

Impacting Livelihoods



Annual Report 2002

DHAN Foundation



Annual Report 2002



DHAN Foundation
Madurai

Contents

1. Facilitating Poverty Reduction: Perspectives and Challenges	1
2. The Year 2001-2002 - DHAN Foundation	9
3. Financial Statements	19
4. The Year 2001-2002 - People's Organisations	31
5. An Overview of Impact: 2001 - 2002	37

Annex

1. Vayalagam Movement	67
2. Research Studies	70
3. Publications: 2001 - 2002	79

Abbreviations and Acronyms

BDOs	Block Development Officers
CAPART	Council for Advancement of People's Action and Rural Technology
CGWB	Central Ground Water Board
DHAN	Development of Humane Action
DRDA	District Rural Development Agency
DWCRA	Development of Women and Children in Rural Areas
HDFC	Housing Development Finance Corporation Ltd.
HRD	Human Resource Development
HUDCO	Housing and Urban Development Corporation
INAFI	International Network For Alternative Financial Institutions
IWS	Institute for Water Studies
KDFS	Kalanjiam Development Financial Services
KSSSY	Krishi Shramik Samajik Suraksha Yojana
LIC	Life Insurance Corporation of India
MFG	Micro Finance Groups
MIDS	Madras Institute of Development Studies
MSSRF	M.S.Swaminathan Research Foundation
NABARD	National Bank for Agriculture and Rural Development
NGOs	Non-Government Organisations
NOVIB	Netherlands Organisation for International Development Co-operation
SARI	Sustainable Access in Rural India
SGSY	Swarna-jayanthi Gram Swarozgar Yojana
SHG	Self Help Group
SIDBI	Small Industries Development Bank of India
SRTT	Sir Ratan Tata Trust
TFA	Tank Farmers Association
UNDP	United Nations Development Programme
VADC	Vayalagam Agriculture Development Centre
WRO	Water Resources Organisation

DHAN Foundation

An Introduction

Development of Humane Action (DHAN) Foundation, a not-for-profit development organisation, was initiated in October 1997 and incorporated under Indian Trusts Act (1882), in January 1998. DHAN Foundation is a spin off institution of PRADAN (Professional Assistance for Development Action based at New Delhi) one of the country's foremost development agencies. The Trust has been promoted with an objective of bringing highly motivated and educated young women and men to the development sector so that new innovations in rural development programs can be brought and carried to vast areas of the country and the people, especially the poor.

Mission

DHAN Foundation's mission is *"Building Institutions for development innovations and up scaling for impacting livelihood to enable poor communities"*.

Purpose of DHAN Foundation

The Foundation works towards bringing significant changes in the livelihood of the poor through innovation in themes and institutions. The three broad purposes for which it stands are given below:

Mothering of Development Innovations: The institution aims to promote and nurture new ideas on different development themes in the region. Senior colleagues would anchor the new themes by committing themselves for a longer period.

Promoting Institutions to reach scale: Exclusive thematic organisations will be promoted to undertake development work with a subsectoral focus. The primary role of these institutions is promotional to ensure that benefits reach a large number of poor with quality.

Human Resource Development: The institution would continue to attract and bring more young professionals into the development sector and provide them an opportunity to practice and develop practical knowledge about the development sector. Focus will be given to build required skills and competence to undertake development work for longterm.

The guiding principles that are fundamental to the institution are:

1. High quality human resource will be engaged at the grassroots work. The focus of the work will be on enabling rather than delivering through direct action.
2. Value collaboration with mainstream institutions and government to demonstrate new and effective ways of development intervention and to build viable linkages between people and mainstream.
3. Promoting people's organisations at various levels, with focus on one particular theme for sustainability.
4. The strategy for growth is towards enriching the themes and retain subsectoral focus

DHAN Foundation at a Glance	March 2000	March 2001	March 2002
Reach			
No. of Families	71,806	103,186	147,274
No. of Primary Groups	4,055	5,559	8,323
No. of Clusters	256	425	642
No. of Federations	14	20	28
No. of Villages	1,609	2,151	3,057
No. of Districts	13	17	22
Staff			
No. of Professionals	88	106	147
No. of Programme Staff	46	69	102
No. of People Functionaries	975	1,215	1,249
Finances (Rs. in lakhs)			
a. Programme Funds			
People	818	1,358	2,356
Banks	425	974	3,288
Government and Donors	200	155	77
Sub Total	1,443	2,487	5,721
b. Programme Management			
People	115	125	356
Government	5	16	75
Donors	167	348	443
Sub Total	287	489	874
Grand Total	1,730	2,976	6595

Facilitating Poverty Reduction: Perspectives and Challenges

M.P.Vasimalai*

DHAN Foundation addresses poverty reduction in three ways. Mothering development innovation by promoting new themes to eradicate poverty is our significant contribution. So far, four themes have been initiated namely Kalanjiam Community Banking, Vayalagam Tankfed Agriculture, Development Management Education – DHAN Academy and Information Technology for the poor. Two more themes — Rainfed agriculture and working with Panchayats - going to be launched in 2002-2003. These themes provide ‘*development content*’ to attack poverty in a specific way.

Promotion of exclusive institutions for large scale implementation of the selected themes is the second way. Both Kalanjiam Community Banking Programme and Vayalagam Tankfed Agriculture Development Programme are expanding in South India. After ten years of rich experience, Kalanjiam Foundation is going to be promoted in 2002 to upscale the microfinance programme. Tank programme would be promoted as a separate entity within a few years. These two themes are going to reach out one million families in the next eight to ten years and they would provide ‘*upscaling method*’ to reach the poor significantly.

Developing high quality human resources for poverty reduction is our third concrete way of addressing poverty. Every year, we are bringing in thirty development professionals directly from reputed educational institutions. They are nurtured for a year through a well-designed ‘*development apprenticeship*’ programme. In addition, DHAN Academy brings 10 to 20 professionals each year through its Post-graduate Programme in Development Management. These three ways are interrelated and integrated at DHAN Foundation as ‘*significant development strategy*’ to address the issue of poverty in a substantial manner.

2. Guiding development framework: DHAN Foundation operates on the following “basics of development” when we implement our themes primarily for poverty reduction.

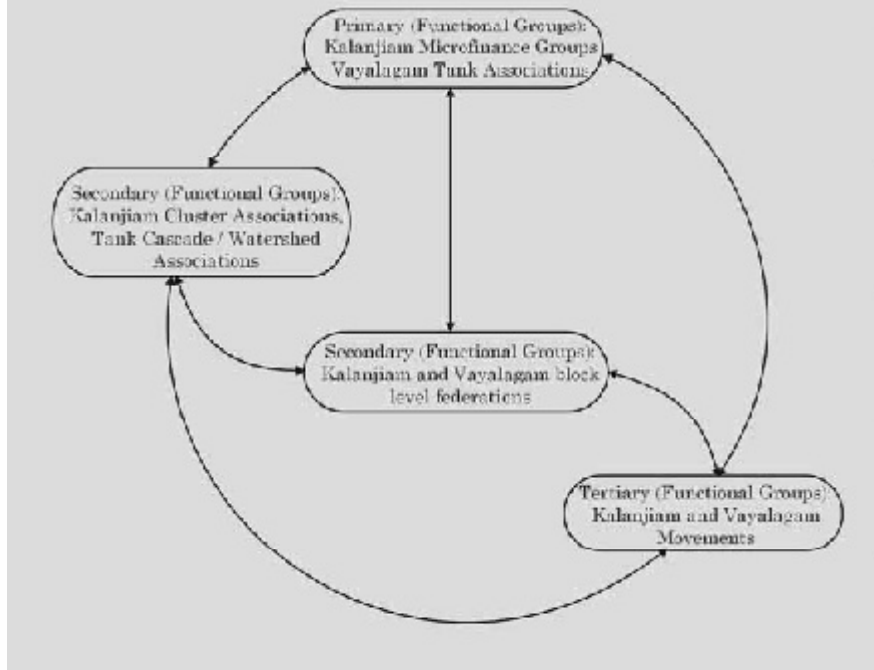
- 1. Freedom of choice:** How do we help individuals and groups to identify, generate and act on their choices?
- 2. Quality of life:** How do we assist persons to determine and develop the meaning of their lives, their identities, and their life styles?
- 3. Managing resources:** How do we deal with the personal responsibility for generation, management and conservation of human and material resources?
- 4. Inter relatedness:** How do we help individuals, institutions and cultures recognise and deal with their inter-relatedness and inter-dependence?
- 5. Change as a constant:** How do we deal with the causes and effects of change within and upon individuals, institutions and societies?

Further, our development themes move through the following development phases when we address poverty.

- **I-Phase of building social infrastructure:** DHAN Foundation initiates its development work with the promotion of people’s organisations for poverty reduction. Hence initial three years are primarily for ‘organising the unorganised’ on a particular theme. We call this phase as ‘social intermediation phase’. It includes promotion of nested people organisations at different levels. Figure 1 provides the inter-relationship between these functional people institutions. This phase ensures reaching out to the poor and bringing them all under organised institutional framework.

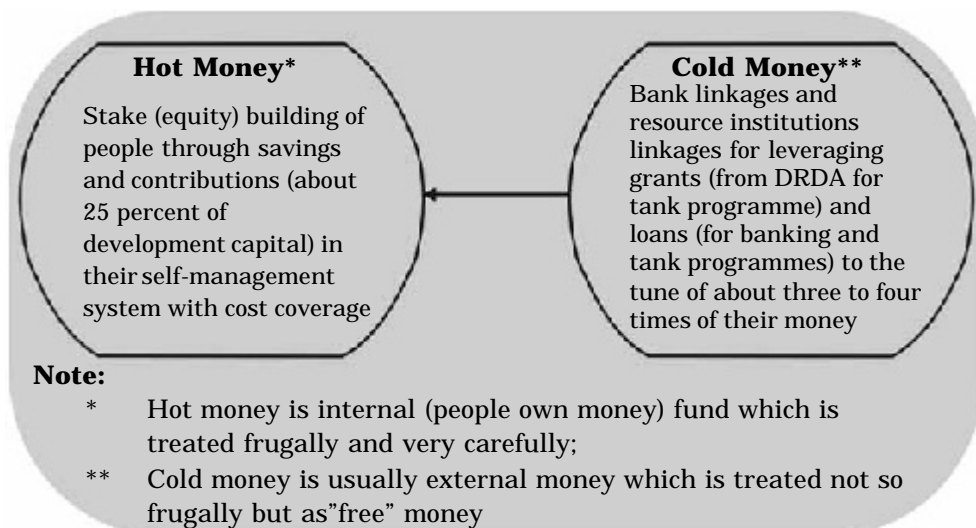
* Executive Director, DHAN Foundation, Madurai

Fig.1 Building social infrastructure for practicing grassroots democracy



- **II-Phase of financial intermediation:** Though the financial transactions (savings, credit and insurance) are from the beginning, primacy of financial intermediation for poverty reduction happens during this phase intensively for three years. Substantial financial support is required to address poverty. Fig.2 explains the process of creating people money with different financial discipline using the natural character of ‘fungibility’ of money.

Fig. 2: Conversion of ‘Cold money’ to ‘Hot money’ with leveraging of development finance
Own money



During this phase, ‘graduation’ of lending is practised. Table 1 provides the details related to graduation during financial intermediation phase.

Table 1 Graduation of development finance for poor

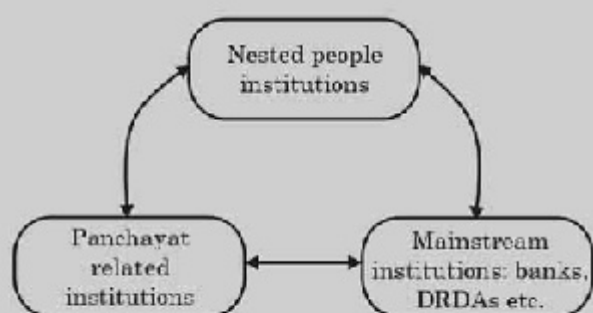
Economic Life Stage	Primary Source of income	Assets Position	Nature of Credit	Amount	Credit Source
Survival	Wage earning	Nil or in Debt	Consumption Calamities	< Rs 500 < Rs 2,000	SHG Own Fund
Subsistence	Partly self employed	Fragile	Consumption Calamities Working Capital	< Rs 500 < Rs 5,000 < Rs 1,500	SHG Own Funds and Linkage
Self employment	Earning from own activity	Performing assets worth Rs 5,000 to 20,000	Working capital Asset Housing	< Rs 5,000 < Rs 10,000 < Rs 15,000	SHG Own Funds and Linkage
Entrepreneurship	Own activity and employing others	Assets worth Rs 50,000 or more	Working capital Asset	> Rs 10,000 > Rs 50,000	Direct bank Linkage

- **III-Phase of 'civic intermediation':** After six years of development intermediation, these functional organisations are transformed into civic institutions with specialised inputs and support for three years. These institutions take civic programmes (education, health etc.) in addition to its primary theme of microfinance and water. DHAN Foundations' role of promotion ends here and it would become a resource institution for support to these civic institutions. Fig. 3 indicates the interface of these institutions with mainstream institutions

DHAN Foundations' poverty reduction approach includes ensuring entitlements and right-based approach besides building effective demand stream and influencing regulatory stream with its effective policy advocacy. After community organisation process, three streams of interventions are envisaged for poverty reduction to ensure sustainability.

- **Ensuring entitlements:** Access to credit for poor people is ensured through microfinance programmes. By providing credit access, many economic development initiatives are supported. Livelihood enhancement is also attempted by re-establishing access for common properties like tanks and ponds and also management of small scale water bodies.
- **Redefining entitlements:** Access to subsidy of government is not the real entitlement. New way of non-subsidy based economic relationship with resource institutions would pave rights-based approach to allocate the resources and govern those institutions for development and growth of people and sustainability of the institutions.
- **Setting agenda for mainstream institutions:** Research institutions, Panchayat related institutions, banks and DRDAs are making their plans and implementing without consulting the demand stream. It is basically supply driven

Fig. 3 Local management for development and change



approach. Now the time has come to set the agenda for those institutions by the demand stream (Federations of SHGs and Tank Associations) to perform and effective monitoring mechanisms would then be evolved to control and shape these institutions's purpose and mission. Demand stream should be a part of governance of those institutions to ensure the poverty reduction purpose.

3. **Context:** Poverty reduction is directly proportional to the development opportunities available for poor people. Urban environment provides excellent opportunity for different livelihoods for the poor. In fact towns and cities are running smoothly because of the services of unorganised sectors that too in an exploitative way. Construction workers, servant maids, street vendors, rickshaw-pullers etc., are underpaid because of exploitative informal economy. Our experience shows that slum people in city could come out of poverty within a short span of five years.

Rural environment has a strong limitation of opportunities. Land and livestock based activity is the only broad-based opportunity for rural people. Hence it would take long time say eight to ten years to address hard core poverty. Asset building, basically natural resources and livestock resources, is the key method available for graduating the poor out of poverty. Skill development and enterprise development are going to be the long-term strategy for poverty reduction.

Tribal environment has a great scope and opportunity for livelihoods. But it requires heavy promotional investment and grant based natural resource development. It would also take a decade to take them to an accelerated development paradigm. Tribal areas are three to five decades behind the mainstream development. Infrastructure (roads, electricity, and communication) development requires heavy public investment that too from the government.

These three environments (urban, rural, tribal) offer varying degrees of opportunities, challenges and investments for poverty reduction efforts.

4. **Operationalisation of poverty reduction:** *'The devil is in detail'*. Success comes when we attend to details in translating the development concepts into a reality. Here we narrate few of our operational ways of facilitating poverty reduction.

4.1 Cost reduction or leakage arresting ways in poverty reduction: Many variables affects livelihood of the poor. Some are externally controlled while some are internally manageable. Sure way of success and building confidence of the poor is to address those variables which are under their control. Some of the exploitative and feudal relationship should be one of such area for poverty reduction. Weaning away the poor from moneylender's exploitative credit mechanism is providing a new way of life by saving interest burden of higher order (40 - 80 per cent) and 'release' the poor. Similarly money lending and market relations are interlocked by the feudal relationship. When a farmer takes a loan for crops and other family expenditure he has to sell his produce at a lower price, even after paying high interest rate on his loan.

Fig. 4 Leakage of income of poor



Any interventions on ameliorating and eradicating these kinds of exploitative relationship would definitely liberate the poor and they would be able to come out of poverty afterwards. But there should be a sustainable credit support available to them through alternate channel, preferably governed by them.

Alcohol addiction of husbands ruins the entire family economically and increases violence against women. Intervention through alcohol de-addiction would bring the family out of poverty within a single stroke. But it would demand a quality counselling and lending products (loans) for de-addiction treatment. Our experience shows positive result. Otherwise, whatever economic programme we do, it won't help the family. Similarly many cost saving interventions are practiced with members to get them out of poverty.

Conservation of natural resources like tanks and ponds is also one of the significant strategies of re-building common property for economic enhancement. Subsequently private investment from farmers would flow after a viable public investment. It would require both grant and loan support. Villagers are coming forward to contribute cash and their labour to the tune of 25 per cent of renovation work in large numbers. Now public investments are not forthcoming to match with farmer's response. DHAN Foundation is exploring the possibility of mobilising bilateral funds to conserve thousands of tanks and ponds.

In fact we could group all the above interventions, including debt redemption, under '*conservation method*' to poverty reduction.

4.2 Asset building of poor: A Lion's share of DHAN Foundation's efforts are in building the productive assets of the poor. Thousands of women own livestock, access to land, access to trees, better houses (both new and repair), access to common property resources, etc. Basically, the poor are enlarging their existing activities with up gradation of their existing assets and acquiring new assets like farm orchards. Cooperative production based technology is encouraged to get additional income.

4.3 Food security: Both tank and microfinance programme address food security directly. Renovation of tanks ensure additional water storage and thereby stabilise agricultural production to small and marginal

farmers. Consumption lending in microfinance groups ensures timely access to food materials from public distribution system.

4.4 Health and Education Security:

Microfinance lending for health and mediclaim insurance ensure timely access to health services for the members. Referral services are also organised with quality hospitals through an agreement for cost effective medical support. Similarly, credit is provided for education to ensure the continuity and to arrest the drop-out of children. Children's saving for higher education is now explored to guarantee the children for higher studies.

4.5 Facilitating electricity infrastructure for poor:

Though access to electricity is available in the villages, many of our members' houses do not have electricity. Hence a new product was developed to provide electricity to members. Always special efforts are needed to make the infrastructure accessible to the poor. Similarly, efforts were made to provide access to safe drinking to poor, so also sanitation facilities. Care need to be taken to ensure that the access to infrastructure is poor friendly and affordable.

4.6 Experimentation for poverty reduction

4.6.1 Saturation of all Poor in an area: We are actively engaged in organising the poor into Kalanjams or Vayalagams. Efforts are taken to reach all the poorest of the poor families in the villages where we have initiated Kalanjams and Vayalagams. Several villages have been declared fully saturated. Similarly, efforts are on to attain 100 per cent saturation at Panchayat and Block level.

4.6.2 Categorisation of the Poor: Our core purpose is to reduce the poverty of people. It is not merely organising the people for savings and credit or for tank renovation. In fact thematic focus in DHAN Foundation provides livelihood focus to reduce the poverty. Understanding the extent of poverty within the organised groups is a pre requisite to graduate them to next levels. Categorisation

of all the families into survival, subsistence and self-employed categories and develop strategies to graduate them out of poverty in five to 10 years has been initiated.

4.6.3 Developing poverty reduction 'goals' for each people organisation:

Kalanjams and Vayalagams are working with bye-laws and the same is getting refined each year. There is a practice of 're-looking' at the bye-laws each year to bring new insights and to remove the outdated norms. There are lending norms, books of accounts, auditing etc., as a part of systems at each people organisation. Likewise, they have initiated evolving poverty reduction 'goals' in all people

organisations. These goals are specific to context and time

- At least two to three years is required to arrest the leakage of usurious interest payments to money lenders. Other leakages like alcohol addiction of husbands of Kalanjiam members and farmers and high social expenditure (ceremonies and events) would be addressed in the coming years.
- Like total literacy, we are aiming at 100% "access to credit" for all our members to address poverty.
- Creating performing assets to generate sustainable incremental income to poor families to come out of poverty. Asset creation and up- gradation would be the primary aspect of poverty reduction which is aimed at "Sustainable Income" for the poor.

4.6.4 Evolving development policies for poverty reduction:

Many of Kalanjams and Vayalagams are addressing poverty in their own way. Identifying development issues related to the area and people are imperative to evolve appropriate development policies. A few of these issues are:

• Migration	- Creation of more employment
• Malnutrition	- Nutrition garden, consumption loans etc.
• School dropout	- Developing products to eliminate school dropouts
• Conservation	- Conservation-based livelihoods like tree planting, strengthening sacred grooves and water bodies etc
• Common properties like tanks, ponds and village funds	- Developing individual and institutional responsibility for management and development
• Declining agriculture	- Regenerating vibrant agricultural economy in villages
• Village industries	- Strengthening village industries for self-consumption and to meet urban demand
• Lack of access and control for water and land	- Developing products to ensure high access and control of water and lands in the hands of poor

Key development policies are evolved for each location to enrich our practice of development policies.

4.6.5 Care to reduce drudgery and child labour:

Many a time, development intervention lead to increase in more working hours of men and women and also burden on children. We are 'conscious' of these incidental phenomena. With increase in credit availability, the poor end up in increased working hours especially women and children. When we are conscious of this issue, we would make definite mechanisms to reduce the drudgery and child labour.

4.6.6 Establishing Early Warning System (EWS) for drought and its impact on poverty:

We are working in the drought prone areas. There is seasonality and it occurs in definite pattern. We are experiencing

'drought' from mild to severe in our locations. There is a need to establish a sound Early Warning System to handle various distress situation.

EWS for female infanticide	- E.g. Kadamalai Study
EWS for alcohol addiction	- E.g. Kurinji study
EWS for migration	- E.g. Ramnad area
EWS for school dropouts	- E.g. Kamudhi intervention
EWS for widow phenomena	- E.g. Kadaladi study

It would be worthwhile to develop EWS to many development issues and to evolve 'Contingency plan' for action during those extreme situations.

4.6.7 Handling 'high risk' and vulnerability of the Poor: The poor go through many ups and downs in their lives. They often experience various calamities threatening their lives and their assets such as drought, flood and fire. Insurance products have been designed and implemented by our People Organisations across regions to handle such risks to an extent. A few of our older locations have initiated 'pension' product for poor to address 'old age' problems in collaboration with the Government. Adequate steps need to be taken to develop a comprehensive pension programme through annuity for Kalanjiam and Vayalagam programmes. Crop insurance and other activity insurance products could also be developed to handle drought and other calamities.

4.6.8 Safe drinking water and sanitation for the Poor: We are creating drinking water and sanitation facilities in many villages. We are encouraging poor community to go for private infrastructure for drinking water and sanitation facilities. They could take loan from Kalanjiam and Vayalagam to create a bore-well with electric pumping arrangement and

also to provide individual house connection to all poor households, so that drudgery of women and men could be reduced drastically. It may cost Rs. 30,000/-Rs 40,000/- per unit to cater to forty to fifty members costing Rs 1000/- to Rs. 1500/- as individual investment cost. They would share the running cost for assured drinking water.

Similarly, sanitation facilities could be located in their houses as a part of housing programmes. It would also cost Rs. 2000/- to Rs. 2500/- per household. Kalanjiam and Vayalagam could lend and it would ensure disease free and mosquito free environment for rural poor households.

4.6.9 Debt servicing for the Poor:

Indebtedness is very high with our Kalanjiam and Vayalagam members. They pay very high interest rates ranging from 60 to 120 per cent per annum, and their entire surplus goes to service the debt. They are in an external debt trap. A new initiative has been taken by our People Organisations to buy back the debt of 'the poorest' initially through negotiation with moneylenders and the group would 'schedule the debt' in three to five years for repayment with 24 per cent interest, so that substantial leakage would be arrested and it would be as good as any income generating activity with extreme care of handling this loan to ensure 100 percent repayment.

4.6.10 Engendering development through gender equality:

DHAN Foundation is working with nearly 1.2 lakh poor women. Despite considerable advances in gender equality, gender gaps are there in rights, in access to and control over resources like water, land etc., in economic opportunities, in power and political space. Though Kalanjiam members achieved substantial strides in many areas, we are yet to achieve focus on women and girls to have the right to own land, houses, manage property, conduct business and learn driving and other skills that are dominated by men. We are involved in developing concrete strategies and policies for gender equality in our programmes in the coming years.

4.6.11 Poverty free families, groups and villages: The people's organisations at different levels plan to declare poverty free families each year. This will help keep the focus on poverty reduction and ensure that all initiatives are geared towards it. This paves the way for declaring poverty free families, groups and villages over a period and finally the entire area under the particular peoples' organisation.

5. Challenges:

5.1 Building vibrant rural economy:

Poverty reduction initiatives should lead to vibrant rural economy besides addressing poverty of individual people. We need to 'connect' poverty reduction and building rural economy proactively. Sectoral interventions are need of the hour to enhance rural economy. Villages are now connected globally for many market opportunities. Similarly, it has to develop resilience to absorb the shocks of global competition. It is going to be a great challenge for the development professionals in future.

5.2 Challenge of mass scale of the poor:

Unemployment and under employment are twin features of poverty. How do we ensure large scale employment opportunity to unskilled agriculture based poor people? It is going to be the greater challenge.

5.3 Judicious use of grants and loans to address poverty:

Relevance of grant is proved

beyond doubt to reach hard core poor. But the real questions are:

- What kind of activities – health and education?
- Right mix of grants and loans
- What kind of situation warrants grant support – drought, calamities?
- Grant support for social security?

5.4 Corporate philanthropy: Social accountability of business houses in India demands their contribution to address poverty. It could be in the form of providing support to promotional efforts, corpus support to NGOs, programme support to natural resource development like tanks and ponds for renovation and for capacity building and networking efforts of different development initiatives.

5.5 Redefining the role of different development actors: Government is undergoing a role transformation so also other actors- civic institutions including NGOs and banks. Government is shedding its implementation role to regulation and facilitation. Local government (Panchayats) and people institutions are enlarging their role of local management and make other institutions including government both centre and state as support institutions to local management. It would take time for each one of them to realise the change and act proactively. This would become the greatest challenge to the NGO community to facilitate this 'redefinition' at an accelerated pace.

