

# Annual Report

2006-07

**Bihar Rural Livelihoods Promotion Society**

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## **BIHAR RURAL LIVELIHOODS PROJECT**

In the financial Year 2006-07 Bihar Rural Livelihoods Project was conceptualized. Brief detail is given below:

### **Prologue**

Bihar is one of the largest and most populated states in India, with 8.07% of the total country's population. It is also one of the poorest states with 42% below poverty line population and a rural poverty ratio of 45%. Agriculture sector still employs 74% of the population and is the backbone of Bihar's economy, with the industrial sector contributing only 11% to the economy. The situation in rural Bihar is characterized by poor social service delivery, caste ridden political and social fabric, elite capture of most institutions and economic opportunities, and limited development infrastructure.

Despite this, in Bihar State, many agencies have been instrumental in promoting and developing successful clusters of institutional and programmatic innovations, including the formation of nearly 70,000 Self Help Groups (SHGs) of women through SGSY scheme, a network of 4,000 Dairy Cooperative Societies (DCS), and 6,000 multi functional Primary Agriculture Cooperative Societies (PACS). Many alternate models of service provisioning and delivery have been initiated by both government and non governmental organisations and private sector by leveraging the inherent social and institutional capital.

The Government of Bihar (GoB), therefore, has made poverty reduction (focusing on women and children), an important priority in all its policies. The generic objective of these policies and programs is to raise the living standards of the rural population through creation of opportunities for livelihood activities and increase the employment opportunities and thereby productivity. Though these interventions have been successful to certain extent, they have not been able to reduce poverty substantially in Bihar. The main reasons for failure have been:

- Lack of ownership and commitment by primary stakeholders.
- Lack of adequate effort in helping the communities to graduate economically.
- Lack of capacity of local communities.
- Lack of demand driven approach
- Gaps in implementation of schemes.

### **About Project:**

GoB has sought World Bank assistance to provide additional support to help in reducing the incidence of poverty. The Bank has agreed in principle to support the preparation of the proposed Bihar Rural Livelihoods Project (BRLP). The BRLP has been envisaged to complement the initiatives undertaken by the government to immediately address poverty, livelihoods and empowerment issues in the state. The project aims to bring about rapid change in the social and economic empowerment of the poor and disadvantaged people in rural Bihar in order to improve their livelihoods and quality of life. The project is likely (not finalized yet) to be implemented in selected districts of Bihar in phases.

The overall goal of the program would be to support GoB's strategy of reducing rural poverty through support for productive activities and investments. The objective of the proposed project would be to improve livelihoods and empower the poor through:

- To enhance social and economic empowerment of rural poor.
- To increase income of the rural poor by developing institutional capacity among rural poor and their organizations to access and negotiate better services, investment and assets from Banks and public and private sector agencies.
- To increase the size of rural livelihood economy in project area by making investments in productive assets, value chains and market support mechanism.

**Preliminary project description:** The proposed operation would finance a 6 year project. The project's main components are:

- (a) ***Institution Building:*** This component will build the institutional capacity of
- i. The poor - Mobilizing the poor into SHGs and federations and improving their quality and credit worthiness, transparent and profitable organizations, and developing commodity-based producer organizations,
  - ii. The support organizations - Strengthen existing institutions like Women's Development Corporation and COMFED (Bihar State Cooperative Milk Producers' Federations Limited), and establish pro-poor support organizations, and Micro-Finance and Enterprise Training Institute. This would enable a wider and better choice of service providers for the poor and lay the foundation for development of good quality micro finance providers in Bihar, and (iii) capacity building of all stakeholders including Panchayats for effective and inclusive service provision and community infrastructure.
- (b) ***Investment Fund:*** The component will have two windows:
- i. Social Fund: This will enable poor to access critical social services including health, insurance, support to social action interventions like advisory and legal services, help lines, etc; and
  - ii. Livelihood Fund: This will finance livelihood needs and address and facilitate market driven skill building technical assistance, savings promotion and credit access (micro-finance), sectoral investment in various commodity and value chains, livelihood enhancement infrastructure for value addition linkages with agriculture research and extension agencies, private sector partnership and market access. Efforts will be made to leverage resources from financial institutions.
- (c) ***Project Management:*** This component will finance the incremental operating costs of the project coordinating them within the implementing agency, monitoring and evaluation systems, studies and other technical services.
- (d) ***Bihar Innovation Forum:*** Creating an enabling environment for implementing and scaling up innovations for rural livelihood development and service delivery is one of the objectives of the Bihar Rural Livelihood Project. One of the components of the project is also to support innovations by various institutions, entrepreneurs, NGOs, etc. whose main objective is to improve rural livelihoods.

