Chapter-3

Velugu Project in Andhra Pradesh

Rural poverty in Andhra Pradesh, as everywhere in India, is a multidimensional and complex issue. It also continues to be one of the serious problems even after the major central government programmes have intervened in curbing the rural poverty in the state. Poverty in Indian states generally is involving the inability to gain basic needs, lack of resources, lack of education and skills; poor health and malnutrition; lack of shelter; lack of access to clean drinking water and sanitation and lack of political participation and inability of access to political power.

The composition of the rural poor is mainly from the agricultural labour with high prevalence, low skilled artisans and self-employed households. In general in India, poverty is highly concentrated among agricultural labour\(^1\). In Andhra Pradesh, agricultural labour constitutes more than 60 per cent of the rural poor according to 1999-2000\(^2\) estimates. According to the NSS 50\(^{th}\) and 55\(^{th}\) rounds survey data on household consumer expenditure, the incidence of rural poverty among SCs was 15.6 per cent and STs was 35 per cent in rural Andhra Pradesh. The other backward classes constituted 41.3 per cent. Keeping in view, the incidence of rural poverty in the state, the Government of Andhra Pradesh has prepared the Andhra Pradesh: Vision 2020 in 1999 as a long-term development strategy for the state.

**Background of the Project**

The state of Andhra Pradesh is one of the first states to frame a comprehensive vision for human and economic development. For the extensive development of the state, the Government has formulated the vision above. In this document the state has articulated a growth-oriented strategy to eradicate poverty. The government took strategic steps to operationalize the vision. A number of sub-committees were constituted to deal with a

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\(^2\) Ibid.
wide range of issues, including an overarching strategy for poverty reduction. The administration encouraged to take necessary activities regarding issues like limited success of anti-poverty programmes, limited financial resources and poor administration.

Most of the programmes are targeted to provide only wage employment opportunities for agricultural labourers and some programmes provided self-employment opportunities, which were, in most cases, only used to get financial assistance. But they failed to provide sustainable livelihood opportunities. In addition, women related schemes also proved that the programmes were only for capturing the vote bank rather than bringing real empowerment. Mechanisms to ensure accountability to deliver the benefits of government are not functioning in a proper way. Poverty is still prevailing at a high rate. A majority of the agricultural labourers are struggling for minimum wages in rural areas. Even, the Public Distribution System has been working since last five decades to improve the consumption levels of the weaker sections. Major section of society is lacking with proper meal a day. A micro level study\(^3\) conducted at village level revealed that in the developed villages, the scheme has provided access to food to most of the poor. Ironically, a large percentage of beneficiaries are from non-poor households. In the backward villages, too, a large percentage of poor households are excluded from the scheme while a sizeable percentage of the beneficiaries belong to the non-poor category\(^4\).

In the rural areas, the households are divided based on main source of income or livelihood. According to one NSS household survey, there are five household types such as self-employed in agriculture, self-employed in non-agriculture, rural agricultural labour, other rural labour and others\(^5\). Households that are rural poor depend primarily on agriculture and allied activities for their livelihood. The poor have limited access to economic activities, in part because of limited ownership of land and also because of lack

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\(^3\) Mahendra Dev, S. Padmanabha Rao, 2003, Poverty Alleviation Programmes in Andhra Pradesh – Assessment, Hyderabad, Centre for Economic and Social Studies, p. 19.

\(^4\) Ibid, p.20.

of access to formal credit. A majority of the households below the poverty line are landless. Marginal farmers often own land only in degraded areas in respect of fertility.

Uncertain tenancy relations and rigid leasing regulations have also effected the livelihood options that are accessible to the poorest. Despite the introduction of land reforms that to reduce inequalities in land holdings, targets have not been achieved. Fragmentation of land holdings continues on a large scale and only a few states like Goa, Karnataka, Tamilnadu, Gujarat, Madhya Pradesh, Orissa, West Bengal, Andhra Pradesh, Maharashtra, Uttar Pradesh and Haryana\(^6\) have could undertake a programme of consolidation of holdings\(^7\). The Ninth Five Year Plan Document has also envisaged that the land reforms have not been implemented in a systematic way. The failure of the land reform as an anti poverty programme has led to the landless being dependent on low agricultural wage rates.

Even after six decades of planning experience with an objective of integrated human capital development, the result is not visible. Human capital is critical for the rural poor; because deprivation of health, nutrition, or education limits the capacity to fully utilize one’s own assets (e.g., labor) and access and utilize available services. The inability to tap either or both prevents people from escaping vicious poverty traps. Health, nutrition, and education indicators for Andhra Pradesh rural areas show severe deprivation among the poor.

The Government of Andhra Pradesh’s APDPIP also noted precarious living conditions of the rural poor. The consequences of unanticipated losses from death, hospitalization, disability, droughts and floods often are devastating and can prevent households from escaping poverty and related debt traps. The poor rarely access public and private insurance instruments. The so far implemented anti-poverty programmes are also challenged with different issues such as lack of proper implementation, lack of financial assistance, corruption and failure to provide sustainable livelihood opportunities. Thus,

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\(^7\) Planning Commission, Ninth Five Year Plan, Government of India, Poverty Alleviation Programmes, p.24.
the gaps in the initiated programmes are shown to frame a new scheme for eradication of poverty in rural areas. In addition, some of the programmes have given their successful formulas to implement effective programmes for the rural poverty reduction.

The report of the Rural Poverty Task Force was released in May 2000 and provided the basic framework for the preparation of the strategy on poverty reduction and the government has formulated the rural poverty reduction programme. At the same time, the government has also set up a poverty eradication mission composed of eminent persons possessing a wide range of expertise in the rural sector from around the country. The mission is to be an advisory body to government and to comment on Government of Andhra Pradesh’s initiatives for poverty reduction by offering independent advice.

Thus, the government of Andhra Pradesh Rural Poverty Reduction Programme has the duel objective of promoting economic mobility and enhancing social protection by reducing vulnerability. The focus is on measures to improve rural livelihoods for marginal and small farmers, widen access to non-farm employment opportunities, and improve the access of communities to financial resources. Vulnerability will be addressed in two ways; first, by improving poor people’s access to existing anti-poverty programmes and key services such as food security and basic education, health and nutrition, and second by developing new insurance mechanisms and safety nets to protect against downside risks.

Rural poverty reduction strategy as a core issue, is highlighted in the vision 2020 and it served as guiding framework for World Bank assurance to Andhra Pradesh. The state of Andhra Pradesh has developed a strong partnership to establish a sustainable fiscal framework and undertake key administrative reforms. Actually, the partnership was initiated through the Andhra Pradesh Economic Restructuring Project (APERP) approved by the World Bank in 1998. Subsequently, the Andhra Pradesh Economic Restructuring Loan/Credit was supported by the Bank in March 2002. In addition to economic restructuring project, the World Bank has also accepted to provide assistance on enhancing human capital, accelerating rural growth, and supporting key pro-poor
interventions. This assistance was taken in the form of the Andhra Pradesh District Poverty Initiatives Project (APDPIP); AP Community Forestry Management Project (APCFM); and AP Irrigation III Project emphasizing participatory Irrigation Management. Moreover, the bank also financed several other sub projects under the economic restructuring project supporting the health, nutrition and education sectors.

The DPIP is primarily targeted to integrate participatory, demand driven development of low-income households especially poorest of the poor and transparent delivery of public services at the local level which were derailed in previously implemented poverty alleviation projects. The project is also concentrated on strengthening the self-managed groups to empower the poor.

**Origin of the Project**

Under the South Asia Poverty Alleviation Project (SAPAP), the experience in Mahabubnagar, Ananthapur and Kurnool is reported to be appreciable in its success in reducing the poverty during 1995-2000. The UNDP assisted SAPAP (1996-2000) implemented in 20 mandals of three districts shown that the poor have tremendous potential to help themselves and that this potential can be harnessed by organizing them and building their capacities. Subsequently, a revised proposal for poverty reduction was drafted in 1999-2000 and was appraised in March 2000. The project was finally sanctioned in May and formally launched in June 2000.

The poverty reduction project learned the lessons from the World Bank which assisted rural development projects in India. The ongoing and completed projects have shown the importance of community participation, group mobilization and ownership in achieving efficiency and sustainability. Since decades of planning experience in India, the community participation was highly negligible and most of the poverty alleviation programmes have been neglected and some of them have utterly failed. In this backdrop,

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the participation of people and group mobilization are given much more importance in the ongoing poverty alleviation projects.

Community participation is a process of people’s involvement with development agencies in deciding the programme priorities, taking initiative and carrying out the projects as partners by the contribution of their ideas, interest, material, labour and time. In recent ongoing and completed World Bank financed projects, the concept of community participation is considered highly critical for the efficient working and results of the developmental projects. Community participation as concept and reality has demonstrated how community can contribute towards involvement.

In the context of successful results of the development project, the UP Sodic Land Projects has shown how the poor can establish their own organizations and engage in multiple activities in order to mitigate risks and participate more in the development process. In the same way, the Integrated Watershed Development Projects (Karnataka) and UP Rural Water Supply and Sanitation projects and AP Forestry Project have all demonstrated the viability of user groups and their potential to manage project activities as well as to mobilize community contributions. These projects have also demonstrated the potential value of successful partnerships between community organizations, NGOs and the government.

For instance, the AP Community Forest Management has some of the negative implications in that the project has not achieved its objectives in terms of empowering the local communities to take autonomous decisions regarding the management of forest resources assigned to them. The project has succeeded in mobilizing the communities for the development of natural resources especially in forest lands. Especially, tribal people joined in large numbers in Vana Samrkshana Samithi’s (Village Forest Protection Committees, VSS), and they are encouraged assuming full responsibility for the development and maintenance of forest areas formally placed under their stewardship. They were economically empowered with legal entitlement from both non-timber and timber forest products especially in tribal development plan areas.
The project also improved the village infrastructure and livelihood opportunities through forest as well as non-forest based income generation activities. It also supported and developed group-based economic activities targeting poor in project area villages. Thus, the APCFM has shown positive results in community mobilization and economic development.

An important lesson was learnt from the UNDP-assisted SAPAP project, that it is not enough to mobilize communities for social action but that they also need investment opportunities. The SAPAP has contemplated the process of social mobilization as an institutional mechanism to mobilize the poor into SHGs for their collective empowerment at the grass root level. The SAPAP model of development has incorporated the newly developed elements such as project components, social mobilization, institutional building, and capacity building to eradicate the poverty and empower the poor through eliminating the vulnerable condition.

The SAPAP also experienced with the concept of collaboration with local NGOs and the state government. Moreover, the project succeeded in promoting the poor women into SHGs. SHGs of poor women are promoted with the underlying principles of physical proximity, homogeneity and affinity. ‘One of the most important successes of the project’ is that the members are relieved from the clutches of money lenders who they had to approach earlier even for small consumption loan of Rs. 100. Thus, the proven positive impact of SAPAP has been replicated with suitable modifications in the form of Velugu project in the state of Andhra Pradesh.