The Year 2001-2002 – DHAN Foundation

The year was significant on many fronts. It marked the completion of a decade of development partnership with Novib, the Netherlands. This partnership nurtured the development themes taken up by DHAN Foundation to take root and benefit the poor. The 10 years of collaboration with Ford Foundation coincided with the fiftieth year celebrations of Ford Foundation in India. The Kalanjiam Movement launched in 1998, gained strength and created its own distinct identity with its innovative programmes. It captured the imagination and enthusiasm of the Kalanjiam members. They wholeheartedly contributed to the development of other poor people through the movement programmes.

The Vayalagam Tankfed Agriculture Development Programme consolidated its work of over a decade. The launch of the Vayalagam Movement in March 2002 set the foundation and the momentum for the programme to scale up in a significant manner in the coming years.

DHAN Foundation's work in the grassroots gained further appreciation and acclaim. It received an award from the National Commission for Women for its service to the empowerment of women. The Kalanjiam Movement also received several awards and was recognised for its work for the cause of the poor. The invitations by the Prime Minister's office, the Planning Commission, State

Governments and other bodies to contribute to the formulation of various policies and programmes are recognition to the work done.

The Ford Foundation has made a significant contribution to the corpus of DHAN Foundation. This will support the establishment of DHAN Foundation as a pioneering institution working for the cause of the poor. The growth of the organisation has helped bring in more quality, created new leadership space and impact in a significant manner on the lives of the poor people.

KALANJIAM COMMUNITY BANKING PROGRAMME

Expansion:

The year was significant for the programme in terms of achieving the set goals of the corporate plan for the first year. The programme increased its reach to another 41,855 members in 2,667 Self Help Groups (Kalanjiam). The Kalanjiam were initiated in 24 new locations. As of March 2002, the programme has an outreach of 1,22,118 poor women organised into 7,861 groups, 573 clusters and 23 registered federations. The programme is spread over 2,757 villages/ slums of 61 locations in 18 districts of Tamil Nadu, Andhra Pradesh, Karnataka and Pondicherry

Financial services:

The savings of the Kalanjiam members increased by Rs.837.3 lakhs to reach a total of Rs.1,904 lakhs at the end of March 2002.

The own funds of the members increased to Rs.2,346 lakhs of which Rs.442 lakhs is in reserves and surplus. The linkage with banks got further intensified, 3,790 groups have been linked so far directly with 74 branches of 13 commercial and Regional Rural Banks mobilising Rs.1,493 lakhs as loans. The outstanding by groups with banks is Rs.906 lakhs. The outstanding by the members to the groups is Rs.4,305 lakhs. The federation through the apex institution's linkages met the larger needs of the members. The funds mobilised by the various federations through this mode during the year was 504 lakhs taking the total to 1,420 lakhs.

A lion's share of these loans was used for strengthening either the existing income-generation activities or initiating new ones and for redeeming the members from the local moneylenders. This investment has resulted in an increase in income, reduction of income drain and creation of assets by the members in new house construction, renovation of existing house, access to electricity, sanitation, drainage etc. The programme has undertaken the implementation of the Asian Development Bank pilot project on providing basic infrastructure in the slums in three locations.

All the federations have introduced the insurance services for their members. The insurance service provides cover for natural death, accidental death, health, livestock, house etc. Each of the

federation offers a few or all of the above insurance cover for their members. They are offered by the federation itself or in collaboration with the insurance service providers. More than 29,000 members are covered under the Life Insurance Schemes. Many of the federations have extended life cover to the members' husbands.

The medi-claim policy covers the family members excluding the married children. The programme used the opportunity of launching a pension cum insurance service Krishi Shramik Samajik Suraksha Yojana (KSSSY) for 5,500 members with the Government and LIC of India. This scheme is being implemented on a pilot basis in selected districts in India.

Self-management and cost coverage:

There are about 1,195 local associates employed by the people to work for groups, clusters and federations. People bear or share the costs of the local staff with DHAN Foundation based on the age of the location. Six advanced federations have met all the operational costs including the salaries of deputed DHAN Foundation professional and support staff from October 2001 onwards. The total costs shared by people at all levels would be Rs.350 lakhs from their own operations during the year.

Addressing poverty and developmental issues:

The Kalanjams have taken up poverty reduction as one of their major objectives. They have been

focussing on achieving it through various ways. The loans provided by Kalanjams after the initial period is primarily for income generation activities. It helps members to stabilise their existing activities and its expansion, working capital, access to productive assets such as land purchase or lease, orchard lease, livestock e.g., milch animals, goat and sheep, hand carts, bullock carts etc. The loans from SHG Linkage from bank and SGSY linkage have served this purpose.

The income drain is arrested through several means. By providing loans at reasonable interest rates the members' dependence on moneylenders is reduced or even eliminated. Many Kalanjams in some federations have declared themselves as moneylender free. Similarly a substantial portion of the credit given to members has been used to repay high interest old debts. This has reduced the interest and debt burden for the members. It has helped many of them redeem their land, jewels, houses etc. The productive assets thus redeemed helped members increase their incomes. The community colleges promoted in three federations are building employable skills for the children of Kalanjiam members,

A business cell has been established at programme office to provide business development support services. It will establish linkages with markets and industrial houses to enhance the income and employment opportunities for Kalanjiam members. To support the efforts to provide income security to

members, skill surveys, occupational studies and feasibility studies for various activities were undertaken.

The civic and development interventions undertaken by the federations contribute to improving the living standards and quality of life of the members. The federations support the members to get their entitlements. This includes basic facilities such as roads, streetlights, drinking water, upgrading school infrastructure etc. Other facilities such as ration cards, community certificates, old age and widow pensions, free house schemes, electricity connection etc have been obtained through the Kalanjams intervention.

Most of the federations in operation for more than five years have initiated health services. This includes medical camps to create a health baseline of members to design better health programmes, training of health workers to provide first aid and health education, memorandum of understanding with hospitals in their area to provide referral services, promotion of kitchen garden etc.

Several initiatives in education have been made. They include strengthening the primary schools initiated, starting tuition centres to provide coaching for the member's children, adult literacy programmes, community college, rural Internet kiosks etc. These are some of the initiatives undertaken by the Kalanjams to bring in positive changes in the lives of its members.

Kalanjiam Movement:

Kalanjiam movement gained further momentum in the year. Regional units were established with exclusive teams at the region. The movement leaders met once a month to discuss strategies to take the movement further. Two locations were supported with the contributions mobilised from members under Kalanjia Jothi programme (members in Kalanjams which are in existence for more than a year contribute Rs.11 annually for this programme which is used to bring more poor women under the fold of the Kalanjams). The existing groups and clusters took the responsibility of promoting new groups and clusters in their nearby villages. Movement day celebrations were conducted by all locations on November 16. The first Annual General Body meeting of Kalanjiam Movement was held in Madurai on the Women's Day, March 8, 2002. In this annual convention of leaders several resolutions were passed and new programmes were launched. The Movement has received awards from the 'Dinamalar' newspaper and NABARD, Chennai for its achievements.

The gap between the demand for credit and the actual credit given by the banks was very high. All the eligible groups were not successful in getting linked with the banks. The need for a credit source, which is timely and responsive to the members need, was felt. The Kalanjams, Clusters and Federations with the support of DHAN Foundation came forward and launched the Kalanjiam Development Financial Services (KDFS).

KDFS is a not for profit, Section 25 company. The main purpose is to provide bridge loans for Kalanjiam and Vayalagam groups. It has provided loans to 852 Kalanjams and Vayalagams to the tune of Rs.159 lakhs. The loan funds have been sourced from ABN Amro Bank against a guarantee provided by Novib, the Netherlands. The timely credit support from KDFS was critical for strengthening the groups and retaining their enthusiasm.

Programme Management:

The rapid growth and geographical spread of the programme required effective decentralisation to ensure the quality and quick decision-making on the programme management front. Decentralisation was initiated by regionalisation of the programme. The region is a support unit for 5 to 6 locations in a district or two adjacent districts. The three regions initiated in 1999 are now full fledged and are acting as a resource centre for the emerging regions. The region liaisons with mainstream agencies like banks and Government departments at the District level; it coordinates training and other HRD functions at regional level; it supports locations in problem solving and tackling field difficulties, holds reviews for progress and undertakes monitoring visits for ensuring quality.

Systems for internal control like auditing for all groups, clusters, and federations was carried out in a timely and smooth manner. All advanced federations have

computerised cluster and federation accounts. Development of software for group accounts was completed in-house and an intensive pilot testing was conducted in five locations. Monitoring on various programme aspects was carried out at different levels - by locations, regions and the programme to ensure quality while growing.

Resource centre for microfinance:

The programme has organised training programmes, exposure visits for representatives of NGOs, Bank, Government and donor agencies from within India and outside the country especially from Africa. A total of 17 programmes were organised benefiting 272 participants from 80 NGOs, 35 banks, two DRDAs and two international organisations. In addition, programme team has facilitated visits and provided a perspective on the enabling model of microfinance to many senior bankers, government officials, development consultants and representatives of donor agencies.

Networking and policy advocacy:

DHAN Foundation has taken the lead role in anchoring the activities of the International Network For Alternative Financial Institutions (INAFI) network. It has organised and participated in various national and international events and facilitated promotion of the country network, INAFI-INDIA. The programme held its first

policy workshop in Chennai on Savings in December 2001. The leaders shared their experience on savings and issues involved in it to an audience consisting of bankers, administrators, Government officials and representatives from other voluntary agencies.

Senior people represented the programme in various global and national forums. Papers were presented sharing DHAN Foundation's experiences at these events. The important ones include INAFI Asian Workshop, INAFI Regional and Global Assembly, Frankfurt Seminar on Microfinance, Standards Workshop organised by SIDBI, Lucknow, MIDS Development Convention etc. DHAN Foundation was member of the policy working group set up by SIDBI Foundation. It has anchored a study group on Capacity Building for enhancing availability of Institutional Finance for unorganised sector at the invitation of the Prime Minister's office.

VAYALAGAM TANKFED AGRICULTURE DEVELOPMENT PROGRAMME

Expansion

The programme extended its reach to another 2,233 farmers through 97 TFAs taking the total reach to 25,156 farmers in 462 TFAs. The chain of tank approach helped form new TFAs in order to saturate the chain. The programme has extended its work to another five new districts in addition to the existing nine districts. A rapid tank appraisal is done in the new locations and the

feasibility of the programme is analysed before work is initiated. The Micro Finance Group (MFG) activity within the TFA got stabilised and served as both strengthening mechanism for existing TFAs and as entry programme for new TFAs.

Activities

The Punganur team undertook a massive food-for-work programme funded by the Chittoor district administration. Works in four tanks were taken up at Theni and Madurai with funding from the block administration and CAPART. The experimentation in addressing gender issues through tank associations was taken in 12 tanks in three districts. The TFAs were formed with dual membership or exclusive women membership. Rs.2.25 lakhs revolving fund for work implementation was used. In Pondicherry a new initiative of linking conservation and common property resources for livelihoods was initiated. Five women MFGs were formed and pond-based pisciculture activity was undertaken through them. The members were provided training in the various aspects required for it.

Forty-eight tanks benefited from the plug and rod shutters provided for sluices in four locations. Through this intervention the storage period of water in the tanks gets increased. Two watershed proposals were sanctioned from NABARD. The preliminary works in both the watersheds have been initiated. In the Gulf

of Mannar-Bio Reserve project, an earthmover (JCB) was provided to facilitate physical work in the tanks.

The Vayalagam Agriculture Development Centres (VADC) were initiated in four new places increasing the number of VADCs to 21. Training, purchase of certified seeds, crop loans, seed farms etc., were some the activities undertaken by the VADCs for the benefit of the farmers. The Micro-Finance groups are providing savings and credit facilities to their members.

The training and capacity-building cell initiated a few years earlier developed into a full-fledged one. Specific need based programmes for the professionals, field functionaries, VADC associates and leaders were organised. Vayalagam movement workers training for two batches was organised.

The team completed the two action research programmes undertaken on behalf of the Institute of Water Studies, Taramani. Stake holders meetings, Future search meetings were organised with the farmers and various government departments. This was helpful in strengthening the collaboration with the various District Rural Development Agencies (DRDAs), Water Resources Organisation (WRO), Agriculture, Agricultural Engineering, Forestry, and Fishery Departments. The Pondicherry team undertook the study on the Agriculture and Irrigation sector for the Pondicherry Vision-2020 document for the Government of

Pondicherry. This study was taken up at the invitation of the Madras School of Economics, Chennai, which has been entrusted with the entire exercise.

Resource Mobilisation

The Ramnad team in Tamil Nadu and the Kanakapura team in Karnataka submitted the watershed proposals to NABARD. The Ramnad proposals have been sanctioned and the first instalment has been released. Ford Foundation, New Delhi and Novib, the Netherlands, have provided support for scaling up the programme. The programme has taken several initiatives for mobilising resources for scaling up the work. Two new proposals have been submitted, one to DANIDA for the Oorani Programme in Ramnad district to mitigate the drinking water problem. Another watershed proposal has been submitted to the Agricultural Engineering Department in Theni District under the Indo German Watershed Development Programme. The earlier proposals submitted to CGWB, CAPART, various DRDAs and others are yet to be sanctioned.

Building People's Organisations:

The leaders at the TFA and Federation levels took an active role in the formation and strengthening of TFAs. In all the federations the change in leadership at the expiry of the term took place. The Annual General Body meetings were organised and sharing of the progress, plan and strategies to achieve it were made. The

Microfinance groups also played a role in strengthening the TFAs.

The work done in the last one decade culminated in the farmers coming together at State and region level to work for the cause of the tanks and initiate a movement for it. The year witnessed the launch of the Vayalagam Movement. About 20,000 farmers from three states participated in this event. They took out a massive rally in the city and had a public meeting at the historic Tamukkam grounds in Madurai. The noted social activist Shri. Anna Hazare addressed the farmers. Mr. Alex Wilde, Vice President, Ford Foundation, inaugurated the Movement.

Policy Advocacy efforts:

The programme team was actively involved in efforts to influence various policies in favour of participatory tank development programmes. DHAN Foundation was invited to be a member of the Working Group on Minor Irrigation constituted by the Planning Commission, Government of India for the formulation of the Tenth Plan (2002-2007) Proposals. DHAN Foundation with Prof. Mohanakrishnan contributed one of the Chapters namely Performance Evaluation of Tank Irrigation. The Commissioner, Ministry of Water Resources, Government of India asked DHAN Foundation to contribute a note on unit cost of rehabilitation based on the field experience.

DHAN Foundation at the invitation of the Secretary, Rural Development, Government of

Tamil Nadu two draft guidelines were prepared. They are 1) Development of Minor Irrigation Tanks in Tamil Nadu and 2) Rehabilitation of Ponds (*Ooranis*) for providing Drinking Water in Drought Prone Ramnad district of Tamil Nadu. As a result, the suggestions were incorporated and an exclusive scheme viz. Village Self Sufficiency Scheme announced during budget session. Similarly, at the request of the Special Secretary (Agriculture), a concept note was shared about workable model for wasteland development

The Conservation Council of Tamil Nadu met twice during the year. An assignment to prepare Conservation, Development and Management of Small Water Bodies' Bill is nearing completion. The preparation of a White Paper on status of small-scale water bodies in Tamil Nadu, problems and perspectives has been completed. One preparatory meeting to form Conservation Council in Karnataka was held at Bangalore in October'2001.

Two Policy Workshops were conducted one on Tanks and Ground Water Recharges at MIDS, Chennai and another on "*Tanks and Resource Mobilisation*" at MSSRF, Chennai. About 90 farmers, 25 eminent technocrats and academicians participated in it. The successful case studies of tanks on increasing groundwater level from field practices and different methods followed in contribution mobilisation from the people were shared in the workshop.

The programme organised a farmer's convention to create awareness among the community about protecting ooranis. To overcome drinking water problem in Ramnad district a campaign 'Save Ramnad' was launched. About 250 farmer leaders and dignitaries from different governmental organisations participated in this event. Three publications were released on this occasion. This event was organised as part of Decade of collaboration with Novib, the Netherlands, celebrations in December 2001.

As a driver agency in Global Water Partnership-South Asian Technical Advisory Council, Aurangabad, DHAN Foundation in collaboration with Krishnan Associates, Chennai organised a three-day regional workshop in Madurai in March 2002. The focus was on "Small Village Tanks" at South Asian region level. About 35 water sector leaders, technocrats and professionals participated in this workshop. Major activities like network formation, sharing the learning at the World Water Forum during 2003 are planned as a follow-up of the workshop.

HUMAN RESOURCE DEVELOPMENT (HRD)

Attracting high quality professionals to work in the development sector is the core purpose of HRD in DHAN Foundation. Focus is given to build the requisite competencies and attitudes needed for working in this sector for long term. The guiding principles of the HRD, DHAN Foundation, are:

Placing of high-quality professionals to work at the grassroots. Ongoing professional development programmes for the growth of the professionals. Rooting professionals to locations and themes and building a constellation of professionals around each theme. Creating scope for experimentation to nurture innovations at the grassroots. Focusing on self-learning by ensuring learning environment and proper mechanisms for guidance. Creating a value-based and self-regulated culture within the organisation.

Programmes:

The field programmes of DHAN Foundation are scaling up and there is a high demand for young professionals. The first major focus area of HRD was to attract and build the capacity of young professionals to meet the programme needs. To achieve this goal, HRD offers two programmes. The Development Associateship programme of three months is for young professionals to explore the development sector and understand the ground realities. A one-year Development Apprenticeship Programme follows this. This programme provides the professionals the scope to learn and reflect through hands on learning in the field while implementing any one of its programmes. In addition to this, there are several structured, classroom modules to give a better understanding about the Development sector.

Twenty-five Development Associates graduated to the

Development Apprentice Stage. Fourteen Development Apprentices graduated to the next stage of Project Executive, while another twenty are undergoing their Apprenticeship. The concept of Batch Teacher for each batch of Apprentices from among the senior colleagues was introduced. Its impact on the quality of grooming and guiding the new entrants was significant.

The HRD team introduced an aptitude cum basic proficiency test for the new entrants. This helped ensure quality of new entrants. It also enhanced the image of DHAN Foundation in the academic institutions. A similar process was followed for the selection and placement of support staff in the organisation.

The second focus area for HRD was on educating select academic institutions about the development sector. Students from reputed management institutes in the country are given the opportunity to do their Management Traineeship segments or summer projects in the thematic programmes being implemented in the field. It also offers a one-month Development Internship to the final and pre final year students. This opportunity provides them an exposure to the development sector and helps create an interest to choose to work in this sector and the challenges this sector can offer to the new entrants. The HRD team has been able to establish excellent relationships with about ten premier academic institutions in South India.

The third focus area of HRD was the ongoing professional

development of the staff. The younger colleagues were encouraged to participate and present papers in workshops and seminars in their thematic areas at different levels. The senior colleagues were encouraged to go as participants, resource persons and for sharing experiences at national and international workshops/ seminars. The senior colleagues undertake assignments, studies, and consultancy work for various development agencies at national and international levels. Only those assignments that add to the knowledge and understanding of the organisation in its thematic focus areas are undertaken. A number of colleagues were given the opportunity to take part in both short and long duration capacity building programmes. These events were organised within DHAN Foundation and also by other external organisations both within and outside the country.

The annual appraisal for all the staff was done on the lines of the key performance areas outlined earlier for different levels. The appraisal also included a written test to help each one assess their understanding about self, roles and responsibilities, programme components, development etc. It provided very good insights to the staff, HRD team and senior colleagues. This year a team assessment exercise was undertaken to get teams to set their norms and action plan. This would facilitate the team appraisal proposed to be organised in the coming year. Efforts to decentralise the HRD activities have begun with the concept of Programme HRD and

Regional HRD being introduced. These initiatives will get concretised in the coming year.

RESEARCH AND DOCUMENTATION RESOURCE CENTRE (RRC):

The RRC was initiated in DHAN Foundation with the following objectives: Support to HRD in building the capacity of the development professionals and support to the action programmes in reaching significance. Provide support in the policy advocacy efforts undertaken by DHAN Foundation. Initiation of internal learning systems and to be a resource centre for the field action programmes.

The major focus of RRC during the year was on publications. The team brought out the regular publications such as the newsletters, brochures, and annual reports with emphasis on quality of both contents as well as production. Booklets highlighting the collaboration with the Vishakapatnam Municipal Corporation, the Food For Work Programme in collaboration with the DRDA in Punganur, Andhra Pradesh and the Decade Partnership with Novib, the Netherlands were brought out. A series of thematic posters on the Vayalagam Tankfed Agriculture Development Programme was brought out. A set of calendars for DHAN Foundation and INAFI network were brought out.

The contribution of the audio video unit was noteworthy during the year. Two short video films about DHAN Foundation and the

Community Banking programme were brought out. These two films created a high degree of confidence with the team to handle such assignments in future with ease. An audiocassette in Telugu on the Kalanjiam songs was brought out with the support from the local teams. The important events in the Federations and DHAN Foundation were video documented.

The team undertook two studies in collaboration with research team members from the United Nations Development Programme (UNDP), New Delhi and German Technical Cooperation (GTZ), New Delhi. The studies were on Micro credit & Women Empowerment and Micro-insurance respectively. The Development Internship students took up short studies during their stay with the organisation. RRC also provided support to the DHAN Academy by organising the second Social Development Research Capacity building programme for researchers, academicians and NGO practitioners. This programme was with the support of Department for International Development (DFID) through the Universities of London and Swansea, United Kingdom.

CENTRAL OFFICE

The central office plays the important role of integrating all the programmes. The managing of finances, ensuring statutory compliances, personnel systems and administration, nurturing new themes, strategic guidance to programmes, concerted efforts in policy advocacy, corporate plan

review etc are done by the central office. The central office has a very lean team. The integration is achieved by the matrix structure followed for carrying out the above said functions with colleagues from all programmes. This also helps build the second line leadership and their institutional perspective. The decentralisation of financial functions through the eight Financial Responsibility Centres (FRCs) was streamlined.

NEW INITIATIVES

DHAN ACADEMY

The DHAN Academy was promoted to establish itself into a Rural University to groom young graduates into Development Professionals of high quality who would learn, innovate, seek excellence and be creative, inspired by a humane vision. The motivation and idea for initiating the Academy was drawn from the "Rural University: Experiment in Educational Innovation" that was initiated in the early eighties. It was further reinforced by the grassroots experience of PRADAN/DHAN Foundation over the last two decades.

The Core Group set up for the initiation of the Academy worked under the guidance of Prof. Ranjit Gupta in 1999-2000. The Academy was launched in December 2000. A well equipped campus at the Nagamalai foothills in Madurai provided the required ambience for the Academy. The one year Post Graduate Programme in Development Management (PDM) was started in January 2001. The unique features of this

course are the design which lays emphasis on learning from both classroom and the field and development practitioners as faculty. The first batch of PDM students have graduated and have been absorbed in DHAN Foundation as Project Executives. The second batch of students are in their final term at the Academy. In addition to this the Academy organised several short duration Development Management Programmes for participants from within DHAN Foundation and outside. A core faculty team is now in place and the areas of research and consultancy will be taken up in the coming year.

INFORMATION TECHNOLOGY FOR THE POOR

DHAN Foundation initiated an Information and Communication Technology Project for the poor on a pilot basis. DHAN Foundation is working in collaboration with the Indian Institute of Technology, Chennai, in the SARI (Sustainable Access in Rural India) project at Melur block. The project envisages setting up Internet kiosks in village with access to the Internet through the SARI project. Currently there are 12 Internet kiosks with trained operators. Some of the uses to which these kiosks are planned to be put to are computer education, email, agriculture market information, e-post, labour availability information, e-commerce, health information etc. These uses are in various stages of application – right from testing to actual implementation. The community colleges set up in

three federations are providing computer education to the members children at low cost and good quality. A full-fledged team has been set up for this theme. The team is providing software development support to the various programmes.

Institutional Development

DHAN Foundation's two thematic programmes are scaling up in a significant manner. The Kalanjiam Community Banking Programme is at the stage of setting up a thematic organisation – the Kalanjiam Foundation. The two new themes of DHAN Academy and IT for the poor have moved from the pilot stage to the next stage. DHAN Foundation is currently exploring two new themes of Dryland Agriculture and Panchayat Raj. A think tank has been set up for each theme to work on it. DHAN Foundation is continuously on the lookout for new innovations in development, which can impact the lives of the poor in a sustainable manner. These initiatives provide new opportunities, creates new leadership spaces and new challenges to the senior staff working in DHAN Foundation. These act as the Research and Development efforts of the organisation.

Each year the integrating mechanisms such as the Strategic Forum, Consultative Forum, Annual Retreat etc. are getting strong. They are grooming the next level of staff to the second line leadership positions.

The rapid growth coupled with decentralisation has provided

leadership space for many in the organisation. Similarly, the design and implementation of the corporate plan has created a widely shared and understood vision among the DHANites. It is also backed by a detailed plan of action, which has set the momentum on a high level.

The Annual Meeting of the Board of Trustees and two Governing Body Meetings were held during the year. The Foundation day was celebrated on October 2, 2001. It also marked the launch of various Kalanjiam Movement Programmes. Prof. Ranjit Gupta

delivered the Foundation Day lecture on "*Institution Building*"

ACKNOWLEDGEMENT

Our heartfelt thanks are to Prof. Ranjit Gupta for his guidance and constant emphasis on excellence. Our sincere thanks are to Sir Ratan Tata Trust for their continued support, which helped scale up the Community Banking Programme and DHAN Academy to get rooted. Our earnest thanks to NOVIB, the Netherlands for their enduring and continued support of over a decade in all our initiatives. Our thanks to Ford Foundation for

the institution building support given. Our thanks are also due to CAPART, New Delhi, and the District Rural Development Agencies of the districts in Tamil Nadu, Andhra Pradesh, Karnataka and Pondicherry where we are working. HDFC, NABARD, HUDCO, SIDBI, Pandyan Grama Bank, Canara Bank and other commercial banks for their support during the year. We owe our thanks to M.S.Swaminathan Research Foundation, Madras Institute of Development Studies, South Indian Federation of Fishermen Societies and other institutions for their support during the year.