### **Project Duration and Estimated Cost**

Project duration	: 6 years.
Total estimated Project Cost	- US \$ 70 million.
Total World Bank Financing	- US \$ 63 million.
Govt. of Bihar's Contribution	- US \$ 7 million

#### Preparatory phase – till March 2007

- Total budget proposal of preparatory phase is Rs. 6.62 crores (US\$1.45million).
- Combination of PHRD Japan fund, Govt of Bihar contribution and PPF.
- PHRD, Japan contribution : US\$ 0.535 million (Rs.2.40 crores)
- PPF contribution : US\$ 0.822 million (Rs3.78 crores).
- Govt of Bihar's contribution : US\$ 0.1 million (Rs 0.43 crores).

In the project preparation phase pilot action research will be undertaken along with some critical studies. The findings from the study and learning from the pilot action research will be incorporated in the main project design.

### **PROJECT PROGRESS**

#### **SELECTION OF DISTRICTS**

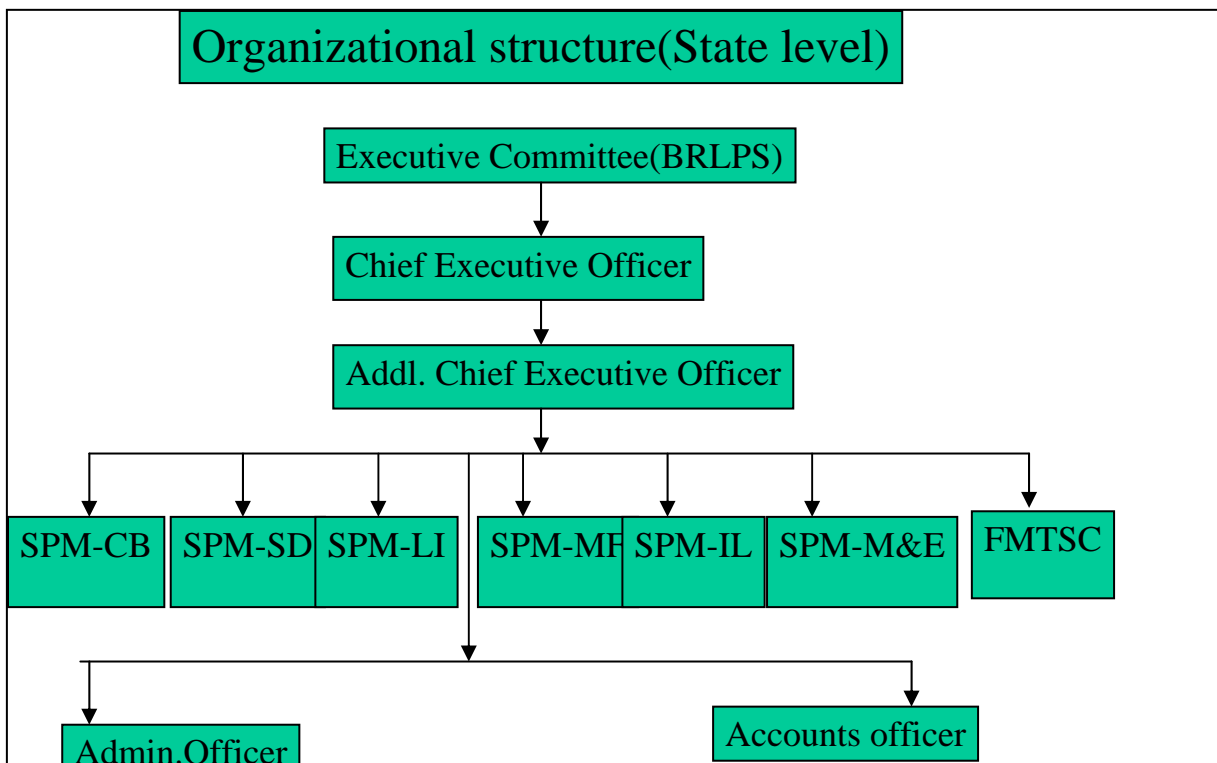
##### **1. District Selection :**

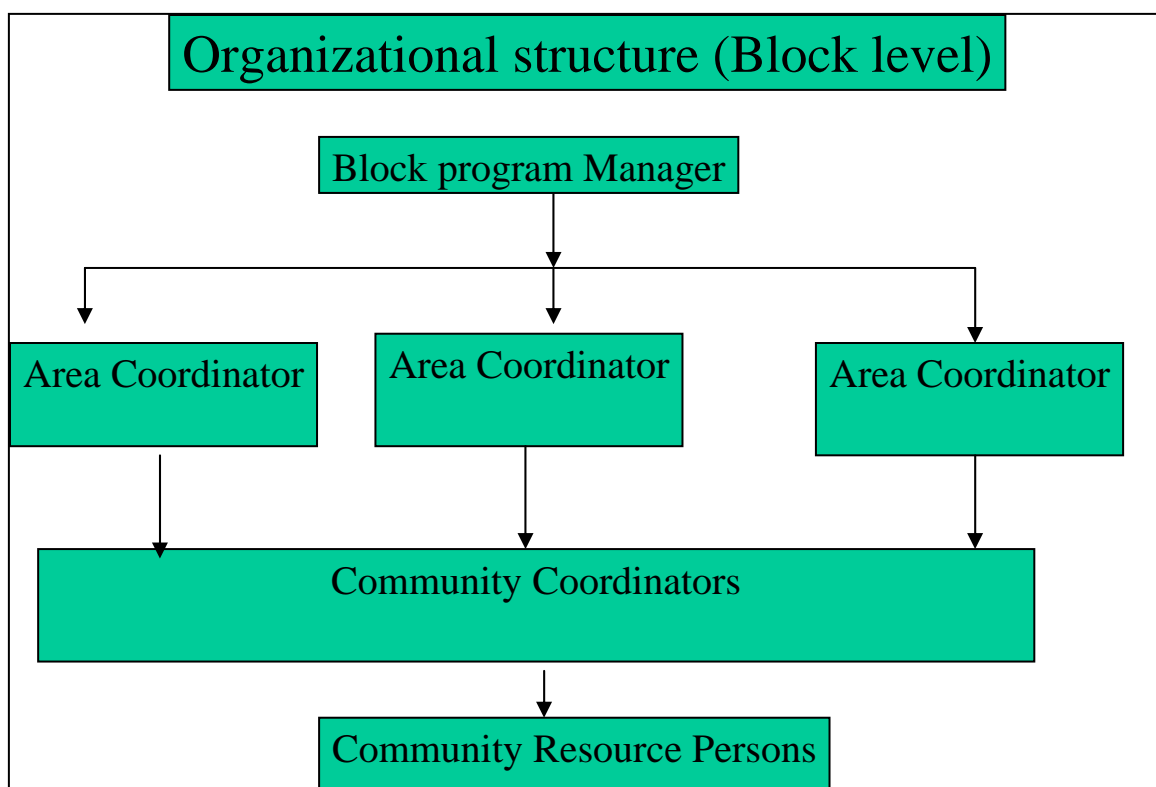
Under this project, 5 districts have been identified out of 38 districts in Bihar. The districts are Gaya, Nalanda, Muzaffarpur, Madhubani and Purnia. However, one block in each district has been selected for the implementation of the pilot. The blocks are Bodh Gaya of Gaya, Harnaut of Nalanda, Bochaha of Muzaffarpur, Rajnagar of Madhubani and Dhamdaha of Purnia. Basing on the social and poverty assessment the districts were selected and following parameters were the base for selection of blocks within the selected districts and 42 blocks were selected for the main project implementation:

1. The Scheduled Caste Population is more
2. The Social Capital is more
3. The available infrastructure should facilitate the implementation of the project.



Implementation structure at state and Block level





## PILOTS INTERVENTION

### 1. Community Resource Person (CRP) Selection :

In this pilot component, the project will emphasize on CRP concept for the formation of SHGs and saturation of the villages by forming more and more numbers of SHGs. However, the focus of the project will be on the women, poor, vulnerable and disadvantaged group.

The project has identified 5 CRPs from each district (4 districts) accumulated to 20 Community Resource Persons (CRPs). These CRPs are the vocal women from the Self Help Groups (SHGs). In the month of August, 19 nos. of Community Resource Persons (CRPs) had visited Andhra Pradesh for an exposure to the SERP (Society for Elimination of Rural Poverty) and spent 14 days in the field. After their arrival, the energetic CRPs had a sharing session with the CEO and Addl. CEO. On 23<sup>rd</sup> August, the project conducted a workshop for the CRPs and the state level resource persons in order to prepare the training schedule for the rest of the SHG members existing in their operational area.

Further, again 5 CRPs have been identified from each of the 5 districts and were sent to Andhra Pradesh for Exposure Visit and Training on 12<sup>th</sup> November 06 for 15 days.

## MANPOWER RECRUITMENT

### 1. Recruitment of Personnel:

#### At State Level

SN	Designation	Status
1	Chief Executive Officer	IAS, Government
2	Administrative Officer	BAS, Government
3	Finance Officer	BFS, Government
4	FMTSC	CA
5	SPM-Capacity Building	RD Professional
6	SPM-Livelihoods	RD Professional
7	SPM-Micro Finance	RD Professional
8	SPM-Social Development	RD Professional
9	SPM-Communication	RD Professional
10	SPM-HRD	RD Professional
11	SPM-M & E	RD Professional
12	System Analyst	IT Professional
13	Project Manager, CB	RD Professional
14	Project Manager, HRD	RD Professional
15	Project Manager, SD	RD Professional

#### At Block Level

SN	Designation	Status
1	Block Project Manager	RD Professional
2	Area Coordinator	Post Graduate with some RD experience
3	Community Coordinator	Post Graduate
4	Community Resource Persons	From Community

#### CAPACITY BUILDING

##### 1. *Orientation, Training & Capacity Building*

The newly recruited staffs have undergone village immersion for understanding poverty, motivational training to understand poverty, develop positive attitudes towards poor and exposure in Andhra Pradesh to understand various processes of VELUGU model.



## **2. Village Immersion**

The block team stayed at the pilot villages to get first hand experiences of development process and organizing & mobilizing communities. The team resided with the poorest families of relatively poor hamlets and tried to build rapport by understanding their socio-economic conditions. This strategy has provided tremendous support for winning confidence of the community.

## **3. Identification of Community Mobilizers/ Internal CRPs & mobilizing their support**

Forty Four (44) internal CRPs (19 in first batch and 25 in second batch) have been identified and had been sent to Andhra Pradesh to visit VELUGU project and get a first hand understanding of the development processes and to see women involvement for their economic and social empowerment. These internal CRPs were then actively involved in mobilizing and formation of groups when the external CRPs from AP were here for one month. This provided them hands on experience.

