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The year 2005-2006 in SRIJAN’s development has been one of growth both in terms of organization as well as its larger role in rural development. Just five years ago SRIJAN started with a single field project, today it works in eight field locations. Six of these projects are spread across Central and Northern Madhya Pradesh, one in Rajasthan and one in Karnataka. In programme expansion it has built on its initial and abiding raison de etre, working for the poor by enhancing livelihoods and building community organizations for improved water resource management. SRIJAN is reaching out to more than 12,000 rural poor families.

Water, particularly in medium and low rainfall and low percolation regions is the single most important resource for livelihoods (natural resource context of our states is given in text box 1). Escalating demand, untenable exploitation of ground water through use of bore wells result in dwindling yields in agriculture and have long term consequences for a growing population. At a local level it means that the poor lose out lacking in resources to negotiate leading to land alienation, hunger, sinking into deeper debt, and out migration and sometimes suicides. SRIJAN conceived a strategy which grew out of three research studies, a study in three river basins in Karnataka for “Community Driven Integrated Water Management and Sustainable Livelihoods”(2003), a study into management of Chandela Taals in Bundelkhand region of Madhya Pradesh (2002), and another one into participatory irrigation management of two major canal irrigated areas in Madhya Pradesh (2002)2.

Water Resource Management for Sustainable Livelihoods SRIJAN’S approach to water management seeks to remedy the malady that afflicts a majority of the water projects in India. They focus on the supply side in the main, aiming to make greater volume of water available, leaving the people to sort out the distribution issues. There is little attempt at “managing escalating and competing water demands.” It is this aspect that SRIJAN has tried to focus on through its work, without ignoring the aspect of enhancing water availability as required locally. SRIJAN has promoted low cost sprinklers for small and marginal farmer’s wheat cultivation during Rabi season. To address the issue of equity and sustainability, we strengthen and promote informal water management institutions of smaller scale, enhance wider participation in decision making over civil works by joint walk-through exercises with government engineers as well as by encouraging them to contribute financially. In Common Water Property Resource (C WPR) situation, it is a challenging task. Our work on the supply side has largely involved renovation of older structures such as ancient Chandeli taals, tanks built by Mysore state, and dilapidated and defunct Panchayat Water Harvesting Structures on the one hand, and building smaller structures such as ‘pouch dams’, farm ponds, and so on. Introducing less water intensive crops such as medicinal plants and vermin-compost are parts of our effort to arrest degradation of soil and depletion of water resources for small and marginal farmers.

SRIJAN has over the six years of its work brought around 5000 hectares of land under water resource management activity and about forty million rupees have been invested in improving the health of these resources ending with greater water availability and efficiency.

Promoting Rural Livelihoods Rural livelihoods have suffered because of low productivity, unfavourable market linkages, and lack of organizational capital. SRIJAN promotes self-reliance and sustainable development models. Self-reliance of rural communities is promoted through processes of creating economic family assets, building their capacities to function as organizations, and setting up external linkages that protect and enhance the interests of the poor. A livelihoods cluster approach is in the making where we attempt to saturate an area with producers’ groups and build a common pipeline for inputs and a supply chain for their produce. This is being tried in dairy to begin with.

SRIJAN’S Role SRIJAN’S role at the community level is to facilitate the formation of sustainable institutions around livelihood activities. Since the development processes need to keep pace with the external environment, SRIJAN attempts to be a bridge so as to bring in new technologies, market linkages, credit, and any other knowledge or practice that would help the poor communities to be economically and socially more self reliant.

Major Initiatives in 2005-06

The year gone by was one of reflecting, seeking consolidation, and defining future course. SRIJAN invited two senior development professionals to review our work and organization and engage us in reviewing our strategies.

We made a strategic shift to market oriented livelihoods in some of our locations. The sectors chosen are dairy and horticulture including medicinal plants. Teams in Sagar, Tikamgarh and Tonk, took tentative steps and are to still find their feet.

We began to work with tribal population by opening two new locations, namely Anuppur and Chhindwara, both in Madhya Pradesh. We brought to a close our association with BERI project in Tumkur district in Karnataka.