The origins of Velugu project could be traced to 1994-95 when the proposals have been formulated and drafted in 1997-98 for the purpose of formulation of the project, by the government of Andhra Pradesh drafted. In 1997-98, the state has done extensive social assessment and capacity assessment inn all the districts. The survey took place in the

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9. APDPIP Mid Term Report, Andhra Pradesh, p.4.
11. Ibid. p.58.
12. Ibid. p.59.
first round of the Janmabhumi Programme\textsuperscript{13}, which was started in 1998. The programme has been officially started in 2000 in six districts and was later extended to remaining 16 districts. This is a World Bank financed project and is being implemented in all the districts by SERP which works under the guidelines of Government of Andhra Pradesh.

**Objective of the Project**

The main objective of the Velugu project is to enable the rural poor so as to improve their livelihoods and quality of life\textsuperscript{14}, to eradicate rural poverty, promote human capital development, focus on the welfare of children particularly girls, women, the old, and the infirm; and build an equitable society in which people participate in making decisions which effect their lives and livelihoods\textsuperscript{15}.

In addition, it is targeted to achieve by empowering the rural poor through development of self-managed grass-roots institutions, building the capacities of established local institutions, especially the Gram Sabha/Panchayats and line departments, to operate in a more inclusive manner in addressing the needs of the poor, support investment in sub-projects proposed by grass-root institutions of the poor to accelerate their entry and expand their investment in social and economic activities, and improve access to education for girls to reduce the incidence of child labour among the poor\textsuperscript{16}.

The project’s institutional model focus is on formation and strengthening of self-managed organizations of the poor. It is designed to strengthen and form self-managed grassroots organization, including Self Help Groups (SHGs), Village Organizations (VOs) and Mandal Samakhyas (MS) and such other federations. An important outcome of the project would be developing grassroots social and human capital and empower the poor. The CBOs are project’s key instrument for identifying priority needs of the target groups at the habitation / village level. They have developed financial stability and money

\textsuperscript{13} Janmabhumi is one of the TDP regime’s flagship programmes. It is based on South Korean concept and was launched in January 1997.

\textsuperscript{14} The World Bank, Velugu Project Appraisal, January 2003, p.3.

\textsuperscript{15} Ibid.

\textsuperscript{16} Andhra Pradesh District Poverty Initiative Project, Mid-term Report, Society for Elimination of Rural Poverty, October 2003. p.5.
management capacity through internal loaning of their own savings before becoming eligible for assistance under the Community Investment Fund (CIF) of the project. The project proposes to have partnership with all stakeholders – PRIs, government line departments, NGOs, private corporate sector etc in facilitating the project interventions to the target poor.

It would be also pursuing a rural livelihood approach to eradicate poverty. Especially, under the project, it is highly concentrating on the non-farm employment opportunities such as rural marketing, rural food production, and handicrafts and so on. Under the project, integrated human development is also targeted through achieving sufficient health facilities for mother and child. This in turn is also targeted to reduce the communicable diseases, integrated child development services, providing education to especially drop outs. But, in the actual implementation process, education and health components are ignored. The project is only covering women through forming theft groups. It is also keeping aside the rural youth especially from men category. Still, most of the families are having children without proper schooling, even after appropriate initiatives have been taken up under the project component. More importantly, the provision for schooling under the project component is not clear. As part of the project strategy, it is envisaged that every school aged child should be in school. Moreover, the project is not at all concentrated on school education, except encouraging women in to Self-Help Groups.

As a project objective, improving livelihood opportunities is also highly emphasized. The project is designed to support the convergence of programs delivered by line departments, particularly at the mandal level. The basic philosophy of the convergence of project is to create awareness amongst community-based organizations of the poorest of the poor.

The Government of Andhra Pradesh gives considerable importance to PRIs especially Grama Panchayats (GP - village-level local government) to facilitate the convergence of antipoverty programs. For this purpose, the project has, as one of the main objectives, to
strengthen the local governments. The project gives importance to GPs to involve in the project implementation, but it has also given responsibility to Mandal Parishads (MPs, sub-district level local government). The project recognizes that the poor suffer disproportionately from risks. Thus, a social risk management (SRM) framework has been developed to provide a comprehensive approach to mitigate and cope with risks.

**Coverage of the Project**

The project was initially implemented in the 180 backward and poor mandals of six districts of the state which include Adilabad, Mahabbodnagar, Ananthapur, Vizianagaram, Srikakulam and Chittor. The second phase of the project was implemented in remaining 16 districts and 792 mandals. Amongst these, 560 mandals where poverty is concentrated have been selected. At present, the project is concentrated in all mandals of the state.

**Target Sections of the Project**

The project is focusing in the state to disadvantaged mandals. The mandals have been identified using criteria such as human, economic and infrastructural development. Within these mandals, the poor and the poorest are identified giving the importance to Scheduled Caste; Scheduled Tribes; Backward Classes; people with no control over or access to productive resources (landless, asset-less, and without access to credit); daily wage laborers; bonded laborers; unskilled marginal farmers; disabled people; socially disadvantaged people like the jogin\(^\text{17}\); out of school children, especially girls; widows and female-headed households; and involuntary migrants. Among the poor, project intervention is focused with the “poorest of the poor." Self-selection by the poor and of the poor will be facilitated based on economic and social criteria identified by the poor themselves, using techniques, such as, Participatory Rural Appraisal (PRA), Participatory Poverty Assessment (PPA), (social mapping, wealth ranking, well-being grouping,

\(^{17}\) Traditionally, girls and women dedicated to the local deity to prevent calamity befalling the village and subsequently coerced into prostitution.
gendered resource mapping) and endorsement of the process by the village community through the Gram Sabha 18.

Key Components of the Project

There are six important components in the project. These are the strengthening of Institutional, Social, and Human Capital; Community Investment Fund (CIF); Support Pilot Programs; Support to Eliminate Child Labour; Support for the Persons with Disabilities and Project Management.

I. Institutional and Human Capacity Building

The focus of the component of Institutional and Human Capacity Building is to develop self-reliant and self-managed community based organizations of the poor in the form of groups, Village Federations and mandal samakhyas. It also provided assistance in building the capacity of line departments and local governments i.e., Grama Panchayats, Mandal Parishads and local NGOs to focus on the needs of the poor 19. According to the Document of Rural Development, Government of Andhra Pradesh, the total project outlay under this component is Rs. 260.61 crores. Of this, Rs.125.51 crores were released under the project of Andhra Pradesh District Poverty Initiative (DPIP) and Rs.135.10 are released under the APRPRP as second phase project implementation in 548 backward mandals in the state. It is also working in 260 coastal fishermen villages in 16 non-project mandals 20.

Community based organizations are the prime elements in the ongoing project. Under the project, there is a three-tier model to promote CBOs. The first step is to form SHGs with 10-15 homogenous members. The activities of SHGs are group saving, access loans to meet consumption needs and other productive activities. The second tier of the CBOs is Village Organizations. Village organizations are entrusted with the work of monitoring

and strengthening existing SHGs to provide loans and taking up village development activities through SHGs. Formation of Mandal Samakhyas at mandal level is the last step in the three-tier model to promote CBOs. Mandal Samakhyas will take up various social development issues, marketing activities, Rice Credit Line, Commodities marketing and strengthening Village Organizations in the mandal. In the process of evaluation of the CBOs, Zilla Samakhyas are formed at district level in 2005. At the district level, CBOs are taking up certain developmental activities for the sake of grass root SHGs. The activities of Zilla Samakhyas are initiation of insurance schemes for loan protection, livestock and health and so on.

II. Community Investment Fund (CIF)

The Community Investment Fund (CIF) is a major component in this project. The component is facilitated to take up activities for income generation, physical productive infrastructure, and social development projects. The physical infrastructure includes approach roads, work sheds, storage spaces, water harvesting structures etc. Minor irrigation tanks and small check dams, sub projects may be taken up for harvesting/conservation water resources and irrigation of lands of the poor. Moreover, the objective of CIF is to improve and diversify sources of livelihoods and quality of life to the poorest of the poor by financing to increase their incomes and employment, decrease expenditure and risks through the sub-projects and micro plans. Under the CIF, there are sub-components on a demand driven basis in the areas of social development, income generations and livelihood improvements, development of infrastructure and land purchase and so on. The key element of the CIF is to leverage and access financing for sub-projects from banks and microfinance institutions (MFIs).

The CIF is as a general component designed to transfer financial and technical resources to CBOs in social development in terms of early child hood development centers and disability interventions, developing physical infrastructure and bank financing for

23. For details on sub component of CIF, see in Department of Rural Development, Annual Report 2005, p.51.
productive purposes. The support is specifically for the landless poor to acquire and secure land-based livelihood options based on community-based land purchase and management system\textsuperscript{24}. Under this component, land purchase as a CIF sub project, the productive asset for the poor particularly landless poor is provided to ensure livelihood opportunity for the rural people to acquire and secure land-based livelihood options. The objective of this sub-component is to provide access to land for the landless poor in a community based land management system\textsuperscript{25}.

Another sub-component of the CIF, is watershed plus. The main objective of this sub-project is to support for development of rain fed farming systems for the poor in selected 40 mandals where the PRI pilot is to be implemented. In these mandals, a total of 16 new watersheds, one in each district are taken up. In all 80 old watersheds, per pilot mandal is also taken up\textsuperscript{26}.

As a component of CIF in the first phase of Velugu project i.e., APDPIP was aimed at providing and improving the basic minimum services. The activities of first phase project included improved access to public services, especially health, education, children and veterinary care. Towards this aim, there were para professionals such as volunteer teachers, health workers, and veterinary service providers, purchase of teaching aids, hygiene improvement, environmental sanitation and preventive health care measures\textsuperscript{27}. There was also group-based income generating investment which was identified by CIGs/SHGs. The CIF is allocated 50 per cent of funds that are allocated for agriculture and allied activities including milch animals and sheep/goat rearing. Around 25 per cent of the total funds distributed for non-farm activities and 15 per cent funds for agricultural activities\textsuperscript{28}.

\textsuperscript{26} See for more details about this sub-project, Ibid, p.53.
\textsuperscript{27} Andhra Pradesh District Poverty Initiative Project, 2003. p.6.
\textsuperscript{28} Ibid.
However, CIF continues to play a significant role in improving various livelihoods opportunities of the poor. Major interventions under CIF like commodities marketing by local communities, procurement of different agri-products, food security intervention and so on. CIF is the major financial source for CBOs (SHGs/VOs/MSs) in capital formation as well as in accessing credit for livelihood improvement of the poorest of the poor families. Thus, the project is formulated to strengthen and form self-managed grassroots organization, including SHGs, VOs, and MS. The CBOs are the project’s key instrument for identifying priority needs of the target groups at the village level. These target groups are helped to develop financial stability and money management capacity through internal loaning of their own savings before becoming eligible for assistance under the CIF of the project29.

III. Support to Pilot Programs

The main objective of the component is to support the pilot programs to take up pro-poor developmental activities. It is piloting to involve the formal and informal financial services especially for insurance and health services. However, the component is supporting three pilot programs such as strengthening the role of PRIs, social risk management and community based health packages. The component’s main target is to support the government strategy of decentralized approaches to poverty reduction, by strengthening the capacity of PRIs to respond to the needs of the rural poor. The strategy is adopted for the downwards accountability of PRIs30 to rural communities31.