Financial Statements

FORM NO.10B

Audit report under section 12 A(b) of the Income Tax Act, 1961 in the case of charitable or religious trusts or institutions

We have examined the consolidated Balance Sheet of **DHAN (Development of Humane Action) Foundation**, 18, Pillayar Koil Street, S.S.Colony, Madurai – 625 010, Tamilnadu, India (Permanent Account Number: AAA TD 2591 B) as at 31 March 2002 and the consolidated Income and Expenditure Account for the year ended on that date which are in agreement with the books of account maintained by the said trust.

This financial statement is the responsibility of the trust's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit subject to non confirmation of balances of certain advances, deposits and loans recoverable, bank balances, donor balances and current liabilities. In our opinion, proper books of account have been kept by the head office of the trust so far as appears from our examination of the books.

In our opinion and to the best of our information and according to the information given to us, the said accounts give a true and fair view:

- i) in the case of the consolidated Balance Sheet of the state of affairs of the above named trust as at 31 March 2002 and
- ii) in the case of the consolidated income and expenditure account of the excess of income over expenditure of its accounting year ending on 31 March 2002.

The prescribed particulars are annexed hereto.

for SUNANDA & SHESHADRI,
Chartered Accountants,

Sd

Place : Madurai
Date : 29 July 2002

K.SHESHADRI,
Partner.
Membership No.20956

DHAN (Development of Humane Action) Foundation**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2002***(in Rupees)*

	Schedule		March31, 2001
ASSETS			
FIXED ASSETS			
Written off as per contra	1	18,237,157	8,173,895
INVESTMENTS	2	1,500,000	1,500,000
CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets	3	15,220,093	11,256,853
Loans and Advances	4	<u>4,026,214</u>	<u>2,011,126</u>
Total		<u>38,983,464</u>	<u>22,941,874</u>
LIABILITIES			
CORPUS AND CAPITAL FUND	5	9,429,452	5,853,300
SPECIFIED FUNDS	6	8,059,989	7,647,949
CURRENT LIABILITIES	7	3,256,866	1,266,730
FIXED ASSETS WRITTEN OFF AS PER CONTRA	1	18,237,157	8,173,895
Total		<u>38,983,464</u>	<u>22,941,874</u>
Notes on Accounts	12		

Schedules 1 to 7 & 12 form an integral part of the Balance Sheet

Sd
ChairmanSd
TreasurerAs per our Report of even date
for Sunanda & Sheshadri
Chartered AccountantsSd
Executive DirectorSd
K.SHESHADRI
PartnerMadurai
Dated: July 29, 2002

DHAN (Development of Humane Action) Foundation**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2002**

				(in Rupees)
		Schedule		March 31, 2001
INCOME :				
Grants Received	8		52,340,545	37,849,291
Techno Managerial Services Receipts (TMS)			3,997,968	3,774,813
Other Receipts	9		2,613,324	303,665
Total			58,951,837	41,927,769
EXPENDITURE:				
Community Banking Programme				
Programme Implementation and Administration	10	27,411,952		17,946,087
Capital Expenditure	1	<u>4,176,726</u>	31,588,678	1,077,580
Tank fed Agriculture Programme				
Programme Implementation and Administration	10	9,924,359		8,014,285
Capital Expenditure	1	<u>2,998,456</u>	12,922,815	153,758
Other Programmes				
Programme Implementation and Administration	10	5,276,125		3,199,319
Capital Expenditure	1	<u>1,632,803</u>	6,908,928	695,711
Central office Administration				
Administration	10	1,920,447		2,838,560
Capital Expenditure	1	<u>1,295,526</u>	3,215,973	304,702
Excess of income over expenditure			4,315,443	7,697,767
Total			58,951,837	41,927,769
Appropriation of Excess of Income over Expenditure	11		4,315,443	7,697,767
Notes on Accounts	12			

Schedules 1 & 8 to 12 form an integral part of the Income and Expenditure account

Sd
Chairman

Sd
Treasurer

As per our Report of even date
for Sunanda & Sheshadri
Chartered Accountants

Sd
Executive Director

Sd
K.SHESHADRI
Partner

Madurai
Dated: July 29, 2002

DHAN (Development of Humane Action) Foundation

**SCHEDULES TO CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2002**

Schedule 1 : Fixed Assets

Community Banking Programme

(in Rupees)

Particulars	C As at Apr 1,2001	O Addition	S Deletion	T As at Mar 31,2002
Freehold Land	305,851	373,050	-	678,901
Building (Work-in Progress)	-	793,425	-	793,425
Furniture and Fixtures	507,681	286,176	-	793,857
Office Equipments	161,778	117,068	-	278,846
Professional Equipments	1,878,559	1,501,784	-	3,380,343
Electrical Fittings	166,283	64,908	-	231,191
Vehicles	2,145,312	456,675	-	2,601,987
Staff Vehicles	156,140	538,352	40,249	654,243
Plant & Machinery	1,950	45,288	-	47,238
Total I	5,323,554	4,176,726	40,249	9,450,031
Tankfed Agriculture Programme				
Land	-	176,689	-	176,689
Furniture and Fixtures	220,556	20,096	-	240,652
Office Equipments	14,510	28,665	-	43,175
Professional Equipments	268,206	407,124	-	675,330
Electrical Fittings	76,890	5,420	-	82,310
Vehicles	499,857	911,852	-	1,411,709
Staff Vehicles	76,343	125,310	-	201,653
Plant & Machinery	-	1,323,300	-	1,323,300
Total II	1,156,362	2,998,456	-	4,154,818
Other Programmes				
Furniture and Fixtures	70,790	165,185	-	235,975
Office Equipments	18,660	16,960	-	35,620
Professional Equipments	543,334	1,362,553	-	1,905,887
Electrical Fittings	62,927	43,900	-	106,897
Vehicle	-	2,200	-	2,200
Staff Vehicles	-	42,005	-	42,005
Total III	695,711	1,632,803	-	2,328,514
Central Office				
Freehold Land	457,250	1,229,893	-	1,587,143
Furniture and Fixtures	112,730	52,450	-	165,180
Office Equipments	45,650	-	-	45,650
Professional Equipments	357,550	111,050	-	468,600
Electrical Fittings	25,088	2,133	-	27,221
Total IV	998,268	1,295,526	-	2,293,794
Total (I+II+III+IV)	8,173,895	10,103,511	40,249	18,237,157

Madurai
Dated: July 29, 2002

Sd
Chairman

Sd
Treasurer

Sd
Executive Director

DHAN (Development of Humane Action) Foundation**SCHEDULES TO CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2002***(in Rupees)***March 31, 2001****Schedule 2 : Investments**

Corpus Deposits with :			
Andhra Pradesh Power Finance Corporation Ltd	1,000,000		1,000,000
Housing & Urban Development Corporation Ltd	500,000	1,500,000	500,000
Total		1,500,000	1,500,000

Schedule 3 : Current Assets

Bank Balances			
In Savings accounts		5,736,872	5,160,029
In Fixed Deposits		9,483,221	6,061,330
Postage Stamps			1,557
Stock			
(Lower of cost and realisable value)			
Raw Material			10,008
Finished Goods			23,929
Total		15,220,093	11,256,853

Schedule 4 : Loans and Advances

Loans			
Staff Loans		17,821	61,405
Advances Recoverable:			
Project Advances to staff	654,102		129,182
Deposits	1,502,070		1,160,429
Other Advances Recoverable	1,852,221	4,008,393	660,110
Total		4,026,214	2,011,126

Sd
Chairman

Sd
Treasurer

Sd
Executive Director

Madurai
Dated: July 29, 2002

DHAN (Development of Humane Action) Foundation**SCHEDULES TO CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2002***(in Rupees)***March 31, 2001****Schedule 5 : Corpus and Capital Fund**

Corpus

Opening Balance	1,540,000		500,000
Add: Receipt during the year	37,750		35,000
Add: Appropriation from Income & Expenditure a/c	<u>1,061,913</u>	2,639,663	<u>1,005,000</u>

Capital Fund

Balance brought forward from last year	4,313,300		2,956,067
Add: Surplus during the year	<u>2,476,489</u>	<u>6,789,789</u>	<u>1,357,233</u>

Total**9,429,452****5,853,300****Schedule 6 : Specified Funds**

Donors Account

Opening balance	6,550,825		
Add:(Deficit) / Surplus during the year	(44,709)		
Less: Revolving Fund advanced	<u>365,000</u>	6,141,116	<u>6,550,825</u>

Sir Ratan Tata Trust Fund for Corpus grants
to Tank Farmers Organisations

Opening balance	736,265		
Less: (Deficit) / Surplus during the year	<u>816,610</u>	1,552,875	<u>736,265</u>

Sir Ratan Tata Trust Revolving Fund

200,000 200,000

Book Fund

Opening balance	160,858		
Add: Appropriation from Income & Expenditure a/c	<u>5,140</u>	<u>165,998</u>	<u>160,858</u>

Total**8,059,989****7,647,949****Schedule 7 : Current Liabilities**

On Government Programmes	2,579,851		1,176,055
Others	675,332		90,675
Savings Bank account overdrawn	<u>1,683</u>	<u>3,256,866</u>	<u></u>

Total**3,256,866****1,266,730**

Sd

Chairman

Sd

Treasurer

Sd

Executive Director

Madurai

Dated: July 29, 2002

Annual Report 2002

25

DHAN (Development of Humane Action) Foundation**SCHEDULES TO CONSOLIDATED INCOME AND EXPENDITURE
ACCOUNT AS AT MARCH 31, 2002***(in Rupees)***March 31, 2001****Schedule 8 : Grants Received****Grants Received from Foreign Agencies**

Novib - The Netherlands	17,289,080		10,377,371
Ford Foundation - New Delhi	9,121,531		2,238,548
Institute for Socio Economic Development - (ISED) Bhubaneswar	200,000		1,000,000
Sustainable-agriculture & Environmental Voluntary - Action (SEVA) - Madurai	200,000		-
Professional Assistance for Development - Action (PRADAN) - New Delhi	-	26,810,611	3,700,000

Grants received from Indian Agencies

Sir Ratan Tata Trust	16,075,000		9,225,000
Ministry of Rural Development / UNDP	5,600,000		8,200,000
Institute of Water Studies - Chennai	780,000		260,000
National Bank for Agriculture and Rural Development	882,400		0
Drought Prone Area Programme (DPAP)-Chittoor	252,000		160,000
Housing Development Finance Corporation	215,500		0
Council for Advancement of People's Action and Rural Technology (CAPART)	-		1,423,021
Municipal Corporation - Visakhapatnam	-		978,000
Public Works Department (PWD)	-		24,750
District Rural Development Agency - Chittoor	300,000		200,000
Swasakthi - Karnataka	100,734		
District Rural Development Agency -Adilabad	325,000		
District Rural Development Agency -Nalgonda	150,000		0
South Asian Technical Advisory Committee - Aurangabad	300,000		0
Kalanjia Movement	549,300	25,529,934	62,601

Total**52,340,545****37,849,291****Schedule 9 : Other Receipts**

Other Receipts	1,613,908		105,995
Interest from Banks, etc.,	999,416		197,670

Total**2,613,324****303,665**Sd
ChairmanSd
TreasurerSd
Executive DirectorMadurai
Dated: July 29, 2002

DHAN (Development of Humane Action) Foundation

**SCHEDULES TO CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
AS AT MARCH 31, 2002**

(in Rupees)

Schedule 10 : Programme Implementation and Administration

Activity / Expenditure / Items	Community Banking Programme	Tanked Agriculture Programme	Other Programmes	Central Office administration	Total	As at March 31, 2001
Volunteer Allowances and Travel	4,822,656	614,760			5,437,416	4,338,938
Training / Expenses on Volunteers, Groups and Members & Federations	4,052,492	974,250		10,280	5,037,022	2,071,787
Support for Income generation by members	2,142,340				2,142,340	1,861,721
Crop Production & Water Management Training		313,876			313,876	265,834
Drinking Water Ponds Programme		406,000			406,000	2,298,848
Sir Ratan Tata Trust Endowment Grants to Tank Farmers Associations		383,200			383,200	408,350
Employees remuneration and benefits	8,185,190	3,350,674	2,625,636	562,791	14,724,291	10,577,219
Professional / Consultancy Charges	1,292,481	564,679	197,545	174,225	2,228,930	1,170,432
Travel / Conveyance	2,586,708	1,141,803	792,459	518,942	5,039,912	3,093,571
Vehicle maintenance	606,115	389,105	60,343	37,392	1,092,955	880,564
Books and Audio Visual Expenses	187,381	122,385	267,259	22,997	600,022	260,539
Printing and Stationery	1,242,854	504,254	411,278	90,832	2,249,218	2,241,841
Communication	496,589	253,878	199,488	105,923	1,055,878	721,880
Rent, Water, Electricity and Maintenance	1,313,895	294,684	533,806	150,475	2,292,860	1,300,464
Miscellaneous Expenses	483,251	610,811	16,845	193,690	1,304,597	506,263
Advertisement Expenses			171,466	52,900	224,366	
Total	27,411,952	9,924,359	5,276,125	1,920,447	44,532,883	31,998,251
Previous year	17,946,087	8,014,285	3,199,319	2,838,560	31,998,251	

Sd

Chairman

Sd

Treasurer

Sd

Executive Director

Madurai

Dated: July 29, 2002

DHAN (Development of Humane Action) Foundation

**SCHEDULES TO CONSOLIDATED INCOME AND EXPENDITURE
ACCOUNT AS AT MARCH 31, 2002**

(in Rupees)

March 31, 2001

**Schedule 11 : Appropriation of
Excess of Income over Expenditure**

Excess of Income over Expenditure	4,315,443	<u>7,697,767</u>
Transfer to :		
Corpus fund from TMS Receipts	1,000,000	1,005,000
Corpus fund from Interest Income	61,913	
Book Fund from Other Receipts	5,140	91,480

Balance carried to Balance sheet

Donor's account

Sir Ratan Tata Trust Fund for Corpus grants to		
-Tank Farmers Organisations Surplus / (Deficit)	816,610	(603,822)
Others - (Deficit) / Surplus	(44,709)	5,747,876

Capital Fund - Surplus	<u>2,476,489</u>	<u>1,457,233</u>
Total	4,315,443	7,697,767

Sd
Chairman

Sd
Treasurer

Sd
Executive Director

Madurai
Dated: July 29, 2002

DHAN (Development Humane Action) FOUNDATION

Schedules to Consolidated Balance Sheet & Income and Expenditure account for the year ended March 31, 2002

Schedule 12 Notes on accounts:

1. The guiding principles that are fundamental to the institution are:
 - 1.1. High quality human resources will be engaged in grassroots work. The focus of the work will be on enabling rather than delivering through direct action.
 - 1.2. Value collaboration with mainstream institutions and government to demonstrate new and effective ways of development intervention and to build viable linkages between people and mainstream.
 - 1.3. Promoting people's organisations at various levels, with focus on one particular theme for sustainability.
 - 1.4. The strategy for growth is towards enriching the themes and retain subsectoral focus.
2. In pursuance of its objects and based on the guiding principles set out in para 1 above the trust:
 - 2.1 Undertakes projects and facilitates government and private local institution sponsored projects for promotion, renovation and maintenance of irrigation systems, and of natural resources, by land treatment, watershed management, afforestation, waste land development and management and also housing /housing finance for the need.
 - 2.2 Promotes women's mutual credit and savings groups, associations of such groups and federations of such associations to enhance the savings and borrowing power of the poor to promote income generation activities for their livelihood.
 - 2.3 Works with the poor through locally active groups, informal and otherwise, in the accomplishment its objectives.
 - 2.4 Provides technical and management assistance to similar voluntary agencies, institutions, government departments and funding agencies involved in development work in India. The reimbursement of cost/services in the form of fees are accounted under the head Techno Managerial service receipts & other receipts.
3. In the course of implementing the development projects the trust facilitates the mobilisation of substantial resources from various rural development schemes of the government and banks and through participants own contribution, which are directly channeled to the participants. These have no monetary impact on the accounts of the trust. This is in keeping with the Trust's policy of progressively strengthening the capability of the weaker sections to deal effectively with development agencies and to manage development activities themselves. The administration overheads incurred on account of the technical /managerial support extended are charged as expenditure of the trust.
4. In the case of informal savings and credit groups and other income generation activities flowing therefrom, the trust provides inter alia revolving fund grants & working capital loans, as per the mandate of the donors to the beneficiaries and the same are separately accounted for through the

Balance Sheet, held in trust and administered. All other grants, including capital grants, are taken as revenue receipts of the trust in the year of receipt.

5. The trust follows cash basis of accounting
6. Fixed assets are written off in the year of acquisition as an expenditure in the income and expenditure account and the cost of such assets are shown as contra on both the assets and liabilities side of the Balance Sheet.
7. Fixed Assets include Rs.15,44,442/- (previous year Rs.46,967/-) consisting of Motor Vehicle Rs.1,07,762/- (previous year Rs.34,697/-) and Furniture and Fixtures Rs.63,270/- (Previous year Rs.12,270/-) Office equipments Rs.15,210/- (previous year Nil) Professional equipments Rs.34,900/- (previous year Nil) and Plant & Machinery Rs.13,23,300/- Rs.13,23,300/- (previous year Nil) being assets acquired out of grants received from the United Nations Development Programme (UNDP), for a programme titled 'Promotion of alternative livelihoods for the poor in the biosphere of 'Gulf of Mannar' through the Ministry of Rural Development, Government of India (executing agency) and the M.S.Swaminathan Research Foundation, Chennai (implementing agency). These assets remain the property of UNDP and disposal / transfer would take place at the end of the project.
8. Corpus Fund includes Rs.37,750/- (previous year Rs.35,000/-) received as corpus donations from various persons and Rs.10,61,913/- (previous year Rs.10,05,000/-) transferred from the income & expenditure account including interest earned out of corpus investments of Rs.61,913/- (previous year Nil).
9. Amount realised on sale of manuals & programme related literature are transferred to a separate book fund to publish/acquire further literature/manuals.
10. Previous years figures have been regrouped/reclassified wherever necessary.
11. Consolidated accounts mean and represent the consolidation of the accounts relating to foreign and local contributions.

Sd
Chairman

Sd
Treasurer

Sd
Executive Director

Madurai
Dated: July 29, 2002

The Year 2001 – 2002 People's Organisations

The Kalanjiam and Vayalagams are the primary people's organisations at the hamlet/village level. They provide a single window to meet the needs of the members. These strong member centred primary units federate at the cluster or cascade, block or district level to provide more benefits to the members, increase their bargaining and negotiating power with outside agencies, achieve economics of scale, provide space for local leadership to grow and so on. The federations are registered bodies and have their distinct identity as people's organisations.

The Movement taking shape

The Kalanjiam Movement has grown strong over the years. It has introduced several new programmes for the benefit of its members. Kalanjiams were promoted in two blocks with the Kalanjiam Jothi contribution (Rs.11 per member each year) made by the members of the older Kalanjiams. The regional movement cell has been initiated in the regions to intensify the movement activities. The Vayalagam movement initiated during the year rejuvenated the older TFAs and set new challenges before them. The federation and TFA leaders played a key role in the launch of the movement.

Collaboration with resource agencies

The Mugavai federation in collaboration with the M.S.Swaminathan Research Foundation (MSSRF) is implementing various alternate livelihood programmes for the people in the Gulf of Mannar area. The work in this area is supported by UNDP, New Delhi. It has got support from CAPART, New Delhi for group promotion and training.

The TFAs collaborated with the respective District Rural Development Agencies to get sanctions for tank work. The Watershed programme was taken up in Ramnad district with the collaboration of NABARD. The Madurai federation got support from CAPART for tank works.

Linkage with Banks

All federations have taken special efforts to strengthen the SHG linkage programme. The Nilakottai federation initiated a Block level forum

meeting where the bank branch manager, federation leaders and staff meet periodically to look at the progress and sort out operational issues. In Kadamalai and Kurinji federations all eligible groups have been linked and repeat support has become a common feature here. The Canara Bank at Alanganallur has a unique distinction of over 700 loans to the Kalanjiams in the Kurinji federation. It has also introduced on a pilot basis to 10 Kalanjiams a revolving on line credit facility. At Melur, the Indian Overseas Bank has linked 100 Kalanjiams within two months. At Vadamadurai, a young location all eligible groups have been linked with five different bank branches in the area.

Civic services and infrastructure

The Kalanjiams and federations are supporting members in getting access to basic services in the villages. Their being organised itself provides them the confidence to assert their voices and ask for their entitlements. In Vathalakundu federation, the villages of Rediapatti and Chinnupatti suffered a lot due to the bad condition of the road. The leaders with the help of the Panchayat Union Commissioner got the road repaired. Two streetlights were made available in Meenangannipatti and two fans were provided in the

community hall for the benefit of the villagers. In the village temple festival, the Kalanjiam members put up a free drinking water stall for the benefit of the public.

In Kadamalai federation, the drinking water problem was resolved through the efforts of the Kalanjiam members. 150 members got ration cards through the persistent efforts and follow up given by the federation. 162 members got the benefit of old age pension through the federation's intervention.

In Vaigai federation, the roads were repaired in three villages Appantirupati, Velliyankundram and Poosaripatti. The drinking water problem was resolved in Segupatti village. The Kalanjiam members in many villages took up the initiative in obtaining street lights, repairing water taps, cleaning village temple, school building etc., on their own.

The federations have taken up health as another thrust area. Three federations have initiated health programmes in a big way. The first step taken by them was to organise medical camps and create a health baseline of the members. They have identified exclusive health associates to work as First Aiders. Kadamalai federation has taken efforts to set up referral hospital of its own. In Kurinji federation, alternative systems of medicine – Allopathy, Homeopathy and Siddha were introduced on a

pilot basis. The kitchen garden scheme has benefited more than 8,000 members. The de addiction initiative was intensified in Vaigai, Mugavai and Kurinji federations. Eighty seven families have benefited from the programme. Sixty-four Kalanjiams in Vaigai federation have declared themselves as alcoholism free families.

Vathalakundu federation organised two eye camps in collaboration with Lions club and Aravind Eye Hospital. 800 members attended it, 52 members were provided spectacles and those affected by cataract were operated upon. The Kalanjiam and federation leaders were actively involved in it. The Vaigai and Pothigai federations organised eye camps in collaboration with Aravind Eye Hospital. Nearly 746 members from over 50 villages participated in it.

Adult Literacy Programme

This programme was implemented in Kurinji Vattara Kalanjiam with the support of DHAN Foundation and Tata Consultancy Services. In the pilot phase five villages were selected in the block to give adult education. At each village an education center was established with a computer. A well-trained persons are in place to conduct classes. Mostly in all the centres, the classes are in the evening time for the convenience of the villagers. The centres are provided with Tamil software through which the classes were handled for them. Except the system, which was provided by the Tata Consultancy Services all the expenditure, are met by the cluster itself.

Housing

Eight federations undertook the housing programme for the benefit of their members. In the Tirupati federation, 100 new houses were constructed taking the total of new houses to 272. So far 672 new houses at a cost of Rs.238.5 lakhs have been constructed. Nearly 1,080 families could upgrade their houses taking the total number to 2,795 upgraded houses. For most of the members it is a dream come true and a life time achievement to have a house of their own. The up gradation included electricity connection, flooring, roofing, construction of toilets etc. In Mugavai federation the access to electricity itself was converted as a

loan product. Collective purchase and installation work was done which reduced the expenditure. Nearly 220 members have benefited.

Support for Business Activity

The Kalanjams and federation took a lot of efforts to support the members in increasing their incomes. In the Pothigai federation, a tie up for marketing milk from the rural Kalanjiam members was made with the urban Kalanjiam members. Two Kalanjams were involved in collective leasing of land and cultivation in it, on an experimental basis. At Vaigai federation, training was provided to 174 members in various home based production activities. Training in ready made garments making was imparted to members in two clusters. Training in spring making and collaboration with an industry at Madurai provided regular income to the families involved in it. Nearly 992 members have benefited from the initiatives taken by the federation during the year.

The Bodi federation is only one year old. The first Kalanjiam here was initiated three years ago. The table below gives an over view of the credit generated and how it has been used in the Kalanjams in this federation.

Loan Disbursed 2001 – 2002

Sl. No	Purpose	Accounts	Amount (Rs. In lakhs)
1	Consumption	2147	10.09
2	Education	294	2.4
3	Medical	704	8.4
4	Social obligation	328	3.0
5	House upgradation	560	2.8
6	Debt redemption	2647	35.93
7	Business	1029	24.7
8	Festival	309	4.5
Total		8018	91.82

Social Security for members

The federations have provided insurance services for their members in collaboration with different insurance companies to maximise the benefits to their members.

In Kurinji Vattara Kalanjiam at Alanganallur, dairying is one of the major occupations of the members. It is the productive asset created for the members through the Kalanjiam. 889 milch animals have been insured with the Oriental Insurance Company through the federation. This system has more benefits when compared to individually insuring the animals. The premium amount is negotiated, prompt follow up, disbursement of money and replacement of asset is ensured. 10 members could replace their animals within a short period.

The medi-claim health insurance is offered by four federations. Kadamalai is offering this scheme on its own for the past three years. The prompt settlement of claims has encouraged the members to renew their medi-claim policy every year. The federation is enhancing the benefits under the scheme each year, such as increasing the reimbursement of expenditure from 50% of the expenses in the first year to 75% in the second year. The other three federations are offering it in collaboration with insurance companies.

Most of the federations are offering the life insurance cover to members on their own. Accidental death cover is provided through collaboration with Life Insurance Corporation, Oriental Insurance Company, New India Assurance, ICICI Prudential Insurance etc. The

latest being the pension cum insurance Krishi Shramik Samajik Suraksha Yojana in collaboration with the Government of India and Life Insurance corporation of India.

KSSSY - A boon for Agricultural Labourers

The Krishi Shramik Samajik Suraksha Yojana (KSSSY) is being implemented in 50 selected districts of India. The scheme is targeted at SHG members with the NGO as Nodal agency. The age of entry in the scheme is 18-50 years.

Premium and benefits

under KSSSY: Each member pays a premium of Rs.365 per year (@of Rs.1 per day) and this is matched by a contribution of Rs. 730 per year by the government. The benefits are as follows – a monthly pension of approximately Rs.2000 from the 60th year onwards. Rs.20,000 in case of death, Rs.30,000 in case of accidental death, Rs.50,000 in case of permanent disability and Rs.25,000 in case of partial disability. In addition to it there is a money back policy incorporated in the scheme for every 10 years in the following manner. Rs.4,000, Rs.8,000, Rs.12,000 and then Rs.16,000. 5,500 members in three federations Kurinji, Vaigai in Madurai district and Ammapetai in Tanjavur have been enrolled under this scheme.

