

Uttarakhand Decentralized Watershed Development II Project (GRAMYA II)



STRATEGY FOR LIVELIHOOD INITIATIVE FOR VULNERABLE HOUSEHOLDS



Watershed Management Directorate
Indira Nagar Forest Colony, Dehradun (Uttarakhand)
Phone No. 91+135+2768712, 2764244
Fax No. 91+135+2762839, 2760170
www.gramya.in; wmd-ua@nic.in

LIST OF ABBREVIATIONS

AH	Animal Husbandry
EDP	Entrepreneurship Development Programme
ESMF	Environmental and Social Management Framework
ESG	Environment and Social Guidelines
FGD	Focus Group Discussion
FT	Financial Target
FNGO	Field Non Governmental Organization
GP	Gram Panchayats
GPWDP	Gram Panchayat Watershed Development Plan
IGA	Income Generation Activity
MDT	Multi Disciplinary Team
NBC	Natural Breeding Centers
NRM	Natural Resource Management
PRA	Participatory Rural Appraisal
PAD	Project Appraisal Document
PNGO	Partner Non Governmental Organization
PU	Physical Unit
UDWDP	Uttarakhand Decentralized Watershed Development Project
VH	Vulnerable Household
VO	Veterinary Officer
VP	Van Panchayats
WB	World Bank
WMD	Watershed Management Directorate

STRATEGY FOR LIVELIHOOD INITIATIVE FOR VULNERABLE HOUSEHOLDS

INTRODUCTION:

Rural poverty in Uttarakhand is estimated at 40.8% (national 28.3%), urban poverty at 36.5% (national 25.7%) and total poverty at 39.6% (national 27.5%) in the year 2004-05. Another important aspect of poverty distribution is that poverty is more pronounced amongst some disadvantaged groups as Scheduled Castes and Scheduled Tribes, where 44% of families are below poverty line. The poverty arises when people lack key capabilities due to inadequate income, education and poor health or in security or low self-confidence or a sense of powerlessness or the absence of rights such as freedom of speech.

Uttarakhand has a relatively small population of 1.01 million and an area of 53,483 sq. km. The density of population according to the 2011 census is 189 persons per square kilometre; about 92 percent of the land is hilly and subject to severe soil erosion. More than three-fourths of Uttarakhand's total population depends on agriculture for their livelihood and the economy is predominantly dependent on mountain agriculture. However, the land holdings are small, scattered and fragmented. Further irrigation facilities are limited and the average land holdings are small (0.68 ha. in hills and 1.77 ha. in plains) and the farm productivity of hill areas is low as compared to the plains. The literacy rate of the state is 79.63 percent against the national average of 74.04 percent. Per capita income of Uttarakhand is Rs. 42031 (FY 2010) which is slightly lower than national average of Rs. 44,345 (FY 2010). According to the latest comparable data (FY 2008), Uttarakhand is ranked at the 12th position in terms of per capita among all the Indian States. Monthly per capita income is Rs. 880 in rural areas and Rs. 1082 in urban areas based on year 2011-12 (GOI, Planning Commission).

Soil and water conservation is another issue for inclusive development. For physical, geographical and environmental reasons, the scope for agricultural policies based on modern input-intensive agriculture is severely constrained in the hill regions. As a result, the majority of the rural population in the hills either survives on subsistence agriculture or migrates to other parts of the country for employment. The state faces

the challenge of promoting livelihoods to retain people through local employment and income generation and to enhance their quality of life.

Uttarakhand, in spite of being a small state, has certain key features that make it distinct from other states of the country. Three broad features have shaped the face of Uttarakhand over the course of the post-independence years: households' increasing dependence on markets to meet production and consumption needs, male out-migration, and an agricultural system that is run largely on the labour of women.