1Studies were conducted in collaboration with Anand and Hyderabad offices of International Water Management Institute, Colombo, and variously sponsored by Government of Madhya Pradesh, IWM-Tata Programme, and Asian Development Bank.
By successfully negotiating grants from two donors in existing locations, we strengthened our financial position. Dovetailing with public resources, institution-building support from PACS programme of DRD, UK and “Sakh Se Vikas” of Sir Ratan Tata Trust, Mumbai is expected to improve quality and sustainability of our development intervention.

### Progress During the Year in Direct Grassroots Action Projects

In most locations, our challenge has been to deepen our work in terms of community institutions, simultaneously as the economic assets are built. Engaging and sensitizing government, our primary partner, in this process of deepening democracy has often left our young professional staff frustrated yet times satisfied.

#### A. Water Resource Management for Sustainable Livelihoods

Five of SRIJAN’s grassroots action projects, namely, the Participatory Irrigation Management (PIM) Project in Vidisha, the Tank Rehabilitation Project in Kolar (Karnataka), Watershed cum livelihoods projects in Sehore and Chhindwara (M.P) and the biomass energy project in Tumkur (Karnataka) have “water” as the core focus.

**i. Participatory irrigation management (PIM) in command area villages of Samrat Ashok Sagar dam, Vidisha.**

In Madhya Pradesh, actual irrigation command area is less than 50 percent of the potential created. Lack of resources with the Government resulted in inadequate maintenance, unlined canals leading to water logging, and lack of water distribution norms implying excess water at the head and starving the tailend farmers. Some portions of canals were not even built in the first place.

To address this problem, a pilot PIM project of four and a half duration was started in 2003, at six sites. SRIJAN and three other NGOs were chosen to mobilize the community to restore the defunct canal systems and to revitalize water users associations (WUAs) and to enhance the facilitation role of the staff of Water Resource Development Department (WRD), primarily engineers. We were to encourage the water users to raise a financial contribution of 30 percent towards the repair and restoration cost. India Canada Environment Facility (ICEF) provides support cost and 50 percent of the programme cost. The remaining 20 percent is contributed by WRD. SRIJAN chose to work in a large system, the command area of Samrat Ashok Sagar dam near Sanchi. We are expected to reach over 5000 farmers owning over 11600 ha of land in the command area spread across 84 villages falling in two districts, Vidisha and Raipan.

SRIJAN promoted small informal work committees of the beneficiaries (where leadership was voluntarily chosen by water users, not necessarily the elected WUA presidents), to plan and implement rehabilitation work with total transparency and accountability. We enhanced participation by choosing repair of minors near their fields rather than in far off distributary. We discouraged physical work through contractors to create ownership of this community asset and developed leadership. By organizing exposure trips to successful projects in other states, SRIJAN is spreading awareness about the power of community participation and building the capacity of WUA and WRD team members.

As a result, we have for the first time made available irrigation to 310 hectares of land belonging to 213 tail end farmers; increased the number of irrigation (earlier 1 and now up to 3) to 650 hectares of land owned by 354 tail enders; controlled seepage in 25 hectares of waterlogged land of 30 families. We have formed 18 work committees across 9 WUAs. The work committees have executed the physical work worth 10 lakh rupees (community contribution three lakh rupees) and more than 27 km of canal has been restored. They have, jointly with WRD engineers, identified rehabilitation work worth 60 lakh rupees. A more significant result was that the most of the newly elected WUA presidents in the elections held in February 2006, were the people who had led our work committees. It was a just reward for their public service.

To make our intervention more effective, our Vidisha team, comprising of seven professionals, plans to work on specific demand management interventions. We are attempting Chak development (management of water, soil and crops in an area of 100 ha), crop diversification (horticulture), and involvement of women in PIM through credit and savings groups.