Benefits to members

Vayalagam Agriculture Development Centre

In Punganur VADC's improved variety of mulberry cuttings were distributed to the farmers as an agriculture improvement activity. The yield is three times the yield of the local variety. This saves land and water for the farmer. 54 acres of this variety of mulberry have been raised. 65 acres of drylands have been planted with horticulture crops.

In Tiruvallur district the VADC seed farm for paddy was introduced in one village. The yield has been very high and the seeds have been supplied to the agriculture department. Agriculture inputs like seeds and biofertilizers were supplied to the farmers.

In Ramnad the tank farmers in Sirumaniyendal tank organised themselves for collective procurement and supply of fertilizers and pesticides. The benefits are timely supply and reduced price. They have been doing it continuously for the past few years.

Strengthening People's Organisations

Building the federation's identity with the outside systems was significant through linkages with financial institutions, organising events, linkage with mainstream institutions for addressing development issues. The Kalanjiam and Vayalagam movement events and other leadership development programmes provided a good perspective to the leaders in performing their roles.

All the federations complied with institutional procedures and formalities required on time. All the federations organised the Annual Mahasabha Meetings in which almost all the members took part. These Annual Mahasabhas in addition to sharing of progress and next year plans have become events for expressing the solidarity among members, a celebration of their achievement and confidence in them. The leaders and members are taking an increasingly major role in the conduct of these events.

Resource Centre

All the older federations have been a source of learning, inspiration and support to the emerging federations. The leaders and associates have given a lot of their time and energy in promotion of groups, clusters and federations, conflict resolution, demonstration of programme components, leadership development, training to members, associates etc.

Participants in various training programmes organised on the two themes by DHAN Foundation visited both the Vayalagam and Kalanjiam

federations. Representatives from government agencies, funding agencies, academic and research agencies, media and others to learn from the people's experiences. The people's participation and presentation of papers based on their experience in various workshops and seminars organised by mainstream agencies, DHAN Foundation and the federations proved to be eye openers for the others.

People's Convention

The Kalanjiam leaders and Vayalagam leaders were encouraged to write papers on their experiences and their needs. Some of these papers were presented by the leaders in the workshops and seminars organised by DHAN Foundation in which the various actors and stakeholders in development work took part. Also seminars and workshops were organised by DHAN Foundation and the people's federations to come together and discuss on the issues pertinent to the growth and development of their institutions. These workshops also served the purpose of building the leadership potential of the leaders by providing a platform and the needed encouragement and support.

Seminar on improving tank-fed agriculture

A two-day farmer's seminar was held in Madurai on 13-14 December 2001. It was organised by the Tank Farmers Federations and DHAN Foundation. The seminar was aimed at developing tanks, improving tank fed agriculture, making desirable changes in administration and clearing encroachments in tanks.

After the inauguration and the address by the resource persons Mr.Gomathinayagam, Prof. C R Shanmugham and others, the farmers discussed in sub groups the following topics in detail.

Group 1: The group which discussed "*The Role of Government in the Development of Tanks*" wanted the government to conduct a land survey of the tank porampoku lands and hand them over to the respective tank farmer's federations. It passed resolutions requesting the government to remove encroachments and allot adequate funds in the budget for the rehabilitation of tanks.

Group 2: The group which discussed "*The Role of Society in the Development of Tanks*", suggested that the right to utilise the income from fish and trees raised in tanks be given to the tank federation. It also urged the government to entrust all the development works connected with the tank to the federation.

Group 3: The group which discussed "*The Role of the Organisation in the Development of Tanks*" suggested that remote-sensing techniques and satellite imageries used to survey the status of water spread and catchment areas of tanks and the nature of the soil and ground water potential in command areas.

On the second day, discussions were held on '*Tank Administration and Desirable changes*' and Encroachment of Tanks and Reformative Stratagems.

Two books '*Yearipasanam Yeatrampera*' (to develop tank irrigation) and '*Ooranigalai kappom, Kudineerpanchattai ozhipom*' (Let us protect Ooranies: And eradicate drinking water scarcity) were released. The two books are a compilation of articles written by the farmers on the above themes.

Building Sustainable People's Institutions - Women's Convention

A two day Women's Convention on the theme "*Building Sustainable People's Institutions*" was organised on 15-16 December 2001 at Madurai. The convention was attended by leaders from Tamil Nadu and Andhra Pradesh.

Mr. Allert van den Ham, Novib, the Netherlands, lighted the Kuthuvilakku, to inaugurate the convention. He expressed the hope that the women leaders would come out with fruitful discussions and set the future direction of the people's institutions.

The leaders discussed in small sub groups in detail on the following topics and came out with a number of resolutions.

1. The contribution of the Government and Banks in Building People's Institutions.
2. Administrative Regulations in People's Institutions.
3. Leadership in People's Institutions.
4. Financial Resources Mobilisation.

The leaders had written their experiences on various topics related to the theme of the workshop in Tamil. A compilation of these papers was released a book on this occasion.

Resolutions: Towards the close of the two-day convention the participants adopted some resolutions as to what the Kalanjams should do.

By one resolution, the leaders wanted the developed Kalanjams to take steps to introduce a scheme to provide pension in the event of an increase in savings. In another resolution, it wanted the Kalanjams to allow members to borrow from their savings without interest if their saving was more than Rs.10,000 whenever they needed loans to start small enterprises. It called for the introduction of family-oriented saving schemes.

In another resolution, it urged the Kalanjams to help those who were not able to repay for genuine reasons. It also called for identification of the root cause for the failure of repayment. It also called for stern action against those who indulged in manipulation and misappropriation of funds.

In another resolution, the leaders urged the members to buy the products turned out by the Kalanjams.

Members who take loan for starting an enterprise should insure it. Seminars should be conducted on loan policies at the Federation level and members should be enlightened in this regard.

Other resolutions were: Leaders should set good examples in following rules and regulations of groups

Common fund should be used for the purpose for which is allocated and in the same year. Common fund should not be used for individual needs.

Government subsidy and other subsidies do not belong solely to a certain group. A part of it should be set apart for the cluster and the federation.

It also wanted the Kalanjams to honour those members who worked hard for the common cause. Government officials who are honest and work without any selfish motive, should be invited for Kalanjiam events and honoured.

All members should participate in Gram Sabha meetings

Leaders should be selected for a period of three years at the federation level and two years at the cluster level. There should be a periodic change in the leadership.

Conventions and workshops such as this should be conducted at the cluster and federation levels and the decisions taken should reach the members at the group level.

An Overview of Impact: 2001 – 2002

DHAN Foundation works exclusively with socially and economically disadvantaged communities, such as tribals and Scheduled Castes, women, the landless, small cultivators and the urban poor living in slums.

By providing regular access to credit, the Kalanjiam Community Banking Programme has been able to relieve many of the poor from the clutches of moneylenders, and to arrest the income drain. In addition, the programme has helped members to enhance their income and create assets. Many older groups and federations go beyond providing savings, credit and insurance services, and meet the other social and development needs of members. The initiatives include addressing issues like drinking water, health, education, housing, sanitation, basic infrastructure, alcoholism, gender issues and community development.

The Tankfed Agriculture Development Programme is working with small and marginal landholders for the restoration of tank irrigation and regeneration of farmers' management. DHAN Foundation has undertaken several works such as tank rehabilitation, community well construction, drinking water development, watershed development, promotion of fisheries and horticulture, and development of agriculture.

In the last year, both Kalanjiam and Vayalagam institutions at all levels made a significant impact on the lives of poor families on various fronts. Focus has been on individuals, families and the community as a whole. The year 2001-2002 was dedicated to poverty reduction. Focus was given to improving the livelihood of both Kalanjiam and Vayalagam families through savings, credit and insurance products, conserving water bodies, and promoting tank fed agriculture.

There have been numerous cases where the members' families have benefited through provision of consumption credit at critical periods, reducing external debts. Thousands of families have been freed from the clutches of the moneylenders. The families in the older locations have started a range of income generating activities, with adequate investment and working capital support from their groups.

POVERTY REDUCTION

Kalanjiam- A source of survival

I am Andammal, born in Veerapandi. I was the first daughter among three daughters in our family. The early death of my mother and my father's indifference to family made me accept to be the second wife of a father of four children. My

husband's native place is Vellayampatti. He married me within a few weeks of the marriage of his daughter. My husband had a bullock cart and the income from it was quite meagre. I used to go for agricultural coolie work, and worked at construction sites during lean seasons. A son was born to me. Those days, I had no money even to buy milk for my son. I adopted family planning as there was no means to look after another child. I had to take responsibility for bringing up the children of his first wife as well. To make things worse, my house caught fire and all our belongings were reduced to ashes. The villagers helped us buy clothes and other essentials. With their help we reconstructed our house.

I joined Vinayagar Kalanjiam five years ago. At first, I took a loan of Rs.300 from the Kalanjiam to meet my family expenditure; like wise I took many



small loans during emergency situations. Then I borrowed Rs.10,000 to repair my old house. My husband having sold the cart remains idle at home. The children of his first wife are well off and they do not support us. I have to shoulder the entire responsibility of maintaining the family.

I borrowed Rs.10,000 from the Kalanjiam and purchased a cow two years ago, which was a source of income. I started clearing the loan with the income from the milk. After six months the cow died of some disease. But being insured with the

Kalanjiam I got an insurance claim of Rs.10,000 after three months. I bought a cow again and could earn Rs.1,000 per month.

After six months, I bought another cow. Today I have two cows and a calf as my asset. My son is going to work in a cycle shop. He is given Rs.30 along with food. Now, I have a loan of Rs.19,000 and a savings of Rs.4,000. Earlier, I went without food on many occasions. But it is not so now. I have a plan to set up a cycle shop for my son by taking a loan from the Kalanjiam.

Kalanjiam rejuvenated the land

I am Thirupathy. I have a son and two daughters. When I got married, my father-in-law had three acres and 94 cents of land. He cultivated paddy in a portion of the land for domestic needs and the remaining was left fallow except for a few lime trees. My husband a wage earner used to spray pesticides in the nearby villages. He also went for cutting sugarcane, worked in a brick kiln and so on. I remained a housewife. It was at this time Tamilarasi from Vaigai Vattaram came and told us the benefit of forming and joining the Kalanjiam by saying that the money collected would be with us. Then we formed a Kalanjiam with 14 members.

After joining the Kalanjiam I got small loans to meet the immediate needs in the family. Since my husband's health was badly affected by the pesticide spraying works.. We decided to bring back the fallow land under cultivation. At first we bought mango saplings worth Rs.1,950; then we bought guava and coconut saplings worth Rs.5,000 through the Kalanjiam. Now, all the plants have grown well. We shifted our family to the farm itself though it is at a little distance from the village. This enabled us to take proper care of the old lime trees in the farm. Lime bears fruit twice in a year and we earned Rs.20,000 from it. Last year, we got a profit of Rs.2,000 from mango trees. We pluck eight baskets of guava for three months; on an average each basket of guava fetches Rs.50. The coconut trees fetched Rs.4,000 last year.

This apart, we have taken two loans from the Kalanjiam-one for Rs.30,000 for the renovation of our old house and the other for Rs.20,000 for the marriage of my daughter. I am the secretary of the Kalanjiam. I do all the work connected with the Kalanjiam, be they visiting the bank or going to other places. Earlier, people looked upon us as ordinary laborers. We are no more laborers but farmers. I owe it all to the Kalanjiam.



Farm Pond: A means for poverty reduction

A farm pond is a small-scale water harvesting structure constructed across the slope of the land to hold rainwater for use by livestock, groundwater recharge and irrigating crops.

Twenty-five years ago Ramaiah was a landless labourer living in the Penchupalle hamlet. This hamlet belongs to Punganur Mandal in Chittoor district. At that time Mrs. Indira Gandhi, the then Prime Minister, declared that those belonging to the Scheduled Castes could take hold of the land that they were cultivating or were willing to cultivate. Ramaiah cleared some wasteland near his village, which was around 9.5 acres. He also got a colony house for his family during that time. After taking hold of that land he struggled for more than twenty years to get the registration for it. He had spent nearly fifteen thousand over the years to get it done. Out of the 9.5 acres he gave 4 acres to his brother. It is a rain fed land with a slope of 2-3 percentage.

The land did not have any water source except for a small dug out pond. He used this to grow flowers and some vegetables for his own use. By the nature of its location, the pond had more seepage from the upstream land. Ramaiah got a loan at 5% interest to purchase a pair of bullocks to cultivate the land. Only he and his wife used to work on the land, as the returns were too low. His son and son-in-law living with him go for daily wages to other places. In one season, Ramaiah grew mulberry in his land in a corner by lifting the water from his pond. He went in for silkworm-rearing and got an income of Rs.6,000. He did this activity for two seasons. It was this money which helped him get the registration done for the land. He had to stop this activity as the mulberry died due to lack of rains and water in the pond.

Ramaiah was an alcohol addict and used to spend 15-20 rupees per day on it. He is also in the habit of smoking and chewing betel leaves. He has not benefited from any other Government programmes meant for Scheduled Castes, as he was too scared to approach the concerned persons for it. During financial difficulties he used to borrow from the local moneylenders at very high interest rates. This was because the villagers thought that he was too

poor and might not repay the loan. Though he and his wife are illiterate, his son and daughter have studied up to 7th class.

When the Punganur team visited his village, he approached them to help excavate a pond in his land under the watershed programme. The Penchupalle Dry land farmers association asked him to deposit his contribution of Rs.1,000 for the total estimate of Rs.4,000 for the pond. But he remained quiet because he could not afford to pay it. The DHAN Foundation team members advised him to deposit at least Rs.500 and contribute the rest as labour. After a few days, he came forward to do so.

Implementation: The pond was excavated using the earth excavator, and the sectioning work was done with the labourers. The next day a quarter of the pond was filled due to seepage and then his life changed. He has put bunds all over his land to maximise the harvesting of water from his land under the food for work programme. He got 280 kgs of rice and Rs.1,500 as cash.

Seeing the impact of this work, he came forward to excavate a small pond in the upstream of the existing pond. This was also under the food-for-work programme at an estimated cost of Rs.5,000. For this work he received 662 kgs of rice and Rs.1,247 as cash. He wanted to harvest this water, which anyway went as surplus from his pond. This water would be useful to cultivate mulberry or paddy on his land.

Impact of the farm pond: Earlier Ramaiah used to cultivate his land only once a year without the use of any labourers. The crops grown were groundnut (2.5 acres), ragi (acre 1.0), paddy (0.5 acre) and horse gram (1 acre). The rains always affected the returns from the lands, as the monsoons are always a gamble in Chittoor District. Ramaiah used to grow the local traditional variety of paddy Byrodalu by broadcasting.

After the excavation, the pond got filled and this led to a number of changes in agriculture in his land. In the first crop he went in for Paddy IR-64 variety in half an acre of land and only 0.25 acre of land with the traditional variety because of the assured water from his pond. Due to that he got a very good income as given in the table below.

	Before	After
Paddy Byrodllu		
Acre	0.5	0.25
Yield	500 kgs	400 kgs
Return	Rs.2,500	Rs.2,000

Paddy IR 64		
Acre	-	0.5
Yield	-	900 kgs
Return	-	Rs.4,050



In addition he could cultivate the following as second crop paddy (12.5 cents), coriander (10 cents), chilies (2.5 cents) and tomato (2.5 cents). As an innovative idea for strengthening the field bunds he planted mango, guava, pongamia, drumstick, papaya and castor. He also planted cucumber and ridge gourd on the bunds.

Social changes

- Earlier he used to work for daily wages in others' fields. But now he and his family members are engaged in their own land.
- Now they easily get credit in and around the village because every one is treating them as farmers.
- Earlier Ramaiah used to drink. He wasted his meager earnings on alcohol. Now he spends the whole day in his field only. And he has reduced drinking to a great extent.

Future plans of Ramaiah

1. He wants to bring more area under cultivation.
2. He wants to grow paddy and get a yield of 40 quintals per acre.
3. He wants to deepen the existing farm pond through watershed programme
4. He wants to put a fence around his land.
5. He wants to start silkworm rearing.
6. He wants to renovate his old colony house.
7. He wants to purchase PVC pipes for cultivating vegetables towards the upstream side of the pond.

From the plan itself we can see the change in Ramaiah's thinking. This has happened only because of the increase in his agricultural income. Whatever income comes from the second crop it is an additional benefit for his family.

Landless to land holder

I am Sundaravalli, member of Santhanamari Kalanjiam in the Bodi Vattara Kalanjiam for the past three years. I joined the Kalanjiam only after a year of its formation due to disbelief and fear. The first time I got Rs.500/- to meet my family expenses. After that I got Rs.2,000/- to redeem my pledged jewels. After 1½ years, I took a loan of Rs.5,000 to buy 1.5 cents of land at Kodaikanal. We cultivated potato and beans and earned Rs.15,000/- as a net income. In the second season also I got Rs.15,000/- as net income. With the profit earned out of cultivation I have repaid Rs.8,000/- of my old debts and I got a house on lease worth Rs.25,000/- Earlier, I went to others' fields as a labourer. Now I hire labourers in my field. This is possible only because of the Kalanjiam.

LEADERSHIP DEVELOPMENT

Nurturing the grassroots democracy by strengthening the local leadership is a major agenda of the nested institutions built by DHAN Foundation. The unlettered poor women and men have brought out their innate leadership potential as good leaders in various capacities. The nested institutions are continuously evolving strategies to strengthen their leadership capacities through a variety of capacity building programmes. Despite several hardships and hurdles in their families, hundreds of grassroots leaders have emerged, committed towards the development of their members. They have developed confidence in their own ability. Leaders like Smt.Chinnapillai have become role models to other Kalanjiam women. These leaders are practicing participative democracy at the people's organisations.

Ponnathal

My name is Ponnathal. I am around 48 years. My father eked out his living by doing agricultural jobs and brought us up. He has seven children, three sons and four daughters, I being the fourth one. Due to acute poverty, none of us was sent to school. Right from our childhood, we have been doing agricultural work.

On most occasions, we used to starve. When we were young, we were not able to understand the difficulties faced by my father and mother. As soon as I came of age I was married to my relative named Mathavan and we settled down in Kallanthiri. He too has been doing agricultural work on a lease basis and also goes for wage labour whenever possible. At harvest time, instead of paying money they would offer us one bag of paddy per acre. That means we would get 4 bags of paddy, which would be hardly sufficient for our livelihood.

Then I gave birth to three female children in succession. To bring them up, we suffered a lot. When the rains failed, famine reared its ugly head, with the result that all the members of the family starved. During childhood, no child knows the difficulty faced by the parents. During festival time, it is worse. To provide new clothes and give at least cooked rice food to children is an expensive affair. And nobody would give us loans. We are reluctantly forced to sell the household utensils, mortar, pestle, etc. Thus we celebrate the festivals. I am on the point of tears when I recall that my second daughter scolded her elder sister saying that she should not ask for cooked rice food while our mother finds it difficult to buy even ragi for meals. Really, to village people, cooked rice is like manna from heaven.

Besides shouldering the responsibility of one's own family, I had to take care of my husband's family as well. The responsibility of conducting the marriages of my husband's two younger brothers fell on us for which we obtained a loan of Rs.3,000/- and Rs.5,000/- respectively from our landlord. We worked in his field day and night and thus settled his loan. Our life never improved. While not knowing what to do, three angel-like damsels came to our work spot when we had planted the paddy seedlings. They were Sumathy, Uma and Anjugam, and they asked us to join the Kalanjiam. At first sight, we misunderstood them. But these educated girls treated us gently, highlighting the importance of the Kalanjiam. We really wondered why these girls came daily to our spot passing through the rough roads filled with gravel and thorns. At last, their persistent appeals moved us to join the Kalanjiam.

We started the Kalanjiam naming it as Pattamarathan alias Indira Kalanjiam. Each one contributed Rs.20/- and a sizeable amount was collected. Something I would like to highlight is that these three girls did not touch even a single paisa with their hands. They asked us to hold all the responsibilities for our own betterment. This led us to have firm faith in the Kalanjiam. In this way, a *Good Time* started in our poverty-stricken villages.

With the help of the savings we had collected, we issued loans among ourselves with low interest. This helped us meet our medical, family expenses, etc. This arrangement helped us escape from the clutches of Shylock like usurers who lived on us for years like parasites. Not able to bear the loss of easy income, the lenders mocked and jeered at us publicly. But we ignored their jibes and began to

work with all our energy. In due course, their misbehavior melted away and they stared at us with surprise. Frankly speaking, the Kalanjiam not only taught us how to save money but also taught us how to behave with gentleness and patience.

A year after I joined the Kalanjiam, we initiated the Mathur Cluster Development Association. I was given the post of the Secretary. I had never entered any bank in my life. Now, as a Secretary, I frequently go to the bank and have detailed discussions with the managers regarding our problems and solve them amicably. I have attended many meetings on behalf of the Kalanjiam at several places.

It is the eleventh year since we started our Kalanjiam. Within the span of these eleven years, we faced many intricate problems. Once, one of our members obtained a loan of Rs.10,000/- from our Kalanjiam to buy two bullocks and a cart. She had repaid nearly Rs.5,000/-. While the remaining half of the loan was still to be settled, she sold the bullock-cart to a third party and did not settle the balance amount with the Kalanjiam. The other members apprised the Kalanjiam leaders of this deal. We approached the third party and apprised him of his illegality in purchasing the bullock-cart. The third party accepted his mistake and returned the bullock cart to the owner strictly instructing him to repay his money back.

Another member of our Kalanjiam received from us a loan of Rs.10,000/- to set up a Radio shop. She did not return the amount, despite many requests from our Kalanjiam. One day some responsible members of our committee and I brought equipment from her house to the Kalanjiam. She and her husband panicked, came to our Kalanjiam, settled the amount and got back the equipment. On seeing this bold action, other members felt dissatisfied and unfortunately disbanded the Kalanjiam. At the same time other Kalanjiam units were operating well in the same village for years. I again met the members of the Kalanjiam, which was disbanded and stressed the importance of forming the Kalanjiam again. They realised their mistake and formed the Kalanjiam once

again. Some problems even go to the extent of being sorted out by the police. I am bound to settle them forgetting food and drink. My husband would murmur and mutter at times, but I, in turn, would pacify him explaining the genuineness of the problem, which I, as a leader was committed to settle.

I have been the secretary of the committee for 8 years. My duty along with other cluster leaders is to study the authenticity of the loan-seekers and to recommend them after making a spot-study whether they are capable of repaying the loan without default. Being an illiterate person, I feel proud that I have been honored in such a way that a loan application ought to be sanctioned only after my signature. (I have learnt to put my signature). This credit goes to the Kalanjiam only. I was brought up by the Kalanjiam to pre-plan anything prior to action. I apply this very method in my family too. It works well.

I lived in a rented house, the owner of which asked me to quit the house all of a sudden. I was in a panic, not knowing what to do. At that time, I came to know that there was a house for lease for Rs.20,000/-. I approached the Kalanjiam and asked for this amount. But the Kalanjiam refused to grant this amount, as it was a huge one. They sent my application to the 'cluster' for a review. The Cluster Committee made an on the spot study, and realising that mine was a genuine case, sanctioned the amount. I now live in that house on lease. I, aged 48, feel elated to see my house lit up for the first time with fluorescent bulbs, provided a year and a half back only. My house was really lit by the Kalanjiam rather than by the electric bulbs. As per the wishes of the members, I have been selected as the Secretary of the Vaigai Vattara Kalanjiam this year.

My future plan is that all members should at least own a house with the help of the Kalanjiam. Wherever the poor live, there I want to go and insist with them to form the Kalanjiam to do good for themselves. Some Kalanjiams that are supposed to have derailed should be placed again on the rails for smooth running. I would like all my members to tread my path to help improve their own lives and those of other poor women living in the rural areas.

Women Leaders in Tank Conservation

Aranmanaikulam is a small tank having less than 25 acres ayacut with 11 farmers at T.Meenakshipuram village in Theni district. Of them, Ms.Muthammal, a widow aged 65 and Ms.Subbulakshmi aged 55 are of a different breed. When a DHAN Foundation Project Executive visited this hamlet to organise the community, surprisingly Ms.Muthammal and Ms.Subbulakshmi came forward and helped the formation of

Aranmanaikulam Tank Farmers Association in late 1997. They were elected as the President and Secretary of the Association. The tank had a supply channel to receive the run-off from Andipatti hill ranges, but was almost encroached upon by the dwellers in the hamlet. With the help of the District Collector of Theni district and the DHAN Foundation Executive, these two women evicted the encroachments all along the supply channel despite a threat to their lives by the encroachers in 1998.

Not stopping with that, the women leaders persuaded the farmers to contribute 25% of the total cost of supply channel desiltation for Rs.78,000. They completed the work during the middle of 1998. This helped the tank to get filled with water during the monsoon. During 1998-99, the farmers of Aranmanaikulam got a successful paddy harvest after a long gap of nine years.

Realising the benefit of supply channel work, the association approached the district administration in the year end of 1998 and requested them to

sanction the deepening work of Aranmanaikulam tank. The district administration positively responded with a sanction of Rs.60,000 for administrative sanction. About 25% of this cost has been contributed by the members under the leadership of Mrs.Muthammal and Mrs.Subbulakshmi.

The Aranmanaikulam tank association and tank work became the place for exposure visits by tank farmers, development professionals, government

officials and researchers. When the Theni District Tank Farmers' Federation was inaugurated on July 1, 2000, Ms.Muthammal was made an Executive Committee member in the federation.

To practice better water management and distribution in

the tank, the association appointed a Neerkatti (water manager) for the tank to whom all the eleven farmers paid the share from their paddy harvest.

Ms.Muthammal and Ms.Subbulakshmi helped T.Meenakshipuram tank association to commence Micro-finance activity, create an endowment fund with assistance from the TATA endowment fund for tanks and get financial assistance through the Central Government Scheme, SGSY. The association members meet regularly to discuss the water and tank related issues as well as to engage in Savings and Lending activity through Micro-Finance Groups. As on March 2002, the 11 members saved Rs.8,960 and Rs.16,000 worth of loans was revolved within the group. The success of Aranmanaikulam Tank Farmers' Association has been due to the active involvement and leadership of these two women farmers.