Migration is a major livelihood strategy of rural households throughout these mountain districts, driven by rural poverty, diminishing subsistence production, and lack of regular employment opportunities. It tends to be highly gender-specific: typically it is men who leave their villages for varying degrees of time to engage in off-farm activities in neighbouring hill towns or further afield in the plains while women remain behind to maintain homesteads and family farms. The outcomes of such migration streams are "multiple and contradictory" particularly when viewed through a gendered lens. On a one hand in the wider context, women often have de facto status as heads of households and at the same time lacking control over the kinds of productive resources required to be efficient managers of the domestic and farm economies or the 'voice' required to draw attention to their needs; and on the other hand migration from the mountains is a clear path out of poverty. The vulnerable groups that face discrimination include Women, Scheduled Castes (SC), Scheduled Tribes (ST), Aged, Disabled and Poor migrants. Sometimes each group faces multiple barriers due to their multiple identities.

In Brief, Uttarakhand women's participation in the rural economy is significant and young men generally migrate to the plains in search of employment, whereas women are left behind to cultivate the land and take care of the children and the older generation. To wean away people from making unsustainable use of natural resources and to improve their economic status, some alternative means of livelihood need to be provided to them. This would be achieved through viable and potential livelihood activities designed under the project. It will enhance the capacity of women, the poor, SC/ST, to increase their income- levels. In this way, it will focus and assist those sections of village communities who will receive very little benefits from the

watershed treatment activities. Thus in one way it will reduce the drudgery of women in agriculture and enhance livelihood option for vulnerable households.

UDWDP Phase I learning:

The learning of UDWDP (Gramya) phase I reflects that economic activities mainly adopted by individual beneficiary are traditional occupational activities such as Dairy, Poultry, Goatry, Shops, Black smithy, Tailoring, Carpentry, Barber and Mule/sheep keeping. In groups mainly adopted activities are Goatry, Poultry, Tent house, Dairy, Band Party, Tailoring, Black smithy, off season vegetable and Jingora & flour mill. These activities provide an additional income with their regular traditional income.

- *Livestock based activities* are the most preferred amongst both the genders as these are the traditional activities which can survive on a one time input.
- Soya processing, candle making and providing technical tool kit to traditional Dai (nurse) are the *activities which are women specific*.
- Barber, cultural activities like- choliya nritya, dol, damau, dance troupe etc., plumber, masonry, cobbler, fisheries, nursery, computer training, tin work, welding and water pumping activities are men specific. These are *traditionally male dominated activities*.
- Women taking up tent house and band party are *new innovative activities* and need to be encouraged. Positively these activities can give immediate and easy returns.
- *Secondary/value additional based activities* like grinding machine, fiber works, bakery, soya & fruit processing and setting up expeller are also promising activities.
- Carpentry, cobbler, mason, plumber are also **individual skill based activities** which are traditional.

Findings of the final impact assessment report of UDWDP PHASE-I (evaluated by TERI)

- 17% net increase in Household (HH) income has been reported. Rs. 70,007 (Rs./HH)
- 19% and 191% increase in holdings of improved breed cows and buffaloes respectively.

- 9.6% increase in fodder production over baseline resulting average 11% reduction in time spend on collecting fodder by a HH.
- Time spend in collecting water has reduced with sharp increase in 48% HH < one hrs. to collect water and similar decrease in 39% HH taking between 1-2 hrs.
- 12% increase in households accessing tap water, attributable to RWH structures.
- The Benefit Cost Ratio ($r=8\%$, $t=10$ years) works out 2.63 including employment benefits. The Economic Rate of Return is estimated at 18.5%.

UTTARAKHAND DECENTRALIZED WATERSHED

DEVELOPMENT II PROJECT

PROJECT DEVELOPMENT OBJECTIVES AND AREA

The project development objective (PDO) is: *to increase the efficiency of natural resource use and productivity of rain-fed agriculture by participating communities in selected micro-watersheds of the Uttarakhand State.*

UDWDP-II is proposed to be implemented in the villages of 82 micro watersheds of middle Himalayas, lying between 700m and 2700 m above sea level. It will cover 509 GPs, spread across 18 developmental blocks in 8 Districts. The project is expected to benefit about 55,600 households by various project interventions.

