrada Projects. The core grant also supported trainings and exposure to improve the quality of SAGs in and outside Myrada's projects. The major problem in India today is that every group is called a SHG. Myrada has taken the challenge to introduce the original concept of the SAG throughout the country; this will be a priority during the next 5 years. Five marketing institutions were promoted in the control of small farmers/producers; this was done to counteract Government's policy to promote only the Private sector in retain of agricultural products, which were rapidly establishing cartels to control the producers. Programs with Gram Panchayat with the objective of making the GPs manage their affairs transparently and professionally were initiated during the year in several projects.

*From SHGs to SAGs : The SHG movement has spread throughout India, but the quality differs. In some States they are formed by the Panchayat Secretary – the wives of the Chairman and secretary are the leaders, they borrow money from the Bank and lend it outside at high interest rates, in others they receive large grants from govt and are expected to lend; in others Government makes them part of the Public Distribution system. As a result of this dilution, Myrada decided to change the name of SHGs who had been formed on the basis of affinity and who had received the necessary institutional capacity building training to SAGs – self help affinity groups. Myrada and its related institutions together have taken initiatives during the year to bring out clearly what the original concept of the SAG was and to promote it throughout the country. During the year the core grant support a few initiatives to study, assess and publish the original concept of the SAGs and to conduct a few trainings in different parts of the country. Following this APMAS from Hyderabad has taken up a study during the year of Myrada promoted SAGs. APMAS, initial feedback is that the SAGs are significantly different from the SHGs promoted by the Government. APMAS has on it own sent dozens of staff from NGOs to be exposed to the SAGs in Myrada's projects. The groups that join the CMRCs are all SAGs not SHGs. They are not only Myrada's groups but also from Government and other programs; they receive training from Myrada and its group of institutions to become SAGs. Note –all Myrada formed groups have not matured sufficiently to be called SAGs.*

**c) Support to NGOs :** The core grant also helped Myrada to support the new NGO which has hived off namely MYKAPs (Myrada Kaveri Pradeshika Samasthe- see below for details); MYKAPS received core grant funds to support pilot programs in eco sanitation and health and promote marketing linkages for organic products and to support its CMRCs.

**d) Capacity Building :** The Core grant provided funds to conduct training to make people aware of and take steps to combat domestic violence, child marriage, sex selection, to upgrade management skills of emerging leaders like Junior Project officers to cope with new institutional responsibilities. The core grant was also used to train staff and other NGOs how to use the software NAB-YUKTI which is a useful tool to analyse the SAG data to identify trends in loan purposes and sizes in order to make interventions to add value and scale to peoples livelihood choices.

## PART I

### The Repositioning of Myrada

The brief mission statement of Myrada since 1987 is: “Building poor people’s institutions”. This arose from the recognition that the poor, women and marginalised had the right to form their own institutions with their own mission and strategy to achieve it, and that the mainstream and official institutions should recognise them and not insist that they should follow official and standardised procedures and patterns of functioning. Briefly they should not be mainstreamed in order to be legitimised. In keeping with its Mission Myrada promoted thousands of institutions at the base (participative institutions like SAGs, Soukhya groups, watershed area groups), intermediary institutions which were federations of these institutions at the base and finally institutions which took the place of the NGO Myrada.

During 2008-09 , Myrada (after two years of preparation) took the major step of shifting its position from being the Centre of the universe of institutions it had promoted to being one of them, though it continues to mentor these institutions and remains the institution of last resort. Myrada’s policy of decentralising power required to be taken to its logical conclusion – **to make the institutions which it has promoted in the field independent legally**. To begin with, Myrada encouraged one large project in Mysore and all the nine Training Institutions or **Centres for Institutional Development and Organisational reform (CIDORs)** to register as independent bodies with their own Boards. The new society in Mysore which was registered in 1998 is called Myrada Kaveri Pradeshika Samasthe (MYKAPS). All the staff resigned from Myrada and joined MYKAPS. Eight of the nine CIDORs have also registered as Societies. The Myrada KVK is a Trust; the two Non Formal Technical Centres and MASS (an association of Devadasis) are registered as societies and MEADOW (producing ancillaries for Titan and Tanisq) is registered as a Company. Some CMRCs have registered as Societies as they become self-reliant. Sanghamithra a MFI was promoted by Myrada as an independent MFI in 1997; it continues to grow at a steady pace without compromising on its social mission, concern for fair play and good governance.

*Myrada is now a Group  
Of autonomous societies, companies and informal institutions  
Sharing a common vision to promote  
Livelihood strategies, local governance, environment and natural  
resource management, health and education systems through  
institutions designed and managed by the rural poor in an equitable  
and sustainable manner.<sup>1</sup>*

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<sup>1</sup> The diagram depicting the various institutions and their relationships is give in

Which are the institutions in this Group? They can be placed into three categories.

**Category 1: Participative Institutions of the poor and marginalised at the base:**

All of these institutions promote livelihood strategies and activities as well as empowerment, which we define as “discipline to attend meetings weekly, confidence to speak, to take decisions, to take risk and to lobby for change and against any form of oppression”. Their primary objective is “micro empowerment”; the management of savings and credit and of other matters by the group members creates the dynamics required to generate this power. Some of them as they mature focus on providing market linkages, improving the management of water and quality of soil, on promoting sanitation and environmental management; some of them have recently been pro-active in promoting action against domestic violence, early marriage and female foeticide.

	<b>Nos.</b>
Self Help Affinity groups (largely women)	9,253
Soukhya Groups (Sex workers) (largely women)	494
Watershed Area groups (men and women)	428
Organic Farmers Association (Registered) (largely men)	2
Rosemary Oil Farmers Assoc. (Reg.) (men and women)	1
MASS (Assoc of Devadasis) (Reg) (women)	1
MEADOW (a Company engaged in contract work with Titan and Tanisq)(women)	1

**Organisational links of Category 1 institutions with Myrada:** Myrada Staff are not members of the Governing Boards and do not have any position in these groups except in MASS and MEADOW in response to a request from the members.

**Category 2 : Middle level representative Peoples Institutions.**

<b>Community Managed resource Centres</b> (These are registered societies; each comprises 100-120 SAGs, Watershed Area Groups and Soukhya groups)	<b>Nos.</b> 96
<b>Federations of SAGs (cover 10-20 SAGs);</b> these are not registered, they have no office or full time staff, they meet monthly to help the SAGs to sort out any problems and/or to collect data related to loans, repayments, etc.	108
Soukhya <b>Ookutas</b> (Federations of Soukhya sex worker groups at town/taluk level- not registered, no office and no full time staff) <sup>2</sup>	4
<b>Soukhya Samudhaya Samasthe</b> (Registered societies at District level of sex workers in Soukhya groups; have an office and staff) <sup>3</sup>	4

<sup>2</sup> Members have to be recommended by Soukhya groups

<sup>3</sup> Some Soukhya groups are also members of CMRCs

**Organisational links of Category 2 Institutions with Myrada:** Myrada project staff hold two positions (out of 11) on the Board of Management of each CMRC and one (out of 21) in each Ookuta. The others are elected from the SAGs and Soukyha groups respectively.

**Category 3 :** Institutions managed by people who are not the poor but which are totally dedicated to support the poor by providing financial services, Training in institutional building and livelihood skills and in providing technical support. .

Sanghamithra (Section 25 Company)) lends only to SAGs	1
Training Centres (CIDORs)	9
Non Formal Technical Training Centres	2
Myrada Krishi Vigyan Kendra	1
MYKAPs (covers Mysore Dist ; hived off from Myrada in 2007)	1

**Organisational Links of Category 3 institutions with Myrada:** All the above institutions have a senior member of Myrada's management based at Head office as Chairperson and two to four senior staff on the Governing Boards. The Directors of all these institutions (except Sanghamithra) are/were staff of Myrada who are deputed or who have resigned after working with Myrada for over 25 years and been appointed on a new contract.

**Inter Organisational Links:** While the organisational links with Myrada have been mentioned above, these institutions also support one another both organisationally and financially. As far as finance is concerned, all the institutions are committed to raise resources required to support staff and establishment; those which have not reached this stage are being supported by others in the group like Myrada, MYKAPs and Sanghamithra.

*Financial sustainability of all the institutions in the Group has been the objective from the beginning. This has reflected in the NOVIB Core budget. During 2007-2008 the Core budget supported 39 CMRC Managers/Establishment facilitation (Rs.7 million) and 36 Myrada staff (Rs5.8 million). In the core budget proposed for 2009-2010 the number of CMRC Managers has increased to 58, but the amount budgeted has risen marginally to Rs7.4 million since many CMRCs are now paying the managers salary partially. The number of Myrada staff paid by Core grant has come down to 18 in 2009-10 (from 36) and the amount budgeted is Rs 2.9 million ( down from Rs 5.8 million in the previous year)*

**Conclusion:** The core grant from NOVIB played a critical role in enabling Myrada to re-invent itself in order to cope with emerging trends in the field as well as nationally and internationally.

## PART II

### Revisiting the Mission

**1. The following is the Mission Statement of Myrada, the core of which is shared by all the institutions it has promoted with appropriate additions /deletions:**

- *To foster a process of ongoing change in favour of the rural poor in a way in which this process can be sustained by them through building and managing appropriate and innovative local level institutions based on their rights and rooted in values of justice, equity and mutual support.*
- *To recreate a self-sustaining and environmentally clean habitat and the institutions to sustain it, based on a balanced perspective of the relationship between natural resources and the legitimate needs of people.*
- *To promote institutions, strategies and skills through which poor families are able to exercise their rights to develop their livelihood strategies and to secure the rights of women, children, minorities and the marginalised sectors..*
- *To promote convergence in the Panchayat Raj Institutions that fosters effective, appropriate and timely primary health care and education and which addresses the issues related to HIV/AIDS/STIs in a holistic, rights based and sustainable manner.*
- *To influence public policies in favour of the poor.*
- *To strengthen networks and linkages between and among formal and informal institutions that can foster and sustain the impact of development initiatives.*

*The brief mission statement that guided Myrada since 1987 is “Building poor people’s institutions”;it arose from the belief that the poor have a right to craft their own institutions which should not be mainstreamed but recognised by the official system in their own right. Experience indicates that the poor and marginalised can claim in a more effective manner their rights to livelihoods, essential services and to a large extent to gender justice once they gain the confidence and skills to lobby and negotiate through participating in the dynamics created by their own institutions managing finance, natural resources or agricultural and manufactured products; they are then better placed to lobby for change at home and to neutralise oppressive relations in society by federating as in the Community Managed Resource centres.*

*It must be noted that there are two positions related to promoting institutions/groups. One called affinity groups; this focuses on the poor and on women which enables a group to comprise different castes, creeds; these groups are based on affinity among the members and this affinity cuts across religions and castes except where one caste or creed is a large majority. The other position forms identity groups which are based on caste or religion or dalits. Both groups have their respective roles. Myrada’s position is that the groups based on affinity are appropriate to bring people out of poverty in the first and second stage while the second are larger groups and are more appropriate to play a public or political role which is required to sustain their livelihood base and to carve out a political, social (and religious) space for themselves. To jump to the second stage requires ongoing leadership from outside which often exploits the members, creates a dependency, often incites violence and ends with the poor being in a worse situation than before.*

Myrada's mission emerged from its experience in the early 80s that it was largely oppressive power relations in society and in the home that kept people poor and generated unequal gender relations. Myrada realised that it is not enough to teach people to fish when they cannot reach the river due to hurdles created by caste, class, tradition and gender; these hurdles resulted in increasing dependency for livelihoods and loss of land, decreasing access to resources and an inability to accumulate capital and increasing gender discrimination. The Mission also arose from Myrada's experience between 1985 and 1987 especially with the Self Help Affinity groups. This experience indicated that appropriate institutions of the poor - where they could set their own agenda regarding functions, strategy and the pace to achieve it - were the most appropriate instruments to change these oppressive power relations in society and in the home and to open access to resources in a decisive and non-violent manner.

**2. The analysis :** Myrada's analysis of the Socio-Economic-Political structure indicated that our country's policies and administrative network have produced an inner core system which comprises Government (including the Public sector Industry, Government staff and armed forces) and the organised formal Companies in the Private sector that profess to abide by official norms and procedures. This core controls the levers of power and the doors to enter it. There is a circle surrounding the core, which we call the "grey circle"; this grey circle is **created** by the core sector because of the barriers it places in the way of those trying to enter the core, like red tape which restricts access to power centres, entitlements, information, education of choice, like corruption due to shortages and control of energy, public services and resources. The grey sector does not pay taxes; it does its best to avoid payment for the use of public resources. But, on the other hand, it is efficient, recycles waste and provides employment to millions.