The specific CIF investments were brought under the PRI jurisdiction to involve in providing physical infrastructure and certain social development and micro-watershed activities. In the pilots, PRIs also involved in income generation activities. Apart from

29. Ibid.

30. The PRIs hold accountability of Gram Panchayats (GPs) and Mandal Parishads (MPs) to CBOs and villagers, including measures to significantly improve the inclusiveness and transparency of GP and MP decision-making.

this, there is also the multi-stakeholder committee including SERP, representatives from PRIs and civil societies including CBOs. In addition, PRIs have given more importance to help the poorest of the poor under this component. It also encourages people’s participation in making proposals for grass root developmental intervention. There is a provision in this component to allocate the funds to Grama Panchayats to implement the CIF activities. The pilot component is facilitated for the capacity building training to all stakeholders on rights, opportunities, roles and responsibilities and participatory process. In addition, the project is also facilitating access to financial resources for the poor which is highly needed in rural areas. The project is designed to facilitate greater linkages between the poor and financial intermediaries, i.e. regional rural banks and NGOs providing micro-finance services\textsuperscript{32}.

**IV. Support to Out of School Children**

Universally, children are the future citizens. In contrast to this statement, In India child labour is one of the very pressing issue and wide spread. In rural India, a child who does not go to a formal school is a working child because he performs various activities like collection of water, fuel, maintenance of the house and other miscellaneous domestic chores\textsuperscript{33}. Moreover, out of school children perpetuate households in poverty. Hence, the project is targeted to ensure Universal Elementary Education for all children by 2005. Interventions of the project include community mobilization through sensitizing parents, communities, and employers of children and setting up bridge course camps so that the children may be mainstreamed into regular schools and support the parents of out of school children as they will benefit from project activities\textsuperscript{34}.

The strategy is adopted based on the experience of APDPIP to address rural education especially problems of out of school children and high school drop-out rates in the project districts. In fact, the component is intended to enroll all children in school by 2005, through motivating parents and children to go to regular schools. The project has also established bridge camps to prepare the parents and children. It is also aimed to retain

\textsuperscript{32} Ibid.
Scheduled Castes girls in formal schools until the completion of their secondary education, 64 residential schools will be constructed.

Under this strategy, it focuses on improving the efficiency of Mother and Child Health (MCH), Reproductive Child Health (RCH), Integrated Child Development Services (ICDS), and Elementary Education Services; while reducing poverty. The strategy is targeted to improve the education along with increasing the number of grassroots nurse midwives strengthening the ICDS program; forming "Mother and Child" Core teams at the Gram Panchayat (GP) level; and encouraging private sector participation to deliver key services.\(^{35}\)

In the absence of the residential schools for the rural children, especially for the girl child, the drop out rate has been continuing since long back in the state. This led to low percentage of girl child enrollment and heavy drop outs and more importantly, the children would be turned into daily wage labors almost in all district of the state. Thus, the project has taken an initiative to improve the schooling as part of poverty reduction in the state.

The project, under this component, has strong linkage and convergence with government departments especially education department of the state. As a linkage and convergence, this component has linkage with State Sponsored Campaigns against Child Labour, Social Welfare Hostels and Andhra Pradesh Social Welfare Residential Educational Institutions Society (APSWERIES), Education Department of the Government of Andhra Pradesh, District Primary education Program (DPEP) and NGOs. This component is coordinated by both SERP and the Andhra Pradesh Social Welfare Residential Educational Institutions Society (APSWREIS). For the effective functioning of this component, mobilization activities have to be carried out by NGOs and CBOs in this area. But, there is no legal framework or experience of NGOs and CBOs to mobilize the activities.

V. Strategy to Support People with Disabilities

The project gives considerable importance for the development of People with disabilities (PWDs). The PWDs are also the part of the society and they are not a periphery of social structure. Even then, they are more vulnerable of the poor and discriminated against and excluded. Based on the problems and issues relating to PWDs, the state government has decided to give special attention to their rights, inclusion and opportunities. Thus, the APRPR project is targeted to empower people with disabilities within their communities and build mechanisms for effective linkages with service providers. It is proposed to cover disabled persons in 80 mandals, with appropriate interventions during the 5-year project period to empower the PWDs and their caregivers to improve their livelihood opportunities and quality of life.

The project has forged alliances between CBOs of disabled persons and NGOs and other institutions working in the disability sector to deliver a range of services to rural disabled persons. Prominent organizations among them are Balaji Institute of Surgery Research and Rehabilitation for the disabled, Rogi Sahayatha Trust, Bhagwan Mahaveer Vikalang Sahayatha Samithi and so on.

VI. Project Management

Society for Elimination of Rural Poverty (SERP) is an independent, autonomous organization registered under the Societies Registration Act, set up in the year 2000. This society has been promoted by the Government of Andhra Pradesh and is implementing the poverty alleviation project called AP District Poverty Initiative Programme and Rural Poverty Reduction Program. It is chaired by the Chief Minister as the ex-officio chairman of the general body (GB). This body has broad representation from key stakeholders includes government and NGOs. The General Body consists of twenty-five members,

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38. Ibid.
39. Ibid, p.46.
with 5 ex-officio government officials and 20 representing leading agencies and individuals contributing to rural development, community mobilization and poverty alleviation\textsuperscript{40}.

The State Government has identified SERP as the main executing agency for this project for effective implementation in rural areas to curb the poverty and empower the people through social mobilization and community empowerment as a strategy for poverty reduction. SERP, as an independent support organization can effectively promote a process-oriented approach and it can build on the experience gained in the ongoing AP DPIP and can evolve the most effective strategies for the project. The autonomous status of SERP enables the organization to select highly committed professionals on fixed term for implementing the project. SERP can be more proactive in promoting partnership with NGOs, corporate sector and government organizations\textsuperscript{41}.

**Reorientation of Ongoing Line Departments Programs**

The project is designed to explore possibilities of ensuring greater efficiency through coordinating with the existing delivery mechanisms of line departments and exploring possibilities of routing some of the functions through PRIs and civil society actors\textsuperscript{42}. For this purpose, there is need of in-depth understanding of poverty and must be made a core concern of the mandal-level functionaries through building their capacity and exposing them to best practices. Program and processes of line departments must support empowerment of the poor in a complementary manner through joint planning, monitoring, training, and implementation\textsuperscript{43}.

**Organizational Structure**

The management of SERP is entrusted to an Executive Committee, of which an eminent non-governmental person is President and the State Project Director is the Chief Executive Officer (CEO). The President of Executive Committee is the Vice Chairperson

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\textsuperscript{40} . APRPRP, Project implementation Plan.2002, p.4.
\textsuperscript{41} . Ibid.
\textsuperscript{42} . Ibid.
\textsuperscript{43} . Ibid. p.46.
of the general body. The Executive Committee consists of seven members with three ex officio government officials and four drawn from the civil society.\textsuperscript{44}

SERP consists of a State Project Management Unit (SPMU) and District Project Management Units (DPMUs) implementing the projects. The SPMU has the CEO and Additional CEO reporting to Executive Committee of SERP. The CEO and Additional CEO each are the State project Directors (SPDs) in charge of the APRPRP and DPIP respectively. Regional Project Directors (RPDs) in charge of a group of project districts and various functional units support them in implementing the project. There are different administrative units as well responsible for the overall functioning of several DPMUs which are under one administrative unit. The head of a DPMU is the Project Director assisted again by a few administrative personnel (Assistant Project Managers) and some functional specialists in Microfinance, Gender strategy, Health and nutrition, Livelihoods, Communications, Finance Administration, Procurement and Human Resources Development and Monitoring and Evaluation, Disability, Child Labour and Education, and Tribal Development Plan (District Project Managers)\textsuperscript{45} are also associated.

\textbf{State Project Management Unit (SPMU)}

The State Project Management Unit (SPMU) is headed by the State Project Director, who reports to the Executive Committee. The State Project Director is supported by Regional Project Directors (RPD) and a team with core skills in finance, procurement, human resources including training, disability, monitoring & evaluation (M&E), gender, livelihoods, communications, social risk management, institution building, and local government. Other functional experts are also obtaining as needed through contractual arrangements or partnerships with other agencies.

\textsuperscript{44} Ibid. p.123.
\textsuperscript{45} Ibid.
District Project Management Unit (DPMU)

In each of the 16 districts, a DPMU is headed by a Project Director supported by a group of District Project Managers. They are vested with responsibility for all project activities within the district, including final approval of proposals under the CIF. There are 11 core skills of the DPMU. Among others are those relating to finance, training, community development, gender, communications, health and disability, rural engineer/subproject appraisal, livelihoods, land and rice credit, and social risk management. In addition, a team of field supervisors—Assistant Project Managers (APMs) for mobilization; APM for health, nutrition, disability, and out of school children; and one coordinator for land in selected districts are working in DPMU. Their core responsibilities are to provide guidance to community coordinators (CCs) and ensure links with local governments and line departments.46

Community coordinators are very important for the successful functioning of the project at grassroots. They are generally involved in facilitating the process of social mobilization, which is the basic concept in this ongoing project. Two Community Coordinators are positioned in every project mandal and one additional CC is placed for Health, disability in 80 mandals. One Assistant Project Manager for every three mandals is appointed to guide the CCs and activists in implementation of project activities47.

Mandal Community Support Cell (MCSC)

Mandal Community Support Cells (MCSC) are established where the presence of NGOs partnerships are not feasible. The MCSC comprises Assistant Project Manager, community coordinators, livelihood associates, women federations, master book keepers; activists and professionals supported by mandal core team and MCSC is responsible for implementing the project activities at the mandal and village level. The Community Coordinators (CCs) are appointed 2-3 per mandal and one per 1,500-2,000 households.

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46. Ibid. p.124.
47. Ibid.
Mandal cells in the project are constituted differently depending on available local resources and the scope of work\textsuperscript{48}.

The MCSC’s important activities are establishing the training school, promoting and building the capacity of Mandal Samakhyas, SHGs and VOs; organizing poor into SHGs and into village federations and facilitating the CBOs to prepare the subproject proposals and approval of the project works. It also works with the Mandal Praja Parishads (MPP), Grama Panchayats (GPs) and other elected representatives to participate in the project’s activities. The Mandal Training Centres (MTCs) are also established to develop the need-based programs to enhance the skills of targeted groups’ especially at beneficiary level. The trainings are conducted to sensitize and develop an organizational base for the poor. Training is also given to project administration and PRIs to make them more responsible towards project implementation\textsuperscript{49}.

\textbf{Grass root Activists}

The project is also focused to create village level activists to work with the Anganwadi Workers (AWW) and Auxiliary Nurse Midwives (ANMs). The village level activists primarily act as social mobilisers. Village level activists are identified by the respective communities through facilitation by local NGOs and Community Coordinators. According to the State Project Implementation Report, there are 100,000 Community Activists and Community Facilitators, 6639 Para-professionals at village level to provide livelihood support (including one Quality Controllers). Moreover, 2727 Community Coordinators, 170 Livelihood Associates, 2000 Master book Keepers and 850 Mandal Training Coordinators are working for the development of the rural areas especially to empower the poor people\textsuperscript{50}.