PROJECT COMPONENT

The Uttarakhand Decentralized Watershed Development Project, Gramya II has the following components:

- A- Social Mobilization and Participatory Watershed Planning
- B- Watershed Treatment and Rain-fed Area Development
- C- Enhancing livelihood opportunity
- D- Knowledge Management and Project Coordination

Under component 'Enhancing Livelihood Opportunity', there is subcomponent "Support for Vulnerable Groups" in which provision of intervention for vulnerable households has been envisaged.

It is expected in Project Appraisal Document that Vulnerable Group's income generating activities (IGA) will benefit about 20,333 vulnerable households by an additional annual income of about INR 15,880 (both individual and group based) in the project villages.

VULNERABLE GROUP PLAN:

In the project under component- Enhancing livelihood opportunity, the vulnerable fund for promoting income generation activities for vulnerable households is designed

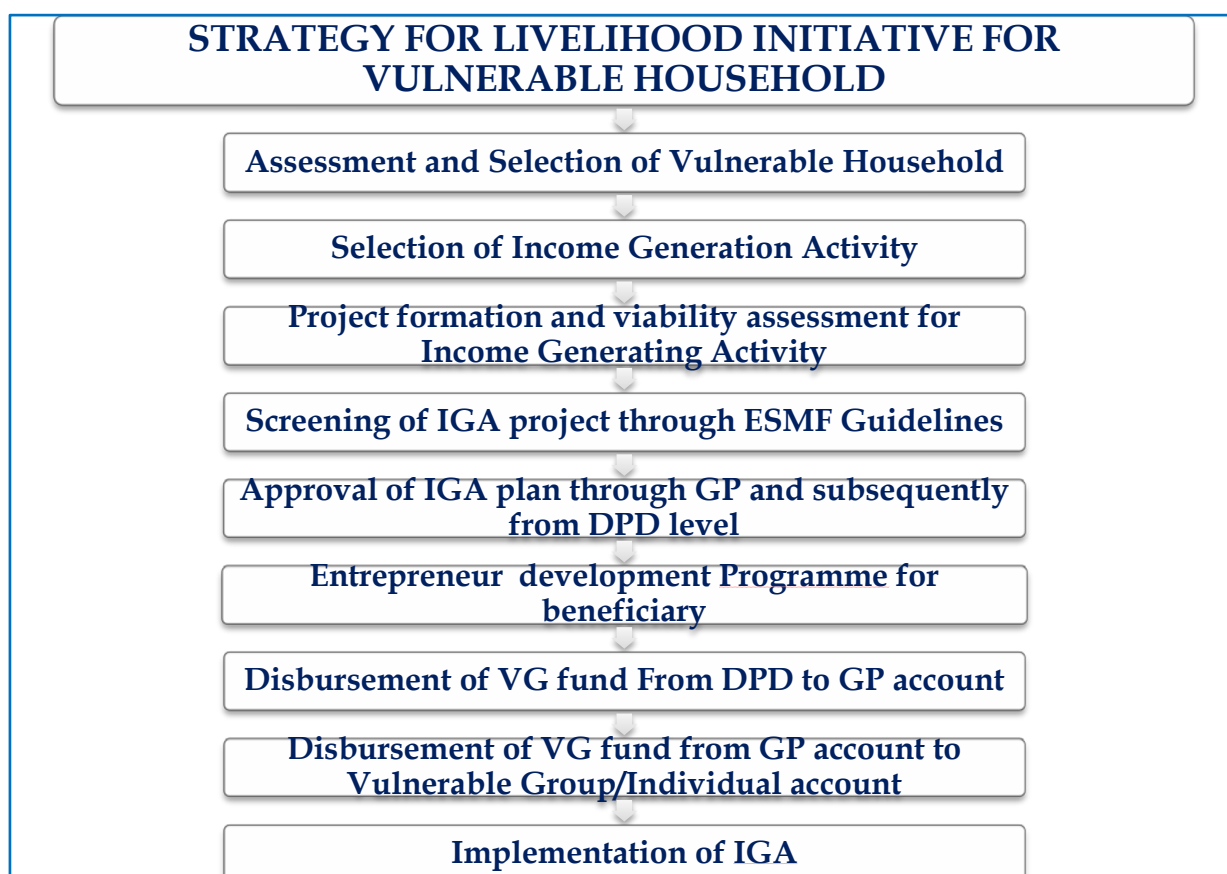
to enhance social equity in villages through the project and further assist those who either get left out or receive very little benefit from watershed development activities. Through the vulnerable group fund, financial assistance will be provided for livelihood initiative for vulnerable household to taken up income generation activities for their income enhancement.