There is another circle – the outer circle, which comprises those left behind; these are the poor and excluded." Myrada is involved primarily with this sector. Myrada's experience shows that the poor are excluded from the dynamics of growth that operate in the grey circle and the core sector because of: i) power relations which condition/restrict their access to work and resources, leaving them completely vulnerable to market forces and corruption; these power relations to a large extent neutralise most of the programs intended by a concerned corner of Government to eradicate poverty;<sup>4</sup> ii) faulty designs of the anti poverty programs and schemes which Government promotes with the good intent of lifting the poor up as well as poor implementation due to the all pervading self interest of the delivery system; different subsidies for different marginalised groups also breaks up groups formed on the basis of affinity; iii) a cocktail of risk and uncertainties, which coupled with short term and diverse livelihood activities, makes it difficult for the poor to take the first step out of poverty which requires confidence, skills, a degree of self reliance, the strength of cohesive numbers and the sustainability of their organisations.

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<sup>4</sup> There is adequate evidence to support the claim that a fraction of the funds allocated reach the poor

**3. The Strategy:** What is Myrada's strategy to support the left behind and to enter the grey and core systems. Briefly it intervenes in the three areas mentioned above where the major hurdles lie. Myrada's strategy starts at the bottom. It seeks:

i) to promote people's institutions appropriate to the resource to be managed and to build their institutional capacity to cope with the risk and diversity they experience and to take the lead in lobbying to change oppressive power relations in the home and in society

ii) to change faulty designs of programs and to improve implementation through working in partnership with Government and peoples institutions

iii) on the basis of this experience and collaboration with Government, Myrada endeavours to change policy. Myrada's experience indicates that Government is more willing to initiate policy change on the basis of evidence arising from a program in which Government and NGOs have collaborated. Examples are the policy change accepting SAGs in their own right; acceptance of Watershed Area groups and SAGs(to promote equity) in Watershed Management programs; Reserve Bank of India policy related to Bank loans to SHGs (this policy change had three key decisions: to lend to unregistered groups, to lend to groups without asking for the purpose and without physical collateral) and the recognition and involvement of NGOs in Government programs in design and implementation. Myrada played a key role in all these policy changes; a key factor was that Myrada involved Government and Financial Institutions (like NABARD) in pilot initiatives which proved to be successful and resulted in policy change.

## PART III

### Programs during the year 2008-2009

#### 1. Livelihoods : From Livelihood activities to livelihood strategies :

Myrada assessment of various Government sponsored anti poverty schemes based on loans and subsidies revealed the following: a) the design was limited to provide loans and subsidies only for provision of assets and not for other activities which the poor needed urgently and could use to earn a livelihood like trading, to repay high cost loans from large farmers who held them in “bondage”, to redeem mortgaged lands and assets, to purchase feed for animals, for health and education, to fulfil traditional social responsibilities for which they would in any case borrow at high interest rates etc b) the unit size/cost was standardised which did not fit in a country of such diversity and with diverse needs and resources; c) only one or two large loans for assets – each considered a “viable” unit -were provided which did not fit into the poor family’s livelihood strategy which was made up of several small activities; d) loans were given to individuals who had to go repeatedly to get the loan and subsidy sanctioned and, in most cases, to pay a “bribe” for it.

Myrada learned from experience that people have livelihood strategies which comprise several small activities which they are able to adjust with various other factors that impact on their lives; they cannot integrate into their livelihood strategy one or two large assets based viable activities as Government schemes like the SGSY promote. In the first stage, for the poor, **manageability is more important than viability**. Their choice of activities depends on the potential of family members for various types of work, on caste, religion, the health of the environment, changing expectations of youth who increasingly do not want to be involved in agriculture, the seasonality of livelihood activities in rural areas and their short duration, their need to subscribe to occupations they feel comfortable with, and their need for a degree of security and risk reduction. As a result, these livelihood strategies are made up of several activities, which differ from family to family, The poor have been able to juggle with these diverse factors including situations of scarce resources and food shortages-they are good managers.

It is only people's institutions that can cope with this diversity in the livelihood strategies of individual families. These institutions have to be in the village where the situation can be assessed without any delay and where decisions can be taken quickly and regularly. **The Self-help Affinity Groups emerged in Myrada’s programme in 1984-85 when the cooperatives broke down; they have proved to be the most appropriate institution to support a livelihood strategy.** Examples are given below

**A. The SAGs did not start as credit providing institutions; they emerged because the poor resisted oppressive power.** The SAGs did not start with the objective of providing credit for livelihoods. The cooperative societies organised by Myrada in the early 80s broke down because the members realised that only a few powerful members were siphoning off benefits and using the society for their political aspirations. The members came to Myrada in groups of 10-15 and offered to return the money they borrowed from the Cooperative to Myrada. We suggested that they return it to themselves. They met to discuss the problems they faced from the powerful members in the traditional cooperatives and decided to set up their own groups to discuss their problems and to assist one another to solve them. Myrada suggested that they begin to save regularly in order to cultivate a habit of thrift and to provide the group with capital if the members required money for any purpose; records show that initially they required money for immediate needs like food and clothes<sup>5</sup>. It was only as the SAGs grew in confidence and skills that they emerged as institutions, which provided the support and the space for members to opt for livelihoods. This did not happen overnight. The major features of the organisational structure of the SAGs are:

i) the members are linked by affinity - based on relations of mutual trust and support; ii) they are economically homogeneous; iii) the group members self select themselves; they are not selected on the basis of external designed criteria. However having the appropriate organisational structure is not enough; it is also necessary to support the SAGs to develop adequate organisational and financial systems and the capability to manage them. The experience of taking these decisions and being involved in activities that influence their lives is itself an ‘empowering’ process. The very dynamics of the group which are generated when the members are involved in building and managing these systems and taking decisions, creates ‘confidence’, ‘power’ and ‘management skills’.

Other poor people’s institutions which emerged later were: the a) watershed area groups, which promote and managed all natural resources in a micro watershed in order to improve and sustain agriculture and animal husbandry; they also provided savings and credit facilities b) Soukhya (Sex workers) Groups which started out with the mission to “have safe sex, without oppression – namely without pimps cutting any earnings and without harassment from police and other moral groups”; but within six months they also formed SAGs since they wanted to engage in alternate livelihoods and c) informal producer marketing groups which are participative or membership groups. Later the representative groups emerged like CMRCs and Companies engaged in manufacturing; all are managed by the people.

The SAG groups originally charged much lower service/ interest rates for urgent needs like hospitalisation. Charges for loans taken for tea stalls were comparatively high. In fact the group’s approach was basically to share in the profits of the investment rather than to fix a standard interest rate. This is very similar to the Sharia concept of lending. However as the groups progressed and mainly due to the need for standardised reporting, the tendency was to standardise the service charges for all types of loans. This Myrada considers a retrograde step.

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<sup>5</sup> The growth of the Credit Management Groups, the change of name to Self Help Groups when NABARD provided a grant to Myrada in 1986-87 and the change to SAGs has been described in ‘Putting Institutions First -Even in Micro Finance’ (2001) by the Executive Director

*There are 9747 SAGs in Myrada projects. The number has decreased during the reporting year when compared to last year (9861 SAGs) since some projects have become independent. Of these SAGs, 616 are men SAGs, 9053 women, and 64 mixed and 14 youth. The total number of members is 153,490. A cumulative picture of the 9747 SAGs in Myrada reveals that they have total common funds of Rs 1525 million; of which Rs 727 millions is their savings, Rs 423 millions in the interest earned by the groups by on lending to members. They have cumulatively extended 1.03 million loans worth Rs 3934 millions.*

Myrada has no staff to manage these SHGs. They manage on their own; had Myrada adopted the Grameen Bank model, it would have required at least 700 staff ; their salaries and allowances are now saved and invested by the SAGs for their own livelihoods. After the initial period where finance is required for institutional capacity building for each SAG, the overhead costs are almost nil, since this is not a Banking model where all decisions are made in Banks outside the groups. Secondly all the interest earned by the group remains in it; it is not syphoned off.

## **B. Purposes and patterns in lending by SAGs and a financial statement :**

**Further analysis of SAG data was done during the reporting year with the help of the software NAB YUKTI:** Various details related to loans given by SAGs, Watershed Area groups and Soukhya group are available with each Project and with each CMRC. The output provides details in the following categories:

a) Number of loans outstanding as on March 31, 2007. b) Number of loans advanced by SAGs during the reporting period (April 2007 to March 2008). The cumulative number of loans. d) Loan amount outstanding as on March 31, 2007. e) Loan amount advanced during the reporting period April 2007-March 2008. f) Cumulative amount loaned; g) Loan repaid. h) Loan principal outstanding. i) Interest repaid. j) Percentage of each purpose of loan

Unfortunately the data has not yet been consolidated at the Myrada level as on March 31, 2008. This will be done shortly as soon as the present audit is over.

**Purposes and patterns:** Myrada has used this software to assess the purposes and patterns of lending in all its projects. This analysis helps us to identify trends in loans and sizes and patterns in purpose in order to focus the impact of our development interventions. Unfortunately, as said above, the consolidated picture of Myrada is not yet ready. One sample of Chitradurga project which is attached; it shows that **during the year under review 33% of the loans are given for agriculture and 13 related purposes; 10.8% given for animal husbandry and 9 debt related purposes; 0.51 % for repayment of high cost debts (This is higher in other projects; in Chitradurga these were payed off during past years) 17.5% for household expenses and 6 related purposes; 4.20% for housing (5 related purpose); 5.1% new opportunities ( 2 related purposes ); 28.2% non-farm activities (2 related purposes) ; 0.59% lending to other CBO members. There is generally a similar in most projects.**

Comparison with earlier years shows trends: Loans for food and clothes have declined which indicates that incomes have increased, loans size has increased, there is diversity in the livelihood portfolio and the general picture is that each family develops a livelihood strategy rather than individual activities. The following examples will help to illustrate this finding:

**Examples of Livelihood Strategies: Shree Sitara SAG Chikkajajur, Holalkere Taluk, Chitradurga Dist – Table : 1**

(1) Shanthamma*			(2) Sakamma		
Date of Borrowing	Amount (Rs.)	Purpose	Date of Borrowing	Amount (Rs.)	Purpose
1996	500	Household expenses	1996	500	Education
1996	1,000	Cow Purchase	1996	100	Medical expenses
1996	2,000	Education	1996	445	Medical expenses
1996	3,000	Cow purchase	1996	1,000	Education
1997	3,000	Agriculture inputs	1996	2,000	House repair
1997	3,000	Education	1997	2,000	Agriculture inputs
1997	4,000	Education	1997	2,000	Education
1998	5,000	Education	1997	2,500	Education
1998	6,000	Agriculture land purpose	1998	4,000	Education
1999	8,000	Education	1998	5,000	Agriculture land purchase
2000	11,000	For job in Railways	1999	7,000	Agriculture inputs
2000	15,000	Business	1999	10,000	House repair
2000	325	To purchase SHG uniform	2000	325	To purchase SHG uniform
2001	20,000	For telephone booth	2001	15,000	House site purchase
2003	8,325	Sewing machine (SGSY)	2003	8,325	Sewing machine (SGSY)
2004	35,000	Education	2003	22,000	House site purchase
2004	2,300	LPG for home use	2004	2,300	LPG for home use
2005	1,000	Jewellery loan	2004	40,000	Agriculture land purchase
2006	45,000	Agriculture land purchase	2005	1,000	Jewellery loan
2006	2,000	Jewellery loan	2006	2,000	Jewellery loan
<b>Total</b>	<b>175,450</b>		<b>Total</b>	<b>127,495</b>	
<p><b>Note:</b> Her husband was a sweeper in the railways. After he died in service, the family spent considerable money to see if one of the sons could get appointment in the railways.</p>					

<b>(3) Kausar Banu</b>			<b>*(4) Nagarathamma</b>		
<b>Date of Borrowing</b>	<b>Amount (Rs.)</b>	<b>Purpose</b>	<b>Date of Borrowing</b>	<b>Amount (Rs.)</b>	<b>Purpose</b>
1996	1,000	Trading	1997	2,000	Education
1996	3,000	Trading	1997	500	Education
1997	5,000	Trading	1997	2,000	Education
1997	500	Education	1998	4,000	LPG for home use
1997	5,000	Medical expenses	1998	5,000	Education
1997	300	Medical expenses	1998	5,000	Vehicle loan repayment
1998	4,000	Trading	1999	7,100	House repair
1998	5,000	Trading	1999	8,000	Vehicle loan repayment
1998	5,000	Trading	2000	8,000	Vehicle loan repayment
1999	5,000	Trading	2000	15,000	Vehicle loan repayment
1999	12,000	Trading	2000	325	To purchase SHG uniform
2000	25,000	To release house mortgage	2001	18,000	Business
2000	325	To purchase SHG uniform	2002	30,000	Vehicle repairs
2001	2,000	Education	2003	28,000	Vehicle loan repayment
2002	40,000	House purchase	2003	8,325	Sewing machine (SGSY)
2003	325	Household expenses	2004	2,300	LPG for home use
2003	8325	Sewing machine (SGSY)	2005	40,000	Vehicle repairs
2003	50,000	Agriculture land purchase	2005	1000	Jewellery loan
2004	2300	LPG for home use	2006	2,000	Jewellery loan
2005	58,000	To release agriculture land from mortgage	<b>Total</b>	<b>186,550</b>	
2005	6,000	House repair	<b>*Note:</b> The family purchased a used minibus on loan; she borrowed from the group to repay the loan in instalments and to repair and refurbish the vehicle.		
2005	1,000	Jewellery loan			
2006	2,000	Jewellery loan			
<b>Total</b>	<b>241,075</b>				

Case studies indicate that the member of an SAG requires at least 8 years in a well functioning SAG (or watershed/Soukhya group) during which time he/she takes 15-20 loans totalling between Rs 1.5 lakh to Rs 3 lakh --to put them above the poverty line and give them the confidence, skills, linkages and access to resources to keep them there.