#### ii. Integrated Community Led Development of Tanks in Kolar.

Tanks are old community structures though assistance was provided by old Mysore state. Low scanty rainfall, water intensive crop cultivation, and groundwater utilization has reduced their importance but they continue to be critical for recharge of groundwater and assurance of drinking water availability in the area. SRIJAN is working in the Community based Tank Management Project managed by Jala Samvardhaneyojana Yojana Sangha (JSYS), Karnataka. It is Kasba hobli in Malur Taluka of Kolar district, some 50 km east of Bangalore. Our focus is on institutional building including creation of Tank Management Institutions (TMI) for planning and implementation of present tank projects, it is a sub-committee of Gram Panchayat. We conduct a PRA programme for 4 days intensively, main activities in which are identification of tank related problems and causes, and prioritization of needs. A subcommittee of GP is formed that is to last the project period and beyond. An Integrated Tank Development Plan is made to rehabilitate the tank. Interestingly farmers have cleaned up the feeder channels that have increased the inflow in the tanks. Another activity of farmers’ interest is bund strengthening to prevent overtopping and damage to the structure as well as puddling (mud-filling) to repair cracks. We are currently engaged in implementation in 13 tanks and planning development of 17 new tanks. We have invested over 1.8 million rupees in their rehabilitation out of which water users have contributed approximately 470,000 rupees.

#### iii. Rehabilitation of Watersheds to Enhance Agriculture Productivity in E-Choupal Areas of Sehore and Chhindwara.

ITC approached SRIJAN in 2003 to rehabilitate watersheds and enhance crop water availability for the farmers in Ichhawar block of Sehore district. They had set up the e-choupal system of direct procurement of wheat and soybean, and farmers were feeling the pinch as groundwater was receding fast. Soybean cultivation in kharif does away with the traditional haveli system of water harvesting in the field. Till now, over 2000 ha land has improved water availability with an investment of 15 million rupees. Two significant interventions of SRIJAN are worth mentioning. Last year alone, we invested over 9.2 million rupees in assets. One, the renovation of old panchayat owned structures and two, introduction of sprinklers in wheat crop.

Ichhawar block has about 25 gate operated stop dams that have lain defunct over a long time. Some are 50 years old. These structures are often big catering to the irrigation requirements of more than one village (see textbox2).

SRIJAN has rehabilitated eight old structures that together account for over 875 hectares of land,
benefiting approximately 550 families. Some of these structures are over and command farmers have no recall of when these structures last had water in them. Now SRIJAN has also begun construction of new stop dams and has done over 17 of them in the last two years. We have also begun community irrigation wells to reach out to poor farmers and set up irrigation facilities for them.

Our low cost Sprinkler irrigation programme has reached 340 ha of wheat cropped land. Our sprinkler units come in a range of models and can be powered by electrical motor or diesel pump with a rating of 2hp, 3hp or 5 hp. Most of the beneficiaries are small farmers, who tend to use the smaller model.

The team in Sehore is led by an experienced agriculture engineer and is supported by professionals trained in engineering, forestry and social work.

Encouraged by results in Sehore, ITC began support from the Chhindwara location. Chhindwara is experiencing fast depleting groundwater table and is one of the most water scarce affected districts in the state. We have set up a four member team of professionals to recharge groundwater and perhaps introduce horticulture diversification in the area that has a large tribal population. The team has begun working on watershed development that includes building a series of check dams, recharging of drinking water bore wells, and deepening of some community wells. In their first year of working with the community, the total investment was of the order of two million rupees.

Impact and Water Management Institutions. This year rainfall was low in the area. And it is now that the farmers are realizing the real boon the stop dams have proved to be. In Ichhawar only 25 percent of the total cultivable land has been sown this year. But the command land of these dams is in stark contrast to this barren landscape. Hundred percent of the command land has standing crop as the farmers here were able to give the much needed pre-sowing irrigation unlike other farmers who have fallow fields just adjacent to command fields.

Faulty design at times but more often absence of an institutional body around these structures renders them defunct. The rehabilitated structures run the same risk and to avert this every attempt was made to make the process of rehabilitation participatory, beginning from beneficiaries contributing towards the cost of rehabilitation to taking responsibility for implementation. All the command area farmers were organized into Water Users Groups and from this body a Management Committee was selected which was made directly responsible for ensuring quality implementation.