OBJECTIVES OF VULNERABLE GROUP COMPONENT:

The Major objectives of component are-

1. Organization of vulnerable households for sustainable productivity enhancement.
2. Build and enhance the capacity of vulnerable households for livelihood.
3. Promotion of microenterprises through entrepreneurship development programme

The overall objective of this component is the socio-economic upliftment of women, poor and SC/ST people, by the expansion of income earning options through on farm & off farm employment and sustainable and efficient use of natural resources.



PRE CONDITIONS FOR SELECTION OF INCOME GENERATION ACTIVITIES:

Some key preconditions are needed for this:

- Availability of infrastructure both physical and institutional at local level.
- Access to support services (e.g. credit, inputs, training and information).
- Access to markets and knowledge.
- The characteristics of selected vulnerable group activities should be according the ESMF policies of project.

IDENTIFICATION OF POTENTIAL INCOME GENERATING ACTIVITIES:

Identification of potential income generating activities is the most important and very crucial step to meet the above objectives. Inaccessibility, thin spread of resources and materials, lack of forward and backward linkages and deficiencies in infrastructure and service render commercial production very risky. Therefore provision of infrastructure and institutional and organisational mechanism for supply of inputs and for marketing, with a view to ensuring a minimum scale of operations, has become essential for the survival and growth of IGA in project areas.

Criteria for selection of vulnerable households:

The project places special emphasis on the socio-economic upliftment of the poorest, marginalized and vulnerable sections (viz. vulnerable groups) of the community and equity in benefit distribution in the project area. A Vulnerable Group (VG) Fund under the sub-component Income Generating Activities has been provided for the vulnerable households. Criteria for selection of the vulnerable group or individual from community in the project will be determined by-

1. In the project, the 'C'- category households as identified by wealth ranking exercise carried out as part of participatory planning for preparation of Gram Panchayat Watershed Development Plans are identified as members of vulnerable group.

2. During the wealth ranking exercise the identification of 'Vulnerable Group (category C)' were characterised by considering the following features:-

- Kuchha House
- Having fallow land/uncultivated/landless
- Reduced Livelihood opportunities
- Less Number / absence of livestock
- Living under debt or overall very less income
- Socially Vulnerable (widow, especially able, SC/ST, women etc.)

Any households (HH) who will fulfil above 2 to 3 criteria's will qualify as member of vulnerable group.

3. During the Participatory Rural Appraisal (PRA) exercise with the vulnerable groups, Equity and gender issues will be addressed during stakeholder analysis, especially in the creation of community assets.

4. Technical plans will be modified to incorporate grass-root needs. Priority will be given to integrating conservation technologies and practices with socio-cultural values. Inputs in livelihood improvement methods will be negotiated to ensure a strengthening of the livelihood support base.

5. The importance of the natural resource base will be objectively explained to the community, through a watershed approach. Contributions by the project, that met immediate needs of the villagers, will be clearly defined and linked to reciprocal obligations by the villagers for maintenance and a contribution in cash, kind or labour.