We need to distinguish between ‘asset focused loans’ and ‘loans for livelihoods’. As can be seen from the above four examples. The portfolio of livelihoods is much broader; it goes beyond ‘asset focused loans’ and includes any activity that increases capital in the hands of the poor. Credit for livelihoods includes credit for any activity that increases the capital in the hands of the poor and not just credit that provides assets. In other words, if the poor take loans from the SAG to repay high cost private loans; this must be considered as credit for livelihoods, as capital increases in his/her hands to purchase essentials. If the poor take loans for urgent health problems, this must be viewed as credit for livelihoods as he/she does not have to resort to private lenders and can also return to work and hence capital increases in his/her hands. If the poor take loans for education - is this not for a livelihood? None of us reading this paper would have been able to, unless someone had invested in our education. But this viewpoint is not generally accepted.

### **What role did NOVIB play in SAG in improving the quality of SAGs during 2008-2009?**

NOVIB provided space in all the projects in Myrada it supported for the SAGs to grow. The first SAGs emerged from Myrada in 1984-85. Thanks to the initiative taken by RBI and NABARD to change policy and to establish the SHG Bank linkages program there are today about 4.2 million SHGs in the country. However their quality differs considerably. As mentioned earlier, APMAS a major organisation based in Hyderabad agreed to study Myrada SAGs and found to their surprise that they were entirely different from those in most parts of the country. As a result APMAS is sending dozens of NGOs and SHG to visit Myrada projects.

Myrada decided during the reporting year to focus on improving the quality of SHGs all through India. A number of Staff supported by NOVIB at head office and in the projects especially in Kollegal, Kadiri and Talavadi provided training and exposure to SHGs and NGOs from all over the country.

### **C. Livelihood risk reduction:**

**Reduction of risk through interventions in watershed management:** The major investment during the year was in watershed management including sustainable use of land. Myrada realised that even though people had the skills to diversify and strike a balance between food and cash crops, many continued to cultivate only millets and low grade cereals since inputs costs of other crops and vegetables was high; hence the risk involved in investing in these crops had to be reduced. Even more, the risk of investing in cereals and millets was also high due to erratic rainfall. Therefore Myrada decided to invest in Watershed management, more particularly to build peoples institutions to manage their watersheds in order to reduce the risk. The change in crops after watershed management had stabilised and the impact on incomes and food security has been significant.

During the reporting year watershed works were carried out in 83,169 hectares. 428 Watershed Area Groups were functioning. The following table gives further details. This is a major program of Myrada which supports the poor who cultivate on the upper reaches of dry lands. Cumulatively since the mid eighties, the Watershed Area groups supported by Myrada have brought 156,592 has of dry land under watershed management, planted 10.12 million saplings,

excavated 282 farm ponds and set up 3566 vermi-compost units; 15060 wiers/check dams were constructed and 6 sub-surface dams in the dry beds of streams in Anantapur District to store water in the sand thus reducing evaporation and raising the water levels in open wells along the stream.

**Table : 2**

Locations	Area on which work was done (ongoing and new) in this reporting period (Hectares)	Of which area on which all works were completed within this reporting period	Area on which work is still ongoing at the close of this reporting period	Sources of funds for these watershed programmes
Bellary	2,000	820	1,180	Welthungerhilfe, Germany LIFE, Japan
Chitradurga	14,700	600	14,100	World Bank & Govt. of Karnataka Sujala Watershed Project NABARD,NWDPRA, KAWAD, DPAP Welthungerhilfe, Germany
Dharmapuri	3,377	100	3,277	NABARD CBP + FIP Programme
Gulbarga-Chincholi	4,000	2,362	1,638	Oxfamnovib, NABARD, SDC, IC
Kadiri	12,700	12500	200	Oxfamnovib, APRLP, DDP, HIDA-Canada and NABARD
Kattery	-	-	-	
Kolar	16,492	16,342	150	World Bank & Govt. of Karnataka Sujala Watershed Project, Premji foundation
Kollegal	3,900	440	3,460	Oxfamnovib and NABARD
Mysore (MYKAPS)	11,000	7,188	3,812	PLAN, NABARD, NWDPRA, IWDP
Talavadi-Germalam	15,000	4871	10,129	NWDPRA, Welthungerhilfe
Western Ghats	-	-	-	
<b>Total</b>	<b>83,169</b>	<b>45,223</b>	<b>37,946</b>	

**Table : 3 Number of Watershed Development (Area) Groups project wise**

Locations	Number of Watershed CBOs
Bellary	12
Chitradurga	109
Dharmapuri	23
Gulbarga-Chincholi	17
Kadiri	19
Kattery	39
Kolar	33
Kollegal	62
Mysore (MYKAPS)	94
Talavadi-Germalam	20
Western Ghats	-
<b>Total</b>	<b>428</b>

**D) Adding Value and scale to livelihood products: Experience in the field helped Myrada to realise that** while it is important to add value and scale to people's products, the technology, management and marketing introduced should not be of such a high level that it requires high cost professionals to manage them. Such models may attract media attention, but they need large subsidies over long periods to survive; further they are vulnerable to professionals leaving the institution and to tensions between professionals and the producers. Myrada learned that while adding scale and value, care should be taken to ensure that people can manage the technology and marketing on their own with adequate training and some help from outside in the initial year or two. If a higher level of technology and management is required, it is more sustainable to link the producer with a private company or in the case of marketing of agricultural products with institutions like SAFAL<sup>6</sup>. Examples of adding scale and value in Myrada's projects are several. However six case studies were published recently by the Livelihood School. These case studies are attached.

**E) Marketing strategies** are another critical component to support sustainability. Myrada believes that marketing of agricultural and horticultural produce cannot be left wholly to the private sector. People's institutions resembling producer companies/cooperatives, which are linked to markets locally and regionally like SAFAL, are required in various parts of the country. The APMCs<sup>7</sup> may not be reformed or abolished due to pressure from strong vested interests, which keep the farmer far away from the market. Experience during the past 30 years shows that Government finds it easier to allow new and competitive systems and structures to emerge rather than engage in sectoral reform. This, in all probability, will also happen in the area of marketing of agricultural and horticultural produce. But Government needs to provide space not only for the private sector to enter retailing which has been the focus during the past few years (Myrada believes that this approach will not protect farmers interest in the long term) but also to promote and invest in institutions like SAFAL strategically located all over the country. Myrada's experience during the reporting period indicates that informal groups of farmers with the same product are emerging in the CMRCs in order to access markets in bulk and to cut costs; alongside Producer Associations and Cooperatives handling non-perishable commodities are also emerging. Myrada and the CMRCs will encourage these informal and temporary groups and support them to set up formal institutions if they wish to do so.

During the year Myrada and the CMRCs promoted several informal marketing groups. The six case studies attached are all supported by marketing groups. In fact in many CMRCs a few producers come together to market their vegetables together; these groups are informal and flexible; they change when the product changes; they have no regular overhead costs. There are other examples of aromatic oil extraction groups which have established market links through an NGO HOPE, and organic farming groups which are not in the case studies.

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<sup>6</sup> SAFAL fruit and vegetables auction market, a brain child of NDDB, operates outside the purview of the APM Act. Located in Whitefield 25 kms. from Bangalore, it comprises cold storages, auction halls and other support services. Business Associates participate in the daily auction. Transparency, fair competition, standardisation, quality assurance, hygiene and efficiency are the defining characteristics of this major unit, which balances the influence of the private retail sector. )

<sup>7</sup> Agricultural Producer Marketing Committees

During the year Myrada learnt that while it is important to add value and scale and to people's products, the technology ,management and marketing introduced should not be of such a high level that it requires high cost professionals to manage them. Such models need large subsidies over long periods to survive; further they are vulnerable to professionals leaving the institution and to tensions between professionals and the producers. Myrada learned that while adding scale and value, care should be taken to ensure that people can manage the technology and marketing on their own with adequate training and some help from outside in the initial year or two. If a higher level of technology and management is required, it is more sustainable to link the producers with a private company or in the case of marketing of agricultural products with institutions like SAFAL.

**F. Farm and Non-Farm Livelihood skills Training :** Myrada has not only provided skills raining to help farmers to diversify agriculture, to introduce new crops to increase value and scale of farm products but also provided training in nonfarm skills which have a market. Myrada has taken the lead in promoting two Non Formal Technical Training Institutes (in Hosur and Hannur) with their own management to cater to school drop outs, those who have had to discontinue before the 10th std. and those who do not want to continue in agriculture or cannot because of small holdings. These Institutes work closely with the private sector to identify which courses have a market. Priority is given to children of the poorest and marginalised families especially from landless, tribals, dalits and broken families.

The number of people/youth trained during the year is given below:

**Table 4 :** Number of persons who have completed training - Skill for employment :

<b>1) Non Farm Livelihoods Activities</b>			
Computer operation	784	Catering	3
Tailoring and garments skills	1325	Bricks making	6
Incense stick rolling	209	Cable operator	4
Motor rewinding	23	Plumbing	1
Welding and fitting	18	Stationery	3
Two wheeler Mechanics	7	Embroidery	62
Electronics/electrical	137	Weaving	19
Carpentry	40	Watch repair	2
Driving	295	Cycle shop	3
Photography	5	Grinder/Mixer repair	13
Cell phone Servicing	22	Terracotta	30
Automobile mechanics	15	Bamboo Products	2
Making food products	25	Fashion design	35
Beautician course	110	Banana fibre	25
Television servicing	4	Marketing	79
Auto driving	18	Power tiller	20
<b>Total</b>			<b>3344</b>

<b>2) Intervention to increase value, scale of farm products</b>		<b>3) Intervention to diversity of farm Activities</b>	
Areca peeling machine	3	Nursery raising for sale	24
Areca leaf plate making	30	Vermi-compost production units	13
Maize peeling machine management	8	Floriculture	114
Millet powder making and packing	4	Tea cultivation	221
Ragi powder making	3	Organic Farming	139
Pickle making	220	Med//aromatic herbs cultivation	292
Grain Cleaning machine	1	Mushroom cultivation	74
Fruit & Vegetable Processing	119	INM in vegetable cultivation	68
Processing groundnut	135	Wheat Cultivation	17
Bio-products from ragi	265	Garlic Cultivation	13
Tomato processing	54	Animal Health Promoters	26
Organic vegetable marketing	15		
<b>Total</b>	<b>857</b>	<b>Total</b>	<b>1,001</b>

**G. Linkages with the Private sector to support livelihoods:** Linkages have been established with the Private Sector involved in marketing, manufacturing, construction, garments and energy . Myrada has established linkages between the private sector involved in these sectors and the CMRCs/SAGs/Companies. Examples of these linkages which continued or were started during the year are; i) with ITC for organic tumeric, corriender and chillies; ii) with Appachi Mills for organic cotton; iii) with SELCO to promote solar energy; iii) with several small companies to market stitched garments, agarbattis and other household products emerging from the initiatives taken to add value and scale iv) with ACC to train drop outs in nonfarm technical skills. In the past Myrada has helped to establish linkages with Titan watches (this agreement is now 12 years old) and Tanisq Jewellery (which is 2 years old). Both these initiatives are managed by MEADOW, a company promoted by Myrada but managed entirely by women engaged in these activities.

**H. Insurance** is required to lower the risk of losing assets as well as to cope with sudden death. **A total of 98,547 poor people have taken out life insurance policies with the help of the CMRCs** with Birla Sun Life Insurance Company Initially poor people were reluctant to pay premium,. They agreed to a policy which Birla Sunlife offered where they got their money back after three years with a small bonus. Now many have renewed their policy at higher premium. The Government sponsored insurance companies have also established linkages with the CMRCs for health insurance. The State Governments are now subsidising the premium for health insurance and also adding additional incentives for school fees. All livestock purchased from loans from SAGs are insured as a rule by the CMRC; Myrada does not have the consolidated figures. However our records show that during the year the CMRCs helped 31709 people and animals to get health and life insurance while they supported 403 to settle insurance claims

## **I. Inclusion of the poor who are not in the people's institutions promoting livelihoods and of minorities :**

There are many landless, minority members and near landless who are members of SAGs, Soukhya groups and even of Watershed Groups. But there are also many who are not members for a variety of reasons ranging from those who feel marginalised like sex workers, or unwilling to abide by the discipline required to be a group member to those with livelihood strategies which make it difficult to attend regular meetings since their move from place to place. The old and disabled are other categories which hesitate to join these groups since they focus on livelihood activities which they are not able to take up, though several disabled are members and avail of credit for activities which they can adopt.