We have just begun work on building the capacity of the water user groups on this front by conducting regular trainings and holding exposure visits to different projects such as AKRSP’s programme in Netrang where vibrant user groups exist. Norm setting becomes important given that these water structures are intricately linked to the livelihood of people. Presently we are assisting these water user groups to arrive at a system of water taxation by helping them estimate the (i) volume of water stored in a dam; (ii) amount of water required for irrigating crops like wheat and gram; (iii) acres of command land under these crops and; (iv) the expense that would be incurred on maintenance of the dam. Based on the data that emerges from such exercises, water tax is fixed per acre per irrigation. Depending upon the acres of land a farmer has in the command and the number of irrigations s/he takes, water tax is levied.


The programme has an ecological objective of producing energy from non-fossil fuel sources and has chosen to promote a biomass based gasifier technology. In order to create demand for energy and capacity to pay for it, the project has also taken up water harvesting programme and to create enough biomass, a programme of agro-forestry. Thus, primarily it is farm ponds and agro-forestry plantation that have been the main programme elements in this location. Plantation effort was supported by community nurseries for silviculture species and plantation of mango saplings in agriculture fields. Farm pond is a very effective strategy in this rain-deficit and low groundwater table area for small farmers to harvest rainwater and use it for preventive irrigation. O then it will recharge the well just downstream of the field in which the farm pond is dug. Usual size of farm pond is 30 feet by 30 feet in length and width, and depth is 10 feet. The cost is just about 4000 rupees. More than 320 farm ponds were dug at a total investment of 1.325 million rupees. 23 Women’s SHG’s were the mobilizing force for these activities.

B. Rural Livelihoods Promotion

i. Livelihood Promotion in Tonk.

SRIJAN is working in Deoli block under the District of Tonk in Rajasthan. The project commenced in August 2002 with a survey and selected the poorest area in the block for SRIJAN’s intervention. Deoli block falls on the drier side of Bisalpur canal. It comprises of 67 villages in 18 panchayats. SRIJAN works in the World Bank funded DPIP programme of the government. The role here is of a facilitator, forming Common Interest Groups (CIG) of poor people, helping them to identify and take up an economic activity and link them with the DPIP. There are now 217 groups out of which 111 have adopted the self help group mode and 107 dairy groups. The total number of beneficiaries is 2396 out of which 1350 are women. The total investment so far is 17 million rupees. Cumulative savings of the groups is one million rupees. From last year the focus primarily has become to promote dairy. Over 6.5 million rupees were invested in dairy (buffalo purchase) which is about three fourths of the total investment in the year (8.5 million).
The SRJAN team of seven professionals have been working to inspire the women to form groups and encourage them to take up livelihood activities, sometimes unconventional ones like operating businesses and running them successfully. These business institutions of poor women have been developed with the federations of groups into clusters and clusters into livelihood cum microfinance federation called Maitree. Ten clusters were formed covering 56 villages and each cluster is federated into Maitree Mahila Mandal. Two elected representatives from each Common Interest Group and they in turn send two elected representatives from each cluster to make up the membership of Maitree.

The first Maha Sammelan was organized on 23rd January, 2006. The Maha Sammelan provided a platform for sharing, brought them in contact with district officials and demonstrated to the external world their strength and solidarity.

SRJAN is one of the few organizations in DPIP Rajasthan that has successfully demonstrated savings-livelihood-subsidy model of intervention and scaling up. The World Bank and the Government of Rajasthan have appreciated the work.

### ii. Livelihoods Promotion in Sagar

SRJAN began to work in Jaisinagar in December 2000 in a cluster of villages. The area displayed all the features where poverty flourishes: 50% of arable land lies unirrigated, open dug wells are the major source for irrigation, water from ephemeral streams and rivers far below the requirements, no sign of water harvesting structures. All this led to low agricultural productivity. The means by which some of the problems could be mitigated were also absent. There were no credit facilities for the poor. The only recourse were the local money lenders who for generations of the poor in the area have been pushed further and further into dire poverty.