6. The time-scale and sequence of activities will be made clear to the communities from the beginning. Respective roles evolved as the project processes developed and will be formalised in a Withdrawal Plan (take-over plan) for each village on project completion.

Guidelines to be followed for funding IGA from VG fund:

- Only 'C' category household as identified through PRA will be targeted as vulnerable group for the purpose of funding support from vulnerable group fund.

- The financial assistance may be provided individually or in group according the nature of Income Generation activity (IGA).
- Technical facilitation in the identification and preparation of IGA proposals will be provided by the MDT.
- The IGA proposals will be screened through ESMF and subsequently submitted to the Gram Panchayat for approval.
- After the approval from GP the proposal will be submitted to DPD for final approval.
- Once the IGA plan is approved the technical training will be arranged to the identified beneficiary.
- Viability and final approval of any new activity apart from selective indicative list should be screened through PD.
- After the Entrepreneur Development Training (EDP), the individual/group will be financed by the project on a one time grant basis.

SELECTION OF INCOME GENERATION ACTIVITIES:

Following factors may be considered for the selection of a specific IGA for a specific group-

- Existing skill (traditional /occupational) for the activity and capacity to take up such activity, e.g. carpet weaving, handicraft etc.
- Availability of resources for the activity and its market potential
- Demand of the product and risk taking capacities of the groups
- All the activities should go through the SWOT analysis (Considering the Strength, Weakness, Opportunities and Threat of the activity).
- Financial inputs required
- The ESMF will also be applied at the time of the selection of IGA

INDICATIVE LIST OF IGA

Keeping long time sustainability and learning's from Gramya phase I, a basket of selective activities is proposed for IGA. :

S. No.	For Individual IGA	For Group IGA
1.	Dairy Unit	Band Party
2.	Mule rearing	Tent House
3.	Black Smithy	Cultural Group Support
4.	Carpentry	Fruit Preservation/Pickle making
5.	Cobbler	Fiber Works/ Handicraft
6.	Barber	Mushroom Cultivation
7.	Tailoring	
8.	Beekeeping	
9.	Shops (for technical works)	

**** Viability of any new activity apart from selective indicative list should be screened through PD and final approval for such activity will be given by WMD.**

Dairy:

In the mountains on an average every households keep at least one or two buffaloes/cattle for milk, manure and draft power. Under the vulnerable group fund the opportunities exist to earn additionally through dairy activity and also improve the productivity of dairy animals by breed improvement. In Gramya II there is provision for -

- i) Support for breed improvement by supporting 50 trained para-vets and 180 natural breeding centers to serve remote areas and 1,250 veterinary camps to provide health care in all project villages.
- ii) Project will also work to converge and coordinate with the Uttarakhand Livestock Development Board to provide artificial insemination services and other related services.
- iii) fodder nursery in each GP to provide quality slips to the project farmers; and extensive demonstration of terrace borders in the arable lands with green fodder slip planting;

For the sustainability of the dairy activity merits or demerit /SWOT analysis can be done as **Strength:** Most households traditionally have dairy animals; institutional structures present; milk and milk products are important part of rural diet; **Weakness:** Weak institutional support; veterinary services do not cover areas away from roads, and policy does not allow para-vets to provide treatment and vaccination; poor availability of fodder and feed; milk collection routes of formal dairies do not reach all areas; workload increases burden of women in household. Produces farm yard manure so is an important component to an integrated agriculture approach, poultry, traditional activities etc. **Opportunities:** Additional income generation; potential to directly supply local markets; fodder availability can be increased; value added products such as yogurt, butter, ghee, buttermilk, khoya and paneer can be produced and **Threats:** Domineering state supported cooperatives can dislodge community marketing efforts; dwindling ownership of cattle due to lack of fodder and labour.