Myrada does not impose an institutional strategy on all the poor and marginalised. Many of the aged widows, handicapped opted for pensions which the CMRCs helped them to get from Government. During the year 1200 persons in the categories were identified and pensions arranged.

Myrada also noticed that many sex workers from the minority communities did not easily come out and form Soukhya Groups. A special effort was made to mobilise these sex workers supported by staff drawn from their communities. Today the number of sex workers in Soukhya groups from the minority communities is over 50% which also indicates that there is a higher level of poverty and other family problems in these minority communities

Myrada Chitradurga project took up a pilot initiative to identify those "left behind and to support their decisions to meet their specific social and livelihood needs: A brief note is given below:

*The initiative made in Chitradurga during the previous year to pilot a program to identify those "left behind" has grown significantly during the year. In Chitradurga District 9629 poor and challenged were identified who are not in the SAGs. They include: Landless labourers 3363. These formed groups but decided not to have compulsory savings or regular weekly meetings. However, as months passed, their meetings and savings are becoming more regular. The others included: Blind 298, physically handicapped 889, widows 2172, deserted 819 and old age 883. These did not want to form groups only of the blind or challenged; they formed groups in which there were members from all groups who supported one another. Some groups are also adopted by one regular SAG. Their major concerns initially were for sharing of problems, how to tackle harassment in the home and how to avail Government entitlements. Some groups started to save and to lend. Myrada and the CMRCs helped them to get their entitlements and to make linkages with Rotary and other Social Service organisations in the District who provide funds for food etc. The Mentally challenged have not formed groups; but are looked after by the regular SAGs; funds are being given to them by SAGs for food when they meet. A study on this initiative entitled "Community Initiatives to reach disabled and marginalised people in Chitradurga District" has been made by Philip Huggenberger*

**Inclusion of issues in the private domain related to women:** While the SAGs play an important role in empowering poor people through the dynamics created in the process of decision-making, they do not take the lead to address all problems if left to themselves. For example there are more examples of SAGs uniting to challenge underage marriage and devadasi consecration which are in the public domain than in sex selection and domestic violence which lie in the private domain. Myrada 's experience during the last year indicates that it has to be proactive in raising these gender related issues related to the private domain at SAG meetings; the CMRCs are beginning to share this role.

## 2) Environment and Natural Resources Management :

Part of Myrada's longer Mission statement reads: "To recreate a self-sustaining and environmentally clean habitat and the institutions to sustain it, based on a balanced perspective of the relationship between natural resources and the legitimate needs of people". Recognising the negative impact on livelihoods of the poor posed by climate change due to greenhouse gas emissions and increasing environmental degradation, Myrada has taken several initiatives to augment natural resources both to capture and reduce carbon emissions and to build institutions which can manage these initiatives in a sustainable manner. Climate change will impact on livelihood strategies since most of the poor are in the agricultural sector. Countries like India where temperatures already tend to be close to crop tolerance levels will be affected if temperatures rise. The priority of the poor is the preservation and regeneration of water bodies/sources, soils, forests, wasted lands and pastures because these resources have a direct and immediate impact on food security and livelihood strategies. The regeneration of these resources will build both a sustainable livelihood base for the poor as well as increase the potential for carbon capture. Hence Myrada has focused on sustainable and equitable management of these resources through appropriate activities and peoples institutions.

On the other hand, action to reduce the impact of greenhouse gas emission (GHG) due to the dominant use of fossil fuels does not strike a chord in the rural poor with whom Myrada works. Energy related carbon dioxide emissions are largely the result of the life style of city consumers, which needs to be addressed by other strategies promoted by a network of institutions in which Myrada is also involved.

During the year Myrada has promoted both the following activities to capture carbon in rural areas as well as people's institutions appropriate to manage and sustain them:

**A. Participative Integrated Watershed Management :** The 428 Watershed Area Groups planned and managed implementation. Maintenance of structures is divided between individual farmers, area groups and the Gram Panchayat. In all these watersheds, waste lands were regenerated or reforested, agro forestry and horticulture were taken up, Soil organic health was built up by biomass, vermi-compost and integrated pest and nutrient management. Bio pesticides (like panchagavya) were introduced and are spreading Overall the strategy adopted a low external input sustainable agriculture approach or LEISA. These inputs reduced soil erosion, improved water percolation which helped crops to survive during gaps in the monsoon, reduced soil salinity, built up organic matter in the soil and increased tree cover. The objectives of this integrated approach were to build a sustainable base for livelihoods of the poor which was the motivating factor as far as the poor were concerned; the spin off effect was to increase the potential for carbon capture both through increased tree and vegetative cover and increased organic content in the soil. It is difficult to consolidate all the data from the Projects related to physical inputs in participative integrated watershed management. However, one example of the Kamasamadram project is given below. The activities are similar in other projects

**Table : 5** Examples of the major physical activities during the reporting year in watersheds with the objective of “making the water walk” by soil conservation measures thereby reducing erosion, increasing percolation and building up a soil base. These major activities relate only to Kamasamudram Project:

Biomass production	30,000 plants
Gully Checks	21 Nos.
Boulder Bunds	100 Rmt
Gokatta (water spots for cattle)	10 No.
Silt application	10 Ha.
Bund revetment/stabilisation	375 Rmt.
Nala revetment/stabilisation	598 Rmt.
Compost Pits	10 Nos.
Mulching	05 Ha.
Field Bunds	7677 Rmt.
Nala Bunds	1 no.
Boulder Bunds	41 Nos.

**Table : 6** Treatment activities during the year with the objective of improving organic content and overall quality of the soil; with the objective of “bringing the soil back to life” are the following: **On Farm Technology to promote soil quality to increase productivity, organic content of soil and carbon capture**

Vermi-composting - units	432	Agro Horticulture - ha.	637
Composting – units	107	Forestry - ha.	140
Panchagavya (organic growth promoter and pest control)	77	ELS - Cotton through LEISA - ha.	100
Bio-fertilizer application., - farmers	19	Vegetables - Green house – units	20
Integrated Pest Mgmt - 17 farmers	17	Crop demonstration - ha.	11
Neem Cake application - 35 ha.	80	Inputs for front line demo - ha.	607
Eco Sanitation waste - homestead gardens	173	BSWR 736 Tur variety - ha.	300
Citronella under LEISA - ha.	36	FFS - LEISA Technologies - Nos.	400

*Myrada believe that unless the rural environment is managed in a way in which it can support sustainable livelihoods, a crucial link in the strategy to eradicate poverty on a permanent basis is missing. Myrada believes that the present growth rate fuelled by excessive consumption cannot be sustained without eating into environmental/natural capital. At the present rate of consumption where natural capital is over exploited and not given adequate time to regenerate, the poor will find it more and more difficult to rise out of poverty as their livelihood support base consisting of natural resources become polluted scarce and un-productive.*

**B. Activities that prevent/reduce greenhouse gas release:** Examples are : System of Rice Intensification (SRI), intercropping and diversification, promotion of carbon assimilating crops like maize, finger millet and horse tail millet, fuel efficient stoves, biogas plants, and cooperation with SUZLON a wind energy company with the objective of ensuring that the spaces that local people require for grazing sheep are not taken over by wind farms as well as to ensure that every family in nearby villages have power connection with SELCO for solar energy lights. An initiative has also been taken to improve the management of cow sheds. In the first phase 107 cow sheds have been re - modelled to ensure rapid flow of waste and collection and supply to biogas units

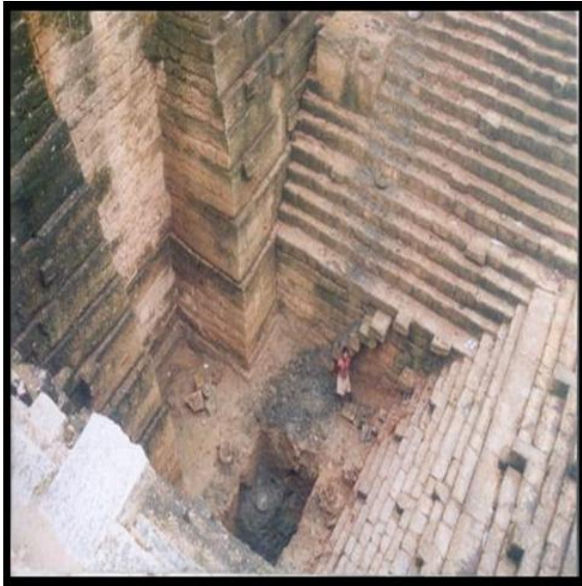
*Myrada is convinced that lack of access to clean energy is a major obstacle to those struggling to rise and stay above poverty. Without adequate supply of clean energy, which can be tapped on call, the majority of the poor will not be able to take a major step to exit the circle of the left behind. They will also be forced to use fuels which contribute to carbon emissions and to deplete forest cover. The lack of access to energy required to diversify from agriculture into non-farm occupations is a major hurdle to those struggling to expand and diversify their livelihood strategy. The energy sources will have to be several, including wind, solar, nuclear, hydro and above all innovations, which will have to come from the private sector within the framework of a supportive government. But unless they are efficient, clean and provided quickly the number of those left behind will increase rapidly as they will not be able to become self employed or link up with the private sector in a productive manner; the exploitation of natural resources to sustain livelihoods will also increase. The EXECUTIVE DIRECTOR was present at an SAG meeting where two women (who had taken Rs 25,000/- loan to buy and set up a mixing unit to make idli, vada and dosa since there was a demand for these breakfast foods) returned the amount of Rs 25,000/- When the EXECUTIVE DIRECTOR asked why they are returning this money, they said that they could not go ahead since they were asked to pay a bribe of Rs 20,000/- to get an electric connection. Without energy on call, such examples are multiplying.*

**C. Conservation and regeneration strategies/technologies:** Myrada has focused on regeneration of traditional water sources like village ponds, Kalyanis (large step wells constructed centuries ago—picture attached below –before and after) , open wells which have remained dry for several years. These have been recharged by i) cleaning debris accumulated at the bottom; ii) organising people to clean and clear surrounding water drainage channels which were blocked due to waste dumping and in some cases constructions, by digging re-charge pits at some distance from the well and in cases where the open wells were in the middle of the village by channelling roof water from several large roofs directly in to the well. A major program of roof water harvesting has also been taken up. Steps to mobilise awareness to use a scarce resource like water more efficiently through drip and sprinkler irrigation and SRI as mentioned above were taken.

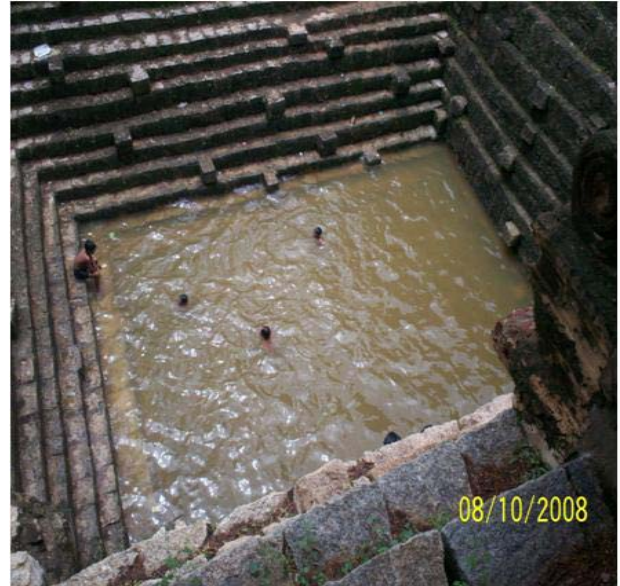
### **Roof Water Harvesting**



**A view of Kalyani – Before rejuvenation**



**Water level after 2 years of clearance**



**Sub surface dam**



**Sub surface dam**



## **D. Management of Natural resources in Towns:**

During the year Myrada was approached to take up programs related to supply of adequate water and management of waste water and sanitation in a large town called Mulbagal which is situated in the area where Myrada is working in the villages. Myrada has had experience of organising people to manage solid waste and sanitation in small towns like Badkal (inhabited largely by the minority community), Ankola and Karwar in collaboration with the Government of Karnataka under an ADB program. Some learning from this experience has helped us to start in Mulbagal.<sup>8,9</sup> Myrada's objective is to promote appropriate institutions to manage domestic water supply, to recycle waste to reduce carbon emissions and to promote biodiversity as well as to stop waste from flowing into lakes surrounding Mulbagal.