\textsuperscript{48} Ibid. p.125.
\textsuperscript{49} Ibid.
\textsuperscript{50} Ibid.
Community Based Organizations (CBOs)

The project’s objectives are highly dependent on the formation of CBOs. In the early stages of the project, the community activists, facilitators and para-technicians, in each habitation, worked to mobilize communities into CBOs and individuals. Further, they worked to provide technical assistance for carrying out microplans and developing sub-projects. In the process of CBOs mobilization, SHGs are initially formed and they federated into self managed Village Organizations (VOs). The VOs are registered as either formal associations or informal associations of 10 to 30 SHGs. Then, all the VOs of mandal are federated into mandal samakhyas. Mandal samakhyas are federated into zilla samakhyas.\footnote{The detailed strength of these community organizations such as SHGs, VOs, MSs and ZSs are given in the section of Institutional Building in this chapter only.}

Role of Line Departments, PRIs and NGOs

The project further converges with health, education and other development oriented line departments to enhance their capacities and also to use their expertise and knowledge for CIF sub project appraisal etc. PRIs, especially Grama Panchayats are playing as responsible actors in selection of the households of the poor and poorest of the poor and endorsing subproject proposals submitted by CBOs. It is also supporting placement of out of school children (especially bonded labor) in bridge camps and residential schools. A number of NGOs with expertise in working with socially disadvantaged groups and those that are involved in promoting sustainable livelihoods were involved at different stages of project preparation. SERP is identified suitable NGOs and civil society organizations with experience in community facilitation to help the poorest of the poor, undertake awareness generation, sensitization, and training for various stakeholders, evolve specific strategies for vulnerable groups, and execute monitoring and evaluation activities.
**Steering Committees of the Project**

There are different committees working at different levels for the effective functioning of the project. The committees include State Level Steering Committee, District Level Coordination Committees and Mandal level Committees. The state level committee is chaired by the Special Chief Secretary, Panchayati Raj and Rural Development, Government of Andhra Pradesh and other members are from all relevant departments of the government. The main function of this committee is to facilitate interdepartmental collaboration and promote convergence between ongoing programs. The district committees are chaired by District Collectors or Chairpersons of the Zilla Parishad (district level PRIs). The committee will be composed of functionaries of the key line departments, local government, NGOs, and community organizations. Wherever appropriate, the DLCC will ensure effective linkages of the project and all other line department programs. Such sector linkages also will facilitate the rural poor's access to technical support from the line departments. The mandal level committees are providing a space for close interaction among Mandal Samakhyas, public officials, and the PRIs at the mandal level. The functions of committees' are to monitor implementation of programs. They are also playing an important role in ensuring that the mandal-level line department is responsive to the needs of the poor.

**Monitoring and Evaluation (M and E)**

The unit of M and E focuses on data collection and analyses, baseline survey, impact evaluation, and process monitoring to ensure the project’s activities for a better implementation and utilization\(^{52}\). Especially, M and E unit is responsible to monitor the routine flow of projects inputs and outputs; a system of on-going process monitoring to track the process of institutional development and promotion of livelihoods opportunities for the poor; an assessment of net project impact through base line survey, follow up survey and impact evaluation.

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Critical Analysis of the Project in the state of Andhra Pradesh

Government of Andhra Pradesh has launched an ‘ambitious poverty eradication project’ in June, 2000. Since then, a number of activities have been taken to strengthen the poor families of rural areas. Initially, the project is targeted to strengthen the community based organizations and then focused on creation of skill based livelihood opportunities to generate the additional incomes of the poor. After a detailed account of the project in terms of origin, objectives, components, convergence and implementation methodologies of the project in previous sections, it is proposed to focus on a critical analysis of the project in the state based on available literature. The village households were classified into four categories - poorest of the poor, poor, not so poor and non-poor. In the survey out of 142,09,166 rural households in the state, 78,83,479 households (55 percent) were categorized as below poverty line and of them 25,79,484 households (18 per cent) are the poor families, mostly from Scheduled Castes and Scheduled Tribes and Backward Classes. The critical analysis of the project is based on the progress reports of the Government of Andhra Pradesh and districts reports which are available in website53. The districts’ wise identified poor families in the project are seen in the table 3.1. Based on available data, it is observed that the coverage of the poor families is not in outstanding performance.

Table – 3.1 District-wise Details on Coverage of members of SHGs in the Project

<table>
<thead>
<tr>
<th>S. No.</th>
<th>District Name</th>
<th>Total</th>
<th>SCs</th>
<th>STs</th>
<th>Minorities</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Srikakulam</td>
<td>374868</td>
<td>51915</td>
<td>36813</td>
<td>286140</td>
<td>8697</td>
</tr>
<tr>
<td>2.</td>
<td>Vijianagaram</td>
<td>316852</td>
<td>46688</td>
<td>36026</td>
<td>234138</td>
<td>7351</td>
</tr>
<tr>
<td>3.</td>
<td>Visakhapatnam</td>
<td>419058</td>
<td>51646</td>
<td>99612</td>
<td>267800</td>
<td>9722</td>
</tr>
<tr>
<td>4.</td>
<td>East Godavari</td>
<td>776657</td>
<td>165016</td>
<td>54279</td>
<td>557362</td>
<td>18018</td>
</tr>
<tr>
<td>5.</td>
<td>Wset Godavari</td>
<td>449351</td>
<td>170330</td>
<td>67092</td>
<td>211929</td>
<td>10425</td>
</tr>
<tr>
<td>6.</td>
<td>Krishna</td>
<td>446499</td>
<td>183184</td>
<td>26799</td>
<td>236516</td>
<td>10359</td>
</tr>
<tr>
<td>7.</td>
<td>Guntur</td>
<td>414040</td>
<td>128386</td>
<td>23040</td>
<td>261613</td>
<td>9606</td>
</tr>
<tr>
<td>8.</td>
<td>Prakasam</td>
<td>420149</td>
<td>144609</td>
<td>21692</td>
<td>253848</td>
<td>9247</td>
</tr>
<tr>
<td>9.</td>
<td>Nellore</td>
<td>331586</td>
<td>86511</td>
<td>36773</td>
<td>208302</td>
<td>7693</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>10.</td>
<td>Chittoor</td>
<td>53712</td>
<td>157052</td>
<td>40176</td>
<td>339884</td>
<td>12461</td>
</tr>
<tr>
<td>11.</td>
<td>Kadapa</td>
<td>278818</td>
<td>99194</td>
<td>12917</td>
<td>166707</td>
<td>6469</td>
</tr>
<tr>
<td>12.</td>
<td>Anantapur</td>
<td>364869</td>
<td>101046</td>
<td>32614</td>
<td>231209</td>
<td>8469</td>
</tr>
<tr>
<td>13.</td>
<td>Karnul</td>
<td>338793</td>
<td>98475</td>
<td>18299</td>
<td>222019</td>
<td>7860</td>
</tr>
<tr>
<td>14.</td>
<td>Mahabubnagar</td>
<td>461835</td>
<td>184734</td>
<td>46184</td>
<td>230917</td>
<td>10715</td>
</tr>
<tr>
<td>15.</td>
<td>Rangareddy</td>
<td>235607</td>
<td>89013</td>
<td>59505</td>
<td>87088</td>
<td>5466</td>
</tr>
<tr>
<td>16.</td>
<td>Medak</td>
<td>299120</td>
<td>134024</td>
<td>15537</td>
<td>149559</td>
<td>6940</td>
</tr>
<tr>
<td>17.</td>
<td>Nizamabad</td>
<td>324000</td>
<td>73731</td>
<td>33039</td>
<td>209884</td>
<td>7346</td>
</tr>
<tr>
<td>18.</td>
<td>Adilabad</td>
<td>279121</td>
<td>137505</td>
<td>45358</td>
<td>96258</td>
<td>6476</td>
</tr>
<tr>
<td>19.</td>
<td>Karimnagar</td>
<td>397030</td>
<td>141754</td>
<td>42470</td>
<td>212806</td>
<td>9211</td>
</tr>
<tr>
<td>20.</td>
<td>Warangal</td>
<td>434218</td>
<td>86372</td>
<td>63729</td>
<td>284117</td>
<td>10074</td>
</tr>
<tr>
<td>21.</td>
<td>Khammam</td>
<td>323040</td>
<td>62729</td>
<td>86147</td>
<td>174164</td>
<td>7495</td>
</tr>
<tr>
<td>22.</td>
<td>Nalgonda</td>
<td>435746</td>
<td>113686</td>
<td>51505</td>
<td>270555</td>
<td>10109</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8651023</strong></td>
<td><strong>2508600</strong></td>
<td><strong>949606</strong></td>
<td><strong>5192815</strong></td>
<td><strong>200705</strong></td>
<td></td>
</tr>
</tbody>
</table>


An attempt is made to detail the district wise coverage of members of SHGs. For a better understanding of the pattern of coverage of SHGs members, the comparative analysis has been made based on highest coverage among top three district as well as the lowest coverage of three districts. The highest number of SHGs members is in the district of East Godavari (776657; of the total 8.97 percent) followed by Chittor and Mahabubnagar (537112 {6.20 percent} and 461835 {5.33 percent}) respectively. The district of Rangareddy (235607) has the lowest number of member in SHGs followed by Kadapa (278818) and Adilabad (279121). As regards the coverage of the community of SCs in the SHGs, the district of Krihsna has more number of SHGs members of SCs with 183184. It accounted for the total that 7.31 percent followed by West Godavari (170330; 6.79 percent) and East Godavari (165016; 6.57 percent). From the point of view of a very low number of members of SCs in the SHGs, it is found that the district of Vizainagaram stands first SHGs women (46688; 1.86 percent) followed by Srikakulam (51915; 2.06 percent).
An attempt is also made to analyze the coverage of the members of community of STs in the project. The highest numbers of SHGs among STs is in the district of Visakhapatnam (99612; 10.48 percent) followed by Khammam (86147; 9.07 percent), West Godavari (67092; 7.06 percent), Warangal (63729; 6.71 percent) and Rangareddy (59505; 6.26 percent). In the case of SHGs of minorities (minorities in the present context), the district of East Godavari has highest number of members of SHGs (557362; 10.73 percent) followed by Chittor (339884; 6.54 percent), Srikakulam (286140; 5.51 percent).

However, in the districts of Rangareddy (87088; 1.67 percent), Adilabad (96258; 1.85 percent) and Medak (149559; 2.88 percent), the existence of SHGs of minorities is very low. There are also other communities’ (Other Backward Classes and Other Classes) SHGs and of the total districts, East Godavari has highest number of SHGs of other communities followed by Chittor, Mahabubnagar, Nalgonda, West Godavari and Visakhapatnam. It is observed that there is large gap between the rural families of so far covered and yet to be covered in all the districts of the state.