Cultural Group and Supportive activity

The primary concern of VG fund is to promote those activities of an individual or a group which they are performing traditionally. This could save and preserve the heritage of that community. In this sequence cultural groups can be promoted by supporting them financially to purchase traditional dress, equipment etc. Cultural activities like- choliya nritya, dol, damau, dance troupe etc., was enthusiastically adopted by male beneficiaries in UDWDP-I followed by sustainable approach.

At village level activities like tent house and band party can be considered as per suitability as a micro enterprise. Generally villages are located either on deep slopes or uphill thus loading charges for tent house and hiring band party for various occasions as festivals, marriage etc from road head markets are quite expensive. This enhances the scope of this traditional activity as a supplementary income activity.

ENTREPRENEURSHIP DEVELOPMENT PROGRAMME (EDP):

Capacity building for the development of income generation skills has been recognised as an essential input in the promotion of enterprise development. The need for training to impart entrepreneurial and managerial skills, particularly to the people in the project area with very little exposure to business enterprises such as rural and

remote region, is obvious. Traditional craftsman in these areas have carried out production of various items utilising traditional skills inherited from generation to generation, mainly to cater to local needs and with the primary motive of survival and subsistence. But they do not possess the entrepreneurial skills required for production for the market and facing the risks involved in it. To fulfil this gap, following interventions will be done under the project:

- Specially tailored training programmes to meet the specific needs of IGA in the project area.
- Comprehensive in terms of linkages for different inputs and support services.
- Based on a product cum area approach.

To ensure profitability and sustainability of income generation activities, sufficient inputs in the form of trainings, exposure visits, interactions with other SHGs, Federations, Associations consumers, agencies etc. will have to be provided to the groups. A comprehensive action plan has been spelled out under Capacity Building strategy of UDWDP to achieve the objectives of Vulnerable Group Fund. Training would be an integral part of this component and will be provided in a continuous process. Training would cover the following areas:

- Identification of viable IGA
- Production aspects of IGA including technical training.
- Screening as regards ESMF
- Market analysis, trends, pricing, rules etc.
- Value addition and storage
- Record keeping, Book keeping and Management of finances.
- Follow up training to meet the ever-changing needs of the market.

Process of Entrepreneurship Development Programme:

a) The EDP will be conducted for the selected VG members of the project. Services of experienced resource institutions may be utilized by WMD to conduct EDP. The EDP will facilitate the vulnerable group's members in identifying a viable activity, which they can take up for the enhancement of their livelihood. Aspects such as market analysis, quality control, management of finance, establishing forward and

backward linkages, pricing, rights and rules etc. will be covered through this training.

- b) Skill Training and Exposure programme: Skill training will be conducted for those members who have participated in the EDP. But it is presumed that the members who will take initiative to start the IGA activities will be undertaken for skill training and exposure. The MDT and FNGO will arrange these programmes.

Action Plan For Income Generating Activity

After receipt of IGA proposals for funding from vulnerable groups/individual beneficiary, the action plan for income generating activities will be executed by RVC & WWMC, assisted by FNGO/MDT or PNGO.

- After finalization of an IGA by the Vulnerable Individuals/groups, it will prepare a proposal for funding (**Attachment VGF-1**) and submit the same to MDT or PNGO for appraisal. After clearance the same proposal will be submitted to the RVC.
- After appraisal and approval, the RVC shall submit it to WWMC for its approval.
- If a proposal is not viable, it will be sent back to the Vulnerable Individuals/groups for appropriate changes and resubmitted to MDT or PNGO for reappraisal.