## **3. Health and Sanitation :**

### **A. Health domain:**

Though the Government has raised the target for public expenditure on health from below 1% to 2-3% of the budget and floated the National Rural Health Mission in 2006-07, the impact on the ground has still to be seen. Even with this increase, there is little evidence that the Government system can cope with even the basic/primary health care needs of the middle class, much less of the poor. The quality of service in the public health care system in rural areas is poor and declining. The results? A policy note<sup>10</sup> indicated that 74% of the poor, especially women, are accessing private health care services (Ayurvedic, Unani, Siddha, Homeopathy and Allopathy). This is confirmed by Myrada's analysis of the purpose of loans taken by members of SAGs who are poor; this analysis shows an increasing number of loans of larger sizes being borrowed for health care largely accessed from the private sector. The reasons? The practitioners in these sectors are close by, available 24/7; spend time with the patient (client). Data in the policy note referred to shows that maternal and infant mortality is lower in the private health sector than in the public. The poor have to pay for health service not only in the private sector but also in the public sector. Hence their choice is obvious. The problem with the private sector is that it is not regulated; hence practitioners range from quacks to qualified persons, quality varies and there is no upgrading of medical technology information through continuous medical education. Myrada is motivating the Gram Sabhas, Village health and Sanitation Committees CMRCs and SAGs to take on the role of ensuring that private practitioners do not fleece the poor or dispense sub quality medicines.

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<sup>8</sup> Watershed Management Projects are being supported by NABARD, NOVIB, GAA, HIDA/CIDA, and Inter Cooperation and by the World Bank. The Premji Foundation of WIPRO is one of the few Trusts funded by Corporate, which has entered into the watershed management Sector. Mrs Yasmeen Premji has taken this initiative.

<sup>9</sup> A pilot project in Mulbagal, Kolar District, has just begun with the financial support and active collaboration of Arghyam a Trust financed by Mrs. R. Nilekani wife of Mr Nandan Nilekani of INFOSYS. This is a new venture involving Government, NGOs, peoples Institutions and staff of Arghyam

<sup>10</sup> by Ismail Radwan sponsored by Department. of International Dev.U.K and The World Bank 2005

**B. Integrated and holistic intervention with sex workers:** During the past four years Myrada has emerged as a major intervener in HIV/AIDs prevention with high-risk groups (male and female sex workers) in rural towns and villages, first in partnership with Karnataka Health Promotion Trust (KHPT) in 4 Districts and later with the Centres for Disease Control (CDC) in 6 Districts; the program includes collaboration with and Technical support to Karnataka State Aids Prevention Society (KSAPS).

During the last year Myrada made a serious effort to work with these high risk groups in an integrated and holistic approach which does not reduce women to one dimension - namely that of a sex worker who must be prevented from contracting or spreading AIDs. This single point approach to deal with women only as sex workers who are high risk in terms of contracting/spreading HIV/AIDs - was being adopted by Government (with the intention of rooting out HIV/AIDs) and Myrada decided last year to take it head on. The resulted in several conflicts with official organisations like KHPT, KSAPs and even at the national level.

One major issue for example which came up during the reporting year was related to livelihoods which the official agencies exclude from the program. Myrada interviewed sex workers and listened to their comments during the Soukhya group meetings. All of them came sex workers because of the men in their lives –some had run away with a boy when young and were left deserted and could not return to family and village, others had husbands who were sick, did not work etc. None of them felt “good” about what they were doing and therefore refused to go out and proclaim that they were sex workers as some city rights groups wanted them to do. Further none of them wanted their children to follow them. When Myrada started work with them we identified them as “sex workers” because that was the strategy of the Government program. However after 4-5 years they are clear that “We are women first”.

Myrada promoted programs in which the design involved the sex worker groups in governance and provided them with the space to set the agenda for their own lives and livelihood choices. While the sex workers decided that their mission was “ to be free to practice safe sex, without oppression (no cut in income) and without harassment (from police etc)” , they also opted openly after about six months in the program, for training in alternate livelihood skills, for being mainstreamed into their village and family and to educate their children.

During the last year Myrada supported them in these areas much against the limited and restricted approach of official government organisations involved with HIV AIDs prevention. The CDC Program, however, provided space during the last year for the sex workers and NGOs to evolve their own strategy and therefore is more in line with Myrada’s approach. However of late CDC is also saying that their NGO partners need to align their approach with the approach of Official State and National Organisations which once again reduces the space for institutions of sex workers to get involved.

The NOVIB Core grant helped the sex workers especially those from minority communities to acquire new livelihood skills while Sanghamithra the MFI set up by Myrada advanced loans to the Soukhya groups ( since no Banks are willing ) so that each member who had acquired skills could invest in a livelihood. Myrada and the CMRCs are assisting with marketing of products.

## UPDATE ON MYRADA HIV AIDS PROGRAMMES :

### Current status and the Future

Myrada has expanded its work in HIV AIDS over the past 4 years. Currently, (March 2009), its programmes include: **Table : 7**

District	Programme name	Focus on	Coverage area	End date	Supported by
<b>CURRENT PROGRAMMES</b>					
<b>Gulbarga</b>	Myrada Soukhya project	Urban female sex workers and MSMs	All 13 towns of Gulbarga district	March 2011	KHPT Avahan Sankalp
	Myrada Samastha project	Rural sex workers, PLHAs and families	153 high risk villages in 6 taluks of Gulbarga	September 2011	KHPT USAID
	Myrada CDC project	Rural populations; VHSC; GPs; PLHAs	60 high risk villages in 2 taluks of Gulbarga	March 2009 – will be handed over to Samastha	CDC
<b>Bellary</b>	Myrada Soukhya project	Urban female sex workers and MSMs	11 towns of Bellary district	March 2010	KHPT Avahan Sankalp
	Myrada Samastha project	Rural sex workers, PLHAs and families	117 high risk villages in 4 taluks of Bellary	September 2011	KHPT USAID
<b>Chitradurga</b>	Myrada Soukhya project	Urban female sex workers and MSMs	8 towns of Chitradurga district	March 2010	KHPT Avahan Sankalp
	Myrada CDC	Rural populations; VHSC; GPs; PLHAs	52 high risk villages in 1 taluks of Chitradurga	September 2008 – now a C district ; strategies to change	CDC
<b>Kolar</b>	Myrada Soukhya project	Urban female sex workers and MSMs	6 towns of Kolar district	March 2009	KHPT Avahan Sankalp
	Myrada CDC	GPs and VHSCs	100 GPs area	September 2008	CDC
<b>Chikballapur</b>	Myrada Soukhya project	Urban female sex workers and MSMs	6 towns of Chikballapur district	March 2009	KHPT Avahan Sankalp
<b>Chamrajnagar</b>	Myrada CDC	Rural populations; VHSC; GPs; PLHAs	125 high risk villages in 4 taluks of Chamrajnagar	Sep 2010	CDC
	Myrada KSAPS	Urban female sex workers and MSMs	4 towns of district	March 2012	KSAPS
<b>Bidar</b>	Myrada CDC	Rural populations; VHSC; GPs; PLHAs	125 high risk villages in 4 taluks of Chamrajnagar	Sep 2010	CDC

District	Programme name	Focus on	Coverage area	End date	Supported by
	Myrada KSAPS	Urban female sex workers and MSMs	2 towns of district	March 2012	KSAPS
<b>Mandya</b>	Myrada CDC	Rural populations; VHSC; GPs; PLHAs	100 high risk villages in 7 taluks	Sep 2010	CDC
<b>Kodagu</b>	Myrada CDC	Rural populations; VHSC; GPs; PLHAs	100 high risk villages in 3 taluks	Sep 2010	CDC
<b>Belgaum</b>	Myrada CDC project & MASS	Rural populations; VHSC; GPs; PLHAs	125 high risk villages in 2 taluks of Belgaum	March 2009 – will be handed over to Samastha	CDC

### **INNOVATIONS IN HIV AIDS which contributed to policy and design change of official programs**

1. Initially KHPT (which is a Government sponsored Society) did not agree to forming groups. Myrada explained that the mission of sex workers is to have safe sex, to prevent others from taking part of their earnings and to avoid harassment; this required them to get organised since oppressive power which underlie these three problem areas relations had to be changed. Initially KHPT was reluctant, but later went along. These Soukhya groups are today the basis of long term sustainability of the impact. They have morphed into savings and credit groups to promote alternate livelihoods.
2. Comprehensive rural prevention and care strategy: Myrada insisted on a strategy which considered the sex worker as a person who has a right to be accepted in their families and village and one who needs all round support related to health and livelihoods and not just to avoid HIV/AIDS. This was finally adopted.
3. Instead of setting up Drop in centres which were promoted by KHPT and are high cost to maintain, Myrada trained local doctors to treat sex workers. This made the program sustainable. Myrada introduced the practice of levying a small charge for all condoms which the Soukhya groups gradually increased; this making the program sustainable.
4. Myrada developed a Youth curriculum for in college and out of school youth and a Training manual for gram panchayat members which is now being used by KSAPs
5. In the CDC program Myrada has been able to effectively demonstrate a sustainable cost effective strategy to implement the link worker program. This experience was shared with other partners such as KSAPS, UNICEF, NACO, APAC and Avert Society

<b>Myrada HIV AIDS Programme : Table : 8</b>						
	<b>FSWs</b>	<b>MSMs</b>	<b>PLHIV</b>	<b>OVC</b>	<b>Total</b>	<b>HIV+ SW</b>
Soukhya programme- including Chamrajnagar	14,353	3,099			17,452	499 (2.86%)
Samastha Link worker	1,398		733	681	1,398	
CDC Link worker	4,174		1,553	400	5,727	
	<b>19,925</b>	<b>3,099</b>	<b>2,286</b>	<b>1,081</b>	<b>24,577</b>	

Another large gap in the health sector is the focus on environmental sanitation and hygiene. Myrada has made serious attempts to integrate these issues into its existing programs given that water borne and air borne diseases are the biggest cause of mortality in the country. During the year 694 toilets were constructed many in the eco san model where the waste is used for gardens and agriculture. This brings the total number of toilets constructed on a grant and loan basis to 35,608. Similar initiatives were taken to provide safe drinking water through awareness creation and provision of drinking water systems at village level. During the year 52 water systems were constructed bringing the total to 4597.

Whole villages were motivated to become open defecation free and to maintain public drainage systems. Four villages in Myrada won national awards during 2008-2009 for becoming public defecation free and public sanitation. These served as good example for other villages which visited them and decided to follow their example.

**SAN SIP Program: Myrada is one of the core group members of the SAN SIP Project which is supporting all Netherlands funded NGOs to set up workplace policies in their organisations for HIV AIDS prevention and care. Myrada already has a work place policy in place since 2005**

**C. Promoting Peoples Institutions and convergence in health delivery at GP level:** During the year Myrada took initial steps to raise awareness in basic health care including nutrition through the SAGs, Soukyha groups, CMRCs and Gram Panchayats. In addition, Myrada invested in capacity building of the Village Health and Sanitation Committees (VHSC) as the lead institution in health care at village level within the framework of the National Rural Health Mission. One of the objectives of this Mission is to build the capacity of institutions managing and delivering health care.

During the year Myrada started discussing with government to make the membership of the VHCS more inclusive by including SAG/CMRC members. Support for the ASHAs (accredited social health activists) will be mobilised from the CMRCs/SHGs and their skills periodically upgraded. Myrada is also intervening through the SAGs and VHSCs in improving the governance and service delivery of the Sub Centre Health Advisory Committees at Gram Panchayat level, the Arogya Raksha Samithies at PHC level and in the District Health Mission. Since the strategy is to involve people's institutions, Myrada hopes that the NRHM will adopt a management model in which Government, NGOs, PRIs and Peoples Institutions share the powers, finances, responsibilities and risks as partners in governance.

## 4. Education domain :

Myrada has been involved in education in all its projects. Under the Plan supported projects Myrada provided direct support to children and youth, This program has now come to an end, Totally 206,800 children have benefited in all Myrada project areas. They have received basic secondary and college education. Several have gone on to become doctors, engineers, nurses and government employees. 1612 Schoolrooms have been provided, and 165 schools have been equipped with drinking water systems; 222 schools have been fitted with rain water harvesting systems. Myrada has invested in providing supplementary teachers in short-staffed primary schools, infrastructure, and tuition centres for SSLC candidates, teachers training in joyful learning and in strengthening of School Management Committees.

There have been major interventions in the educational field by Government in recent years, including the declaration of the fundamental right to education. However children are leaving the Government primary and secondary schools and joining private English medium schools. In Maharashtra and Tamil Nadu the number of private schools is higher than government schools. In Andhra the private schools are catching up fast; the gap is only 2 lakh which will be closed in a year or two. In Karnataka however, the number of private schools is only half of Government since the Government policy does not recognise English medium schools at this level.

*The Executive Director visited several schools in HD Kote which were supported for over 18 years by Myrada. He found that the facilities which Myrada had provided were well maintained: rooms, compound wall, trees, and toilets for boys and girls, drinking water systems. But the children present were only from broken homes and very poor. This was consoling. But where are the children from families which are not so poor?. They were all in private schools. He found a bus taking these children to school. Each child paid Rs 120 per month for the bus. From where did, the money come? From a loan taken by the mother from the SAG. The private schools had no toilets; each child brought a bottle of water. Why were they here instead of in the Government school? Because this school taught a) English b) maths and c) Computers. And the teachers stayed throughout the day in school; whereas in the Government school they came late and left early*

Myrada is not clear what its approach should be in education next year. It will however continue to organise School betterment committees comprising teachers, Panchayat raj members and elders; it will provide education in English maths and computers through its V-SAT program as it did this year (report below).