Coverage of the Identified families in the SHGs

Table – 3.2 District-wise Details of SHGs in the State of Andhra Pradesh

<table>
<thead>
<tr>
<th>S. No.</th>
<th>District Name</th>
<th>Total Self Help Groups</th>
<th>% of the total SHGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Srikakulam</td>
<td>27288</td>
<td>3.96 %</td>
</tr>
<tr>
<td>2.</td>
<td>Vijianagaram</td>
<td>21694</td>
<td>3.15 %</td>
</tr>
<tr>
<td>3.</td>
<td>Visakhapatnam</td>
<td>34925</td>
<td>5.08 %</td>
</tr>
<tr>
<td>4.</td>
<td>East Godavari</td>
<td>59117</td>
<td>8.60 %</td>
</tr>
<tr>
<td>5.</td>
<td>West Godavari</td>
<td>40850</td>
<td>5.94 %</td>
</tr>
<tr>
<td>6.</td>
<td>Krishna</td>
<td>35148</td>
<td>5.10 %</td>
</tr>
<tr>
<td>7.</td>
<td>Guntur</td>
<td>36578</td>
<td>5.31 %</td>
</tr>
<tr>
<td>8.</td>
<td>Prakasam</td>
<td>30127</td>
<td>4.37 %</td>
</tr>
<tr>
<td>9.</td>
<td>Nellore</td>
<td>22505</td>
<td>3.27 %</td>
</tr>
<tr>
<td>10.</td>
<td>Chittoor</td>
<td>39197</td>
<td>5.68 %</td>
</tr>
<tr>
<td>11.</td>
<td>Kadapa</td>
<td>27693</td>
<td>4.03 %</td>
</tr>
</tbody>
</table>
According to the Progress Report of the Indira Kranthi Patham (Society for Elimination of Rural Poverty) for the Month of October 2008, there are 96,46,200 members in 8,09,779 SHGs exclusively for women with 34,852 Village Organizations (VOs), 1098 Mandal Samakhyas (MSs) and 22 Zilla Samakhyas. As on today, the total Savings and Corpus of SHG Members are Rs.1755 Crores and Rs.3951 crores respectively. As already stated the project is mandated to build strong institutions of the poor and enhance their livelihood opportunities so that the vulnerabilities of the poor are reduced.\(^{54}\)

It is obvious from the available data that the district of East Godavari has the highest percentage (8.60 percent) of SHGs followed by West Godavari (5.94 percent), Chittor (5.68 percent), Guntur (5.31 percent), Krishna (5.10 percent), Visakhapatnam (5.08 percent), Warangal (4.94 percent); and Nalgonda (4.89 percent), Karimnagar (4.80 percent) and Ananthapur has 4.66 percent SHGs of the total in the state. It is also observed that there is a low percentage of SHGs of the districts of Rangareddy (2.82 percent), Adilabad (3.14 percent), Vizianagaram (3.15 percent), Nellore (3.14 percent), Medak (3.62 percent) and Kurnool (3.78 percent), Nizamabad (3.82 percent) and

Srikakulam (3.96 percent). It is also observed that the progress in the formation of SHGs is very low in six districts of APDPIP (1st phase of the project’s districts) which include Adilabad, Mahabubnagar, Ananthapur, Srikakulam, Vizianagaram. But, it is expected to form more SHGs because in these six districts and the activities of SHGs are started only in the year of 1998-99.

**Capacity Building**

Capacity Building programmes for different stakeholders are taken up in the project from 2000. The induction of the programme is followed by workshops and exposure visits on Social Mobilization, Institution Building, and Micro Finance. The project has adopted a two-pronged approach to enhance knowledge and skills of CBOs and their functionaries. It is developing training modules and aids suited for participatory training methods and are developing a large pool of resource persons as District resource persons and Mandal Resource groups. Active, dynamic women members, CRPs. CCs, MTC, APMs and local NGOs will form the mandal resource group to Impart trainings to the groups at mandal Training Centers (MTCs). So far 2,52,687 SHGs received first level training whereas 1,52,894 SHGs have received subsequent series of formal trainings including capacity building in health, gender, and livelihood sectors\(^{55}\).

**Institutional Building**

The process of institutional building is having multi dimensional approach. The project has followed the three-tier Community Based Organizations model where homogenous groups of SHGs have been formed into the Village Organizations and in turn the VOs are federated to form the Mandla Samakhyas. More over, Mandal Samakhyas have registered as Federation of MACS. According to the Progress Report (October, 2008) of the Government of Andhra Pradesh (Indira Kranthi Patham, Society for Elimination of Rural Poverty), there are 96,46,200 SHG members in 8,09,779 SHGs organized into 34,852 Village Organizations (VOs) and 1098 Mandal Samakhyas. In addition, there are 126 Mandal Vikalangula Sangams, 17 Chenchu Mandal Samakhyas and 15 Fishermen

Mandal Samakhyas in the State. District Samakhyas (DS) have come into existence in all the 22 districts. 32,061 Village Organizations and 1,025 Mandal Samakhyas are registered under Andhra Pradesh Mutually Aided Co-operative Societies Act 1995, to provide legal entity / status to societies / federations. The SHGs are basic structures of the village level organizations or community based organizations. Thus, the CBOs are considered as important and powerful means for eradication of poverty. It is also aimed to bring the poor families into mainstream development path from exploitation, lack of opportunities and skills and lack of effective common platforms for discussion and action.

**Micro Finance Initiatives**

The economic, social and Cultural upliftment of the rural poor through sustainable self-managed community based organizations is the main objective of Indira Kranthi Patham (IKP). Indira Kranthi Patham is organizing Self Help Groups at street (ward) level, village organization at village level, Mandal Samakyas at Mandal level and Zilla Samakyas at district level. The financial services for the poor are provided under the scheme of Micro Finance. The system of Micro Finance is the main activity of the Community based organizations (CBOs). The financial activities of CBOs include Collection of Savings (the savings are collected from members at SHG meetings Rs. 5 to Rs. 10 in weekly meetings and Rs. 20 to Rs.50 in monthly meeting SHG are being collected) and Internal lending (the savings amount is being used for internal lending among SHG members. The members are receiving loans from these savings amount for consumption purposes and repay in monthly equal installments with an interest of Rs.1 or Rs.2 per hundred per month. The sources of the funds to SHGs are Revolving Fund, Bank Linkage and Community Investment Fund. The revolving fund is provided by the government through the DRDAs under SGSY and state government schemes providing revolving fund or matching grant to the SHGs. The amount of the fund is added to their savings and the loans are distributed to the members of SHGs. The Bank Linkage is a scheme under which SHGs are being linked to banks. Banks are lending loans to the SHGs based on the micro plan and critical rating Index one to four times to the Corpus of the SHGs. Under the Community Investment Fund, the financial
assistance has been given for income generating activities. Based on the Leaps conducted at village level, livelihood activities for each family are identified. Based on the livelihood activity micro plan is being prepared at SHG for all SHG members. Based on the need prioritizations and micro credit plans, a village credit plan is prepared and converted in to a sub project. Sub projects are appraised and sanctioned by District Project Management.

**Bank Loans and Pavala Vaddi (Scheme of Subsidized Interest rate on Loans)**

The scheme of loan at subsidized interest rate was launched in 2004-05 through the G.O.Ms.No.271, PR&RD to reduce the burden of heavy interest on loans of women in the state of Andhra Pradesh. Under this scheme, during this financial year up to October 2008, Rs.4002.31 crores of bank loans are given as against an annual target of Rs. 11037 Crores and Rs.283.34 Crores is given to SHG members as Pavala Vaddi Incentive. The scheme is excluded only to 12.31 lakhs rural women of the total 96.46 lakhs women (as on October 2008), but there is need to provide to 84.15 lakhs women in the state. The Report itself is indicating that there is gap between the out reach and yet to be reached.

**Micro Finance and SHG Bank Linkages**

The SHG-Bank Loans brought some positive gains story in Andhra Pradesh. There are 25 Commercial Banks, 16 Regional Rural Banks and more than 4000 branches are participating in the programme. According to the Progress Report (October, 2008) of the Government of Andhra Pradesh (Indira Kranthi Patham, Society for Elimination of Rural Poverty), the Bank lending dramatically increased from Rs.197.70 Crores in 2001-'02 to Rs5882.79 Crores in 2007-08. AP leads in SHG-Bank Linkage Program with 42% of all bank loans given to SHGs in India. The year-wise progress upto March 2007-08 is given below:

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Table 3.3: SHG-Bank Linkages

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage of Groups</td>
<td>88575</td>
<td>165429</td>
<td>231336</td>
<td>261254</td>
<td>288711</td>
<td>366489</td>
<td>431515</td>
</tr>
<tr>
<td>Amount of Loan(Rs. Crores)</td>
<td>197.70</td>
<td>454.10</td>
<td>752.90</td>
<td>1017.70</td>
<td>2001.40</td>
<td>3063.87</td>
<td>5882.79</td>
</tr>
<tr>
<td>No. of Branches</td>
<td>3,263</td>
<td>3,701</td>
<td>3,853</td>
<td>3,853</td>
<td>3,853</td>
<td>4,600</td>
<td>4600</td>
</tr>
<tr>
<td>Per Group Finance(Rs.)</td>
<td>22,322</td>
<td>27,450</td>
<td>32,549</td>
<td>38,954</td>
<td>69,322</td>
<td>83,601</td>
<td>1,36,329</td>
</tr>
<tr>
<td>Groups Per Branch</td>
<td>27</td>
<td>45</td>
<td>60</td>
<td>68</td>
<td>75</td>
<td>80</td>
<td>94</td>
</tr>
</tbody>
</table>

Source: Indira Kranthi Patham, Society for Elimination of Rural Poverty, the Progress Report (October, 2008) of the Government of Andhra Pradesh

According to the Progress Report (October, 2008) of the Government of Andhra Pradesh Indira Kranthi Patham, Society for Elimination of Rural Poverty the target for Bank Loans for 2008-09 is Rs.11037.00 crores and under this project, Rs.4002.31 crores of bank loans given to 2,54,557 SHGs upto October2008. The report also pointed out that there are 96,46,200 members in 8,09,779 SHGs exclusively for women. Thus, the gap of the outreach of the bank loan to SHGs is approximately 555222 SHGs in the state. Even, the project has facilitated bank loans to some of the SHGs. The outreach of the bank loans still is far away from the complete coverage of all the SHGs in the state.

Community Investment Fund (CIF)

Any intervention that is going to address the Poverty of the poorest households can be through the Community Investment Fund (CIF) and the activity under taken as a means to address the Poverty problems of the poor can be a Sub-Project under CIF. Under the CIF-sub project, an amount of Rs. 835.53 Crores is given to enhance the livelihoods of the poor. An extent of 4540.24 acres of fertile and ready to use land was purchased and handed over to 5303 poor families in addition to restoring the rights of the poor over 1.36
lakh Acres of land. The incomes of the rural poor are secured and enhanced through 1,50,073 jobs for rural youth up to end of October 2008\(^57\).