In the last four years, Natural Resource Management and Sprinkler with wheat are some of the significant activities that we have promoted in 26 villages where we are currently working. New focus has developed around dairy. People were responsive towards building social infrastructures and soil and water conservation measures like bunding, building percolation tanks and adopting low cost sprinkler system. The people were also amenable to take up activities like ginger cultivation jointly.

The project has invested more than 18 million rupees in community assets last year of which 8 million rupees have been in dairy alone and agriculture (Rs. 3.6 million) and water resource development (Rs. 3.7 million) being other two major activities. Market enquiries are being made so that milk could be sold to private dairies in Sagar.

### iii. Tribal Livelihoods in Anuppur

MP Rural Livelihoods Project (MPLRP) of the government of Madhya Pradesh invited SRJAN to participate in project implementation. We are working in an area that is tribal dominated but has a peculiar situation of colliery providing jobs to local population. This has raised local wages, but the agriculture situation continues to be precarious typical of most tribal areas in the country. The team was set up late last year and is at the stage of rapport building with the community.

### iv. Strengthening SHGs in Three Districts with PACS support

DFID’s PACS programme has provided substantial support to SRJAN to strengthen people’s institutions in three districts in MP namely Sagar, Tikamgarh, and Vidisha. We are expected to make 520 SHGs in the three districts and also promote tank users groups in Tikamgarh. Dairy programme will get a boost because of PACS support for human resources as DPIP MP draws to a close. In Vidisha, non-irrigated area and poor families un-reached by irrigation canal are our target for the PACS programme.

### v. Institutional Development in Tikamgarh

Tikamgarh has made serious progress with over 70 SHGs and have also begun promoting a producers’ organization for establishing market linkages. It is being named Jeekiva. Tikamgarh team has received invitation from the district administration to participate in NREGA.

### Consultancy Support to State Governments

The Forest Department of Government of Himachal Pradesh is preparing a watershed cum livelihoods development project for communities living between 800 to 2000 meters of altitude, with support from the World Bank. SRJAN was invited to provide assistance in developing a project implementation plan and a manual for community participation. The project is going to be implemented in almost 600 gram Panchayats and through them. The World Bank as well as the government appreciated the SRJAN’s effort and expertise, although it was our first project in the state.

The Government of Bihar is preparing a livelihoods project with assistance from the World Bank. SRJAN was invited to provide its advice in developing an organizational structure, and human resource strategy for the project. SRJAN made presentations to the Chief Secretary and all the senior secretaries of the government about its HR vision and experiences of recruitment and selection in other community driven projects of the World Bank. The team was asked to take up the recruitment at the state level.

### Human Resource Development

Human resource profile of SRJAN professionals is rainbow like. We are about sixty professionals from academic background ranging from engineering, agriculture, social work and veterinary sciences, drawn from campuses across the country. Most professionals have post graduate degree and one quarter is female. Many professionals have now been groomed to become team leaders (homegrown model). We have mixed results in our experiment with lateral entry of experienced professionals.

We began with a formal induction programme last year to reinforce organizational identity and batch like solidarity among fresh entrants from varied backgrounds. We have also successfully launched and continued the SRJAN write programme since a number of our colleagues come from vernacular background. Praveen Rai is anchoring the programme.

We organized annual retreat of all professional and support staff in October in Sanchi. Project review meeting is held six monthly and core group meetings are more frequently held at least bi-monthly.

### Informing the Public

SRJAN Letters, our newsletter, is being published half yearly though the intent is to bring it out on at least a quarterly basis. It has become a platform for young professionals to reflective articles on their work. Website has been launched with the domain name www.srijanindia.org.
Mobilizing public resources for the poor has been the mainstay of SRIJAN’s financial strategy since its inception. In fact, our consultancy work with the state governments, albeit with donor support, is also aimed to build a constituency and appreciation for SRIJAN’s professional competence. Now, of course, as our grassroots action projects are beginning to show impact, that is itself attracting the government and donors alike. The strategy of working with government is paying rich dividends.

**Collaboration with Government.** For seven of its field projects, the Trust has collaboration with state governments. It has mobilized 31 million rupees during last year for building economic assets of the poor.

**Partnership with Private Sector.** ITC (P) Ltd supported SRIJAN in building water resources for the community to the extent of 7.5 million rupees.