## 5. Governance :

**A. Working with Gram Panchayats:** Myrada's approach to governance arises from two beliefs which are confirmed by experience in the field: i) That the quality and provision of essential services like health and education and of greater and equitable access to resources for livelihoods by the poor will not improve unless governance improves and ii) governance of delivery services at present is dominated by Line Departments and political decisions at State level; this structure has become increasingly inefficient and corrupt especially at the middle and lower levels but increasingly at the higher ones management and delivery of these services needs to be shifted to the lowest tier of governance recognised under the constitution namely the Gram Panchayat where there is more chance of demanding and obtaining transparency and better management. Myrada, therefore has decided to focus on improving governance at the level of the Gram Panchayat.

The Government at the Centre and in some States like Karnataka are encouraging a greater role for the Gram Panchayats. Funds are flowing into the GPs. But the control of services still remains with the Line departments. Further the Grama Sabha do not have an Executive who can manage its affairs and staff; they also do not have a qualified and full time accounts officer. Both positions must be provided as a first step for governance.

Myrada has always worked with the Zilla Panchayats. But this has largely meant that Myrada has implemented several programs in health, sanitation and education funded by the ZP. These programs were given to Myrada since the Executives felt that Myrada could do a good job...and it did. But this did not improve governance in the ZP.

Realising the importance of governance at the GP, Myrada took up a watershed program in Bonthi GP, in Bidar District, North Karnataka, in which the funds came directly to the GS including funds for Myrada staff salaries. Since the GS was not audited Myrada had to promote a Sub- Committee with GS members and members of SAGs and WDAs. An accountant was provided. Plans, reports and accounts were made public in the Gram sabha. The people are now demanding that other programs of the GS be made transparent.

This experience however had an impact in the surrounding areas. During the year two other GPs asked the CMRCs to write/update their accounts; they are paid for this service. During the year Myrada has been able to get Government of Karnataka to agree to appoint Managers (Sherestidars) in all the 5500 approx (GPs) and accountants in 2500 GPs which are the larger ones.

However, for good governance to be sustained the SAGs and CMRCs have to be constantly alert; constant pressure on the GPs is required for transparency and fair play; the accountants and managers also need support to implement their functions. The reservation policy has made several women Presidents of the GPs, but in reality they play a minor role. Myrada with the help of the SAGs and CMRCs is endeavouring to support her to play a more active role in GP affairs and to make the GPs intervene more pro-

actively to prevent domestic violence, child marriages and sex discrimination. Myrada also seeks to promote effective co-operation between the GPs and Village health and Sanitation Committees and School Management Committees in an effort to improve governance in and synergy among all these village based institutions.

**B. Gram Panchayats and Inclusion:** Over-all Myrada does not see the GP taking the lead to promote social inclusion of the marginalised, dalits and women; these marginalised sections will have to organise themselves into institutions with built in organisational and financial sustainability so that they can lobby the GPs continuously to provide them with their entitlements and their rights. Myrada will support the SAGs and CMRCs to take the lead in this strategy for inclusion which focuses on a change in oppressive power relations which are manifest in social and institutional behaviour. However change will be gradual and will take time and therefore must not be lost sight of.

**C. Gram Panchayats and Natural resources:** Myrada considers the GPs (and Town Municipal Councils) as appropriate institutions to manage natural resources including water for domestic, agriculture and local industry, forest products, sand and stones for construction and agricultural fields (soils) and wasted lands. People, however give priority to availability and quality of water and cultivable soils and management of wasted lands. Productivity, availability and marketing of forest produce also take priority in projects located near forests. There are examples of GPs managing all the natural resources in their area including the implementation of a ban on cultivation of crops like sugarcane which require excess water. Town Municipal Councils taking the first steps to develop and implement a strategy for domestic water supply starting from recharge potential through effective distribution and equity in supply. Myrada promotes increasing control and sustainable and equitable management of natural resources by the GPs.

## 6. Gender Equity :

Myrada has consistently attempted to address gender issues both related to equal distribution of resources between men and women, boys and girls, as well as issues related to oppression, harassment in the home and outside. During the year Myrada brought out a RMS Paper entitled “Our Gender History and the steps forward.” A breakdown of program gender wise is given in the following table:

**Table : 9 Gender Equity :**

S.No.	Location	Direct Women	Direct Men	Total Direct	Indirect Women	Indirect Men	Total Indirect	Grand Total
1	Watershed and farm Development	13,163	27,432	<b>40,595</b>	14,435	21,155	<b>35,590</b>	<b>76,185</b>
2	LEISA	3,593	1,269	<b>4,862</b>	2,372	5,456	<b>7,828</b>	<b>12,690</b>
3	Non Agriculture Livelihood skills	9,800	3,007	<b>12,807</b>	3,661	7,525	<b>11,186</b>	<b>23,993</b>
4	Credit Management and marketing support	53,391	11,374	<b>64,765</b>	34,408	27,119	<b>61,527</b>	<b>1,26,292</b>
5	CMRCs Health Insurance	62,812	11,206	<b>74,018</b>	10,466	14,063	<b>24,529</b>	<b>98,547</b>
6	Assistance to get widow pension , old age pension and handicapped pension	500	250	<b>750</b>	300	150	<b>450</b>	<b>1,200</b>
7	HIV AIDS activities	3,61,628	4,40,480	<b>8,02,108</b>	2,27,706	3,08,789	<b>5,36,495</b>	<b>13,38,603</b>
8	Sanitation (Toilets)	21,712	7,501	<b>29,213</b>	8,939	3,994	<b>12,933</b>	<b>42,146</b>
9	Water supply	9,668	6,571	<b>16,239</b>	2,623	1,682	<b>4,305</b>	<b>20,544</b>
10	People involved in monitoring	11,419	2,864	<b>14,283</b>	9,884	4,757	<b>14,641</b>	<b>28,924</b>
11	Working with Children	9,447	7,979	<b>17,426</b>	21,062	21,778	<b>42,840</b>	<b>60,266</b>
12	Legal awareness on domestic violence and RTI (right to information)	3,000	1,000	<b>4,000</b>	2,000	1,000	<b>3,000</b>	<b>7,000</b>
13	Support to get ration card and voter identify card	1,900	900	<b>2,800</b>	500	300	<b>800</b>	<b>3,600</b>
14	Awareness creation on greenery/ water related	2,000	1,500	<b>3,500</b>	1,000	1,000	<b>2,000</b>	<b>5,500</b>
15	Housing	7,877	894	<b>8,771</b>	6,721		<b>6,721</b>	<b>15,492</b>
16	VSAT	2,066	886	<b>2,952</b>			-	<b>2,952</b>
	<b>TOTAL</b>	<b>5,73,976</b>	<b>5,25,113</b>	<b>10,99,089</b>	<b>3,46,077</b>	<b>4,18,768</b>	<b>7,64,845</b>	<b>18,63,934</b>

## 7 . Training and Capacity building

Training and Capacity Building is a critical part of its approach to share proven strategies with other development practitioners in India and abroad instead of planting its flag in these areas. Myrada focuses on training the institutions of the poor like SAGs, WDAs, CMRCs, and Companies etc., and providing the poor with livelihood skills. However, in response to requests, Myrada also offers training and exposure to staff and Trainers from other institutions involved in development programs.. Myrada has maintained the following practice over the past several years:

- 1) Myrada offers exposure and training only in activities which have been implemented in the field; the people who manage these activities are the real **trainers**. These areas are: a) SAGs formation, empowerment , accounts management etc linkage with Banks; b) Watershed Management; c) participatory methodologies (PRA)and Appreciative Inquiry ; d) A holistic approach to sex workers and AIDS prevention; e) Dryland agriculture LEISA; f) organic farming – production, marketing etc., g) Micro Finance with a social vision in collaboration with Sanghamithra; h) How to manage an NGO; i) How to work with Government, Corporates and to network; j) Eco sanitation systems; k) Gender, rights of women and marginalised; l) Panchayat Raj members – their responsibility to govern.
- 2) The participants have to be placed in the villages where the exposure and training is conducted; not in Bangalore
- 3) Each training program accommodates participants from only ONE institution; they should number between 10-20. Myrada tailors each training schedule to the participants needs and send them to projects where what they want to see and study has been implemented.
- 4) Myrada does not publish a yearly training Schedule to which anyone can apply; this results in one group comprising members from several institutions, Myrada feels that it is necessary to have a large number from one institution so that there is a critical mass that can bring about change on return,. Besides if such a large number comes from one institution, it is assumed that the top management is interested to learn and change if the experience is found relevant. Therefore Myrada also provides follow up when requested. To balance the lack of staff from other institutions, interaction with other NGOs in the NGO network at District level (which Myrada has promoted) is arranged on the project; this helps the participants to get a broader exposure.

### **A. Trainings for the people Myrada is working with during the year :**

11,269 trainings were held for a total of 16,818 days. Total participants were 2,40,414 of which 199,210 were women and 41,204 men.

### **Trainings on projects for staff and people of other institutions :**

378 trainings were held for 1257 days. A total of 9,264 attended of which 4,447 were men and 4,817 women.

### **Trainings outside Myrada Projects where Myrada staff were Trainers :**

These projects have adopted strategies similar to those of Myrada and invited Myrada staff to help them manage these programs. 38 Visits were made within India and 15 outside India were conducted.

### **Training to Gram Panchayat Office bearers :**

112 trainings were conducted for 224 days. Total participants were 3,490 of which 840 were women and 2314 men.

The 10 major training Centres on the Projects and the several sub-Centres were filled for 200-250 days during last year

**The NOVIB core grant was used to train Gram Panchayat office bearers and to train Board members of CMRCs.**

## **PART IV**

### **Community Managed Resource Centres**

The CMRCs are playing a critical role in the decentralisation of strategy of Myrada. They are representative people's institutions. Their Boards are constituted by members selected from SAGs, WDAs and more recently from Soukhya Groups. There are 96 CMRCs in Myrada's project areas. This includes the 18 in Mysore District which have come under MYKAPS during the year. This is the last year in which they will be included in Myrada's report. However, Myrada still continues to support some of the CMRCs in MYKAPS with the NOVIB Core Fund. Reports of these will be included in the annual report.

Most of the established CMRCs have registered as separate Societies during the year. Myrada's message to them is that they are free to decide whether they would want to continue within the Myrada group of Institutions. Even if they decide not to remain, Myrada is open to supporting them provided they abide by rules and regulations, have good governance and promote the core mission of Myrada.

The CMRCs are proving to be more flexible to respond to people's needs than Myrada could. As a result they are supporting a diverse portfolio of activities. They conduct several trainings which are not included in the list given above which Myrada staff have done. These trainings are provided to Community Resource Persons who are attached to the CMRCs, book writers, and volunteers. They conduct human and animal health camps organise legal awareness camps and maintain legal cells which provide legal advice and follow up action on issues related to property, domestic violence and conflicts in the village, etc. Many are solved before going to the police or courts. They write applications for pensions for aged, widows and disabled and follow up these applications with the gram Panchayats; they manage insurance programs, network with financial institutions for loans to SAG, WDAS etc. They mobilise programs from the Gram and Taluk Panchayats for people including toilets, water connections, house repairs, rain water harvesting systems, for agricultural inputs and to support informal marketing groups; they provide information of prices of agri-products at different locations They have offices which are equipped with internet, fax, phones and xerox. They provided the results after the last public examinations. Some have libraries and run crèches for children .Many are arranging mid day meals for school children.

The SAGs who are members of the CMRCs are not only those promoted by Myrada. The CMRCs select SAGs promoted by Government and are open to those wanting to join. However they must be assessed as "good"; if they require training and upgrading, the CMRCs arrange for it.