There are different activities of income generation in the CIF Sub-projects such as rearing of milch animals (livestock), irrigation and horticulture, land purchase and leasing, groundnut pre-harvest intervention, bengal gram pre-harvest intervention, sheep rearing, ram lamb rearing, collective marketing, NTFP collection and marketing, horticulture, agri-inputs, marketing activity, and trainings on construction works; and other social sub-projects includes pre examination training centers, neighborhood centers, residential bridge course centers, soukaryam, surgical corrections, tri-cycles to differently abled persons (DAPs), certification camps to DAPs and Health Camps in remote areas. The project also focused on creation of economic infrastructure in the target areas in the state. The details of major activities and achievements under Community Investment Fund (CIF) are presented here.

**Dairy Intervention**

Dairy activities have been instrumental for rural change assuring employment and income for beneficiaries through out the year. It is also considered as low risk activity of the total activities of the project. ‘Milk procurement activity taken up on pilot basis in Nizamabad and Mahabubnagar districts during 2006-07, helped the milk producers to get better price for milk and promoted transparency in Milk procurement, which triggered milk productivity in the villages. Based on the success evidenced in the pilots, the same model is replicated in 18 more districts in the State. The model consists of establishing BMCUs with a capacity of 2000 to 5000 liters to collect and chill milk to the desired temperature of 40°C, were established in 138 mandals in the State. In collaboration with the APDDCF Ltd., the SHGs and their federations have takeover 144 BMCUs covering 2760 Village Milk Procurement Centers with 1,38,000 milk producers and contributed

\(^{57}\) Indira Kranthi Patham, Society for Elimination of Rural Poverty, the Progress Report (October, 2008) of the Government of Andhra Pradesh
2.57 lakh liters of milk per day in peak season and 0.80 lakh liters of milk per day in lean season\textsuperscript{58}.

**Land Purchase**

Land purchase as a productive investment is an innovative component of the project. The beneficiaries were identified based on health ranking and poverty mapping in the project areas. ‘Under this component, productive and ready to use land with assured irrigation facility is being given to the poorest of the poor households in the rural areas. As on October 2008, an extent of 4540.00 acres of land was purchased and handed over to 5303 poor families out of which 2799 (53\%) are from SCs families and 1979 (37\%) are from STs families. 1.46 lakh cases related to land disputes were resolved and created the accessibility of 1.36 lakh Acres to our members\textsuperscript{59}.

**Community Managed Sustainable Agriculture**

The main objective of the Community Managed Sustainable Agriculture (CMSA) is to sustain agriculture based livelihoods, increasing net incomes by reducing cost of cultivation with adoption of practices involving low or no expenditure with special focus on small and marginal farmers in general and women farmers in particular. It promotes the technologies based on local natural resources and promotes local knowledge and innovations. Out reach of CMSA is gaining momentum. This program began in the year 2005- 06 in 450 villages, it spread to 18 districts, 2095 villages later. NPM is first step to moving to organic farming, with community certification and to bring 1 million hectors in 5000 villages, covering 1 million farmers. This has been approved by Government of India, under Rashtriya Krishi Vikas Yojana (RKVY), in XI plan with an outlay of Rs. 162.88 crores. The major impact of CMSA is visible in net savings of the farmers, ranging from Rs. 15,000/ha in case of chillies to Rs. 3000/ha in case of Groundnut. A total saving to the extent of Rs.152 crores is expected in 2009 over 3 lakh hectares of area. During the year 2008-09 NPM is implemented in 9.00 lakh acres in 3215 villages.

\textsuperscript{58} Indira Kranthi Patham, Society for Elimination of Rural Poverty, the Progress Report (October, 2008) of the Government of Andhra Pradesh

\textsuperscript{59} Ibid.,
and 635 clusters and 240 mandals benefiting 2.42 lakh farmers this year up to October 2008. The programme is taken up in new villages and mandals also keeping in view the aspirations and capacities of the Samakhyaas’

Marketing

The collective procurement and marketing of agriculture, horticulture and non timber forest produce by establishing procurement centers under the aegis of Village Organizations and Mandla Samakhyas is being promoted by the project mainly to eliminate unfair trade practices, to enhance the incomes, remunerative prices and bargaining power of women. Under this component, the major activities are paddy procurement, collective marketing of neem, red gram, green gram, chillies, paddy, maize, turmeric, cashew, and NTFP besides Agricultural Inputs’. Paddy procurement is taken up by our CBOs in many districts. During this year up to October 2008, CBOs have procured a total of 33.98 lakh quintals of agriculture and NTFP commodities worth Rs.264.20 crores

Food Security

“In the lean agricultural season, many of the rural poor have barely one square meal a day. Food Security intervention addresses this hunger gap in rural communities. Through this scheme, the VOs encourage SHG members to draw their full PDS quota and ensure that the members utilize this opportunity. For the balance, the VOs estimate the bulk requirement of SHG members for rice and other essential commodities negotiate and buy better quality commodities from the open market and sell to their members at a price lower than the retail outlets. Under this initiative, 21,77,641 families in 1,91,015 SHGs in 14,722 VOs were reported to have provided food security by October 2008. But, there is huge gap in fulfilling the targeted goals because there are 8651023 members in 688253 SHGs. So far the coverage is only 27.75 percent of the total SHGs in the state and yet to

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60. Ibid.,
61. Ibid.,
62. Indira Kranthi Patham, Society for Elimination of Rural Poverty, the Progress Report (October, 2008) of the Government of Andhra Pradesh
be covered 72.25 per cent. It is indicating that there is need to extend the programme to cover all the members of the SHGs in the state.

**Employment Generation**

IKP has forged a partnership with a corporate foundation of Dr. Reddy’s Livelihood Advancement Business School (LABS) for improving the employability and skills of vulnerable youth like girl widows, single mothers and children of landless labourers in rural and linking them youth to service sector jobs like hotels, Banks and rural BPOs. In the year of 2004-2005, 4000 employees and in 2005-2006, 11000 employees are reported to have facilitated. In 2007-2008 itself, 70 thousands and 135 members were given jobs. It is seen that there is increasing trend in facilitating jobs to unemployed youth in rural areas in the Velugu project (Indira Kranthi Patham).⁶³

**Gender**

“Under this component, 442 Mandel Level Social action Committees were formed and 229 Community managed family Counseling Centers are working with the help of 3,586 Mandal Samakya Social Action Committees (MSSACs). Number of Village Organization Social Action Committees formed up to September 2008 are 10,044 with a membership of 53,672 women are mobilized into V.O. Social Action Committees in the villages to work on social agenda and gender discrimination cases and resolved 9647 cases till date. SERP is playing important role to prevent infanticide since 90% of the poor in the state including Lambada Women are organized into Self Help Groups. ZS Leaders from 6 backward districts (Mahabubnagar, Medak, Nalgonda, Warangal, Khammam and Rangareddy) 931 members of Social Action Committees in this 6 districts and 600 gender resource persons from 4 resource districts (Krishna, Guntur, Prakasam and West Godavari) were provided training to prevent female infanticide. They have provided training to 10,198 SHG women and 1363 adolescent girls on gender and women rights. The Gender CRPs have recorded at risk families and are providing them counseling and direct financial support from VOs. 124 out of school girls are enrolled in schools. Where

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ever possible, girls are enrolled in Government residential schools and hostels. During the last two months more than a thousand cases of domestic violence and to sensitize on gender the CRPs in 37 mandals (370 villages) in 7 districts. In 18 new villages Rice Credit Line has been created to ensure food security at the household level in three mandals, which are vulnerable to girl child selling and killing in Nalgonda District. 4 Girls were protected from the death in these mandals in coordination with an active local NGO". It is obvious from the data furnished here that the component of gender is working effectively in the project areas of the state.

Disability

The persons with differently abled (PWDs) sub component has been implementing in all the mandals of the state. Under this component, the PWDs were given importance to equal and effective in the present on going project. “The objective of this component is to help disabled persons and their caregivers to improve their livelihoods opportunities and quality of life. Intensive activities are carried out in 78 mandals. However, activities are also under taken in the other programme Mandals 2,01,465 Persons with Disabilities (PWDs) are organized into SHGs including 22,780 exclusive SHGs of PWDs. There are also 126 Mandal Vikalangula Sangams in the state. A total of 65,116 PWDs are given an assistance of Rs.51.51 crores through CIF, Bank Loans and Revolving Fund for enhancing their Livelihood. 416 Medical camps were organized for PWDs and 1,42,951 certificates were issued to PWDs at no cost to them. Further 5317 Surgical Corrections were carried out and 27,694 PWDs were issued assistive devices at no cost to them”.

Thus, the project has focused on the PWDs. But, contrary to the project’s success, field level evidences on PWDs are showing that there is negligence over the PWDs. There are poor families with PWDs especially children who are ignored in the project coverage in terms of medical benefits, schooling and financial assistance. For instance, in the village of Pipri, mandal of Lokeshwaram and Adilabald district, a woman named Gade Chinnakka, aged 42 and of the community of Madiga (SC sub caste) has three children aged 13 (boy), 15 (boy) and 16 (girl) respectively. The girl is a victim of congenital

64. Indira Kranthi Patham, Society for Elimination of Rural Poverty, the Progress Report (October, 2008) of the Government of Andhra Pradesh
65. Ibid.,
disability. Her left leg is dysfunctional. She was forced to discontinue school after class IX. The girl’s mother Chinnakka is a member of Self Help Group (SHG) and part of the coverage of Velugu project (Indira Kranthi Patham) in the state. She approached the mandal level project officers to help her daughter for medical support and provision of livelihood opportunities. The request made by Chinnakka is denied by the project officers. She also informed how they responded. In her words, ‘they told me that there is no provision to help my daughter. But, if you want we will facilitate loan through the bank or from the Village Organization of your SHG’. She tried and tried for her daughter’s health and finally, she got help by the Arogya Sree and her daughter has recovered. She also replied that “I don’t know how the people are getting assistance for such cases. I also heard that there is provision in the project to help the PWDs of poor families. But, actually I did not see such type of provision. But, I don’t know how to get such kind of assistance”. It is obviously stating that the Government’s reports relating disclosed the progress on PWDs in the state are not fully correct and the contradiction are present.

**Health and Nutrition**

“The major goal of the health & nutrition strategy under the APRPRP operates in a convergent mode with the line departments by looking at gaps in the existing public health & nutrition services that are provided by the line departments. It is being implemented in 63 mandals including 8 Giripragathi mandals (Tribal) covering 2000 Village organizations of the state. The extensive health & nutrition strategies being adopted across 63 mandals include fixed schedule for regular capacity building of stakeholders at mandal and district levels, institutionalization of the fixed Nutrition and Health Days (NH days) in convergence with line departments and regular health savings as safety nets for health emergencies. The intensive health and nutrition strategies focus on intensive health CRP strategy. 440 best practitioners from the pilot mandals have been identified as health CRPs. Since January 2007, the health CRPs strategy has been implemented in 300 Village Organizations and 300 Nutrition cum day care centers are established. The impact of perinatal and neonatal outcomes among the members attended
Nutrition cum day care centers shows 100 percent safe deliveries, 94 percent normal deliveries, No low birth weight baby was born. No maternal, infant & neonatal deaths happened in 1175 deliveries occurred among the members enrolled at 300 nutrition centers”\textsuperscript{66}.