**International Donor Support.** Canadian High Commission support was over 800,000 rupees.

**Rural Poor Community** itself contributed a substantial amount of 9.5 million rupees.

The table given below summarises the investment in community assets.

<table>
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<tr>
<th>Location</th>
<th>Government Contribution</th>
<th>International Donor Contribution</th>
<th>Private Sector Contribution</th>
<th>Total Investment</th>
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<td>-</td>
<td>-</td>
<td>330,289</td>
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A total of 47 million rupees worth of economic assets were built for rural poor community during the last financial year, with assistance of SRIJAN professionals.

Total funds routed through SRIJAN accounts during the FY 2005-06 were more than 22 million rupees. Out of this funds for staff support were approximately 12 million rupees.

**External Review of SRIJAN**

SRIJAN leadership thought a Strategic Review of the organization was warranted to analyze the experience and draw lessons for the future. SRIJAN invited external consultants, Biswajit Sen and Lalitha Iyer, to: (i) assess the outcome and impact of SRIJAN’s work; (ii) provide strategic directions for the future; (iii) prepare for the immediate future a human and organizational development plan; and (iv) do a participatory visioning exercise. Sir Ratan Tata Trust largely supported the exercise. The review exercise began in July 2005 and ended in February 2006.

The report suggested some programmatic strategies for SRIJAN to further consolidate its work. Among these the need to invest in deepening interventions in locations irrespective of the project design imposed by donors, strengthening community institutions and limiting the geographical spread to present districts while expanding to adjoining blocks with a replicable model, were particularly emphasized.

Biswajit and Lalitha presented these findings to SRIJAN core group in a three day workshop in Delhi in December. The group deliberated extensively upon the findings and strategic choices (programmatic and human resource) available to SRIJAN were weighed. The group arrived at a vision statement for the organization. It was decided that SRIJAN in the coming five years would: (i) deepen thematic programmes as Rural Businesses in each location before replication; (ii) multiply and integrate different sources of finance including private-public partnership for each Rural Business; (iii) develop a core group of entrepreneurs and social entrepreneurs; (iv) evolve an attractive career growth plan to retain professionals in rural development sector; (v) undertake analytical documentation and dissemination of change processes; and (vi) influence policy.

But this vision was still abstract. It was important that it percolated down to the field teams, be owned by them and be reflected in their programme strategy. To enable this an intensive exercise in developing “Area (Location) Visions” was undertaken. Teams having similar thematic focus were grouped together and three day workshops were held where the teams worked together to discuss the opportunities available to them and how they could use these to overcome the constraints and graduate from what currently were techno-community models for sectoral themes to building community institutions as rural business entities and resource management institutions.

This was an important exercise in helping professionals in different locations to break away from the project mould and plan for future, based on priority areas identified by SRIJAN keeping in mind the elements SRIJAN deemed essential, for making interventions more meaningful. The area vision plans were consolidated to arrive at an organizational vision for themes namely, Water Resource Management (Common and Private), Livelihood (Dairy and Horticulture) and Livelihood Finance.

As a culmination of this effort, SRIJAN presented its “Vision 2011” in February 2006 to a distinguished group of people, representing our present and prospective partner organizations including the state governments, the World Bank and private donor agencies in a workshop held at India Habitat Centre, New Delhi.

Based on the strategic review by external consultants carried out in 2005-06, SRIJAN has decided to deepen its presence in existing locations along a theme based programme. Two broad thematic areas are: (i) water resource management; (ii) market led livelihoods businesses. These are mutually complementary in an area development strategy rooted in local socio-economic and natural resource conditions. In order to foster people’s institutions, we promote saving and credit groups of women (popularly known as SHGs), which are expected to lead to producers’ organizations focused on specific livelihood businesses.

**Way Ahead**

With this overall perspective we need to have a well-constituted Human Resource team at the centre, which will comprise of the full time HR professionals, the team leaders and the theme leaders. Also, we...
would like this unit to function as an internal faculty to groom the young professionals joining fresh from the campus and fulfill the ongoing professional development requirements of the senior executives. As part of this programme they will be responsible for developing capacity building programmes (techno-managerial) streamlined with the field requirements. The team leaders and theme leaders will be given grounding in the HRD processes to facilitate intensive one to one interactions (more psycho-social skills) with the professionals.