Ms.Muthammal in the Farmers Convention at Chennai

Sumathi

Sumathi was born in Tuvakkudi, near Tiruchi. She has two brothers and a sister. She is the eldest in the family. Her father died while she was studying in the ninth standard. So she could not continue her studies. She was married to Rangasamy, a daily wage-earner living in Utchipuli. While living in Utchipuli, she saw people belonging to the most backward classes living like slaves. She helped them to read and write.

When the staff from the Kalanjiam office entered this village to form groups, there was heavy opposition. She was in Tiruchi then for her delivery. When she returned to Utchipuli after six months, she found out the reason for the opposition. The improper functioning of the DW CRA group was responsible for it. However, they decided to join the Kalanjiam after hearing from Sumathi. It was named '*Ammam Kalanjiam*'. Then other women started joining it. The number of members rose to 10 after four weeks. No accountant or any worker joined the Kalanjiam in the formative days. In the absence of an accountant, she herself wrote the accounts after the group meeting. Then members coming from the federation praised her as the best accountant.

At first she took a loan of Rs.50 to buy milk powder for her child. She also took loans ranging from Rs.200 to Rs.4,000. She is also prompt in returning loans. She was living in a hut.

She bought a house with Rs.15,000 given to her by her mother. The man who sold the house demanded 5,000 more. So she approached the

Kalanjiam for a loan of Rs.7,000. She documented the house in her name by borrowing from the Kalanjiam. She raised her voice for women on many occasions. When there was a communal clash in this village, she raised her voice against it. When she was admitted to hospital, all the Kalanjiam members helped her.

She helped 19 people get ration cards. She also helped members get housing loans through the BDO in collaboration with the federation. She helped 10 members to renovate their homes with financial support from the federation. She got the members to do it on their own with hired labour thereby reducing the expenditure. She played an important role in laying concrete roads in a few villages.. She formed four groups and prevented a few groups from breaking up.



She has been trained

in first-aid by the Kalanjiam. She gave first aid to her mother-in-law when she got hurt in the forehead and was bleeding, though the latter had not been on talking terms with her. Whenever she is called, she goes there and does all the help with a smiling face.

IMPACT ON THE COMMUNITY

Kalanjams and Vayalagams along with clusters and federations addressed several community issues. They made appropriate demands through mainstream institutions to address such issues. In many places, new community infrastructure has been created and the efficiency of the existing infrastructure has been improved. In many places, common assets have been purchased to demonstrate the sense of solidarity and togetherness. Further, the Kalanjams and Vayalagams in the older locations took up several civic initiatives through their federations. They are managed independently and the progress is shared to other federations.

CREATING COMMUNITY INFRASTRUCTURE

Access to Health Infrastructure

There are ten Kalanjams functioning in Thiruvadavoor village at Melur block in Madurai district. Though there was a Primary Health Centre with a five bed hospital in the village it was not functioning. The reason was due to a rivalry between two political groups in the village as to who would have the credit of opening the hospital. For any kind of health problem, people had to go to Melur for treatment. Murugeswari a member of one of the Kalanjams and also the treasurer of the federation decided that something had to be done about it. The Kalanjams in the village discussed this issue in their meeting and decided to raise this issue in the Grama Sabha Meeting, which did not yield any result.

So the Kalanjiam members wrote a petition to the Collector. But no step was taken immediately and again the Kalanjiam members approached the village president, and demanded immediate action. Finally, after two months of repeated appeals by the Kalanjiam, the hospital was opened and is now meeting the needs of the people of this village as well those nearby.

The Kalanjams hosted the inaugural ceremony and opened the Hospital. The Kalanjiam made possible what was seemingly impossible.

Building of village temple

In Melur federation, the first Kalanjiam was started in Andipatti – Pudur village in 1995.

Presently three Kalanjams are functioning. Before the starting of the Kalanjams there was a plan among the villagers to construct a temple in their village. But due to paucity of funds and lack of co-operation, no one came forward to do it. Though the Kalanjiam members

wanted to get involved in this matter, they were not too sure and did not have sufficient money to do it



Six years after their formation, the Kalanjams decided to materialise their dream. The Kaliamman Kalanjiam took up this issue in one of their meetings and they decided to involve the other two Kalanjams in the discussion. A joint meeting was organised by the three Kalanjams and a detailed discussion was held.

Finally all the Kalanjams contributed an equal amount of Rs.5,000/- each from their common fund for building a temple in December 2001. Family members of the Kalanjams also contributed voluntary labour for the construction. Now the Kalanjiam members are planning to celebrate a festival in the temple with the help of contributions collected through the **Pidi Arisi Thittam** introduced by the Kalanjiam movement, and they have also decided to provide Annadhanam during the celebration.

Common toilet

In the Aathipatty village of Bodi block, women were facing problems without adequate toilet facilities. The Kalanjams in this village decided to address this issue and wanted to construct a common toilet in the village common land. The proposed land has been under encroachment by the local elites and they refused to vacate the place. The Kalanjiam members gave a petition to the Executive Officer of the Panchayat at the time of the gramasabha meeting. But no steps were taken. Therefore the members decided to meet the District Collector. More than 100 women from the village met the Sub Collector at Theni Collectorate office, and gave a petition. The Sub collector ordered the Executive Officer to solve the issue, but no steps were taken. Finally the members decided to stop paying subscription to the caste association. The association in turn created pressure on the village Panchayat. Realising the seriousness of the women, the Panchayat Board passed a resolution to construct the toilets after clearing the encroachment. The construction work has been started in the village. The women are happy that their problem has been solved and their efforts have been successful.

IMPACT ON VILLAGES

Meenatchipuram

Meenatchipuram is a town Panchayat in the Bodi block of Tamil Nadu. It has 430 households; nearly half of them belong to the Scheduled Caste. The remaining belongs to Backward Class Hindus, Muslims & Christians. This village is typically divided along caste lines; each caste has a separate temple for worship and school for their children. Agriculture is their main occupation and a large number of landless laborers depend on farm labour. Women get Rs.35 and men get Rs.120 as wages for the farm work. There are three irrigation tanks and 15 bore wells that provide irrigation facility. Uncertainty in the agricultural income in this village provided ample scope for the money lenders to do their business at exorbitant interest rates. There are about 16 money lenders, and most of them are from near by places like Theni, Bodi and some even from Kerala. In addition, there are five informal chits conducted by the local elite to collect savings from the people.

In this context, the first Kalanjiam- Chellayammal Kalanjiam was formed in this village in January 1999 with 16 members. Today there are 17 Kalanjams with 288 poor women. All the Kalanjams together provided credit support to their members to the tune of Rs.25.47 lakhs for various consumption and income generating activities.

Sl. No.	Purpose	No. of Loans	Amount In Rs.
1	Consumption	465	1,44,830
2	Education	86	75,310
3	Medical	264	2,00,440
4	Housing	79	1,68,225
5	Debt redemption	772	8,52,339
6	Social obligations	488	2,59,587
7	Goat rearing	12	50,901
8	Milch animal	38	2,60,550
9	Agriculture	39	1,13,030
10	Asset creation	28	1,28,350
11	Business	95	2,94,350
Total		2,366	25,47,912

Impact of Kalanjams:

Arresting the drainage: The poor families who were in the clutches of money lenders have become Kalanjiam members. The Kalanjiam have given them 772 loans amounting to Rs.8.52 lakhs to repay their earlier debts. After the entry of the Kalanjams, three money lenders stopped their lending activities, and some of them have reduced the interest rates to 5%

Income generating activities: The Kalanjams assisted 212 families to the tune of Rs.8.47 lakhs to initiate various income generating activities such as petty shops, sale of fish, vegetable vending and dairy activity. With the assistance of the Kalanjams, they could earn additional incomes ranging from Rs.1,500 to Rs.3,500 per month.

Credit for consumption: The poorest of the poor families need a separate line of credit for consumption, because of the seasonality of agriculture and income. They borrow from the moneylenders and others to meet their consumption needs. The Kalanjams provide even Rs.100 - 200 to purchase groceries, rations, etc. The Kalanjams in Meenatchipuram have so far issued 465 loans amounting to 1.45 lakhs for various consumption purposes.

Support for health: The Kalanjams provide credit for meeting the medical expenses. So far 264 loans amounting to Rs.2.0 lakhs have been issued

to the members towards their medical care. In addition, all the members in this village have been insured under life insurance and medi-claim policies by the federation.

Addressing community issues: The members have started addressing their own community and village level issues through their Kalanjams. They found out the malpractices in the local ration shop where the rations were sold in the open market at a high price. All the Kalanjams discussed this issue and assembled in front of the ration shop and demanded them to stop the sales. The district sub collector came to the village and assured them of action against the staff responsible. He further asked them to monitor the functions regularly and involved them in the distribution of ration cards. Likewise, the Kalanjams have together solved the irregularities in the local Balwadi. Collective and continuous efforts of the Kalanjams made it possible.

Kulathur

Kulathur is a big village in Vadamadurai block of Dindigul District. It is a Panchayat village with all facilities including a branch of the Canara Bank in the village itself. More than 500 families live in this village. 90% of them belong to the SC community and 10% to Pillai (BC) community. There are five small textile mills and a steel rolling mill in the surrounding area. There is an ESI hospital located in this village. This village has two irrigation tanks of which one is a very large one. It provides water to six villages for irrigation. It has 5 sluices and more than 1,500 acres as its command area. Only a few people own livestock such as milch animals and goats. It is an agriculture-based area. Since it is located near Dindigul, a lot of people go there as construction and other daily wage workers.

One would suppose that all is well with this village as it has adequate infrastructure facilities and employment opportunities. But it is not so. In agriculture, most people are only wage labourers and do not own land. For the past ten years, the

tank has not received sufficient water and the area under cultivation and the number of crops grown in a year has declined. Since the supply of labour is more than the demand, the wages paid are low and also long hours of work have to be put in by them. A woman agricultural labourer earns Rs.25 per day by working from 8 o'clock in the morning to 5 in the evening. The men earn Rs.60 per day for agricultural labour work. The textile mills employ the local people as daily wage labourers and only a few as permanent workers. They also prefer to employ women as they can be paid lower wages and would work more sincerely. Presently, the textile mills are not paying wages on time and also the number of persons getting work has reduced. Everyday a large number of people gather at a particular point near the village early in the morning. The construction work contractors come and select the number of people they need for the work they have in hand. Many of them wait in vain and return home empty handed. The local people do not get any employment in the steel rolling mill as the owners have brought in a number of families from Bihar to work in the mill. There is seasonal migration to Palani, Pollachi, Udumalpet, etc., for

wage employment. Some of the men also go to Kerala for work. The income flows are highly irregular and the poor here resort to borrowing from the moneylender for their needs, sometimes even for food.

The staff from the Community Banking Programme had to spend nearly two months persuading, cajoling and requesting the women to form the groups. The women were not interested as the daily struggle to make both ends meet on a meager income was more than what they could manage. After a lot of efforts, one Kalanjiam was formed in January 2000 and another three by May. Today there are six Kalanjiams in this village with 115 members. They have a total savings of Rs.1.66 lakhs. All Kalanjiams have been linked with the bank and have received Rs.72,000 as loan in the first linkage and Rs.2.1 lakhs in the second linkage. Their cumulative loan disbursal is over 400 loans and Rs.6 lakhs. Two Kalanjiams have received loans from the Cluster Development Association. They repaid it and have submitted the applications for a second loan.

Impact of the Kalanjiams on the women

Savings and Credit

The practice of borrowing from the moneylenders at high interest rates has reduced by more than 50%. Some of the members have repaid the moneylenders with the loans taken from the Kalanjiams. The number and frequency of moneylenders coming to the village has reduced. A few members have been able to redeem their jewels and vessels from being auctioned due to their inability to repay on time. The members are keen to stop completely the practice of borrowing from them. The practice of savings has got regularised. The older Kalanjiam members are saving Rs.100 per month from the Rs.20 they started off with. They ensure that they are prompt in savings.

Leadership Development:

A major impact has been the blossoming of the latent leadership potential of the unlettered village women. The Kalanjiams have provided an opportunity for many of

the women to take up leadership positions not only in their Kalanjiams but also in their cluster and next at the federation level when it is formed. All the leaders are illiterate but their native intelligence and life experience have helped them do justice to their new role.

The mobility of women and the leaders in particular has increased after joining the Kalanjiam. Their ability to speak in public and to other officials has improved a great deal. Their involvement and confidence in self and Kalanjiam are evident when they start talking about it.

Solidarity Building

The Kalanjiams have built a sense of solidarity among the women of the six Kalanjiams in this village. Earlier the women never had an occasion to come together at the village level and do something. The Kalanjia Iyyaka Day provided them this opportunity. All the members in the village went in a procession around the village shouting Kalanjiam slogans and gathered at the village temple. They offered prayers and collectively made Pongal and shared it with all the

Mookayee

I joined the Kalanjiam and have benefited from it immensely. In fact it has made my house into a home. My husband never took any responsibility in the family and I had to manage it. He was addicted to a few vices. The loan of Rs.5,000 from the Kalanjiam helped to set up this vegetable shop in the village. Both my husband and I manage the shop. Now he is a transformed man and I am grateful to the Kalanjiam for it. I am happy and want to bring in more development to my family and the village through the Kalanjiam.



Alangariammal

I was not interested in joining the Kalanjiam. The Cluster Associate kept persisting and unable to put her off any longer, I joined the Kalanjiam. There were seven members only. After a few meetings three of them decided to leave the Kalanjiam. It was at this time that I had an opportunity to participate in the Federation Mahasabha meeting at Kottampatti. I was amazed to see the huge gathering of women, their achievements and the confidence they had in the Kalanjiam. I thought to myself, if these women who are illiterate and poor can achieve so much, why not myself and the women in my village. I came back completely convinced in the Kalanjiam concept. I threw myself heart and soul in the Kalanjiam work. Today there are 20 members in my Kalanjiam. I have helped form new Kalanjams in my village, in other villages in my cluster, in villages in other clusters. I also provide support in resolving conflicts when they arise in the Kalanjams. I am one of the cluster leaders in the Kulathoor Cluster.

I had gone with six others to a village in the neighbouring cluster. The women were not interested. We went house to house and called the women to come for a meeting. I told them 'we have come to talk to you about our experience in the Kalanjiam. You just come and listen to us and decide for yourselves'. It was 11 pm when the meeting was over and a Kalanjiam was formed. There were no buses and we were lucky to have an onion lorry pass that way. We managed to get a lift half way to our village and walked the remaining distance. It was 12 pm by the time we reached home. I felt satisfied and happy. I feel very unhappy when I have to return without forming a group after taking all efforts. My attachment to the Kalanjiam and sense of responsibility as leader made me spend a lot of time for the Kalanjiam.

members. In the evening they organised a villakku pooja in front of the village temple with all the Kalanjiam members taking part in it.

They initiated the Kalanjia Jothi Thittam, where each member gave Rs.11 as their contribution for the Kalanjiam movement to reach out to more poor women. They also placed a Kannikai Kudam for people to put in their offerings, which was also given to the Kalanjia Jothi Thittam. They initiated the Pidi Arisi Thittam where each member puts a

handful of rice in the common pool at the meeting. This rice thus collected was used to make the Pongal on the Kalanjia Iyyaka Day celebration.

In the event of death in any member's family, all the members go to the bereaved person's house and offer their support. Similarly with any occasion such as marriage, birth of a child, etc., they share the happiness. The Kalanjiam has become an extended family to most of them, especially those who are widowed.

CREATION OF COMMON ASSETS

Credit to buy Weigh balance

Nelvoy is a small hamlet in Tiruvallur district of Tamil Nadu. The paddy merchants used to cheat the farmers by weighing paddy bags in their balance which was not accurate. On an average a farmer used to lose 5-7 Kg. of paddy per bag. To overcome this, the Nelvoy Tank Association was provided with credit to buy a weigh balance. The Vayalagam Agriculture Development Centre (VADC) provided Rs.4,000 as loan and the association contributed Rs.2,000. The association used to charge 10 paise from the farmers to weigh one bag. In the year 2000-01, the association earned revenue of Rs.8,000. They repaid the loan that the association had taken and also reinvested Rs.6,000 by contributing another Rs.2,000 by each member to buy another weigh scale. Even though the intervention is small, the benefit realised by the farmers by preventing pilferage and exploitation by middle men is very high.

Common land for the Cluster

In Manjinayakkanpatty cluster, 21 Kalanjams are functioning for the past three years. The Kalanjams were keen on having a common meeting hall to conduct their meetings. The Cluster Development Association was ready to construct the hall if sufficient land was made available in the village. So, the Kalanjiam members decided to demand porampokku land from the Panchayat. They invited the local Panchayat President to their Annual General Body meeting. They put forth their demand and explained the need for a common building to him. The President agreed to provide a piece of porampokku land. Then, the Kalanjiam members approached the district Collectorate and put forward their application for a patta in the Cluster's name. A formal inspection was conducted by the district administration and the allotment has been issued.

From Individual activity to group activity:

Mayee is a Kalanjiam member in Bodi Vattara Kalanjiam. Mayee's husband is suffering from a wheezing problem. Because of that, he stays idle in the house. Mayee is the only earning person working as an agricultural labourer. She has four children. In the lean season, she used to stay in the near by hills to make broomsticks out of palm leaves. The Kalanjiam provided her a loan of Rs.5,000/- towards working capital and she made a profit of Rs.3,000 out of it. For months together she had to stay away from her family. The Kalanjams came forward to help Mayee do the same work from her house.

The five Kalanjams functioning in this village decided to jointly take the Marakkayee hill, from where Mayee collects the palm leaves, on lease. So the palm leaves could be brought down to the village, which will give employment for some more families. When it came up for auction, the representatives went and took the hillock on lease for Rs.50,000. Each Kalanjiam contributed Rs.10,000 towards the lease. Transferring of palm leaves from the hill to Valayapatty village became a problem. To solve it, Mayee was given a loan of Rs.10,000/- to buy 3 donkeys. By and large, this intervention supports nearly 15 families to make broomsticks as an income generating activity.

House site purchased by Kalanjams:

There are four Kalanjams in the Vathalagundu Cluster namely Mayil Vinayagar Kalanjiam, Mahakavi Kalanjiam, Mahila Kalanjiam and Muthiah Kalanjiam. Almost all these families are residing at rented houses and they have a long cherished dream of having their own house. From these Kalanjams, 36 members joined together and purchased a site of 1.15 acres for Rs.1.50 lakhs. The actual market rate per cent is Rs.5,000/- . Since it was purchased as a lot, it was possible for the members to purchase three cents for Rs.5,000/-

CIVIC INTERVENTIONS

De addiction

Here is a story of a 42-year-old milk vendor, once a slave to liquor, now restored to normal life after de-addiction treatment. He is Muthazhakan, husband of Ponnuthai, a member of Dharmaraja Kalanjiam in Alanganallur. He gives his personal experience:

I was doing milk vending. I had been a slave to liquor for the past 16 years. I took on average liquor worth Rs.100 every day. The habit brought my status down in the society. Whenever I had money, I always thought of taking liquor, but never thought of the future of the family. When I was a slave to drink, I did not know the value of money. I would never be conscious of my family. At first, I took liquor occasionally. But I became a habitual liquor addict. I refused to give up drinking. It affected my health. A stage came wherein I could not give it up, though I was willing to. It had overwhelmed me to the extent of destroying me. I also had the habit of drinking in the morning. No one respected me. I was like a doll with life.

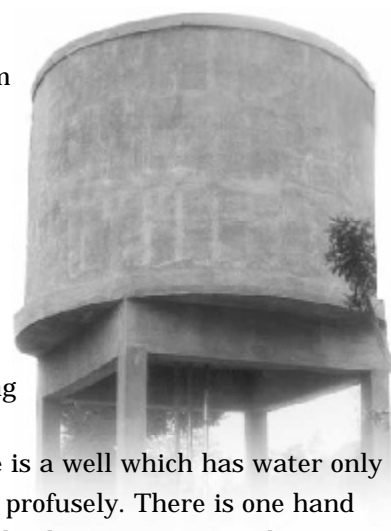
Opportunity to give up drinking: None of the people advised me to give up the habit. I got an opportunity to give up the habit through my wife, a member of the Kalanjiam. I took advantage of the opportunity. I was taken to the de-addiction centre run by DHAN Trust and I was given treatment for 15 days. They explained to me the substances in liquor which are injurious to health. They were taught to me as a lesson. This changed the course of my life.

My status after giving up drinking: Since I gave up drinking through the Kalanjiam, my income and status in society have gone up. They trust me and give me money. To speak the truth, in the beginning my family members would not give me money to meet family expenses. Earlier, my son and daughter would not talk to me. Now they respect me and listen to me. I have regained my health and am now hale and hearty. All my relatives respect me. Whatever I consume is digested and I sleep well. I owe everything to the Kalanjiam. In future I will maintain the family well and work hard to redeem the family from the burden of debt.

Achievement of Kalanjiam

My name is Bhavani. I am the leader of the Perumparai cluster, Kodaikanal block. It is very difficult to get drinking water in our village. There is a well which has water only when it rains profusely. There is one hand pump. It breaks down once in two days. When we return home from the coffee estates in the evening, it is very difficult to fetch one pot of water. We all joined together and placed our grievances before the Panchayat president. He said that there was no public place available in the village and promised to build a water tank if we could provide one cent of land. We held a meeting and discussed the issue. The Kalanjiam agreed to give Rs.150 each. The cluster gave us Rs.350. We mobilised Rs.4,850 and bought one cent of land for Rs.5,000. A water tank is being constructed there. Within 15 days, everyone will get drinking water. We wrote the name of Perumparai Cluster Development Association on the tank.

Similarly we could not walk along the street if it rained. We approached the Panchayat several times and no action was taken. We discussed this issue in our monthly meeting and decided to meet the District Collector. We went in a lorry to the Collector's office and submitted a petition to the Collector. Now, they have laid a concrete road in our street. After this incident, people have started realising the importance of the Kalanjiam. They say that the Kalanjiam achieved what could not be achieved by others.



Upgradation of community infrastructure

Vinayaknagar is an urban slum in the heart of Tirupati town. It is home to 800 families, consisting of poor households involved in vending, providing goods and services to pilgrims, household help and other unskilled labour. A small percentage comprises (15 percent) formal sector employees, working in government offices and local industries at lower levels. More than 250 women residing in Vinayaknagar are members of SPMS.

Due to the unhygienic conditions faced by the residents, a collective initiative was launched to upgrade their infrastructure facilities. The initiative was triggered by the widespread publicity given by the government to the Janmabhoomi Programme. The long wait for a customised scheme was over. Informal groups of residents met in every street and a consensus was arrived at, to approach the Tirupati Municipal Corporation for the up gradation of community infrastructure. The community contribution of 30 percent of the total cost did not deter the residents. In order to motivate non-members and unwilling residents for contribution, they even offered interest free loans, to be repaid at a later date. For a few residents, the contribution percentage was reduced to 20 considering their inability to put in the required amount. All 250 members of the slum took loans from SPMS for this programme.

Before

Interconnecting roads within the slum were unpaved, causing serious accessibility problems

No drainage or sewerage lines
No individual toilets

Water inadequate and irregular supply

After

Paved interconnecting roads within the slum

Underground sewerage line running under every street
As an extended impact of this, most residents built their own toilets and connected them to the sewer line.

Drinking water is still a problem due to salinity in the pipe water, though supply was regularised.

Following the up gradation, many residents have begun to demand a better source of water for household use. Several groups of 8-10 women have organised themselves into informal groups and applied to the Municipal Corporation for a stand-alone collective water point near their houses. They expressed their willingness to contribute towards the capital cost and agreed to be responsible for its maintenance. Such initiatives are becoming increasingly widespread among members of SPMS.

Eye Camps

The Vathalagundu Kalanjia Vattaram in collaboration with Lions club, Nilakottai and Aravind eye hospital, Theni conducted an eye camp at Rajadhanikottai on 23 Dec 2001. About 500 members from Rajadhanikottai & Theppattupatti villages were benefited by the camp. Seventeen members were identified with Cataract and got operated. Eleven members were issued spectacles on the



same day. The same kind of camp was organised at Vathalagundu on Feb 09, 2002. The Kalanjias at Vathalagundu actively involved themselves and made the eye camp a very fruitful one. About 300 members took part in the camp; 18 members were treated for Cataract and 35 members were issued spectacles. All the patients were issued free vitamin tablets and eye drops.

Kitchen Garden Programme

The Bodi Vattara Kalanjiam launched the Kitchen Garden Programme last year, which aims at providing inputs and technical support for creating Kitchen Garden. Under this scheme, a variety of vegetable seeds at low cost were supplied to 1,000 members. A rural family spends about Rs.150-200 per month on vegetables. Sometimes they are unable to get fresh vegetables from the local shops. The scheme made a significant impact on the nutrition intake of these families. Nearly rupees one lakh worth of vegetables have been harvested and used by members.

Gnanamani is a member of Kamatchiammal Kalanjiam. She is earning Rs.25/- per day through agricultural labour. She came forward to take up the Kitchen Garden Programme and got two packets of seeds. She prepared the backyard of her house to raise the vegetables. She harvested 4 kilos of beans of which 2 kilos were sold to petty shops, and 25 nos. of Snake gourd and 20 Kgs of bitter gourd. The value of the total harvest was Rs. 400. She has spent nothing more than Rs. 6/-, and a watering the plants when required.



An effective demand system

Nainitha Perumal Kalanjiam in Keelaiyur village, Melur block was started in 1998. In the local ration shop, rice was sold at Rs.4 per Kg instead of at Rs.3. It was happening for about four months. During the Kalanjiam monthly meeting held in September 2001, Kalanjiam members took a decision to protest against it in front of the ration-shop. And their decision was communicated to the federation. Finally, all the Kalanjiam members along with the villagers assembled in front of the ration shop and demanded for action. When the District Collector arrived at the spot, the members explained how they were cheated by the shopkeepers. The Collector took immediate action against the person responsible for it and issued an order to rectify the problem.

Seed farm: Though small on a Pilot Scale but the Scope is large

Mr.Anandan is a farmer having 0.80 acre of land. The Valayagam Plant Clinic established at Kaverirajapuram of Tiruvallur district persuaded him to set up a Paddy Seed farm. He was assured of regular visits by an agriculturist and guidance. He agreed, and cultivated ADT-37 variety of Paddy in 0.61 acres of land. He spent Rs.6,800/-. In return the yield realised by him was 1,550 kg which indeed was more than the normal yield of 1,350 Kgs. At the rate of Rs.8.60 per kg of seed in the market, he would get an income of Rs.13, 330 with net revenue of Rs.7,120.