## **4. Exposure visit of the project staff**

The project staff of BRLPS including all PMs, SPMs and FMTSC were sent for a week long training cum exposure visit to VELUGU projects to see the project and learn the best practices that can be incorporated in the Jeevika project in Bihar.

## **5. External CRP Support**



The external CRP from AP was attached to BRLP from 15th December 2006 to 17th January 2007 for providing handholding support to the block level team members. The energy of the staff and facilitation of the external CRP has resulted in smooth formation of SHGs instituting best practices of Panch-Sutra in them.

#### 6. Exposure Visits of DM, DDC and Executive Committee members:

District Magistrates of 3 districts, Deputy Development Commissioner of 4 districts and Deputy Secretary of Department of Rural Development have visited SERP, Hyderabad and districts of Andhra Pradesh for village immersion programme. The success of Andhra Pradesh is a real eye opener. Almost all members of executive committee have also visited Andhra Pradesh of exposure visit.

#### 7. Other Programmes on Capacity Building

- ◆ One day orientation programme was organized for the newly recruited Block level staffs on (11/09/06)
- ◆ 7 days field visit was organized for Block level staffs (12/09/06-18/09/06)
- ◆ 4 days training programme was organized for the field level team members on BRLP with special focus on understanding of various dimensions of MF, Livelihoods and Bihar Innovation Forum (19/09/06 - 22/09/06)
- ◆ Workshop was organized on Training Material development & Capacity Building strategy for 2 days (24th & 25th Sept. 2006)
- ◆ One day training programme (motivational) was organized for the field team members by Ms. Vijaya Bharathi (26/09/2006)
- ◆ One day orientation on Village Immersion was organized for the field team members (27/09/2006)
- ◆ Block level team members (BPMs, ACs & CCs) are residing in the poorest hamlets of the poor villages after building rapport in the identified villages as Village Immersion Strategy (from 28/09/2006)
- ◆ All the team members have to understand poverty, study village dynamics, social and economic aspects of village life in their 3-4 weeks stay in their respective villages as part of village immersion. (28/09/2006-03/11/2006)
- ◆ One day sharing of village immersion experience was organized at State Office before leaving for AP on 05/11/2006.
- ◆ The team members had gone to Andhra Pradesh for exposure to see and understand the IKP project for 3-4 weeks (from 05/11/2006-04/12/2006)
- ◆ The project organized a workshop on 25<sup>th</sup> and 26<sup>th</sup> of September to develop training & IEC material and also to develop capacity building strategy for the project. In this workshop, personnel from higher echelon of development sector and people from the grassroots such as CRPs had attended to develop the above mentioned material and strategy.

#### BIHAR INOVATION FORUM

The main objective of the Bihar Innovations Forum is primarily to showcase and support various innovations that show potential in Bihar for scaling up. It is also envisaged that this forum would be working on the lines of a development market place.

In order to create information and communication technology (ICT) knowledge network for rural livelihood initiates the need for knowledge network centers at the village level which is quintessential in the present days. A database on innovations is required at the state level. As we are aware that our state has many individuals, institutions, entrepreneurs, NGOs, etc. are involved intensively in sustainable livelihood and its enhancement by innovating and practicing best practices through grassroots innovations, which are location specific existing in different pockets of Bihar, however the collection and compilation of the same information is abysmal. These kinds of innovations exist in ample outside the state also, which can be suitable to Bihar. These knowledge network centers have to be installed at the village level in order to facilitate the rural community to take up various livelihood enhancement activities. However, the documentation of these innovations is limited to particular individual or institution or community. These knowledge network centers will prevent the middlemen exploitation and cater maximum benefit to the primary producers. The rationale behind the creation of Bihar Innovation Forum is scouting of the innovations, acknowledging the individuals or institutions for their best practices, recognizing their efforts in innovating and practicing these best methods and practices and also scaling up of the best practices in the selected districts under the Bihar Rural Livelihood Project. Secondly, many individuals and institutions want to invest on these practices either for their study or for the augmentation of these practices or innovations. The unavailability of such information at the apex level prevents many investment opportunities in the state to flourish.