This implies that substantial time of the senior professionals will be invested in the human resource development processes. However the projects do not provide the time and budget for senior professionals to undertake these responsibilities, which nonetheless have an important bearing on delivering quality and encouraging innovation. It is therefore important that SRIJAN has a central pool of funds from which it can meet the cost of its core members.

Goverance

Induction of new members has strengthened our board of trustees. Mr Subhash Khuntia, presently Joint Secretary, Ministry of HRD, Government of India, Mr Ajay Mehta, Executive Director, National Foundation of India, and Dr Govind Sharma, Professor of Electrical Engineering at IIT, Kanpur have joined our board. We welcome them and look forward to their guidance in our future. Mr S. Srinivasan who very actively served the board in its formative years offered to step down and make way for others.

Participation in International Forum

The World Bank invited SRIJAN to be one of the two CSOs to represent India at the World Bank/IMF’s Annual General Body Meeting in Singapore, September 2006. We participated in the preparatory meeting in March 2006.

Financial Statement for 2005-2006

REPORT OF THE AUDITORS TO THE TRUSTEES OF
Self Reliant Initiatives through Joint Action (SRIJAN)

1. We have audited the attached Balance Sheet as at March 31, 2006 and the Income and Expenditure Account for the period ended on that date annexed hereto of Self Reliant Initiatives through Joint Action (SRIJAN), a charitable trust registered under the Indian Trust Act. These statements are the responsibilities of the management of the Trust. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. We have no relationship with or any interests in the Trust other than our capacity as auditors.

4. We further report that:
   4.1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
   4.2. In our opinion proper books of accounts as required by law have been kept by the Trust so far as it appears from our examination of the books.
   4.3. The Balance Sheet and the Income and Expenditure Account dealt with by this report are in agreement with the books of account.

5. In our opinion, and to the best of our information and according to the explanations given to us, the accounts, read with the notes thereon and documents annexed thereto, give a true and fair view:
   5.1. In the case of Balance Sheet of the state of affairs of the Trust as at March 31, 2006 and
   5.2. In the case of Income and Expenditure Account of the EXCESS OF INCOME OVER EXPENDITURE of the Trust for the year ended on that date.

V. NAGARAJAN & CO.,
Chartered Accountants

New Delhi,
Dated: 28th July, 2006

(V. NAGARAJAN)
Partner
### Self Reliant Initiatives through Joint Action (SRIJAN)

#### BALANCE SHEET AS ON MARCH 31, 2006

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Rs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corpus Fund</td>
<td>5,000</td>
</tr>
<tr>
<td>Restricted Fund</td>
<td>929,061</td>
</tr>
<tr>
<td>Unrestricted Fund</td>
<td>3,955,050</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>6,004,580</td>
</tr>
</tbody>
</table>

#### ASSETS:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Rs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets (at cost)</td>
<td>1,789,929</td>
</tr>
<tr>
<td>Less: Depreciation</td>
<td>906,992</td>
</tr>
<tr>
<td>Total Assets</td>
<td>2,696,921</td>
</tr>
</tbody>
</table>

#### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2006

<table>
<thead>
<tr>
<th>Income</th>
<th>Rs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and Contributions</td>
<td>16,733,686</td>
</tr>
<tr>
<td>From Indian Agencies</td>
<td>3,500,809</td>
</tr>
<tr>
<td>From Foreign Agencies</td>
<td>2,093,212</td>
</tr>
<tr>
<td>Capacity Building, Design and Research</td>
<td>151,938</td>
</tr>
<tr>
<td>Other Income</td>
<td>49,417</td>
</tr>
<tr>
<td>Total</td>
<td>22,369,627</td>
</tr>
</tbody>
</table>