**Education**

“Under this initiative four Giripragathi mandals of Adilabad district with 2600 children between 3 to 5 years of age are enrolled in 138 pre-schools. To sensitize the community on children rights intensive social mobilization programmes have been conducted in three Giripragathi mandals of Khammam district and enrolled 1000 children in the nearby schools. Convergence meetings are also held-up with leaders of GPs, youths and teachers for improvement of quality of education in Government schools. 17 Pre-schools were setup in the 1st Phase in two Giripragathi mandals of Warangal district and Baseline Survey on educational needs of the community is conducted. Government schools are being surveyed to identify gaps in academic and infrastructural issues for drafting a comprehensive plan for overall improvement of schools. Residential Bridge Courses have been set up for ST Dropout candidates at three places: Burnur – Adilabad, Ramannapat – Khammam, Gunjed – Warangal and enrolled 400 candidates. An attempt was made through a screening test to gauge the academic, aptitude and psychometric abilities of children of PoP SHG members at SSC level and to streamline them into suitable courses of Higher Education / Short term job trainings. 426 ST drop candidates were trained for appearing SSC examination privately by Koyathore Bata a local NGO under Residential Bridge Courses. To provide access to quality Higher Education at +2 level 8062 meritorious candidates from poor SC and ST families were identified to admit in private / corporate junior colleges for two year Intermediate courses integrated with specialized coaching for IIT-JEE, AIEEE and EAMCET. To fill up Engineering seats for SC / ST candidates a model EAMCET counseling and awareness programme was organized on a pilot basis in partnership with KAB Educational Consultancies, Hyderabad”\textsuperscript{67}.

\textsuperscript{66} Ibid.,
\textsuperscript{67} Ibid.
Community Managed Insurance Schemes

Under Insurance Initiative, the project covered 38.01 lakh Rural Landless Agricultural labourers under Indira Jivitha Bima Pathakam (Aam Aadmi Bima Yojana), 18.95 Lakhs under Janasree Bhima Yojana and 23.66 Lakhs under Other Group Insurance. Thus a total of 80.62 lakhs rural poor persons are covered under different insurance schemes to create Social Security among the members of the SHG and their families. The Government is implementing Insurance schemes with IT support to provide quality and timely service to the insured members. The Zilla Samakhyas have established Call Centers in all District Head quarters and solatium of Rs.5000/-handed over to claimant family members with in 24hrs of the death occurred. The Government of Andhra Pradesh and LIC of India have adopted online Claim Settlement system first time in the country to provide quality and timely service to insured members. Zilla Samakhyas have positioned Bima Mitras and claims eligible at Call Centers by the end of October 2008 is 20,513, out of which 6789 claims were settled and remaining claims are under process at different stages at LIC. SERP has developed web portal www.aaby.ap.gov.in to monitor the scheme at State level and also convinced the LIC of India to adopt electronic-claim settlement process by downloading the e-claim documents from the web portal.68

Pensions

Under Pensions Programme, Rs.567.02 crores is distributed to 48 lakh pensioners up to September 2008. Moreover, under this project, the Government of Andhra Pradesh has launched the Programme on November 1, 2009 from Chevella district of Rangareddy collaboration with Life Insurance Corporation of India. The progarmme, popularly, called as ‘Dr. Y.S.R. Abhayahastham’ to the enrolled members of Self Help Groups (SHGs). So far, 5o lakh members paid their annual premium of Rs. 365 each to the mandal samakhyas. The Government of Andhra Pradesh is also supporting financially under co-contribution with an amount of Rs. 15 crore per month on a regular basis. Out of the 50

68. Ibid.,
69. Indira Kranthi Patham, Society for Elimination of Rural Poverty, the Progress Report (October, 2008) of the Government of Andhra Pradesh
lakh enrolled members, 4.50 lakhs members have already crossed 60 years and now eligible to receive the pension from November\textsuperscript{70}.

**Project Expenditure**

The detailed project’s expenditure from the year of 2003 to September 2008 has been given in table below which is based on the Progress Report of Indira Kranthi Patham, Society for Elimination of Rural Poverty, (October, 2008) of the Government of Andhra Pradesh.

It could be observed from the table that the highest funds allocated to the component of Community Investment Fund (CIF) which is Rs. 835 crores and it is 44.72 percent of the total expenditure from 2003 to October 2008. The second highest fund allocated component is Institutional and Human Capacity Building and its share of the total is 26.86 percent.

**Table 3.4.**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional and Human Capacity Building</td>
<td>57.12</td>
<td>77.01</td>
<td>84.17</td>
<td>125.57</td>
<td>98.10</td>
<td>28.84</td>
<td>502.35</td>
</tr>
<tr>
<td>CIF</td>
<td>180.45</td>
<td>217.78</td>
<td>177.91</td>
<td>142.00</td>
<td>40.12</td>
<td>25.53</td>
<td>835.53</td>
</tr>
<tr>
<td>Project Management</td>
<td>21.32</td>
<td>22.96</td>
<td>23.03</td>
<td>25.23</td>
<td>22.19</td>
<td>12.91</td>
<td>145.99</td>
</tr>
<tr>
<td>SPP</td>
<td>0.31</td>
<td>0.12</td>
<td>0.15</td>
<td>0.12</td>
<td>0.08</td>
<td>0.00</td>
<td>0.78</td>
</tr>
<tr>
<td>SPD</td>
<td>0.22</td>
<td>0.74</td>
<td>3.19</td>
<td>6.42</td>
<td>5.96</td>
<td>0.92</td>
<td>17.47</td>
</tr>
<tr>
<td>SERP Total</td>
<td>259.42</td>
<td>318.61</td>
<td>288.45</td>
<td>299.34</td>
<td>166.45</td>
<td>46.31</td>
<td>1502.12</td>
</tr>
<tr>
<td>APSWREIS</td>
<td>93.04</td>
<td>89.70</td>
<td>52.80</td>
<td>57.00</td>
<td>36.49</td>
<td>--------</td>
<td>366.22</td>
</tr>
<tr>
<td>Grant Total</td>
<td>352.46</td>
<td>408.31</td>
<td>341.25</td>
<td>356.34</td>
<td>202.94</td>
<td>68.21</td>
<td>1868.34</td>
</tr>
</tbody>
</table>

Source: Indira Kranthi Patham, Society for Elimination of Rural Poverty, the Progress Report (October, 2008) of the Government of Andhra Pradesh

It is seen from the above table that the distribution for the project management is Rs. 145.99 crores and share of the total is 7.76 percent. There is a tendency that the project management cost should not cross more than 10 percent in any project or programme

\textsuperscript{70}. The Hindu, Rosaiah Follows YSR: To launch ‘Dr. YSR Abhayahastham’ scheme from Chevella’, dated: 22/10/2009. p.4.
implementation. As a result, in the ongoing project, it is observed that the cost of project implementation has not crossed the limits. But, it is not showing any gradual increase in financial allocation for any component in the project expenditure which is mentioned in the table. It can be observed that the importance has also been given for Andhra Pradesh Social Welfare Residential Educational Institutes and its share accounted 19.60 percent. And the CIF has been given much more importance. It is also observed from above table that the CIF has been given more importance in this project because the CIF is facilitating the livelihood opportunities in rural areas of the project in the state and followed by Institutional and Human Capacity Building and Andhra Pradesh Social Welfare Residential Educational Institutes.

**Performance of the project as on October 2008**

The major success of the project is strengthening the women Self Help Organization in the state. Moreover, the state of Andhra Pradesh has topped in formation of SHGs in India with 8,09,779 SHGs through 96,46,200 women.

**Table 3.5: Performance of the Project**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Indicator</th>
<th>Out reach</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>No. of SHG under the project</td>
<td>8,09,779</td>
</tr>
<tr>
<td>2.</td>
<td>No. of under the project</td>
<td>96,46,200</td>
</tr>
<tr>
<td>3.</td>
<td>No. of SHGs of Persons with Disabilities (included in the above)</td>
<td>22,780</td>
</tr>
<tr>
<td>4.</td>
<td>No. of Persons with Disabilities in SHGs (included in the above)</td>
<td>2,01,465</td>
</tr>
<tr>
<td>5.</td>
<td>No. of Village Organizations formed</td>
<td>34,852</td>
</tr>
<tr>
<td>6.</td>
<td>No. of Normal Mandal Samakhyas formed</td>
<td>1098</td>
</tr>
<tr>
<td>7.</td>
<td>Total No. of beneficiaries of Income Generating Activities</td>
<td>21,18,181</td>
</tr>
<tr>
<td>8.</td>
<td>No. of Households benefiting from Food Security</td>
<td>21,77,641</td>
</tr>
<tr>
<td>9.</td>
<td>No. of acres of land purchased</td>
<td>4,540.24</td>
</tr>
<tr>
<td>10.</td>
<td>No. of beneficiary families of land purchase</td>
<td>5303</td>
</tr>
<tr>
<td>11.</td>
<td>Amount of Bank Linkage during October 2008 (Rs. Crores)</td>
<td>4002.31</td>
</tr>
</tbody>
</table>

Source: Indira Kranthi Patham, Society for Elimination of Rural Poverty, the Progress Report (October, 2008) of the Government of Andhra Pradesh
Under the project, along with the general members, special attention was also laid on the Persons with Differently abled (PWDs) while forming the special SHGs with these members. Under this project, 22,780 SHGs (it is accounted 2.82 percent of the total SHGs) are formed with the members of 2,01,465 (2.08 percent of the total members of SHGs) of PWDs as on October 2008 in the state. As a part of Institutional and Human Capacity Building, 34,852 Village Organizations (VOs) and 1098 Mandla Samakhyas have been formed. Under the component of Community Investment Fund, 21,18,181 beneficiaries are benefited for Income Generating Activities (IGS). Besides, of the total members, 22.57 percent (2177641 members) have benefited under the Food Security scheme of the project. In addition to these activities, there is also a special component in the project known as Land Purchase. Under this activity, as noted, 4,540.24 acres of land has purchased and 5303 families were benefited under the land purchase scheme. The overall performance of the project reveals that there is huge gap between the target and so far achievement from the year of 2003 to 2008. Any of the project’s activity has not reached to at least 50 percent of the total members. Ironically, the benefits under the land purchase are very low. It is not even 1 percent of the total members in the project coverage. Even after eight years of the project implementation, it has not been up to the mark. The following section focuses on the project activities in the district of Adilabad as a selected field district.