The Bihar Innovation Forum shall initiate a developmental foray, which comprises a fair cum presentation / seminar of best practices in the month of August – September 2007. In this event, the selected innovators of best practices are invited to participate and present their innovations through their primary producers or beneficiaries. A team of five people (head of the institution and 4 nos. of primary producers / beneficiaries) shall be invited for the event. In the fair, the primary producers / beneficiaries present the replica and its protocol of the best practices; where as the head of the institution shall present the best practices under specific thematic areas. For this event, a panel of judges from different field of repute shall be identified for evaluating the best practices presented both in the fair and in the presentation. At least three best practices will be honored under each thematic area. The special dignitaries of high personal from the central and state government shall be invited to honor the innovators of best practices and grace the occasion. This occasion shall be highlighted in the national and international arena in order to attract investments either from the banks, national / international level research / donor institutions, Diaspora, etc. These investments support in scaling up of the best practices of the innovators. In this entire process; the dying culture & heritage will be revived, primary producers should receive his / her share of benefit in economic terms in order to change the knowledge-rich-poor-people to knowledge-rich-not-poor-people. Following activities have already been conducted to have a successful BIF workshop.

1. Advertisement for inviting applications on Best Practices had been published in the local newspapers on 12th & 13th October 06.
2. TOR has been approved and approval from World Bank has been sought.
3. Consultant has been identified
4. Mr. Jayesh Bhatia of NR Management Consultants Pvt. Ltd has the expertise and has potential to carry out the scouting and evaluating the innovations for the project
5. Technical & Financial proposal have been received
6. Technical & Financial proposal has been sent to World Bank for approval and the project also received the approval

7. After the approval, the contract will be signed and the consultants will be on board from 1st November 2006 for scouting.
8. The scouting will be completed by 20th November 2006 and the evaluation and final list (20-25 nos.) of best practices will be submitted to the project by 15th December 2006.
9. The project has already started receiving the applications
10. The project is planning to have a workshop & 2nd round of advertisement in the coming week.

### Preparatory Studies

In the pilot phase of the project, some of the studies have been made in order to understand better the dynamics of situation in Bihar and further fine tuning the thinking process based on the learning's received from these studies.

*Table: Status of the Studies*

S.No.	Name of Studies	Agencies	Status/Remarks
1	Social and Poverty Assessment	Asian Development Research Institute, Patna	Completed, Final Report Submitted
2	Livelihood and Value Chain Analysis	NR International, New Delhi	Completed, Final Report Submitted
3	Institutional Assessment, mapping of service providers	ENV Development Assistant Systems Pvt. Ltd., Lucknow	Completed, Draft Report Submitted
4	SHG- Bank Linkage and status	BASIX	Completed, Final Report Submitted
5	Environmental Management Framework	Center for Environment Education	Completed, Final Report Submitted
6	Social Inclusion	Asian Development Research Institute, Patna	Completed, Final Report Submitted
7	Organizational Development and HR planning	SRIJAN Initiatives Development Services Pvt. Ltd., New Delhi	In Process, Final Report Submitted
8	Jobs for Rural Unemployed		To be initiated
9	Tribal Development Plan	Asian Development Research Institute, Patna	Completed, Final Report Submitted
10	MIS Development		To be initiated
11	Baseline Survey & Participatory Monitoring System		To be initiated
12	Preparation of project Implementation Plan	Akshara Networks	Completed, Final Report

			Submitted
13	Study on Innovation	NR Management Consultants India Pvt Limited	Completed, Final Report Submitted
14	Study on SRI		To be initiated
15	Study on Impact of Pilots	BRLPS	In Process

## COLLABORATION WITH BANKS

- ❖ Sensitization of the State level officials of NABARD and SBI about the project.
- ❖ Meeting with District level Bank officials like DDM, LDM and RDM of all the districts resulted in:
  1. Introducing the Project to them in terms of likely impact on poverty scenario.
  2. Briefing about the pilot project and their expected roles.
  3. Eliciting their support for the project
  4. Soliciting their opinion on better SHG nurturing.
  5. Regular meeting with local/concerned bank officials.
  6. Attracting attention to the issues of effective SHG nurturing, functional literacy of women, transparent accounting system and post sanction follow up.