**Table : 10 A detailed list of activities done by CMRCs is given below :**

S.N.	PARTICULARS	TOTAL	S.N.	PARTICULARS	TOTAL
<b>1</b>	<b>Membership and Staffing</b>		<b>4</b>	<b>Loans and Schemes continue .....</b>	
1.1	Total number of CMRCs	96	4.5	No. of Housing assistance mobilised (construct, repair, improve)	2823
1.2	Average age of CMRCs	5 -6	4.6	No. of Rainwater harvesting systems supported	342
1.3	Total Executive/Management Committee members	1217	4.7	Farm inputs mobilised (agri., AH., etc.) mobilised (No. of CMRCs)	1252
1.4	Total children's representatives in EC/MC	197	4.8	Community programmes mobilised / supported -(No. of CMRCs)	48
1.5	Total full time workers (including CMRC Manager)	319	4.9	Support to get insurance (people / livestock)	31709
1.6	Total CRPs/Volunteers on call	559	4.10	Support to settle insurance claims (people / livestock)	403
1.7	Total 'Special Projects' workers	703	4.11	Any other	2306
1.8	CBOs withdrawn membership financial year	2806	<b>5</b>	<b>Books / Audits / Grading / Etc.</b>	0
1.9	Total of current membership in CMRCs	9641	5.1	Book keeping assistance to CBOs (No. of CMRCs)	15395
<b>2</b>	<b>Trainings / Camps / Campaigns</b>		5.2	Audits arranged for CBOs - ( NO of CMRCs)	7258
2.1	Trainings conducted for Myrada CBOs	8664	5.3	CBO grading arranged / conducted - No. of CMRCs)	3716
2.2	Trainings conducted for Myrada CBO book-writers	1555	5.4	Monthly financial statements collected from CMRCs)	21716
2.3	Trainings conducted for Myrada CRPs, Volunteers, etc.	891	5.5	Mobilising local contributions for programmes - (No of CMRCs)	137
2.4	Trainings conducted for non-Myrada CBOs/persons	1413	5.6	Any other financial services	632
2.5	Any other trainings conducted/facilitated for CBOs / Public	1827	<b>6</b>	<b>CMRC Managed IGPs / Public Services</b>	
2.6	No. of General health camps facilitated	255	6.1	No. of CMRCs having telephone for public use	43
2.7	No. of RCH/STI/HIV-AIDS camps and campaigns facilitated	4654	6.2	No. of CMRCs having fax for public use	6
2.8	Other special health related camps and campaigns facilitated	108	6.3	No. of CMRCs having e-mail/internet for public use	21
2.9	No. of Legal awareness camps / campaigns conducted	1068	6.4	No. of CMRCs having Xerox facility for public use	12
2.10	No. of Animal health camps arranged	86	6.5	No. of CMRCs facilitating sales of consumer items	44
2.11	Any other camps and campaigns facilitated	680	6.6	No. of CMRCs giving building / equipment on rent to others	21
	<b>Total of Trainings / Camps / Campaigns</b>	21201	6.7	Undertaking SHG books printing and distribution	1029
<b>3</b>	<b>Information support / Advice / Utilities</b>		6.8	Running creche / pre-school / school for children	14
3.1	No. of persons visited CMRCs for information and advice	138195	6.9	Conducting computer classes	25
3.2	No. of persons visited CMRCs for legal advice / support	4011	6.10	Conducting other skill training classes	42
3.3	No. of persons visited CMRCs for help to write applications	44650	6.11	No. of CMRCs having regular access to doctor	30
3.4	No. of persons visited for help with office visits / networking	18304	6.12	No. of CMRCs having regular access to lawyer	36
3.5	No. of persons visited for any other support services	35141	6.13	No. of CMRCs with library/reading room	12
	<b>Total of Information support / Advice / Utilities</b>	240301	6.14	No. of CMRCs assisting for bill payment , tax collection, etc.,	6
<b>4</b>	<b>Loans and Schemes</b>		6.15	No. of CMRCs managing manufacturing enterprises	8
4.1	No. of Bank / Sanghamithra loans arranged for CBOs	5968	6.16	V-SAT connectivity/community radio	14
4.2	No. of Gas connections secured for individuals	3651	6.17	Any other service/facility for public use (No. of CMRCs)	13
4.3	No. of Toilets / bathrooms assisted for individuals	5715	<b>7</b>	<b>Training to CMRCs by Myrada</b>	
4.4	No. of Safe water / tap connections / fluoride mitigation assisted	2047	7.1	No. of training programmes facilitated for CMRCs	639

**A. Financial sustainability** :The financial sustainability of the CMRCs has been a major objective from the beginning. They charge for all services. This exerts pressure on staff to perform. The financial position of the CMRCs is given below: It is interesting to note that 31 CMRCs can now pay for all their costs and the others are moving towards this level. Many of the CMRCs are 1-3 years old and they require at least 3-5 years to break even

**Table : 11** Financial sustainability of CMRCs

Locations	Total CMRCs	Financial Independence of the CMRCs			
		No. that are able to earn enough to cover all their costs	No. that are able to earn enough to cover approx. 75% of their costs	No. that are able to earn enough to cover approx. 50% of their costs	No. that are less than 50% self sufficient as yet
Bellary	4		-		4
Chitradurga	14	7	1	3	3
Dharmapuri	18	8	4	3	3
Gulbarga-Chincholi	7	5	-	2	
Kadiri	9	-	5	3	1
Katterly	1	-	-	1	-
Kolar	10		3	5	2
Kollegal	5			2	3
Mysore (MYKAPS)	18	11	6	-	1
Talavadi-Germalam	7	-	4	2	1
Western Ghats	3	-	-	1	2
<b>Total</b>	<b>96</b>	<b>31</b>	<b>23</b>	<b>22</b>	<b>20</b>

Myrada expects the number of CMRCs who will remain in the Myrada group to go down every year, while others will emerge in the more recent project areas

NOVIB's Core Grant supported the CMRCs in a major way during the reporting year. A sum of Rs70 lakhs went to the CMRCs. Myrada expects this figure to rise slightly during the current year. Though the budget does show a substantial rise, it is expected that the entire amount will not be required after an assessment mid-year. Funds will be diverted to build the institutional capacity of the Sex Workers Federations at Taluk and District levels. It is also expected that next year (FY 2010-2011), the allocation to CMRCs will reduce sharply.

## PART V

### Other Programs which are small but significant

- A. V-SAT :** As reported previously ISRO has provided V-SAT facilities to 14 CMRCs besides one hub in Bangalore. The hub conducted several programs during the year. The list is given below : **Table : 12**

Category	Resource Persons arranged by	No. of programmes	No. of persons attended at the CMRCs *
Agricultural topics	Myrada ISRO	53	3,368
	Agri. University		
Animal Husbandry	Myrada	1	108
Health issues	Myrada	8	783
	ISRO		
Programmes of interest and relevance to women	Myrada	5	644
Career planning / skills development	Myrada	19	1,319
Kids fun programme	Myrada Centre for child development of disability (CCDD)	26	2,457
Education programmes	Myrada CCDD	142	19,060
Information/awareness on various topics	Myrada	24	1,684
Special programmes	Myrada	4	162
Video film shows	Myrada	1	50
<b>T O T A L</b>		<b>283</b>	<b>29,635</b>

One of the most interesting programs was the Educational and Kids fun programs. The response was overwhelming. Today the children were exhibiting their drawings and clay work and other items they had made during the holidays. They find it thrilling when they can relate across hundreds of miles with one another.

- B. Myrada's work with Corporates :** Myrada works with corporate in two ways :

- a. It receives funds for watershed development (from WIPRO) for drinking water and sanitation in villages (Arghyam Infosys) and for water and waste management in Mulbagal town (Arghyam Infosys) from ITC/ATC for eco sanitation public sanitation and organic farming.
- b. It also relates with the private sector to provide design and marketing since NGOs have no experience in these areas. An example is the Company MEADOW managed by women who are the working in the project that produces ancillaries for Titan watches and Tanisq Jewellery

- c. Myrada clear that it will not work with all Corporate. The Corporate must be known to apply and follow sound principles of governance within its own institutions before it gets involved in social work. It must not be involved in environmental pollution without increasing attempts to reduce it which are verifiable. It must not be involved in eviction of small land holders holding wet agricultural lands which are the major sources of their food security and livelihood.

**C. Disaster prevention (Mitigation) and response :** The Executive Director of Myrada had had long experience in response to natural disasters and manmade ones like the refugees from Bangla Desh. His services are called upon by the Central Government in several cases after a Disaster. However the involvement of Myrada in disaster mitigation especially in drought prone areas has been significant as the report on watershed management will indicate.

During the past year Myrada has been operationally involved in the post Tsunami rehabilitation in three Districts in Tamil Nadu. Staff are involved in training local NGOs to promote and train SAGs and to set up skills training institutions.

**D. Youth Program:** Myrada conducts a Red Ribbon Club (RRC) Program with the following objectives :

- To reduce new HIV infection amongst youth in college by raising the risk perception through awareness on Sex, Sexuality and HIV/AIDs.
- To facilitate life skill development to deal with their vulnerabilities ( including youth behaviour related risks like smoking , alcohol, tobacco use, drug abuse violence , suicide, sexual abuse, media and technology et.)
- To induce among youth spirit to help and support people living with HIV/AIDs PLWHA (People Living with HIV AIDs) thereby reducing stigma and discrimination against PLHWHAs.
- To help strengthen systems of reaching out to community for raising awareness about HIV/AIDs prevention programs.
- To prepare youth as peer educators/agents of change by developing their skills on leadership, negotiation and team building.
- During 2007-2008 this RRC program covered 50,315 youth in schools and colleges. In 2008-09 it covered 53,293.

### **E. 11<sup>th</sup> Five year District Plan :**

During 2008-2009 the reporting year, Myrada was asked by the Planning Commission to take the lead in mobilising the entire District (Govt. Depts, Panchayat Raj Institutions) to prepare a District Plan for development. The Planning Commission selected the Backward Districts like Anantapur in Andhra Pradesh, Gulbarga and Chitradurga in Karnataka. The State Government asked Myrada to take up Chamarajnagar and Mysore since they could not get it done themselves.

This was a massive exercise in which Myrada Staff from HO Projects, staff from CMRCs, SAGs and WDAs were involved. Meetings were held in each Gram Panchayat and below at the SAG and WDA levels. Myrada endeavoured to make the exercise truly participatory with the poor and women taking the lead. Not only were activities listed in each gram Panchayat, but priorities had to be established so that the limited budget available could be focused on what the poor and women needed. This exercise also gave Myrada a good insight into the issues related to development, equity, gender, resource availability, government functioning and the problems that prevented a holistic, integrated strategy from being implemented.

**Table : 13**

District	Taluk/Mandals	Gram Panchyats	Urban Level Local Bodies
Ananthpur	63	1001	6
Chitradurga	6	185	6
Mysore	7	235	
Chamarajnagar	4	120	5
Gulbarga	10	337	13
<b>Total</b>	<b>90</b>	<b>1878</b>	<b>30</b>

#### **F. Local Resources :**

Almost all the SHGs have been linked with banks and some of them have also been linked with Sanghamithra Rural Financial Services, an MFI set up by Myrada. Besides, they have also established linkages as required with various Government Departments and other resource institutions. The financial resources – including loans and grants – that the CBOs (SHGs, WDAs, CMRCs) have been able to mobilize in this reporting year are as below :

Particulars	FY 2008-09	FY 2007-08
Donations/contributions from the community towards various programme	2,75,89,282	6,40,45,388
Loans from banks, other financial institutions and other sources	57,76,70,410	32,03,29,375
Grants from Zilla Panchayaths and Grama Panchayaths	1,02,23,444	4,45,84,644
Grants from funds allotted to Members of State Legislature/Parliament	10,00,000	10,50,195
Grants from various Government Department	1,69,87,323	3,98,72,403
Grants from various other types of resource institutions	1,28,95,315	11,84,148
<b>TOTAL</b>	<b>64,63,65,774</b>	<b>47,10,66,153</b>

## **PART VI**

### **Publications during 2008-2009**

#### **RMS – 41 (Rural Management System ) :**

Sustainability of Self Help Affinity Groups or SAGs As understood by Myrada Aloysius P. Fernandez - May 2005 - Edited and updated Nov 2008

#### **RMS – 49 :**

FEDERATIONS - How they emerged in Myrada and led to the development of Community Managed Resource Centres - Aloysius P. Fernandez - January 2008

#### **RMS – 50 :**

Can credit alone promote livelihoods of the poor without power and all-round development? Myrada's journey in its strategy to promote livelihoods of the poor- Aloysius P. Fernandez - March 2008

#### **RMS – 51 :**

TOWARDS A NEW VISION A Preliminary Note for the Project Officers' Meeting September 26 and 27, 2008

#### **RMS – 52 :**

Our Gender History and the Steps Forward - Aloysius P. Fernandez - January 2009

#### **List of Publications released by Myrada – KVK in 2008-09 :**

1. Uzhavar Malar (Once in 3 months - Farm news letter 6000 copies
2. Good Agricultural Practices (GAP) - MKVK experiences - 10th year Farmers' calendar 1000 Nos.
3. Watershed Training Manual (Tamil) - Manual 200 copies  
Integrated Farm Development (IFD) - MKVK experiences - Users' guide 700 copies  
(Tamil 500 + English 200)
4. Citronella Cultivation - Folder 2000 copies  
Cotton cultivation & challenge (Tamil)- Folder 300 copies  
Soil, water & plant sampling techniques (Tamil) - Folder 2000 copies  
Problem soils and its management techniques - Folder 1000 copies

5. Documentary Film - ELS Cotton production in Tamil and English
6. Wall hanging flip chart - Seasonal diseases and its prevention (Animal Health)
7. Food products in rosemary - Book let 500 copies  
Integrated Crop Management in Cotton - Book let 300 copies

### **Myrada HIV/AIDS Program Publications**

1. Celebrating Life Series  
Curriculum for life skills for youth to prevent High Risk Behaviour – 3 Parts -  
Dr. Maya Mascarenhas
2. Orientation of Gram Panchayath Members on HIV/AIDs - A Training Manual -  
Dr.Maya Mascarenhas
3. HIV/AIDs Basics – a Pictorial Chart

### **Case Studies :**

Experiences of Livelihood Promotion Learning from the field - Six Cases of Myrada in Action (April 2009)

Experiences of Myrada in Gulbarga & Bidar . A small beginning towards promoting better governance in the Panchayat Raj Institutions - (August 2008)

## PART VII

### Accounts : Annual Financial Report to the Board - FY 2008 – 2009

#### 1. Opening / Closing of Accounts :

For the year under review (2008-2009) MYRADA has maintained 126 Independent Accounts, each for a single project. Of the 126 accounts, 18 are new accounts opened during the year and 25 accounts are presented to the Board for the final time and are to be closed.