Velugu Project in Adilabad District

The report of Government of Andhra Pradesh regarding the working of the Velugu project in Adilabad district is the following. The Project, initially, was launched at Utloor, Adilabad district on June 15th 2000. The project was implemented in three phases consecutively and of the 52 mandals, 10 mandals were identified for first phase, 20 mandals for the second phase and remaining 22 mandals were identified for third of the project. The mandals were selected based on the presence of large number of tribal population, female illiteracy, and more number of SHGs, large number of unskilled labourers and high intensity of rain fed agriculture. The project was primarily focused on identification of the poor through Participatory Identification of Poor (PIP). The

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process of identification takes place by the direct supervision of District Project Managers and District Resource Persons. At present, out of the 52 mandals, DPMU is working in 32 mandals and TPMU is in remaining 20 mandals.

“The main tools used for this PIP exercise are social map and well being analysis. The Velugu field staff facilitated the villagers to draw the social mapping in order to know the resources and facilities available, financial status of the families, housing pattern of the individual families, and other infrastructure available in the village will be identified. In the well being analysis, people are gathered at one place and with their participation the economic status of the villagers will be analyzed. People themselves categorize their financial status as rich, middle class, poor and poorest of the poor during this process.”

After the process of identification of the poor, institutional building is taken place in the form of SHGs, VOs, MSs and ZSs. All the Mandal Samakhyas are federated into Zilla Samakhya. At present, Zilla Samakhya meetings are conducted once in a month. The executive committee debates various issues in each Mandal Samakhya meeting. All DPMs attend the District Samakhya meeting and issues are clarified during the meeting to the executive members. It is noted that decision making and leadership are in the process of transformation. After the project intervention in the district, 142542 members covered under SHGs and working with 8940 old SHGs and newly promoted groups. The SHGs are strengthened by local NGOs such as DHAN, GRAM and CEAD. Moreover, MYRADA is the one of the first NGO which has been working on SHGs and its formation since 1987. In addition to that India’s VII Five Year Plan (1985-90) had emphasized the need to closely associate NGOs with rural development programmes, particularly poverty alleviation. According to the Mid Term Report of Adilabad District, all the groups have undergone the capacity building trainings by Velugu. The project has also taken up group linkages for loan with banks and special target

72. Ibid. p.6.
73. The details of these federations clearly mentioned in this chapter only. See for more details by through the previous pages.
interventions like Rice Credit line, Community Investment Fund (CIF) to the poor and poorest of the poor.

**Structure of Institutional Building**

The Community based organizations are formed through the awareness building strategies like village level mass meetings, facilitation at SHG level, Old VO members share experiences in forming VOAs and their achievements, initiating social activities like, water or sanitation problem, irregular functioning of Anganwadies, poor education facilities and financial activities like RCL and CIFs, trainings to VO Executive members on VO management. The capacity building training is reported to have been conducted in all mandals by placing exclusively a Mandal Resource Person. It is aimed at to adopt a strategy to strengthen CBOs while linking all Government programmes such as SGSY, Gruhini, ITDA, FFW etc to VOAs. In the district, according to the Mid Term Review Report, so far, 17122 SHGs have got sanctioned the loan an amount of Rs. 4162.13 lakhs under the bank linkage scheme (2000-August 2003).

**Human Resources for the Poor at the District Level**

The human resource for the institutions of poor is given special emphasis in the project. The trained human resources are Community Facilitator/Village Book Keepers.

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76. Ibid. p. 19.
Paraprofessionals (Horticulture and Agriculture, Veterinary, Fisheries, Social Activist, Health and Engineering and Electrical), Mandal Resource Persons and Mandal Book Keepers\textsuperscript{77}. Community Facilitator/Village Book Keepers are placed at Village Organization level and engaged in audit of SHGs, accounts and records of the VOs and monitoring and implementation support in RCL and CIF. Paraprofessionals are placed to provide services in relation to the particular livelihoods, marketing service and market information.

They also involve in maintaining the accounts and act as service providers to members of MS and VO. Mandal Resource Persons’ functions are providing trainings to the members of the VOs and the members and leaders of SHGs and the VOs at Mandal Samakhyas (MVTC). Mandal Book Keepers maintain the accounts of the Mandal Samakhyas. They also act as correspondence of the MS\textsuperscript{78}.

**Livelihood Activities**

The project is, according to the Mid Term Review Report, implemented in this district for income generation activities such as collective marketing for red gram and soya, livestock activities are dairy, fisheries, sheep and NTFP activities, lac and gum decomali, sericulture, tassar reeling and spinning, fodder development in the dairy villages, breed development through artificial insemination, cattle breed development and insurance coverage for the poor families under the project areas.

This financial assistance is, according to the District Mid Term Review Report 2003, provided under CIF component to the poor families in the dairy villages who are willing to take up dairy as their livelihood through banks linkage system. Another important activity under this project is related Non-Timber Forest Produce (NTFP). Since the main livelihood of the tribal in the district is collection and selling of NTFP the project has taken initiatives to increase the production and income. In the district, especially in dalit and tribal located habitations (where agricultural activities are less labour intensified); beedi leaves collection is the one of major livelihood activity during the summer season.

\textsuperscript{77} Ibid. p.20.
\textsuperscript{78} Ibid.
Beedi leaves collection, processing, storage and marketing units has been taken up under the Mandal Samakhyas. Initially, two Beedi leaves units have set up by the Mandal Samakhyas for the better livelihood opportunities in this project area. Moreover, most of the dalit and tribal families are dependent on the seasonal livelihood activities like beedi leaves collection, seasonal fruits selling and other agri and non-agri activities.

Home Herbal Kitchen Garden is one of the livelihood promotion activities under the Velugu project. The main components in this activity are Fruit Bearing Plants (Hybrid Grafting), Vegetable seed kit (Hybrid high variety) and Herbal Medicinal plants. It is also known as "Home stead Garden". Its main objectives are to minimize the expenditure on health and vegetables by the poorest of the poor families and to utilize the available resources viz., land, water and labour in effective manner.

Tussar cultivation as a livelihood activity is being implemented, especially, in the mandals of Chennur, Kotapally and Koutala. There are many families depending on Tussar cultivation. Presently, Velugu has taken up this activity with the support of trainings, CIF and marketing tie-ups avoiding middlemen and also convergence with the sericulture department. The CIG itself has quoted tenders and taken up the procurement of cocoons, processing and selling these cocoons to the traders directly without involvement of the middlemen. They have been guided in every aspect with the experts. More than 500 families have been benefited through this activity.79

Agri-inputs intervention has been taken up in this project area under CIF Sub-projects in 30 mandals of the APDPIP project area. The objective of the sub project is to minimize the expenses of the farmer to reduce the dependence on the middlemen.80 In 2003, CIF was given for 30,034 acres benefiting 19,584 farmers. The CIF amount was given to purchase Seeds and Fertilizers. Each beneficiary was given financial assistance for 2 to 3 acres. The total CIF amount disbursed for this activity is Rs. 5.80 Cr. In addition to this

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79. Ibid. p.36.
80. Ibid. p.37.
Banks have provided loan assistance of Rs. 2.21 Cr to the SHG members for Agri Inputs purpose\(^81\).

Velugu has developed integrated plan for the development of dairy sector in the district. In addition to providing milch animals to the beneficiaries, Velugu is providing marketing support to the community by establishing the Bulk Cooling Units (BCU). So far 3 BCUs are running at Ichoda, Nirmal and Uttoo. During this year, 4 more BCUs are going to be started. They are located at Kagaznagar, Chennur, Asifabad and Bhainsa\(^82\). Sheep rearing is also one of the major livelihood activities of the community in the district. Velugu is supporting this livelihood by sanctioning the CIF Sub projects\(^83\). The project is also focused on fisheries as livelihood activity for certain sections of the society in rural areas. The programme has been taken on a large scale under CIF. Under this programme, fish seed has been provided to the community. Fish seed developed at Kadam project is used for the TPMU mandal tanks, whereas in DPMU mandals, seed is being supplied to the community through Fish seed suppliers\(^84\).

One of the important programmes under the Velugu project is Land Development Programme. According to the Mid Term Project review Report of Adilabad District, 354,908 acres of government land is available in the district. The Pattas\(^85\) are distributed to the 88365 beneficiaries\(^86\). The project has also developed the social Infrastructure such as schools, community halls and other buildings for social mobilizations especially Indira Mahila Bavans in rural areas. It is also very important to focus GVVK schools which are constructed under the social Infrastructure component. The schools are constructed by the Village organization / VTDAs. According to the midterm Review Report, so far, 84 GVVK schools constructed with a financial assistance of Rs. 63 lakhs by the Velugu\(^87\). Another programme of Velugu is Soukaryam. Under the Soukaryam scheme, cycles are

\(^81\) Ibid.
\(^82\) Ibid.
\(^83\) Ibid. p.38.
\(^84\) Ibid.
\(^85\) Patta is an official document of the land owner. The pattas are provided by the respective state Governments. There are different categories of land under the Government norms such as Assigned land, Ceiling land, Bhudan land and Inaam land.
\(^87\) Ibid. p.41.
distributed for the school going girls and for the Inter first year college going girls those who are in below poverty line families to encourage the education for the children of poor families.

Bank Linkages is a prominent scheme and under this scheme, SHGs are linked to the Banks for the facilitation of rural credit under microfinance mode. Rice Credit Line is implemented in all the mandals of the district. According to the Mid Term Review Report, 51266 families from 4857 SHGs have been covered under Rice Credit line programme. Under this scheme, the food grains like rice, wheat and other cereals are secured for the poor and poorest of the poor families. After implementing the RCL scheme, there is tremendous response from the poor people in terms of their participation in group meetings, discussing various problems and other social issues. The repayment is very good and members have taken second time also.

In the district of Adilabad, the project has strengthened the community based organizations such as SHGs, VOs, MS and District Federations. There is also visible infrastructure development such as school buildings, community buildings, and rural markets and other skill based trainers also are produced by the project. There is also evidence that, according to the District Report, human capacities are developed through the training programmes and income generation sources through wage enhancement are also enhanced by this project. It is also observed that rural women have strengthened in terms of social mobilization, political unity and economical opportunities. The project is also targeted to provide higher education facilities, Biofuel (Kanuga seed Oil) operated Power generation has been initiated as technological intervention; women started imposing ban on arrack consumption. Herbal medicine camps to reduce health expenditure are focusing on traditional good health practices.

The project has convergence with other line departments in order to achieve project objectives. The main convergence departments are BC Corporation, SC Corporation, ST Corporation, Handlooms, Fisheries, Agriculture and Veterinary Department. The project

88. Ibid.
89. Ibid. p.49.
90. Ibid. p. 50.
has taken up the developmental oriented programmes such as Dairy Development, Fisheries, Non Timber Forest Products activities, agriculture and related activities, Systematic land Development, Sheep rearing, Horticulture, Poultry and other Service oriented programmes also to provide employment opportunities in Army, Masonry and others.

To sum up, the project is targeted to empower the poor families through the different developmental intervention in the state of Andhra Pradesh. There are different components for effective function of the project. The project has strong people’s support in terms of social mobilization, grass root self reliance institutions and also has strong community investment fund. In the district of Adilabad, the project is reported to be effectively working in rural areas with the support of women. It is also reported that the income generation activities are successfully running in the district. More over, the project is also focused on development of villages to strengthen the economy, markets and infrastructure, educational facilities to children and youth for higher education.