Small Intervention Bigger Impact - Plug and Rod Shutter



“Athangaraipatti channel” constructed from the Vaigai river feeds four tanks namely Bommayasamy Kanmoi, Kodanginayakkan Kanmoi, Nalladicheri Kanmoi and Sakkilichikulam Kanmoi during the rainy season. During the north east monsoon this channel carries water and fills the four tanks. The Bommayasamy Tank Farmers Association installed a plug and rod shutter to arrest the leakage of water at a cost of 1,000/- (One thousand rupees) of which the Association contributed Rs.250/-. Before the shutter was introduced, the farmers closed their sluices with mud and gunny bags. There would be a leakage due to improper closing. The water went waste and the farmers faced difficulty in irrigating their paddy crop for four weeks at the milking stage which would reduce the yield drastically. Because of the

provision of plug and rod shutter, the farmers get water for an additional twenty days. In the last year, 30 acres of paddy have been harvested without any loss.

COLLABORATION

The people's organisations promoted by DHAN Foundation demonstrated that they are capable of collaborating on a large scale with timely facilitation and support. In the tank programme, our experience has demonstrated that collaboration is possible with the government and this has resulted in influencing the policies and development of new schemes by the government for development of tanks in the state of Tamil Nadu with the involvement of farmers. The Community Banking Programme has demonstrated large-scale linkages of the primary groups with local commercial and rural banks and federations with the apex banks addressing multiple needs of the poor and ensuring sustainability of these organisations.

Successful Linkages- UBI and Kalanjams

Union Bank of India (UBI), Kottampatti branch is a predominantly agriculture oriented branch. This branch has deposits of Rs.640.41 lakhs and advances of Rs.466.76 lakhs. This branch provided loans to the poor and farmers under the Integrated Rural Development Programme (IRDP) and priority lending schemes. But as is the case with many branches, the recovery rate was not up to the mark and many borrowers became defaulters. The study of the bank's deposits and advances revealed that the deposits have increased from 2.75 to 6.4 crores, advances from 1.2 to 4.66 crores in a 3 years period. There was a considerable increase in the deposits as well as advances. This shows the increased money flow among the rural people. The increase in advances indicates the positive steps taken by the bank towards the rural population. The SHG Bank Linkage has got a major share in the increase in advances by the bank.

Kottampatti Pengal Vattara Kalanjiam:

DHAN Foundation initiated its savings and credit programme in the block in 1994. However, group promotion picked up momentum in 1996. Within 3 years, the number of groups increased to 189 Kalanjams with 3,000 families and all Kalanjams functioning in the area came together and promoted the federation of Kalanjams called 'Kottampatti Pengal Vattara Kalanjiam' (KPVK)

In early 1998, Ms.Pushpa, Field officer, Union Bank of India, participated in the '*Exposure Programme on SHGs*' conducted by DHAN Foundation and she was convinced of the SHG concept. The then Managing Director, Ms.Sivarani, prepared SHG-Bank linkage applications for 10 groups and submitted them to the branch. The Field Officer processed all the applications after extensive field

Growth of Kalanjams in KPVK

Year	No. of groups	Members	Savings (Rs. in lakhs)	Loan Outstanding (Rs. in lakhs)
1997-1998	125	1755	4.04	6.94
1998-1999	160	2315	19.56	42.28
1999-2000	189	3000	50.76	149.72
2000-2001	226	3465	87.73	201.11
2001-2002	230	3616	111.49	289.53

visits and interactions with Kalanjams and sanctioned loans for the above groups.

Unfortunately, before disbursement of the loans, she was transferred. The new manager was not aware of the SHG-Bank linkage. So, the disbursement was delayed and the Kalanjams decided to approach Canara Bank, Thumbaipatti for availing of loans. So a new savings bank account was opened and new loan applications were prepared. Subsequently they availed of loans from Canara bank. Meanwhile, the Manager, Union Bank of India attended the 'Exposure Training Programme on SHGs' organised by DHAN Foundation. He was convinced about the Kalanjiam Bank linkage concept and started linking with Kalanjams.

Growth phases in linkage

Union bank of India, Kottampatti, initiated linkage after learning all the aspects through the exposure training programme organised by DHAN Foundation. But it still took a lot of time for the bank to understand about different aspects of linkage. Banks participation in the Kalanjiam activities in the initial period was passive. After

Growth of the SHG Linkage

Sl. No.	Year	No. of loans	Loan amount (Rs. in lakhs)
1	1999-2000	87	26.37
2	2000-2001	111	45.14
3	2001-2002	111	98.56

the no. of linkages increased, more no. of Kalanjiam women started visiting the branch. Most of the financial transactions carried out at the branch were by the Kalanjiam members. The sincerity shown by the Kalanjiam members in repayment amazed the branch staff and the managers. They realised that the Kalanjiam members were quick to learn all linkage related aspects. So the bank slowly started expanding its Kalanjiam lending. Not only did SHG business increase, but the quality of the loan portfolio of the bank also improved. This increased the bank's trust in the Kalanjiams. The manager slowly started visiting all the groups as part of loan appraisal and started concentrating on the problems of the people also. Now, the branch manager visits each group more than twice or thrice in a year. This helped in creating a quality long term relationship between the bank and the Kalanjiams. So, the bank shifted from its passive participation to active ownership in building the Kalanjiams.

Impact of linkage at Branch level

Business proposition: SHG lending was initially viewed as a part of the social agenda even though it assures amazing repayment percentage. Now this branch realises that building a quality loan

portfolio is possible only through SHG lending. In a period of 5 years, definitely minimum 50% of the portfolio can be of SHGs. This will significantly help the branches to build a quality loan portfolio and to enhance business prospects.

Transaction and Monitoring Costs: The SHG lending remarkably brought down the transaction and monitoring costs. Lots of costs are shared by people in the SHG lending system. Application preparation and credit assessment have become easier due to the group lending. Monitoring cost is also very less because a manager can do this with all the members of a group in half an hour's interaction. Moreover, the number of loan accounts to be maintained by a branch will also be less.

Impeccable repayment performance: The experiences with UBI proved that the poor are credit worthy and they are capable of repaying their loans. In this branch the recovery percentage of SHG loans is 100%. The Federation and the bank have a system to deal with default groups like arranging for a common meeting between the bank and federation teams. Members are aware of the seasonality factor and foresee shortfall in repayment to the bank. So they plan repayment accordingly. Peer pressure helps even the default member to repay her loan. The Kalanjiams have created a '*conducive repayment culture*' in the villages and inculcated the value system of timely repayment.

Profitability: The success of the bank is determined by the profit that is made through its business operations. The Kalanjiams have helped this branch to improve its profit to an extent.

Impact at the Kalanjiam level:

Credit against vulnerabilities: The bank's assistance has helped the members meet both consumption and income generating activities

The Branch Manager, Union Bank of India, Kottampatti: I joined this office in June 1998 as Branch Manager. Already there were 5 SHG applications pending when I joined.

Since I was working in Mumbai for 3 years in foreign exchange, I was totally unaware of this concept of SHGs. I said that I wanted time to study about SHGs. I attended the exposure training conducted by DHAN Foundation.

Then I was able to appreciate the concept of SHGs. In July'99 during the first anniversary of Kottampatti federation, I announced that I was giving loans to SHGs. Immediately after that we started giving loans to the SHGs. I feel that we are one family. It gives me immense satisfaction to work with SHGs

needs. Better credit access has helped families to overcome seasonality and vulnerability. Members have invested in business activities by taking up Kalanjiam loans.

Redemption of outside debts: Loans with exorbitant interest rates always pull down the poor into deeper levels of poverty. Bank credit helped the Kalanjiam members to close their loans and arrest the income leakage in the form of interest. Padinettampadi karuppu and Adaikalamkathamman Kalanjiam members are the examples where 75% of the members completely closed their external loans. A member in Padinettampadi karuppu Kalanjiam has repaid Rs.1.75 lakhs of her old debt through Kalanjiam loans.

Relationship Building: Kalanjiam women value their relationship with the branch. They proudly share their experience with the bank. Aspects of hospitality, interaction with managers and contribution to the group transactions are of immense satisfaction to lot of group members. Almost 99% of the members had never visited the

*Source: Study done by P.Kottaisamy, G.Arunodhayam and Ms.Sathiyapriya
First Year Students, Bharatidhasan Institute of Management, Trichy*

Restoring Trust - The Kuppam Experience

23rd September 2001. A little after 12 in the afternoon. The Scorching sun makes the roads and pathways burn with heat. Few would volunteer to walk on the streets barefoot.

Yet on this day and in such harsh conditions, thousands of rural women dressed in colourful sarees carrying flower-decorated Kalasas on their heads, walked energetically towards Kuppam village in Chittoor district of Andhra Pradesh.

Only women were in sight – little bothered with the heat or their bare feet on the burning roads in

branch before joining the Kalanjiam. In Kottampatti, all Kalanjiam women are now visiting the branch and managing their financial transactions effectively. The Branch manager and bank team participate in the Kalanjiam members' family events and festivals. They also share their joys and sorrows. This new sense of affection is reciprocated effectively by the Kalanjiam members. Now the branch manager is well known in all the villages.

Future Direction:

Union Bank of India now realises that the Kalanjiam bank linkage is a promising business opportunity and viable proposition. The Kalanjiam members gained confidence in banking with a formal credit system. The Kalanjiam members and the bank understood the prerequisites for doing business with each other. The Kalanjiam members value and believe repayment capacity, peer pressure, development motives to be important factors. Banks believe in building viable relations with the Kalanjiam members through trust, collaboration and ownership. Access to credit no longer is the issue for the Kalanjiam members as long as the banks – SHG linkage continues.

the midday sun. Their bright faces and brisk walk revealed their enthusiasm, interest and energy. It was neither a festival nor a politician's visit they were headed for. The women were hurrying to reach the starting point of the procession which was to proceed to the Junior College ground where a Mahasabha had been organised. This was indeed a special occasion as it was the first time that all the members from various self-help groups in Kuppam mandal were coming together as members of one federation.

A total of about 4,500 women from 262 villages in Kuppam and Gudipalli mandals were scheduled to attend the first Mahasabha. This almost created history. Kuppam had not witnessed this kind of gathering before, except for political meetings.

Women had previously not come together in any forum, and almost never to discuss their own agenda or celebrate their solidarity. The distinctive nature of the gathering and the unique occasion made the women themselves



recognise the emergence of a power centre in the form of their federation.

The Mahasabha was truly a celebration of their solidarity and collective identity.

However, though the Mahasabha with its huge turn out of rural women indicated a positive change in their lives, in reality, it was a culmination of a process of empowerment that had been started 18 months ago. The Mahasabha confirmed that the direction was right and highlighted their position of strength. The function was an occasion for the women to re-experience their journey towards empowerment and celebrate the collective identity.

“When I saw all the women here, I felt proud to be a part of the self-help group movement. Though each of us is individually trying to come out of the poverty net, yet in this meeting, we have collectively united to improve our lives,” says Parvathamma, cluster director of Krishnadasanpalli cluster.

“When we meet either at the group level or at the cluster level, we are aware that the savings and credit activity was the starting point for us to gain control over our lives. Now with the creation of the federation, I believe that we have further strengthened our lives through a bigger collective,” adds Girija, cluster director.

“Our lives have changed dramatically. Two years before, if someone had told us that our meager savings would relieve us from the clutches of the moneylenders, we would not have believed it. But look at us today. Most of us have stopped taking



loans from the moneylenders and others. We are sure that very soon we shall be able to free ourselves from the circle of debt that has dominated our lives for generations,” says Bhanumathi, cluster director of Paipali cluster.

The recent past

Two years ago, the scenario was very different. Self-help groups did exist but most of the groups were either defunct or were in the process of extinction. Those which were functioning were at a very low level of efficiency and the impact was limited.

Under the DWCRA scheme, the DRDA, Chittoor had formed 967 DWCRA groups in the five mandals of Chittoor district in Andhra Pradesh. Though the long-term perspective of DWCRA groups included creation of a common platform to come together, build solidarity and address common problems as a collective, the intervention initially aimed at addressing the economic needs. DRDA, Chittoor undertook the task on a war footing and organised hundreds of groups each month. A team of people would visit the villages, conduct women's meetings, promise them that the scheme would change their status if they saved Rs.30 per month through savings groups. These groups would get the DWCRA assistance – a revolving fund of Rs.15,000-25,000 – in less than six months. This amount, they said, could be used towards starting income generation programmes. DRDA assisted these groups by releasing Rs.1.43 crores in the form of a revolving fund.

In an anxiety to reach the target, many DWCRA groups were formed during group campaigns or



visits. Also, in the pressure to form the groups, little care was taken to ensure that any criterion for selection was specified for the members or ensure that the groups were formed on the basis of affinity or trust which is a necessary prerequisite for a group. Further, in the absence of clarity on the group concept, the groups stood as forums where members could avail of loans for their credit needs. Naturally, their priority revolved around taking loans from the group and the empowerment process took a back seat.

However, the idea was good. These groups, formed under the DWCRA schemes, would have met its objective and could have made progress had they received necessary inputs on the functioning and management of the groups. But DRDA, Chittoor was not able to pay the required attention to them since it was engaged in several other activities.

Ms. Usha Rani, the then Project Director of DRDA, went personally to meet the women office bearers of Sri Padmavathi Mahila Abyudaya Sangam (SPMS) in Tirupathi, a federation facilitated by DHAN Foundation. She was impressed by the systematic way in which these women maintained the records and handled the administration. "The lacuna lay in the lack of a strengthening process of the groups and inputs to work in a systematic way. We, therefore, approached DHAN Foundation to revive the groups in Kuppam and Gudipalli mandal.

DHAN Foundation undertook the task of not only reviving the DWCRA groups but also to graduate them as self supporting savings and credit groups. The challenge lay in not only ensuring that they meet and save regularly, but in strengthening them by forming bigger collectives and empowering them, both in terms of credit as well as decision-making capacity. DHAN Foundation realised that there were several problems which had led to malfunctioning of the DWCRA groups. The most crucial one that emerged was the lack of understanding of the scheme. At another level, there were several operational problems which had led to confusion and gaps. DHAN Foundation also realised that since the DWCRA groups had not built any capacities, they needed continuous intervention and support.

The Process

Learning to unlearn

The DHAN Foundation team was aware that the process of revival was more difficult than the formation. Sujatha says, "While forming the group, we have to introduce the concept of group and motivate them to come out of their house-bound existence. Once they are convinced about the benefits of forming a group, nothing stops them. However, the biggest task in reviving the group is changing their mindset and bringing about an attitudinal change

Another concern was related to remitting the amount through somebody instead of coming to the meetings every time. "We had to employ different strategies to convince them. In some villages, people did not understand the shift of responsibility from DRDA coordinators to Cluster Associates and refused any kind of cooperation unless the DRDA authorities themselves handed over the responsibility to them in an open forum. Some groups were wary of showing the books of accounts. The mandal authorities supported us by attending the initial meetings and convincing them. At certain places we took support from the village elders or traditional power holders to convince them. Once they were convinced to restart the group, half the battle was won. Yet the other half was not easy. It was difficult for them to unlearn. For example, it was not all that easy for them to keep the money with them and hand it over to the representative only during the meeting. But when they saw the advantages of this system, there was no looking back," says Rajeshwari.

The new systems

While doing the exercise of streamlining the accounts, the books of accounts also needed to be modified. This was especially important to enable even the illiterate women to assess their savings, loan amount, repayment and interest without confusion. The books used by the other groups formed by DHAN Foundation were designed in a manner which was easy, simple and user-friendly.

Hamsa adds, "We have realised that the maintenance of proper accounts which are easily followed by each one of the members is very important for building trust in the group. We have

also realised that the earlier mistrust or misunderstanding in the group was mainly the result of lack of proper maintenance as well as lack of clarity in understanding the entries. Now we feel that our hard earned money is safe in the group. The feeling of safety, security and trust has bound the group more closely”.

Thus the new accounting system proved to be really helpful in many ways. It facilitated the resolving of conflicts by finding out the exact amount misappropriated and making the leaders responsible to pay the money in addition to streamlining the accounts.

But obviously, regularising meetings and starting savings was not enough. The groups needed to learn to operate on the principle of mutual trust and manage the group's savings and credit programme by taking collective decisions. Thus the focus of DHAN Foundation shifted to strengthening the process of the groups where the group members were encouraged to take leadership roles, handle financial transactions themselves with as little support as possible, understand the accounting systems and initiate new practices of saving and lending. More importantly, leadership training was organised regularly for the members and leaders.

Decision making

The improved understanding helped them realise the importance of taking their own decisions in all aspects of the working of the group. The members were encouraged to evolve the bylaws for their groups with specific norms to serve as the basis to take decisions and manage the group transactions efficiently. The evolution of the bylaws offered the members an opportunity to discuss the priorities of their own groups, irrespective of what others felt or thought. Decisions were taken on their own merit while ensuring that the decisions were fair to everyone. Hence the process in itself was both enabling and empowering.

The Strengthening Process

Introducing the cluster concept was a logical graduation process. It was seen as an interim institution to help the group members look beyond their groups and join hands for activities which a

single group could not perform. Therefore, when DHAN Foundation introduced the cluster concept, it took necessary care that before the Cluster Associations were formed, the members discussed and clearly understood the concept, grasped the need, functions, implications and benefits before they formed the association. Each group was made a member in the cluster. Kanchanamma, the cluster director from Samaguttapalli colony, proudly states, “I have been unanimously elected as the director of my cluster. I am a member of the executive committee along with five other leaders.”

Linkages with banks

Another significant step was the registration of the groups, both for establishing their own identity as a financial institution to get credibility in the outside world and as a preliminary step in linking them with the banks. Linkage with the bank marks an important step in the group development stage, as it changes the scale of operation of the group. It shows the ability of the group to absorb credit and revolve finances. The linkage helps both the bankers as well as the groups. Narasingrao, field officer of State Bank of Mysore, Kuppam, says, “We have given loans to 63 groups from Kuppam. The repayment of all the groups is very regular and satisfactory. Appreciably, there was not a single instance where we had to issue notices for non-remittance. Giving loans to groups has also reduced our burden of documentation in individual names. More importantly, I observe a major change in the women whose quality and accounting standards have improved substantially. They have become more aware about the interaction with the bank and know exactly what the bankers expect from them as well as what to expect from a banker. Their capacity to negotiate is enhanced and they have also improved on circulating internal as well as external resources. What I appreciate most is their attitude towards the bank. They have stopped looking at themselves as beneficiaries of the programme now; they negotiate with us as our clients from positions of strength”.

Promoting Federation:

With 22 clusters working very efficiently, federating these to form an apex body was a logical step forward. Parvathamma, cluster director of Laxmipuram cluster, says, “We felt the need for

Status of Kuppam Kalanjia Samakhya (as on March 2002)

Date of formation	:	1 January 2001
No. of Groups	:	321
No. of villages	:	176
No. of members	:	4173
No. of clusters	:	21
General savings	:	Rs. 38.6 lakhs
Special savings	:	Rs. 0.31 lakhs
Common fund	:	Rs. 5.7 lakhs
Linkage status	:	Rs. 24.08 lakhs (75 groups)
Revolving fund (from DRDA)	:	Rs.17.65 lakhs

the apex body to strengthen our positions and sustain our existence as a financial institution for the poor. We had seen the activities of the SPMS and the way in which their leaders were able to acquire managerial capability. We felt that the opportunity to articulate to a larger populace had given them a wider perspective. We could also undergo a similar kind of empowering process if we come together as a bigger collective and think holistically for the women across the whole mandal instead of limiting ourselves to our own groups only”

The cost benefit

It is very difficult or almost impossible to put a specific value to the impact of this intervention. Initiated by reviving the DWCRA groups,

introducing the SHG concept to them and building people's institution for sustainability cannot be assessed in terms of numbers. A brief glance at the total amount of money saved by the women and revolved in the groups and the amount raised through bank loans will give an indication of the potential of the groups that would have remained untapped if the groups had not undergone the revival process. The general savings of the members which were Rs.1,170,627 in March 2001 had increased to a staggering Rs.2,427,346 in seven months while the bank loans increased from Rs.8,66,000 to Rs.2,035,703. The loans given to members which serves as an important parameter of the group's progress has also doubled in seven months from Rs.3,597,572 to Rs.7,574,173. Also, the amount which was distributed to the groups by the DRDA prior to DHAN's intervention that would have been wasted is back in circulation among the members.

The Future Direction

“Parvathamma, the federation chairman says, “We have a long way to go. But we know that we are on the way. Our first lessons came from exposure visits to SPMS federations. We now would also like to visit other groups and learn from them and their experiences. We would also like to be trained on different aspects of the empowerment process. But our major focus will be on resource mobilisation for the federation through apex financial institutions and to create a sustainable institution that will meet the credit needs of our members. And one day we will take decisions for ourselves.”

The women now have hopes and dreams. Dreams that are not hard to turn into reality. That this is likely to happen is eminently possible today.

Source: Study done by Communication for Development and Learning (CDL), Bangalore

BUILDING PEOPLES' ORGANISATIONS

The Kalanjiam Community Banking Programme is successful in developing organisations controlled by women addressing institutional dimensions of local management and linkages with other institutions. The Tank programme has developed an 'institution building' model for tanks, which will make the village tank institutions sustainable in the long run. In addition to building the capacity of these local institutions, the programme has helped in creating 'endowments' at each institution for long-term sustainability. As part of self-management and sustainability, nested institutions promoted by the community banking programme meet all the costs of management out of their own resources. The cost coverage is followed from day one, but 100% costs will be met by the people after one year of operation in case of groups and clusters, and five years in case of federations. In addition to building good governance by nurturing quality, leadership, the programme promote creation of 'endowments' for health, education and village development initiatives and institution building at group, cluster and federation levels.

Kurinji Vattara Kalanjiam - Business Initiatives

Alanganallur block in Madurai District, Tamil Nadu, is a rural area fringed by hills on all sides. The area consists of a few hilly tracts, drylands and wetland with irrigation from Periyar Vaigai Canal system. The people's livelihood is primarily land based – agriculture, horticulture, dairying etc. Its proximity to Madurai District provides the needed marketing avenues. Some of the development issues here are the high rate of deforestation, large number of landless laborers, exploitative credit sources for the poor, and migration.

The first Kalanjiam was formed in 1994 by DHAN Foundation. The Kalanjiams brought into their fold 1,367 members and formed a federation – Kurinji Vattara Kalanjiam(KVK) in 1997. The federation which began with just 1,397 members has tripled to 5,265 members today. Their savings has increased from 1.5 lakhs to 1.15 crores. Similarly their credit disbursement rose phenomenally from just Rs.4 lakhs to 6.51 crores.



Purpose wise loan utilisation as on March 2002

Sl. No.	Purpose	No. of loans	Amount (Rs. in lakhs)
1	Consumption	23,826	176.85
2	Education	222	4.09
3	Medical	419	6.27
4	Housing	1,512	109.59
5	Debt redemption	2,684	69.55
6	Investment	2,592	165.32
7	Business and trade	1,793	52.81
8	Agriculture	1,000	22.47
9	Social obligations	1,967	44.52
Total		36,015	651.47

Credit services:

The Kalanjiams provide credit for both consumption and production. In the initial stages, members availed of smaller loans to meet their consumption needs such as purchasing rations, groceries, and medical expenses for minor ailments, education for their children, etc. Further, a major portion of loans was used to repay the loans borrowed from money lenders, the interest that had accumulated, and to redeem their assets mortgaged against loans. As the Kalanjiams grew, the credit-demand of the members has also grown and the Kalanjiams have provided credit

support to purchase new income generating assets and working capital for strengthening the existing activities. So far, the Kalanjams have provided 36,000 loans to their members amounting to Rs.6.51 crores for various purposes.

Income generating activities:

Most of the Kalanjiam members are landless labourers and a few of them are small & marginal farm families. There was a lot of scope for purchasing new income generating assets or starting a new activity in the case of landless labourers, mainly for assured subsidiary income. Preparing them to take up Income Generating Activity was a very critical task. Only when they reduce their external debts at least to some extent

Activity	No. of units	Loan from Kalanjiam	Present value of the asset / investment	Average income per member per month
Agriculture	313	2,299,620	6,730,700	2,400
Business	672	4,935,520	7,519,750	2,200
Housing	294	5,103,200	14,468,000	-
Livestock	1,728	14,656,541	14,423,200	1,200
Others	82	691,800	1,417,300	2,000
Total	3,089	27,686,681	44,558,950	-

will they think of taking up income generating activities.

Alanganallur block seems to be an ideal place for dairy activities, as more than half of the poor people are involved in this activity and the activity has strong traditional linkages. Geographically speaking, the block does favour animal husbandry activities as half of the cultivable land is dry land, and mountains and forests dominate the landscape. Most of the members are involved in this activity, which is one of the primary sources of income. Palamedu boasts of two or three very successful dairy co-operatives out of the five odd co-operatives working in this area. Considering the scope for dairying, the Kurinji Vattara Kalanjiam approached the district administration to create infrastructure for milk processing. The federation



has got an approval and they are preparing a project plan for implementation.

Tree contract is a prevalent activity in the dry land area of this block. It is quite popular in

Manjamalai, Sathiyar, Senthamangalam, Vellayampatti and Muduvarpatti clusters. It is the fifth most popular activity in the area with 64 families being involved in it. Primarily guava, jambulina) and mango tree contracts are quite common. The activities again have roots in socio-economic-geographical conditions. As the land is mostly dry, horticulture is favoured. The other aspect which makes the activity quite popular for the members who

are mostly agricultural labourers, is that the season for crop harvesting doesn't clash with fruit harvesting. Tree contract is being done at all levels, i.e., it is being done for 50 trees as well as for two trees depending upon the individual's capacity to invest.

Resource mobilisation: In the initial years, resources in the Kalanjams - mainly through savings by



the members - were not sufficient to fulfill the credit demand of all the members. The role of cluster Development associations and Federation was very crucial in mobilising resources from commercial and apex banks. The timely credit support from the Canara Bank, Alanganallur under SHG Bank linkage has been highly useful to the Kalanjams to enter in to income generating activities. So far, the Kalanjams all together mobilised Rs.2.56 crores through Bank linkage. It was the first bank in the country in terms of the highest number of linkages with self help groups. Nearly Rs.70 lakhs has been mobilised under SGSY Economic assistance. Members took up

various income generating activities under this assistance.