FUND FLOW ARRANGEMENTS:

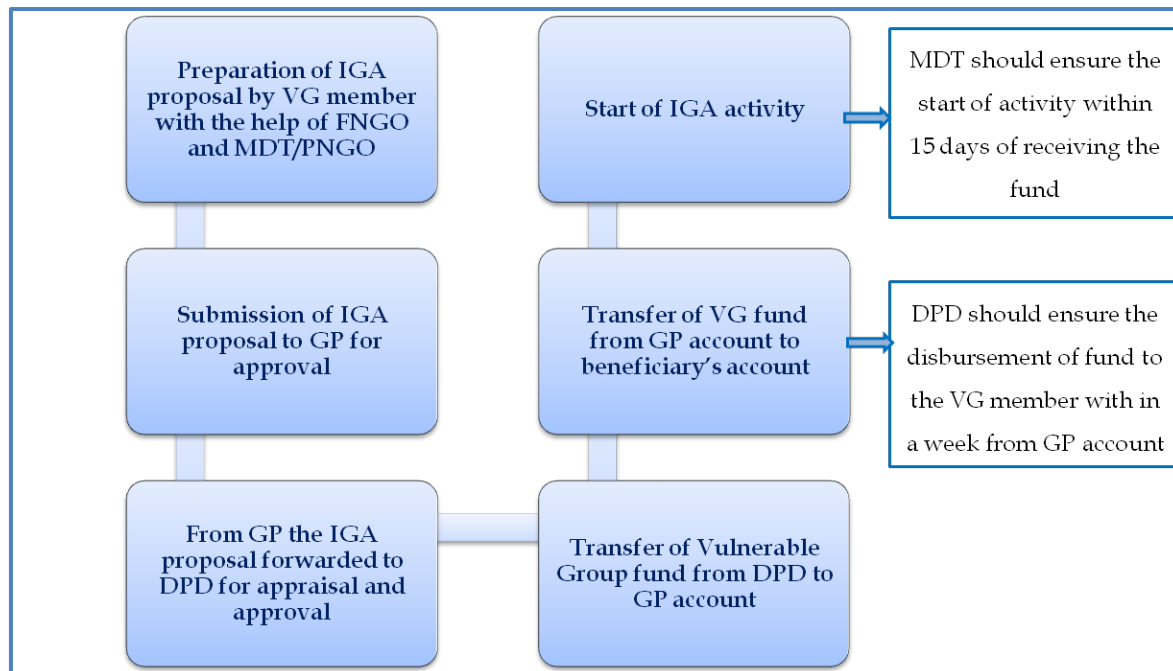
Following fund flow arrangement proposed:-

- Vulnerable Group fund will be kept with the Gram Panchayat.
- Funding/ working capital assistance is provided on a one time grant basis for financing the IGA of Vulnerable Individual/Groups to promote the project's objective of equity.
- Quantum of grant support for working capital assistance is provided by project in the following manner:

S. No	Type of IGA	Level of grant provided by project
1.	Individual IGA	Up to 30,000.00 (Maximum Rs. 40,000.00 *)
2.	Group IGA	Up to Rs. 1, 00,000.00 (Maximum Rs. 1,20,000.00*)

*** Maximum grant support is provided only in special cases for which prior approval of the proposals by concerned Project Director will be required.**

- Funding /provision of working capital assistance for IGA from Vulnerable Group Fund will be given only after application of ESCP/ESMF and subsequent approval of IGA plans.
- For approved IGA plans, the funds will be transferred from Deputy Project Director (DPD) to the Gram Panchayat account as a grant.
- Subsequently funds from GP account will be transferred to the Vulnerable Individual/Group account as a one-time grant in installments.
- DPD will ensure that Vulnerable Group Fund transferred to GP account should be disbursed to the vulnerable group / individual beneficiary account within a week.



Sub-Project Agreement (SPA) and transfer of funds to vulnerable Groups/ individual beneficiary

- The SPA will be signed immediately after the approval of the IGA by vulnerable groups/individual beneficiary and WWMC.
- A Sub-Project Agreement (SPA) [Form A-4] will be signed between the **Vulnerable Groups/individuals** and **GP** for the utilization of the fund provided as grant.
- SPA will include the terms and conditions for utilization of grant.
- After SPA, the fund will be released by the GP to the **Vulnerable Groups/ individual beneficiary**.