Besides these 126 accounts which are maintained for each project, we have also presented a consolidated Balance sheet for all Projects managed by one MYRADA Project Office. This adds up to 19 more Balance sheets. Further as in previous years a consolidated Balance Sheet of all the projects and one consolidated Balance sheet for Foreign Contribution Received during the year are also presented. This brings the total number of Balance Sheets for the **Financial Year 2008-09 to 147**

#### 2. Funding Sources and Systems

As already mentioned above, 126 independent accounts have been maintained in the year under review. Of them, 80 are for funds received from in-country sources, 46 are for funds received from external sources, and 7 are administration accounts.

##### 2.1 From External Sources (46 Accounts)

These funds are received in the FCRA Account maintained at Bangalore. Audited Consolidated Balance Sheets are sent to the Home Ministry every year. These accounts are audited by the Statutory Auditors as well as by the Compliance Auditors periodically.

**Total amount received during the year from external sources :**

<i>FY 2007-2008</i>	<b>FY 2008-2009</b>
<i>Rs.16,85,92,235</i>	<b>Rs.12,96,34,553.75</b>

## 2.2 From In-Country Sources (80 Accounts)

2.2.1 These funds are received either in the MYRADA Account held in Bangalore or directly by the concerned Project accounts under intimation to Bangalore. Audited Balance Sheets are sent to the Home Ministry every year. These accounts are audited by the Statutory Auditors as well as by the Compliance Auditors periodically.

### 2.2.2

Total amount received	<i>FY 2007-2008</i>	<b>FY 2008 – 2009</b>
		<i>Rs.7,42,65,450</i>

### 2.2.3 Resources received directly into CBO Accounts facilitated by MYRADA

Funds mobilised by MYRADA but received directly into the accounts of individuals/SAGs/CBOs for income generating schemes and for infrastructure. **These funds do not pass through MYRADA's books.** MYRADA staff are involved in the planning of the projects with the people, motivate participation and provide support with technical inputs. Such locally mobilised funds are periodically audited by our statutory auditors for certification to the respective donors whenever desired.

Total amount received	<i>FY 2007 – 2008</i>	<b>FY 2008 – 2009</b>
		<i>Rs.47,10,66,153</i>
This includes the finance from Banks, Cooperative Society and Sanghamitra to SAGs :Rs.57,76,70,410		

### 2.2.4 Common Fund with SAGs

Common Fund Managed by each of the 9,747 Self-Help Affinity Groups. These funds comprise savings, loan recoveries, service charges, fines and loans raised from various sources (NABARD and Banks, Local Institutions, etc.) and donations raised from the community. External auditors audit these accounts every year

Total number of SAGs with which MYRADA is directly working	<i>FY 2007 – 2008</i>	<b>FY 2008 -2009</b>
		<i>10,350</i>
Total Common Fund managed by the SAGs	<i>Rs.151,26,02,643</i>	<b>Rs.152,55,47,599</b>

**3. Summary Statement of the total amount mobilised and managed during the period is as follows (In Rupees):**

<u>Particulars</u>	<i>FY 2007 – 2008</i>	<i>FY 2008 -2009</i>
External Sources	<i>16,85,92,235</i>	<i>12,96,34,553.75</i>
In Country through MYRADA	<i>7,42,65,450</i>	<i>4,52,30,588.83</i>
In Country directly to CBOs	<i>47,10,66,153</i>	<i>64,63,65,774.00</i>
Common Fund of SAGs	<i>151,26,02,643</i>	<i>152,55,47,599.00</i>
<b>Grand Total</b>	<i>222,65,26,481</i>	<i>234,67,78,515.58</i>

**4. Our Statutory / Compliance auditors audit these accounts.**

**AUDIT**

4.1 **Statutory Audit :** This is a financial audit and was completed on schedule for all projects and all accounts.

4.2 **Compliance Audit :** This is a Systems and Procedures Audit focusing on the administration's compliance with stipulated systems and procedures. Below is a table showing the average ratings under Compliance Audit obtained by the different Projects from 1 April 2008 to 31 March 2009:

P.Code	Project	Cash Disbursement	Project Cost Control	Community Managed Projects	Fixed Assets	Accounting software	Average ratings for the year 2008-09	Average ratings for the year 2007-08
1	Chincholi	87.5%	85%	85%	100%	100%	92%	89%
2	Chitradurga	99%	100%	83%	100%	100%	96%	90%
3	Dharampuri	97%	75%	85%	50%	100%	81%	90%
4	Germalam	73%	100%	78%	60%	92%	81%	74%
5	Gulbarga	100%	100%	70%	90%	100%	92%	99%
6	H.D. Kote	93%	100%	85%	90%	67%	87%	94%
7	Kadiri	100%	88%	94%	100%	75%	91%	61%
8	Kattery	84%	100%	100%	83%	92%	92%	98%
9	Kollegal	94%	80%	89%	100%	92%	91%	86%
10	Kamasamadram	87%	90%	72%	90%	92%	86%	57%
11	Kudligi/Bellary	80%	80%	74%	100%	92%	85%	71%
12	Talavadi	87%	88%	89%	100%	92%	91%	91%
13	Western Ghats	87%	100%	90%	80%	92%	90%	98%
14	Head Office	100%	-	-	100%	100%	100%	99%
15	Gulbarga HIV	90%	88%	81%	100%	100%	92%	79%
16	Kolar HIV	86%	100%	74%	100%	100%	92%	55%
17	Bellary HIV	84%	100%	78%	90%	92%	89%	88%
18	Belguam CDC	97%	100%	-	100%	92%	97%	90%

*Note : Scores are given based on the extent to which the projects have complied or failed to comply with the stipulated systems and procedures.*

### 4.3 External Audit and Evaluation Commissioned by Donors :

External Auditors commissioned by Donors (In Country and External) visited the following projects for purposes of audit, evaluation and review during the financial year :

1. **CDC** – supported Myrada and partner NGOs projects receiving CDC funds were audited by M/s RSV and Associates, Chartered Accountants
2. **ATC** – supported Community Empowerment Development Programme at Dharampuri : Audit done by ATC auditors
3. **ITC** supported Promotion of LEISA Practices: (Low External Input and Sustainable Agriculture) – HD Kote : Audit done by ITC auditors
4. **PLAN** – supported Projects at HD Kote, Dharampuri and Madakasira Projects - Closure audit done by PLAN external auditors.
5. **KHPT** – supported HIV AIDS Prevention Programme at Bellary, Chitradurga, Gulbarga and Kolar – Audit done by KHPT Auditors
6. **KSAP** – supported HIV AIDS Programme at Kollegal and Bidar Projects – Audit done by KSAP auditors
7. **Study of Gender Concerns under GBPI – Germalam and Bellary: GAA** – by Kumud Sharma and Priya Das – in May 2008
8. **Gender Study – Evaluation of Myrada’s women empowerment through SAGs – Kollegal, Mysore, Kolar** - by Florian Eggenschwiler, Benedikt Müller-Stewens, Joe Peier, Lutz Sager, University of St. Gallen, Switzerland – in August 2008
9. **Study of CMRCS of Myrada – HIDA** supported CMRCS – by Rajini Krishnamurthy – in September 2008

Copies of all the above audit and evaluation reports have been submitted to the Executive Director/Executive Vice Chairman.

### 5. Workshops and Training for Accounts Staff :

The following training programmes were conducted for accounts staff in financial management systems.

## Workshops and Training for Accounts Staff :

The following training programmes were conducted for accounts staff in financial management systems.

<b>Date</b>	<b>Participants</b>	<b>Purpose</b>
July 11 & 12 , 2008 – at H.O. Training Hall, Bangalore	MYRADA ACCOUNTS STAFF	<ul style="list-style-type: none"> <li>▪ Tally Inter Project/Programme Accounts</li> <li>▪ Review of the Finance Workshop Meeting Minutes</li> <li>▪ Annual Report presented to Board for the FY 2007-08</li> <li>▪ Audit Observations – FY 2007-08</li> <li>▪ Compliance issues related to PAYROLL,PF, Gratuity / TDS</li> <li>▪ Session with Bizprout – PACC Solutions</li> <li>▪ Review of Annual Financial Statements</li> <li>▪ Financial statement and fund request to donors</li> <li>▪ Soukya budget line heads for review</li> <li>▪ Fund transfer to registered CBOs</li> <li>▪ Session with Executive Director</li> <li>▪ Session with Executive Vice Chairman</li> </ul>
October 4, 2008 at H.O. Training Hall, Bangalore	MYRADA ACCOUNTS STAFF	<ul style="list-style-type: none"> <li>• Tallying Inter Project/Programme Accounts</li> <li>• Review of previous meetings and review of the follow up action taken</li> <li>• Tally 9 ( new release) – Demo and question/answer session with Tally Engineers</li> <li>• Compliance issues related to TDS</li> <li>• Half Yearly reporting statements to HO and common points related to accounts</li> </ul>
January 2 & 3 2009 at H.O. Training Hall, Bangalore	MYRADA ACCOUNTS STAFF	<ul style="list-style-type: none"> <li>▪ Tallying Inter Project/Programme Accounts</li> <li>▪ Review of previous meeting minutes</li> <li>▪ Statement and confirmation of grants received from donors</li> <li>▪ Statement of confirmation of reimbursement of training programme</li> <li>▪ FCRA – line confirmations for new accounts</li> <li>▪ Payroll – Investment proof submission and online update etc.</li> <li>▪ Status of fixed assets audit and step taken by the project</li> <li>▪ Quarterly Financial statement and Fund request to donors.</li> <li>▪ CMRCS related</li> <li>▪ Session with Executive Director</li> <li>▪ Session with Executive Vice Chairman</li> </ul>
March 12 to 14, 2009 at Dharampuri Project , Training Centre , Hosur	MYRADA ACCOUNTS STAFF	<ul style="list-style-type: none"> <li>▪ Presentation from each project on their activities related to Project /CMRCS/CBOs, highlighting the strengths and constraints.</li> <li>▪ Activities of Myrada and its organisational presence – The new Position of Myrada.</li> <li>▪ Preparation for Final Audit and finalisation of financial statements for the FY 2008-09</li> <li>▪ Common points related to accounts</li> <li>▪ Overview of voluntary sectors and their statutory compliances</li> <li>▪ Action Plan and decision taken during the meeting</li> <li>▪ Participants feedback and closure</li> </ul>

Accounts Staff were also involved in attending seminars and training programmes organised by donor agencies and others. They were also invited to train members of CBOs and NGOs in Book Keeping and Finance and Management Systems. They made regular and frequent visits to the field to look at the activities in depth, write case studies, contribute to the strengthening of field work and also learn from the field.

## **7. Sustainability Budget :**

The objective of the sustainability budget is to work towards sustainability in the core organisation sector as well as to make all the Program, Project Officers and staff review their approach to finance management. This is a difficult time for Myrada. Over 7 years there were indications that foreign donors will move to the North, therefore Myrada needed to raise funds from local sources and to build a corpus project level to sustain core staff. This meant that the Project Officers also had a role to play since the ZPs had resources which could be mobilised; we also had to make several of our constituent institutions self reliant like the CIDORs and the CMRCs. This year the Program Project and staff drew up an annual budget. The budget covers both expenditure as well as income under each sector, so that there is a framework to manage their budgets. The capital of the Project Corpus fund which was hitherto called the Training Corpus will not be used; it will be invested and the interest earned from this corpus fund will be used to meet the salaries and allowances of the Core staff. The income from Training is expected to cover the costs of salaries of training staff and maintenance of the Centres. The CMCs, to which one Myrada staff is attached as manager, are breaking even; the majority should be able to support all costs including a major part of the Manager's salary by 2010.

Aloysius P. Fernandez  
Executive Director

Date : June 20 , 2009



*The data for this report was put together by each project Chandra Singh; Chief Finance Officer consolidated and verified the data as well as collected financial data directly. The final report was written by Aloysius P. Fernandez, Executive Director. All further queries may be made to Chandra or Executive Director.*