The Federation also played an important role in resource mobilisation from the apex banks such as NABARD, HDFC, HUDCO etc., Through this linkage, the KVK has mobilised Rs.1.85 crores and routed it to groups through the cluster. This is one of the remarkable achievements of the KVK in terms of deepening of financial services and business support to the groups. The reasons behind this success were timely credit support from the banks and facilitation by both the cluster and federation.

Kadamalai Kalanjia Vattara Sangam – Insurance

DHAN Foundation initiated the Kalanjiam Community Banking Programme in Mayiladumparai Block in Theni district in the year 1994. From a small beginning in 1994, today there are 241 Kalanjams in 67 villages with 4,285 members. Their cumulative savings so far is Rs.92.12 lakhs. They have mobilised loan funds to the tune of Rs. 2.32 crores from the commercial bank branches in their area and from apex finance institutions. (as on March 2002)

The Kalanjams were instrumental in organising the women and bringing them to a common platform at the village and block levels. Thereby they can address their needs by themselves starting with savings and credit activities. The Kadamalai Kalanjia Vattara Sangam(KKVS) was promoted in August 1995 as the federation of all Kalanjams in this block. Its main objective was to address the developmental needs of its members and create a distinct identity for itself as a people's organisation.

The health infrastructure in the block is very poor. Only recently a private hospital with certain minimum facilities has been set up. There is a dearth of qualified private practitioners as well. This has led to a flourishing practice of quacks. The area also does not have a strong indigenous medicine system. Alcoholism among men and clandestine cultivation of cannabis is also

prevalent in this area. Although there are three commercial bank branches and four primary agricultural co-operative societies in this block, the poor have to resort to the informal sources for their credit needs. These sources, though they provide timely credit, charge exorbitant rates of interest.

The major employment available is agricultural wage employment. The wage rates vary from Rs.15-20 for women and Rs.40-50 for men. The wage employment opportunities for women are more when compared to men. The men often migrate to Kerala for contract labour work. Children are sent to Andhra Pradesh to work in savouries making units. The status of women is very low and is reflected in the incidence of female infanticide, low literacy rate, high incidence of suicides, low age of marriage, etc.

Emergence of the need for Insurance: Within a few years of joining the Kalanjiam, the members could realise visible and tangible benefits from it. They could come out of the exploitative sources of credit, get support for existing business activities, address community needs at the village, mobilise loan funds from the local commercial bank branches, and so on. The belief and trust of the members in the Kalanjiam grew manifold and their involvement in all its activities increased.

The need for some kind of protection against unforeseen situations was increasingly felt among the members of various Kalanjams. This resulted in the birth of the idea for an insurance scheme. The leaders and staff of the federation decided to



Mrs. Jayakkodi and her husband Mr. Veluchamy are agricultural labourers residing at Kadamalaikundu. She had been a member of the Jakkadevi Kalanjiam for over a year and had saved Rs.650. She had placed a lighted kerosene lamp near her bed. She accidentally knocked it down while trying to cover her head with her saree. Immediately the saree caught fire. It spread to the pillow, bed and her body quickly as the kerosene spilt over her. Her presence of mind made her push away her two children who were sleeping near her. Her husband who came to her rescue also suffered burns on his face and hands. Both of them were taken to the Government Hospital at Theni. She succumbed to her burns after three days. The insurance money of Rs.10,000 has been deposited in the names of her two daughters in the bank for their use in the future.

make a beginning with a life insurance scheme. They made a study of the life insurance schemes offered by the insurance companies for the weaker sections. They also held detailed discussions with the leaders and staff of the other federations that were already offering the insurance product and the DHAN Foundation staff. Their purpose was to have an idea of the insurance schemes and the issues involved in the implementation of such schemes by them.

The idea was crystallised after a series of deliberations among themselves, and the insurance programme was designed. It was presented at the Annual General Body Meeting of the Federation in January 1997. The general body approved it, and it was decided to make the programme operational from the 1st of April 1997.

The power to administer the insurance programme was vested with the Board of Directors of the federation and the day to day operations to be carried out by the Managing Director and the staff. The Board members discussed and decided upon the benefits under the programme, the contributions to be made by the members, eligibility for coverage, management of the programme, etc. The decisions were made in consensus among the Board of Directors and the Managing Director. The experience of the other federations in doing the same were also taken into account while finalising the details.

The Life Insurance Programme

The insurance programme was an addition to the existing package of financial services to the Kalanjiam members. Only Kalanjiam members were eligible to join the scheme. The husbands of the members were also eligible to join the programme as their death also had an impact on the development of the family. The programme was made a voluntary one. The main restrictions were to exclude those above the age of 55 and those with a history of chronic illness.

The premium to be paid was Rs. 25/- if only the member was to be covered, and Rs.50/- for including the husband as well. Life insurance coverage for a sum of Rs. 5,000/- for member and Rs. 10,000/- for the husband was offered. A waiting period of 15 days from the date of payment of the contribution was introduced.

The response of the members was overwhelming. This was in spite of the fact that a majority of the members are illiterate, prevalence of superstitious beliefs and lack of awareness of the basic concept of insurance. The role of the leaders and staff in creating awareness and educating the members was a praiseworthy one. In the first year, 1,000 members joined the insurance scheme. Of them, 728 opted for extending coverage to the husbands.

All major decisions are taken by the Board of Directors of the federation and the Managing

Chinnammal is a member in Senthayan Kalanjiam in Mayiladumparai village. Her husband Bhagwathi developed chest pain while tending to the goats. He was taken to the hospital, but his life could not be saved. Mrs.Chinnammal borrowed Rs.8,000, using the jewels of one of her relatives, to conduct his last rites. She received Rs.10,000 from the life insurance scheme. She redeemed the jewels by repaying the loan. With the remaining Rs.2,000, she purchased another two goats to add to the existing five. She is now looking after the goats in place of her husband.



Director and consideration of claims is also done by them. One of the staff members of the Federation was given the exclusive responsibility of taking care of all activities connected to the insurance scheme.

Growth of the Life Insurance Scheme

Having made a beginning in the form of Life Insurance protection, the programme was carried forward with full vigour in the subsequent years. The experience of the first year was also quite encouraging. The first year witnessed the unfortunate death of three members, which resulted in an outgo of Rs.15,000 as insurance benefit to the families of the members. Simultaneously, the Federation also grew in membership strength. It was decided to extend the insurance programme to the new members who were with the Kalanjiam for a minimum period of six months. The contribution was retained at the same level as they existed in the first year, and collected in the months of February and March itself so that the programme could continue without any break. The membership for the insurance programme grew from 1,000 in 1997-98 to 1,306 in 1998-99 and 1,500 in 1999-2000.

From Life Insurance to Family Insurance Programme

During the three years of running the Life Insurance Programme, the members were

becoming more and more aware of its benefits realising the great relief it could provide to the members of the family in times of need. At the same time, a need for other forms of insurance like accident cover and hospitalisation benefits was also increasingly felt by the members. The experience of the Federation also showed that much of the requirement for loans by the members was for the purpose of hospital treatment for some member of the family.

After much deliberation among the leaders and staff at the Federation level, followed by discussions with insurance company executives, it was decided by the Board of Directors of the federation that from 1.4.2000 the programme would be enhanced to include the Life insurance cover for the members, their husbands and accidental death cover for the husband. In addition to this, Hospitalisation cover for the reimbursement of Hospitalisation Expenses for the member, her husband and unmarried children was included.

The premium to be paid for life insurance was Rs.100/- if both member and her husband are to be covered and Rs.50/- if only the member is to be covered. Life Insurance cover of Rs.10,000/ for the member and her husband for normal death were offered and a cover of Rs.25,000/- was payable in case of accidental death for the husband of the member only.



Vinaya is a member in the Utchimagaliamman Kalanjiam at Kandamanur village.

She has three daughters. Vinaya's husband developed severe pain in the area around the navel. He had to undergo an operation for which the family spent Rs.8,275. Vinaya got a loan from the Kalanjiam to meet this emergency. She got Rs.6,206 under the medical insurance scheme in which she had enrolled her family. She returned the loan taken from the Kalanjiam.

For the hospitalisation benefit package, the premium was Rs.150/- if the coverage is for a family comprising of the member and at least one more beneficiary (husband and / or children), and Rs.100/- if the coverage is only for the member. The benefit was reimbursement of hospitalisation

expenses up to a sum of Rs.10,000/- for the member, her husband and all the unmarried children. This ceiling of Rs.10,000/- is for the entire family in a year, which can be utilised by either one or more members of the family.

The following table gives the details of coverage in the Family Insurance programme

Year	No. of members in Federation	No. of members covered under life insurance	No. of members whose husbands are also covered	No. of members covered under hospitalisation benefit
2000-01	3217	1464	1283	1500
2001-02	4419	2341	2313	2222

The Insurance Programme Committee at the KKVS level meets regularly every Saturday. One of the Federation Associates of KKVS has been earmarked for the Insurance programme and he is the coordinator of the committee meetings. He ensures that the claims for insurance benefit for death or hospitalisation received during the week are attended to in the meeting and decisions taken. In case of need, he also arranges to conduct an enquiry into the genuineness of the claim and keeps the reports ready for consideration of the committee. Thus, all claims for benefit payments are disposed of within a week, and normally, the payment is made on the Monday following the meeting of the committee. The committee also decides about the claims made for benefits where members are not eligible for any payment due to any reason, and even considers some ex-gratia payments in cases of genuine difficulties.

Future Direction

The Federation today has been successful in designing and implementing an insurance programme on its own for the past five years. Based on its positive experience, it has made a number of modifications and changes over the last few years in order to bring more benefits to the members. The federation is a resource center for other federations interested in offering the insurance product for its members.

The federation plans for the future are to enhance the current benefits substantially. They are exploring the ways and means for it without increasing the liability of the members in the form of very high premiums. They plan to launch a pension scheme in some form either on their own or in collaboration with other agencies. They plan to provide better health services to their members by creating a health baseline of the members and setting up a medical facility for their members. This will also help fine tune the health insurance programme further.

Source: Study done by B.Raghini, DHAN Foundation and N.Doraisamy, National Insurance Academy, Pune - sponsored by German Technical Cooperation (GTZ), New Delhi

Vayalagam Movement

Introduction

Village tanks occupy a significant position in irrigation and in the local eco-system in the Indian sub continent. They have been one of the vital water resources for rural communities. These water harvesting structures were ingeniously designed by the native rulers and traditionally managed by the local community over the past several centuries. These water bodies have been steadily losing their importance, due to the large scale ground water development and modern pumps. This has adversely affected the village economy, where there was high dependency on these tanks for multiple uses.

Vayalagam Tankfed Agriculture Development Programme.

DHAN Foundation has set up endowments, which aim to help the villagers maintain their tanks from their own resources. The recently introduced Microfinance Activity in TFA has strengthened the farmers' associations. DHAN Foundation believes in local management of tanks, and is trying to build people's institutions (Vayalagam) at tank, cascade and district level.

DHAN Foundation provides the needed techno-managerial support to the TFAs by enhancing people's awareness of the benefits of tank rehabilitation, helping them to mobilise resources,

There are around 1.5 lakh tanks situated across three states of Andhra Pradesh, Karnataka & Tamil Nadu in South India. In order to have a wider reach, these tank farmers are being organised into a farmers' movement (Vayalagam Movement) to work for the conservation of these tanks. The Movement is being launched during the tenth year of the Tankfed Agriculture Development programme implementation.

Initiation of Vayalagam Movement

The movement has been conceived as an offshoot of policy advocacy efforts of tank farmers and their federations at different locations. The activities are mainly aimed at mobilising the participation of tank farmers from different states in the country. By coming together, they feel that they could be strengthened and better able to speak out on issues pertaining to the conservation and development of small scale water bodies like tanks, ooranies, farm ponds, etc.

Purpose of the Vayalagam Movement

- To develop a favourable policy environment through interactions, seminars, conferences, policy workshops and dialogue.
- To enhance the awareness of the general public about the revival of traditional water harvesting structures like tanks, ponds, etc. and their water management.
- To regenerate local management of tanks by promoting tank institutions for all small scale water bodies for long term sustainability.





**Mr. Anna Hazare, noted social activist
flagging off the farmers rally**

- To address the issue of widespread poverty through conservation and development of small scale water resources in India.

Launch of 'Vayalaga Iyakkam'

Tank farmers from the Tamil Nadu, Andhra Pradesh, Karnataka and Pondichery converged in the sprawling Thamukkam grounds at Madurai to mark the inauguration of the Vayalaga Iyakkam on March 7, 2002.

Mr. Alex Wilde, Vice-president of Ford Foundation, lighted the traditional Kuthuvilakku to mark the inauguration of the movement. Speaking on the occasion, he stressed the need for community participation to protect and develop small tanks. He said that the life of over 10 lakhs farmers deriving sustenance from the small tanks would be at stake if the tanks were not properly maintained.

Expressing happiness over the water resources conservation in Tamil Nadu, Mr. Anna Hazare, social activist, said that the water problem had assumed global dimensions. Terming water as a national wealth, he said water stored on the surface and ground should be used judiciously. He said that the saying, '*spending money like water*' would apply more to water than to money, for water is more precious than money'.

Mr. S. Ramachandran, Collector, Madurai district, who presided over the function, said that the importance of conserving water resources would gain momentum only through NGOs working in collaboration with the government.

Citing statistics of the rainwater run-off, he said it was a criminal waste to let 70 per cent of the rainwater flow into the sea. In an obvious attempt

to strengthen the storage mechanism, the District Administration has incorporated rainwater-harvesting system in 134 government buildings.

Mr. A. Venkatraman, former Vice-Chancellor, Tamil Nadu Agriculture University, lauded the role of DHAN Foundation to conserve water, especially in Ramnad district. Mr. A. Gurunathan, DHAN Foundation, extended the vote of thanks. The farmers' procession was earlier flagged off by Mr. Anna Hazare at Theppakulam. The procession winded its way along the Kamarajar Salai, Kuruvikaran Salai and the road skirting the Gandhi Museum and Rajaji Park, shouting Vayalagam slogans and carrying placards and banners that said, 'long live Vayalagam' '*let us protect tanks and lakes*' and so on.

Movement Resolutions:

Realising the importance of protecting tanks, the Vayalaga Movement resolved to form tank protection committees in all 1.5 lakh tanks and reservoirs, with farmers and stakeholders as members.

The Vayalaga Movement urged the Government to declare encroachments on tanks a criminal offence. It appealed to the Government to initiate stringent action against encroachers of tanks, however powerful they might be, under the provisions of the criminal law.

Apart from these two, 28 other resolutions were adopted at the launch of the Movement held under the auspices of the DHAN Foundation

The Vayalaga Movement wanted its members to set a good precedent by filing public interest litigation to remove encroachments. It also requested all the tank federations to maintain the



water bodies through *Kudimaramathu* every year for their protection.

In another resolution, it urged the Governments of Tamil Nadu, Karnataka, Andhra Pradesh and Pondichery to collect the details of all the 1.5 lakh tanks, their supply channels and catchment areas within a stipulated time, maintain and share periodically correct statistics of the total area under tankfed agriculture.

It also stressed the need to provide all sluices with shutters for better water management and judicious use of water.

The Vayalaga Movement resolved to increase the skills of farmers in the application of state-of-the-art technology in cultivation and in the preparation of better seeds in association with the Agricultural University, Agricultural Research Institutions and the Agricultural Department.

Besides resolving to implement the Neerkatti system in a renewed form in all associations, the Vayalaga Movement decided to take efforts to increase the per capita income of the farmers by setting up marketing outlets for their produce.

People's administration in tanks

The Vayalaga Movement resolved to bring tank management under the chain of tanks system, to form federations of tank farmers' association for the protection of tanks, and to enter into an agreement with the Panchayats to share the income from tanks in the proportion decided by the tank farmers' association.

People's administration being better for protection of tanks, it insisted on transparency in administration at all levels.

Generating funds for tank administration

The Vayalaga Movement and district federations should be included in the planning committees so that they can



express their views while planning development projects and in the allocation of funds at the block, district and state levels.

It wanted the right to collect water tax to be handed over to the respective tank associations. It also passed a resolution requesting the authorities to hand over the revenue from fish and trees for the development of tanks. Another resolution insisted that the State and the Central Governments allot separate funds for the development of small scale irrigation sources.

Industries also stand to benefit when the groundwater table goes up. So the industries should come forward with funds for the development of tanks.

Steps should be taken to set up a permanent corpus within a stipulated time by all the Vayalagams for the protection of tanks.

To impact on government policies

The Vayalaga Movement also called for the formation of a department for the administration and development of tanks. Further, maintenance of tanks should be done with people's participation. All the development works on tanks should be done through Vayalagams and not given to contractors.

Further, the Tank Farmers' Association should be duly recognised by the Panchayat and Block administration as the bodies working for the conservation and development of tanks.

Expansion and growth

The Movement resolved to double the number of Vayalagams in one year. The meeting also decided to engage itself to eradicate poverty by taking up rehabilitation of tanks, ponds, ooranis and percolation ponds.

The Movement also adopted a resolution to conduct awareness camps to spread the importance of Vayalagams.

Self-Regulation

In order to standardise the functioning of all the peoples' institutions under the Vayalagam umbrella, each institution should set the standards for its members & install mechanisms to ensure it.

Further, the Vayalaga Movement would do everything possible to help the Vayalagams and federations achieve self-reliance.

This Vayalaga Movement also resolved that all the members should strive hard for their own development, and should take all efforts to bring all their members out of poverty.

Research Studies

DHAN Foundation undertook a study “*Action Research on Co-management of tanks for Renovation and Maintenance in Gundar River Basin*”. This study was sponsored by the Institute for Water Studies, Government of Tamil Nadu, Chennai. A summary of study is given below.

Introduction

Gundar River basin lies in a low rainfall region and in one of the most drought prone areas of Tamilnadu. It contains a large network of natural and trained channels, series of anicuts, numerous diversions on natural streams and about 2200 tanks, to capture, store and supply rainfall runoff to the parched lands and thirsty livestock and human population. The demand for water in such a dry basin has been ever increasing, leading to several conflicts of various types ranging from social and political to communal and economic. The study has been devised to understand the present management systems in tanks and the hydrologic parameters and to suggest the various options for improving the performance of the tank irrigation systems and for the co-management of tanks by the people and the Government and for effective water management across the basin to maintain equity as well as to withstand the drought in the basin.

Objectives of the study

- To understand the present management regimes in sharing water among the various tanks situated in the basin and analyse both positive and negative aspects emerging from them.
- To identify the ‘real’ conflicts arising in water sharing since the recent past and at present as well as to examine the reasons and manage them.
- To study the hydrologic parameters influencing the management of tanks and other water resources.
- To undertake specific case studies in the head, middle and tail reaches of the basin, focussing on the interdependency of village vis-a-vis tank for livelihood.

Hydrology of the basin

The basin is spread over a geographical area of 5660 sq. km in parts of five districts, 12 taluks, 22 blocks and 760 revenue villages having around 3000 habitations. The River Gundar originates from Saptur reserve forest in Varushanadu hills (the eastern slope of the Western Ghats) and runs over a length of 150 km before it joins the sea. It is situated in between Vaigai basin in the north and Vaippar basin in the south. The general slope is Northwest to Southeast. The slope is less than one percent in most parts of the basin and it has provided scope for forming channels wherever needed to feed the hundreds of tanks constructed.

The drainage system of the basin includes its five tributaries named, Therkaar and Goundanadhi in the upper reach; Gridhamal and Kaanal odai in the middle reach and Paralaia River in the lower reach. There are several major streams originating within the basin, some of which confluencing with the main River Gundar and some draining into the sea directly. Palar and Vembar are ephemeral Rivers, which originate in the lower end of the basin and drain into the sea. The basin receives a wide range of 550 to 900 mm of annual average rainfall in different parts. The variations of rainfall are high in the tail reaches, subjecting the land to severe droughts or serious floods with detrimental effect on rainfed agriculture. There are fifteen rainfall stations situated within and adjacent to the basin. The average population density is 270 per sq. km as per 1991 census with a large concentration in the urban areas like Madurai and Thirumangalam. The surface water potential of the basin is 471 MCM. Considering the following additional water availability-Groundwater draft in the tank command 95 MCM; additional inflow due to saturated tank lands 74 MCM and the inter basin transfer from Vaigai to Gundar 132 MCM the total water available for tank irrigation is estimated 772 MCM. But the total water

requirement by the tank command is 1403 MCM. The total water deficit for tank command is 631MCM.

Methodology

In order to fulfill the objectives of the study the following methodologies were used. They are: Participatory Tank Appraisal, Mapping out Encroachments, Farmers Contingency Planning, Focus Group Discussions, Public Hearing Meetings and Action Research on promoting Tank Farmers Organisations at a Tank and Cascade levels for rehabilitation, maintenance and management of tank irrigation systems. The *Participatory Tank Appraisal* is the process in which the villagers and tank farmers participated in the study to prepare the profile of the village and the tank, the present status and conflicts and water management issues, the real reasons and the possible solutions for those issues. The *Mapping out Encroachments* is an exercise to map the extent of encroachment, its use, time period, the factors encouraging people to encroach, the effect of encroachments and its complexities. The *Farmers Contingency Planning* study was conducted through semi-structured interviews to understand how farmers cope up with inadequate supply of water, the alternative crops and mechanism adopted by the farmers and how they manage the drought. The *Focus Group Discussions* with the farmers were held mostly in the chain of tanks identified to study various conflicts in water sharing with facts and figures and the possible solutions with facts and figures. The *Hydrological Studies* were undertaken by analysing the secondary data collected from the WRO, PWD records and understanding them with field situations. The performance of tank cascades was studied by identifying the missing links in the numerous net works of channels across the basin on a random sample basis. The inter basin transfer of water from Vaigai to Gundar, the inter sub-basin transfers within Gundar basin, the hydrological analysis of the effect of using tank water by both registered and unregistered ayacutdhars, and due to the submergence of patta lands - in the chain of tanks selected in the tail end of the basin, the effect of ground water salinity on crop production and the necessity of surface water bodies to migrate this problem and the environmental issues due to deforestation were

also studied. The *Public Hearing Meetings* were conducted in all six sub-basins to understand the regional issues on water and tanks and their implications on livelihood. All these methodological studies were made through field visits, meetings with local people, detailed data collection and analysis. Workshops were conducted to synthesise the issues and the information in an analytical way. Totally 67 case studies were done using these methodologies across the basin. The *Action Research* for resolving the conflicts for tank rehabilitation was attempted in three tanks of Gulf of Mannar region, the tail end of the basin and successfully the tank institutions could be formed with the existing conflicts could be resolved and made them to focus on maintenance of tanks.

Historical Irrigation Development in the Basin

Gundar basin is full of historically rich villages and towns like Madurai, which have a long tradition of water development over several centuries beginning with the period before Christ. The ancient Pandya kings, the medieval Nayaks and the recent Sethupathies have contributed a great deal to tank construction, channel excavation and other water resources development across the basin. There are two major canal systems in the dry River of Gundar, which were developed by Sethupathies in the 18th century, and these are the biggest irrigation systems of all the networks existing in the basin. There was also an attempt made and failed by Pootha Pandyan to construct an earthen dam across the tributary of Goundanadhi at Karisalankulam near Kariapatty eight to ten centuries ago. There are some large tanks having an ayacut of more than 2500 acres each in the basin. However, no dam was constructed in the recent years. The proximity of River Vaigai and existence of a low ridge dividing Vaigai and Gundar basins has made it possible for transbasin water from Vaigai River to Gundar basin from time immemorial. About 200 MCM of water was getting transferred annually from Vaigai system to Gundar basin.

Water and Tank Management in the Basin Management by Government Agencies

There are five Government departments like i. WRO-PWD, ii. Rural Development, iii. Revenue, iv. Forestry and v. Agricultural Engineering,

concerned with tank administration, rehabilitation, maintenance and management (i & ii); surveying, land and water tax collections (iii); afforestation(iv); and ground water development and on farm development (v) respectively. The PWD tanks in the basin are administered by nine sub-divisions of four divisions from three circles of WRO-PWD. There are around 511 tanks and 42 anicut systems totally and one regulator at Kamudhi totally covering 21,559 ha. listed under the maintenance of WRO-PWD. The rainfed PWD tanks and anicut system tanks in the basin are maintained by Gundar Basin division. The system tanks credited by Vaigai are maintained by the divisions of Periyar Vaigai and Lower Vaigai circles. Since the inception of Gundar Basin division formed during 1996, it has been implementing 15 schemes of forming new and stabilising old ayacuts, through renovation of distributary channels, formation of new tanks, construction of bed dams and modernisation of tanks, at a total estimated cost of Rs.399.1 millions to benefit an area of 16,160 ha.; 143 works of the strengthening the bunds and sluices for Rs.17.17 millions; and 443 works of desilting, maintenance and repair works in the basin tanks. The small Panchayat tanks numbering 1765 with a total ayacut of 27,616 ha. are listed under the Panchayat bodies but they do not have any systematic way of availing funds and utilising them for the rehabilitation works.

Anicuts in the Basin

Totally there are 42 anicuts constructed across various tributaries of Gundar River, which divert the water to irrigate an area of 14,388 ha. through the tanks in the basin. Though these systems are maintained, managed and controlled by WRO-PWD, these are not manned by that department except for the Thirumangalam main canal and the Raghunatha Cauvery of Kamudhi regulator. Five anicuts of Goundanadhi tributary are having direct ayacuts and no tanks. About 32 anicuts out of 42 are located in the two upper tributaries - Therkaar and Goundanathi. The upper reach anicuts are older than the lower reach anicuts, which are newly constructed or re-constructed. An anicut called Malattar anicut has been constructed recently across the River Gundar

at the tail end in order to utilise the water surplussing to sea previously. But the construction of another anicut proposed across the minor River Palar at the tail end of the basin was dropped by PWD after the foundation work was completed. Now it has become necessary to prevent the wastage of water surplussing to sea through Palar. Similarly there is only one anicut and some more are required in the minor River Vembar through which considerable amount of run off drains into the during the monsoon period. The study reveals that there are some structural defects like leakages, cracked structures and piping actions, and some conflicts in a few anicuts and their off-take channels. In most anicut systems the supply channels taking off from the anicuts are constricted, weed infested, silted up and breached and the water diversion structures in the distribution system have been damaged by the tail enders.