## SENSITIZATION TO PARTNERS /STAKEHOLDERS

### Meeting with NGOs

1. AVS, JJS, ASSEFA,GVP, JANANI, PRATHAM & BEP--
2. Attempt was made to link up the older groups promoted by them with BRLP
3. NGOs are looking for a larger role in the project in a formal way before they link up their groups with BRLP.
4. AVS has taken some loan from BASIX and consider it enough for their group's requirement.
5. Briefing about the project.

### Meeting with MFIs/SHPIs

1. ASSEFA--working with 1025 groups and 98 lacs of outstanding. Expressed to have support in getting MIS for SHG.
2. Kanchan Sewa Ashram-- working with 645 groups and having an outstanding of 46 lacs. Recently got 25 lacs from HDFC.
3. CPSL: working with 430 groups and wish to work on making insurance available to the community.
4. Collaboration with existing Cooperative ( Nai Kiran and DISHA).
5. First level discussion with LIC for group insurance.

## MEETING WITH OTHERS STAKEHOLDERS

Meeting with several other probable stake holders have been conducted to explore the opportunity of taking their services. Following are the agencies along with their area of expertise.

- **EDA Rural Systems** - Interventions in Honey and Leather through Institutional Development and Credit linkages
- **Aid et Action, DRF, SRIJAN** - Service Sector (Jobs for Youths)
- **COMFED** - Institutional Development & Milk Marketing through MPC/DCS
- **PRADAN** - SRI for production enhancement ensuring food security & livelihoods promotion
- **SAKHI** - Developing fishery cooperative and production of fish & prawns
- **ASA** - PVSP for seed replacement & formation of Producers' Company
- **Shakti Sudha** - Khet se Bazaar tak (Procurement, Processing & Marketing)

### Risk Mitigation Measures

1. Insurance: trying to tie with institutional partner to provide services in,
  - ◆ Life
  - ◆ Non-life
 Insurance as a tool to act as cushion against the vulnerabilities.
2. Remittances: project is committed to the idea of working on remittances to aid the process for large number of people who migrate. Different institutions like BASIX and ACCESS have been contacted for further progress.

### PROGRESS SO FAR

DISTRICT	GROUP FORMED	A/C OPENED	T. Saving (in RS)	Inter-Loaning (in RS)
Purnea	38	21	17,719	
Nalanda	30	12 (7)	17,510	
Madhubani	18	11 (6)	9860	
Gaya	27	11(6)		
Muzzafarpur	19	19	23750	11290
<b>GROSS</b>	<b>132</b>	<b>62 (32)</b>	<b>71169</b>	

Upto 31<sup>st</sup> March 07



### Shifting of Office

Office of BRLPS was earlier housed at Women Development Corporation and now it has been shifted to Vidyut Bhawan. The detail address of the Bihar Rural Livelihoods Promotion Society office is as under:

Bihar Rural Livelihoods Promotions Society  
1<sup>st</sup> Floor, Vidyut Bhawan, Annexe – II  
Bailey Road, Patna – 800001,  
Ph: 0612- 2205981, 6452349

### Website and Web mail

The project has created its unique web mail service, which is functioning to the satisfaction. The official mail ID of the BRLP is [admin@brlp.in](mailto:admin@brlp.in). However, the website for the project has started and the webpage development is in progress. The address of the website is [www.brlp.in](http://www.brlp.in)