Coordination and Convergence of Income Generation Activity:

The project shall endeavour to put the IGAs on a sound footing by establishing the requisite forward and backward linkages. In the absence of such support from the project, the IGAs will remain either in the experimental, nebulous stage or at the most may remain fairly marginal, thereby falling short of the project's goal of poverty alleviation.

Backward and Forward Linkage

Efforts will be made to link up various IGA activities with different government and non govt. schemes as-

- Convergence and Dove tailing with line departments.
- Efforts will be made to organize micro-finance groups and link it to entrepreneur development programmes and income generating activities.
- Need based capacity building and upgraded trainings for product enhancement.
- In hills the Mule/Horse are subjected for transportation purposes especially in *Yatra Routes*. So the Mule/Horse owners can be linked /registered with the "Religious Committees" (Badri-Kedar Samiti, Gangotri-Yamunotri Samti, Char Dham Samiti etc.) on *Yatra Routes*.
- For Dairy, the linkages can be pursued with 'Dairy Milk Cooperatives' (Anchal Dairy).

- All the owner of Dairy and Mule/Horse units could be linked with the nearest hospital/dispensaries of 'State Animal Husbandry Department' for getting the animal health care services and new schemes of the department.
- For tailoring activity- efforts can be done to linkup with nearby "Government Primary School" for stitching the uniform of children (because the state government providing the funds for the school uniform of the children).
- For fibre works activities the "Khadi Board", "National Handloom Board", SARAS etc. will be approached to buy ready products.
- For preserved fruit items/pickles linkages will be developed with SARAS, DRDA outlets, Sunday market/Handicraft Fair/Vikas Mela etc.
- The IGA products will be linked to various local retail network, distribution network, yatra route etc.
- Efforts will be made to sell the ready products or after value addition through fairs and exhibitions organized time to time at state or national level.
- In different part of Uttarakhand state the no. of Fairs/Vikas Mela were organized in different months i.e. "Magh Mela", "Uttarayani Mela", "Vikas Mela" (Gauchar Mela, Kunjapuri Vikas Mela, Jaunsar Bhabhar Mela etc.), Sharad Utsav etc., in which the cultural programmes are organized. Efforts will be made to register the groups of "Cultural Party", "Band Party", and "Tent house" in these samities, so that they could be invited in these functions.

Monitoring and Follow Up of Income Generation Activities:

Regular monitoring and follow up of all income generation activities is an essential part for sustainability of any proposal/project approved for the vulnerable group members. To assess the outcome and impact evaluation of the vulnerable group activities, regular follow-up and an in house short study will be conducted at WMD level. The progress of the VG activities will also be tracked through selective PME indicators.

The monitoring and follow up will be done in following steps:

Monthly follow up:

A monthly progress report of IGA will be collected from divisions which will reflect the activity wise, physical & financial progress of the RV and GP.

Half yearly follow up:

An half yearly progress report of all IGA will be generated from field / division which will reflect the activity wise earning of individual / group beneficiary in six month period.

Annual Follow up:

An annual progress report of IGA will also be generated. This report will show the overall "Income Earn" of individual/ group activity.

(All the three format are attached as annexure-1 to 6)

IMPACT ASSESSMENT:

On the basis of above three reports generated regularly from field/division, an impact analysis of IGA could be done. From report analysis following outcome could be achieved-

- The gender wise percentage of fund disbursement.
- The percentage of fund allotted for different activity.
- The range of "Income Earned" by individual / group beneficiary for different activities.
- The range of "Net Income" earned by individual / group beneficiary for different activities.
- The list of viable and sustainable activities can be generated.
- On the basis of data analysis and selective narration about the activity the documentation of "Good and Bad practices" can be done.
- Selective "Case Studies" and "Success Stories" will also be documented after 2nd year onwards.