Tanks and Ponds in the Basin

There are around 2,276 tanks with a registered ayacut of 72,000 ha., serving mostly a single crop of paddy. Of these tanks, 1765 are under Panchayat (with less than 40 ha. command) and 511 are under WRO-PWD serving 27,600 ha. and 43,900 ha. respectively. The intensity of tanks varies from one tank per 1.1 sq.km. to one tank per 20 sq.km. of geographical area. A large number of tanks are concentrated in the middle and the lower reaches of basin. These areas are mostly drought prone and have tanks as the single major source of water for agriculture and for the livelihood of people and livestock. On an average there exists a tank for every 2.5 sq. km. The topography of the basin is almost flat having a gentle slope towards the east. Around 92 percent of the tanks are in chains with hydrologic linkages.

Co-management by the people

The functions that related to diversion and release of water in the Vaigai River system areas are the major water management functions done by Water Resource Organisation. Only the local farmers attend the other functions like diversion of water from the anicuts, control and regulation of water below the sluices, feeder channel clearance before

the monsoon and water management within the villages. The study found that informal or formal systems of local management practices exist in most of the villages. The study of individual tanks also reveals that conflicts arising out of the poor condition of channels are on the rise. The local management mechanisms are under severe stress because of the collapse of social order in the villages. Many villages have re-organised the caste groups to work in amity among them but are undergoing tensions due to other communal clashes. So the non-water conflicts influence the water conflicts in the basin.

The study also made detailed enquiries on the status of Neerkatties (Water guides) in the basin. Most of the tanks have Neerkatties who have been traditionally continuing their occupation or who are newly appointed as and when needed by the tank farmers. On an average a tank has more than one Neerkatty regulating water supply to the various fields. The job of Neerkatties varies from village to village. The most common tasks done by the Neerkatties are; opening and closing of sluices, mobilising community labour for supply channel clearance and keeping watch and ward of tank assets including usufructs such as trees and fishes. Payments for their services are made both in cash and/ or kind. The reason seems to be that paying in cash and engaging Neerkatties only during the cropping seasons. In general the Neerkatti system is in a transition, undergoing changes in their roles, responsibilities and preferences. The study suggests that Neerkatti system is economical and needs to be encouraged and/or recognised to provide equitable supply of the available water among all the beneficiaries.

The tank water resources in the basin are used mostly for irrigation. It is also found that in the lower reaches of the basin, the tank acts as a balancing reservoir for the small ponds, which provide drinking and other domestic water in the absence of any potable ground water. The drinking water ponds get their supply from their catchments or through the tank sluices. The local villagers make priorities in water use depending on the needs of cropping and other domestic purposes. Across the villages of Gundar, numerous ways of

water control and sharing mechanism based on the local priorities of use are observed. The important ones among them are, strict ban on pumping of dead storage water from tanks and the collective decision of the villagers as to how to use the remaining water beyond the first crop. The traditions and customs are strong on the allocation and use of water in the lower reaches of the basin.

The villagers are getting united to attempt collectively to bring water to their tank by all means. They become restless during the monsoon season until their tank is filled up. The impatience or over anxiety of the farmers of each tank often creates conflicts with other tank farmers who are to share the common feeder channel. The dominant, high muscle powered people are able to get water to their tank easier and more than that of other tank farmers. There exist conflicts between tanks in a cascade or in an anicut fed tank system. They are not ready to collectively utilise the common source like the anicut or the feeder channel with peacefully and equitably.

The sub-basin level institutional groups were also observed in Gundar basin. A group of people is in operation in each sub-basin and it makes demand on authorities concerned to ensure adequate water supply to its irrigation system. The members of the group meet either regularly or whenever needed, consult one another and take decisions for actions. They are creating awareness among the public for conducting agitation and raising their voice to get their demands fulfilled; expressing their views, functions and proceedings through bit notices, placards and posters. They are either formal or informal. They function well for some years and when the leadership is not effective they become dormant and weak during some years. The information on these groups could be collected from the public hearing meetings as well as through the exploration visits and case studies. The observations made on these groups reveal that their focus is on acquisition of adequate water to irrigate their lands and to re-establish their traditional rights. The very fact that all the groups are functioning, although at different levels of performance, shows their concern for appropriate allocation and management of water at sub-basin level. It also shows that a "People oriented River basin management", by promoting institutions at tank, cascade/ anicut system and sub-basin and

basin levels for building the co-management by the people and supported by main stream agency like WRO-PWD, will sustain the water resource and pave way for a need based water allocation and equitable distribution.

Water sharing conflicts and their effects over the basin

The major water users within a tank in many parts of Gundar basin who have conflict of interests seem to be the irrigators with fish rearers for using the dead storage; and with livestock rearers for retaining dead storage. All the villagers wish to exercise control on usufructs such as trees and fishes. The non-well owners have conflicts with well owners for utilising the dead storage water, which recharges the well even during summer. Several caste fights have been reported in many tanks in the basin, which have origin for the control over these common properties. It is found that conflicts of varying nature, not related to water use also have an influence on the performance of tank. Village conflicts such as fund mis-management and egoism in temple festivals, rituals and rights have often led the villagers to a divide. Individual conflicts arising out of partition of land, marriages and festivals are another source of village conflict. Caste conflicts disrupt village unity, enhances all other conflicts and polarises the villagers into warning groups forgetting their livelihood needs. The politicism divides the villagers into groups and the conflicts between them lead to court cases and other unnecessary expenditures. This study reveals that temple construction or common festivals, mostly lead to the conflicts between individuals, in resource sharing, and encroachments are the origin of conflicts in the villages. Casteism, groupism and religious favours are the cause of conflicts. Wasting of human and financial resources, poor maintenance of common property resources, degeneration of revenues is the effects of these conflicts in the villages.

This study found that many conflicts exist between tanks. The common conflicts, which are reported in Raghunatha Cauvery system are violation of customary rights of accessing the water by the lower down tanks and villages. Encroachments, damage to the water diversion structures, illegal

tapping, crop submergence, overlapping of upper tank ayacut area with the water spread area of lower tank, sale of water from tank to tank, breaching the bund and surplus weir of upper tank in order to get water for the lower tank in a cascade or system, and/ or the poor design and maintenance of channel system are the causes of conflicts among the tanks in a cascade or anicut system.

Status of Agriculture

Paddy is the major crop raised in the basin, covering an annual average area of one lakh ha. including the rainfed paddy. The main cropping season is between September to January both in system and non-system tanks. It is found that the actual area of paddy cultivation is around 1.4 times of the area constituting the wet lands in the normal year and higher in the abnormal years with good rainfall and timely onset of monsoon. Decline of tank performance, low productivity of crops, risk due to monsoon variability, lack of alternative irrigation and agriculture infrastructure and lack of relevant technologies and extension mechanism are the constraints for increasing agricultural production in the basin. The technologies relevant to semi-dry paddy and dry land agriculture are not fully developed or made available in the basin areas.

Encroachments

Tanks are becoming the easiest prey for land grabbing for various uses across the basin. Almost every tank visited has a story about encroachments by various kinds of people for various uses on the tanks, supply channels, tank bunds, waterspread areas and other parts. The adjoining landowners, and the landless are the major private encroaches of tank complex. One of the tank complexes, the water spread area could not escape from encroachments in all the tanks studied in head and tail reach of the basin. Similar is the case for surplus and supply channels in the tail reach. The private people encroach mostly for cultivation in middle and tail reach of the basin. Housing is also, one of the purposes of encroachment. The Government agencies encroach the tank complex for forming paving roads across them and for

providing housing patta. The encroachments are mostly seasonal in the head and tail reaches of the basin, and are permanent in the middle reach of the basin. This study found one more phenomenon of collective encroachments by the villagers in their own tank itself. This is mostly seasonal and practised in the middle and tail reaches of the basin. Local patronage, poor quality of development works, lack of government action, lack of collective efforts put for encroachment eviction, lack of coordination among government departments, selling and buying of encroached lands, soil fertility of the tankbed, collective encroachment and absence on periodic monitoring are the factors encouraging the encroachments. The people's efforts for evicting encroachments are high in the middle reach of the basin because of the informal and formal village associations that are almost self emerged ones. Siltation due to frequent disturbance of the water spread area by ploughing, breaching/man made damages to avoid sub mergence, illegal tapping of water in the fore-shore area, less inflow into the tanks due to blockages in channel and reduction in water spread area and storage are the detrimental effects of encroachments. It is reported in the case studies made that the encroachments have reduced the cropping area resulting in reduced crop yield and less income, many farmers to buy water from well owners. This is common in upper reach of the basin. Apart from the economical decline the tank encroachments also cause social unrest and serious disputes leading to court cases both criminal and civil. Complaints regarding the encroachments and evictions are sent by the concerned and affected villagers. However the procedure and delays by the Government departments regarding the eviction scenario is tiresome and frustrates the good intentioned villagers.

Hydrologic Parameters Influencing Water Management

It is reported that immediately after the independence of the country, the Zamindars who were the custodians of several parts of the Western Ghats in Gundar basin, felled down all the trees in their jurisdiction. At the villages situated in the foot of the hills, there were many groves of trees like mango, tamarind and Palmyrah. All these

trees were also cut in course of time and the mountains have been made barren. The middle and lower reaches of the basin do not have any forest worth the name. The forest department says that the de-forestation is one of the main causes for the reduction of rainfall in this region.

About 150 chains of tanks are spread over the basin. The number of tanks in each chain of tanks varies from 3 to 120. There are two types of chain/group of tanks based on their functions, One is flood moderator another is flood absorber. The first one checks the run off before it reaches the River.

The second one draws the water from the River during the flood and feed several tanks to get the water stored. These chains are delinked due to the encroachments, siltation, breaches and other manmade activities. The six case studies done on the delinkage of chains in all reaches of the basin reveals, that the efficiency of the chain in filling the tanks has reduced due to this delinkage. The hydrological and economical impact of the delinkage is very high depending on the number of tanks that got delinked in the chain, which are denied of water due to this effect. The existence of this delinkage remain unaltered or unresolved over a number of years would still increase the loss in the further too. The linkages of the sampled chains vary from 10% to 95%. The cost for relinking the defect of the delinked chains would be negligible but the impact would be very high.

Keethumadai is an opening made by the people cutting the tank bund to act as an open sluice. This practice is in common use in the tail reach of the basin. The inadequate masonry sluices in the tanks, a dynamic and ever increasing command area, problems in defining the field channels and lack of water regulation by government departments are the major reasons for this practice. This practice creates conflicts among ayacutdhars in a few tanks.

Though the basin is called a deficit basin, there are a few pockets where there exists a surplus of water reaching the sea. Palar is one such minor River in Gundar basin at the tail end. As this River is originating about 20 km from the sea, the flow of water reaches sea immediately after receiving run

off from the catchment. An attempt to construct an anicut across this River was dropped at the initial stage after laying the foundation. The surrounding area of this River is highly tank intensive. So the construction of the dropped anicut will help to feed about 20 tanks below it at the tail end as well as to avoid the water surplusing to the sea. The Vembar sub-basin has 18% of the total geographical area of Gundar basin. Out of 42 anicuts only one anicut is across Vembar River. The tank intensity in the sub-basin is one tank per 21 sq.km. There is lot of areas without water harvesting structures to store the available run off to irrigate the existing dry lands. So the conservation of water surplusing to sea becomes inevitable. Construction of anicut and tanks and ponds in the sub basin is suggested by this study.

It is the common phenomenon in the lower reaches of the Gundar basin that the ayacut is not fixed and remains static. The tanks also supply water to adjoining dry lands also in addition to their registered ayacut. This expansion of ayacut area happens because of the prevailing customs and the practices about the common property like tanks. Also the foreshore area most of the upper tanks have paddy crops under submergence conditions overlapping the water spread of the lower tank. This area is not included in ayacuts in many places. A detailed hydrological study in Thiruvargai tank cascade clearly pictures this phenomenon.

Urbanisation is also changing the tank defunct and reduces the flow in the tributary. The tank ayacuts have become residential areas and are being proposed for common infrastructure facilities for the town. Such tanks could be used as summer storage for drinking water to feed some of the nearby towns.

Salinity of Ground water

Crystalline rocks comprising of gneisses and charnockites in the western portion under lay Gundar basin and sedimentary formations comprising laterites, sand stones and coastal alluvium in the east. The ground water quality is moderate to poor in shallow and deep aquifers except in a very few pockets in the northern side of

the basin. The water below the surface is mostly saline barring a few places where the water is potable. Therefore the surface water needs to be preserved at any cost by the local people. IWS has estimated that the ground water potential is 766 MCM. The net ground water draft is 190.02 MCM. There are about 51,960 wells in the basin of which 39,467 are irrigation wells and 12,493 are domestic wells. There are 5,000 tube wells come under irrigation wells. The salinity of ground water is seen across the basin, however it is high in tail reach of the basin. Based on the informations gathered in the public hearing meetings conducted in all six sub-basins the following inferences could be made. Two in three villages are affected by ground water salinity; one in three villages have the ground water with good quality; two out of five villages have got the ground water level beyond 100 feet depth. At places, the bores measure upto 500 feet also; some of the wells, which are under the zone of influence of the tank, are providing good potable water at lower yields. As it is evident that in many places of the basin the wells are not serving the useful purposes. The safe up keep of these tanks and other surface water bodies go a long way in supplementing the water availability for crops and all living beings.

Drinking water situation

The community in the basin mostly depends for drinking water consumption on surface water stored in ponds called ooranies and tanks. Each hamlet in the tail end and middle reach of the basin is having minimum one oorani. The local people themselves have built these ooranies. In many villages of tail end areas people purchase land on their own cost for constructing ooranies. The local community or caste groups play an important role in the proper up keep and maintenance of these structures. Most of the villages have ooranies meant for drinking and other domestic purposes separately. These ooranies are reliable and easy to maintain by the local communities. The maintenance cost almost nil or minimum. The village assemblies have their own ways of regulating the use through a set of code of conduct. The water is protected from the contamination and treated at the house hold level through lime and other traditional methods and

consumed. Most of the drinking water bore well provided by the government is unused and disfunctional because of salinity. The villagers give top priority to the use of water for drinking in comparison to other uses. The ponds in the basin have to be conserved in addition to tanks for a better basin management.

Inter Basin Transfer of water

Inter basin transfer of water from Vaigai to Gundar basin take place through five different locations - Tirumangalam Main Canal of Peranai regulator, Right Main Canals of Viraganur and Parthibanur regulators, Kalari off take channel and several open off take channels from Vaigai at its right side. Of these, inter basin transfer through the Tirumangalam Main Canal(TMC) and the Viraganur and Parthibanur regulators contribute the major share during the normal years. The quantity is traditionally 200 MCM of water was transferred in normal years. However, in recent years, this quantity of inter basin transfers got reduced to 132 MCM. Apart from this the TMC has doubled its original ayacut in the idea of saving the conveyance loss by lining the channels but the idea does not serve the purpose efficiently. Over the years, it resulted in reduced supplies and great difficulty to the farmers in the lower reaches of Gundar basin. The menace of illegal tapping along the TMC has further compounded the problems of water scarcity to the tail end tanks. The study has captured such illegal tapping and the ways and means to curb it. Such illegal tapping can be curbed only when farmers' associations in the channel are empowered to proceed against the illegal tappers. There is a dispute among the tank farmers in defining the Link Canal from Viraganur regulator to the Girudhamal River. Because this issue is not solved till date, the Girudhamal River could not get vaigai water surplus, which occurs once in five years.

Action research on Conflict Resolutions

As part of the Action Research component of the project the conflict resolutions were done in three tanks in Gulf of Mannar coastal region which is the tail end of the Gundar basin. DHAN has been promoting Tank and Tank Cascade Associations

through conflict resolutions for tank rehabilitation for the past 10 year in that location. Under this project, it was observed that the non-water conflicts like caste conflicts and other village conflicts are the causes hindering the people for not maintaining the water resources in good condition. Bringing the opponent groups at a common place takes lot of time and efforts for the facilitators. Once it is done, the problems are solved one by one and the construction environment could be created for rehabilitating and further maintaining these resources by the tank associations. The design of their collective activities should be accordingly.

Recommendations

Gleaning from the field data and the people's perceptions collected from the study, the following recommendations are made for the overall basin water development, management of water resources, resolution of conflicts arising from water sharing and for improving the efficiency of tank irrigation systems.

- WRO-PWD & Panchayat Administration need to consider a chain of tanks/ cascade as micro hydrological unit for rehabilitation at a time, so that the synergised effect could be realised over a period of time with better performance of tanks and channels.
- A special project could be formulated and implemented for re-linking all the de-linked channels of the defective chains in the basin, by vacating the encroachments in their course.
- Special attention should be given for solving the dispute in providing link canal from Viraganur regulator to Girudhamal river to provide access to the flood flows from Vaigai river.
- Completing the incomplete Palar anicut to provide water to 30 tanks around it has to be done on priority.
- Construction of a new anicut across Uppu odai and water harvesting structures in Vembar sub basin how to be undertaken to conserve and use the water presently going into the sea.
- Development of more *ooranies* may be done for drinking water, both for the people and the livestock and other farm ponds in order to conserve the rain water.

- Modifying the existing rules of water regulation in Periyar Vaigai system need to be done to revive the transbasin transfer of water to Gundar basin ayacuts, which has been their traditional right.
- Preparing and publishing the descriptive memoirs for all the tanks of Gundar basin have to be done as it will greatly help to undertake future water resource development on a scientific basis.
- Planting trees like pungam, neem, tamarind and other suitable species which will come up locally may be undertaken in all the tank complexes after evicting encroachments if necessary, for preventing future encroachments and sedimentation in the tank bed, as well as to restore the eco system that prevailed in the earlier years.
- Restricting the proliferation of Prosopis juliflora to minimise environmental hazards and planting those areas with more eco-friendly and economic species of trees is necessary.
- Advocating the cultivation of short duration paddy and low water consuming irrigated dry

crops relevant to this region and context and through suitable extension mechanisms needs to be undertaken.

- Revival of Neerkatti system and providing the Neerkatties with adequate water management training have to be undertaken.
- The vision that emerged out of the studies and the understanding on Gundar river basin system is that there should be multilevel people's organisations to manage the scanty water resources. The people oriented river basin management will facilitate the mutual consultation and understanding between the government agencies and the local people, for planning, implementing and monitoring the basin development. River basin organisations should be promoted for water management at tank level, cascade/ anicut system level, sub basin level and basin level. Water conservation is an appealing option as compared to developing new storage and diversion facilities, as the latter often carry high financial, social and ecological costs. That can be done only when the local people organise themselves and consciously undertake reduction of wastage of water and the saved water to a beneficial purpose.

Publications: 2001 - 2002



The book **"Yearipasanam Yeatrampera"** (To develop tank irrigation), a compilation of articles written by farmers of the Tank Farmers' Association, was released at the Farmers' Convention on December 14, 2001. It clearly brings out the state of tanks then, how they have been reduced to the present condition and steps taken by the farmers with the support of DHAN Foundation, to revive them. Sure, all

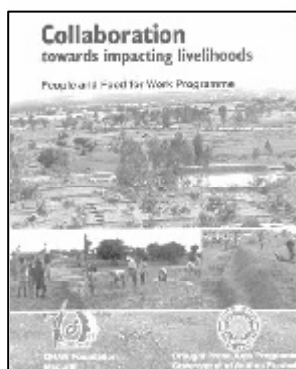
the tanks will revive their ancient glory, if the farmers stand united.

The book **"Working Together for a Better World - A Decade's Experience"** was released at the Women's Convention held at Pulloothu on December 15. It was released to mark a decade of Development Partnership of DHAN Foundation, India and Novib, the Netherlands. It gives an overview of the blossoming of the partnership, the impact of it and the future direction.



The booklet **"Collaboration Towards Impacting Livelihoods"** is a document of how the **"Food For Work Programme"** has prevented the landless workers in Punganur Mandal of Andhra Pradesh from migrating to towns in search of employment during the last year.

It describes how DHAN Foundation, which believes in enabling communities arrested the exodus by collaborating with the Drought-Prone Area Programme (DPAP) and Watershed Associations.

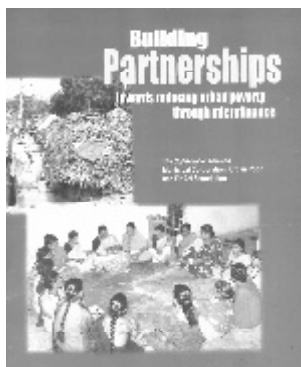


The book **"Ooranigalai Kaappaom Kudineerpanchathai Ozhipom"** (**Ooranies Eradicate Drinking Water Scarcity**). The articles in the book focus on the following aspects - A historical perspective of Ooranies and their relevance today, Role of local/community organisations in its revival, Experience of Oorani Renovation programme in Ramnad and how Ooranies and tanks can serve as a

permanent solution to the drinking water problem in this district. The book was released at the Farmers' Convention in Madurai on December 14, 2001.

The booklet **"Building Partnership"** is an attempt to document the field experience and achievements of the partnership between Vishakhapatnam Municipal Corporation, DHAN

Foundation and the urban poor of Vishakhapatnam slums. It offers new lessons in organising urban poor, providing savings and credit services, building partnership between Government and NGO to build and sustain the community initiatives. This experience has greater potential to inspire the people involved in addressing urban poverty and interested to build sustainable community based organisations.



This book **"Building Sustainable Institutions"** released at the seminar on the same topic by members of the Kalanjams, on December 15, 2001 speaks volumes of the achievements of women through Kalanjiam. The book divided into four parts deals with 1) Role of other Institutions in building of People's Organisations. 2) Policies and Administrative systems in practice in People's Organisations. 3) Leadership in Peoples organisations. 4) Financial Resources. The 18 articles in this book have been written by the leaders in the various federations.



Board of Trustees

Mr.Girish Ganshyam Sohani
Chairman

Mr.R.D.Thulasiraj
Treasurer

Mr.S.R.Sankaran

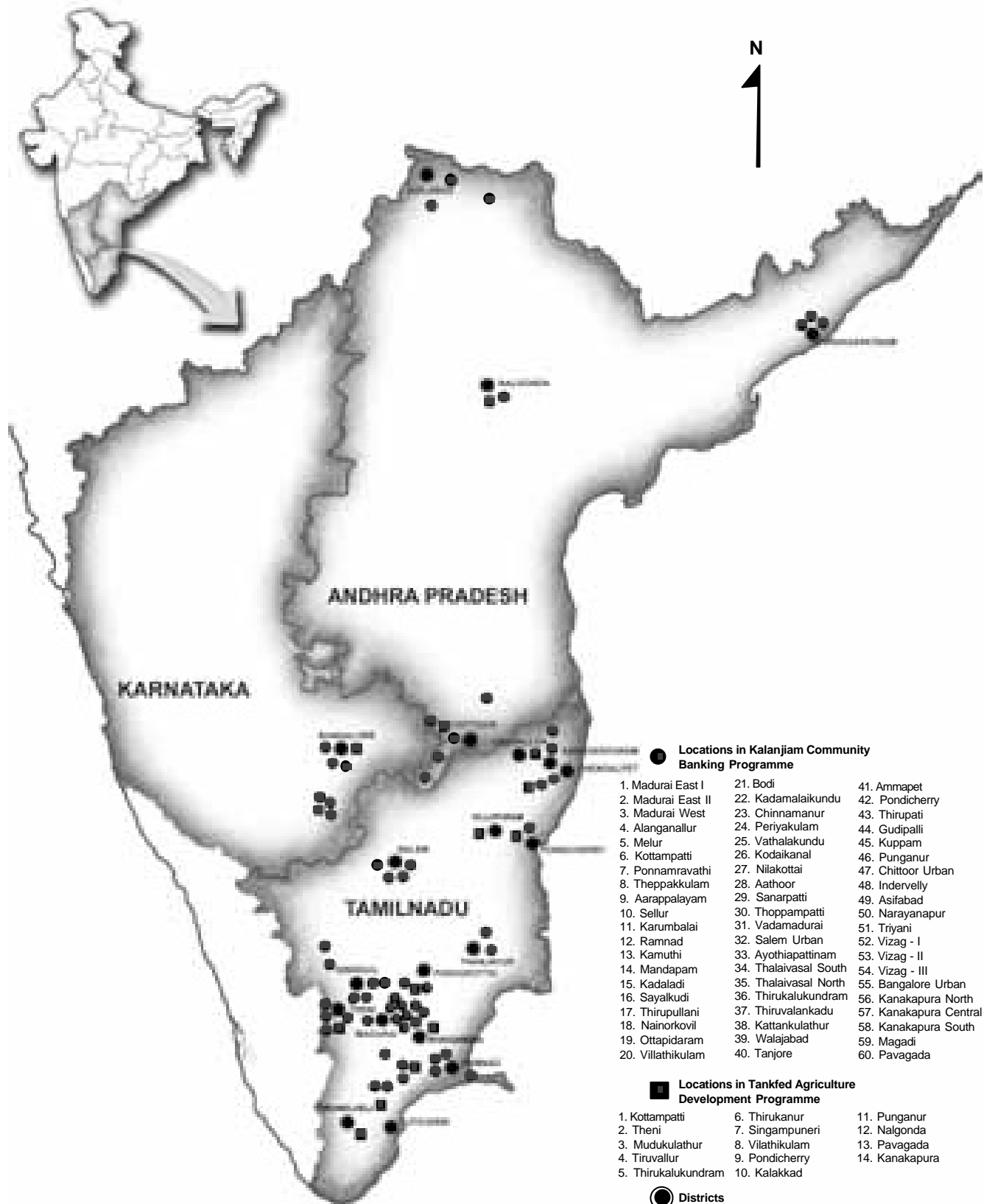
Mr.Sanjoy Das Gupta I.A.S.

Ms.Shanthi Jagannathan

Mr.B.T.Bangera

Ms.K.Noorjehan

DHAN Foundation - Area of Operation





DHAN (Development of Humane Action) Foundation
18, Pillaiyar Koil Street
S.S.Colony, Madurai - 625 010
Tamil Nadu, India

Telephone : 0452 - 610794, 610805
Fax : 0452 - 602247
Email : ghan@md3.vsnl.net.in
Website : <http://www.dhan.org>