#### EXPENDITURE:

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Rs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Programme Expenditure - Rural Development</td>
<td>8,705,334</td>
</tr>
<tr>
<td>Personnel Cost</td>
<td>7,324,572</td>
</tr>
<tr>
<td>Travel and Conveyance</td>
<td>2,188,152</td>
</tr>
<tr>
<td>Professional Fee</td>
<td>854,502</td>
</tr>
<tr>
<td>Rent, Water, Electricity and Maintenance</td>
<td>419,893</td>
</tr>
<tr>
<td>Communication</td>
<td>275,012</td>
</tr>
<tr>
<td>Printing, Stationary, Books</td>
<td>263,842</td>
</tr>
<tr>
<td>Auditor's Remuneration</td>
<td>98,185</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>288,582</td>
</tr>
<tr>
<td>Depreciation</td>
<td>291,939</td>
</tr>
<tr>
<td>Total</td>
<td>20,910,083</td>
</tr>
</tbody>
</table>

#### Appropriation:

<table>
<thead>
<tr>
<th>Appropriation</th>
<th>Rs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess of Income over Expenditure</td>
<td>1,459,544</td>
</tr>
<tr>
<td>Total</td>
<td>22,369,627</td>
</tr>
</tbody>
</table>

Financial Statements for the year ended March 31, 2006

New Delhi-68
Date: 24/12/2006

(V. Nagarajan) Chairman
M.L. Mehta Managing Trustee

Ved Arya Managing Trustee

As per our report of even date for V. Nagarajan & Co.,
Chartered Accountants

New Delhi-68
M.No.19959

M.L. Mehta
Chartered Accountant

Ved Arya
Managing Trustee

Financial Statements for the year ended March 31, 2006
### SCHEDULE TO ACCOUNTS AS ON MARCH 31, 2006

#### SCHEDULE 1: RESTRICTED AND UN-RESTRICTED FUND BALANCES

<table>
<thead>
<tr>
<th>Funding Agency (Project, Location)</th>
<th>As on April 1, 05</th>
<th>Transferred to / from Income &amp; Expenditure Account</th>
<th>As on March 31, 06</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESTRICTED FUND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DFID- PACS Programme, Jalore, Jalore and Vidyas</td>
<td>-</td>
<td>1,516,800</td>
<td>1,516,800</td>
</tr>
<tr>
<td>Canadian High Commission, Tank</td>
<td>284,414</td>
<td>(449,432)</td>
<td>(165,291)</td>
</tr>
<tr>
<td>Rehabilitation, Tilharagno</td>
<td>(69,943)</td>
<td>(36,215)</td>
<td>(106,158)</td>
</tr>
<tr>
<td>Government of Madhya Pradesh, DPRP, Jalore</td>
<td>290,288</td>
<td>908,056</td>
<td>1,198,344</td>
</tr>
<tr>
<td>Government of Karnataka, DPRP, Malak (Kolar)</td>
<td>(312,964)</td>
<td>(14,814)</td>
<td>(297,148)</td>
</tr>
<tr>
<td>Government of Karnataka, NERU, Tovikere (Tumkur)</td>
<td>(87,949)</td>
<td>(200,145)</td>
<td>(288,094)</td>
</tr>
<tr>
<td>Government of Rajasthan, DPRP, Tonk</td>
<td>(870,117)</td>
<td>157,969</td>
<td>(712,148)</td>
</tr>
<tr>
<td>Government of Madhya Pradesh, MHRP, Anuppur</td>
<td>-</td>
<td>(112,022)</td>
<td>(112,022)</td>
</tr>
<tr>
<td>ITC Limited, Livelihoods, Sehore</td>
<td>(35,052)</td>
<td>(616,034)</td>
<td>(652,086)</td>
</tr>
<tr>
<td>ITC Limited, Livelihoods, Chhindwara</td>
<td>-</td>
<td>387,307</td>
<td>387,307</td>
</tr>
<tr>
<td>Sr. Babu Bajwa Trust, Livelihoods, Tonk</td>
<td>-</td>
<td>531,807</td>
<td>531,807</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>(633,883)</td>
<td>1,552,985</td>
<td>929,081</td>
</tr>
<tr>
<td><strong>UNRESTRICTED FUND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SRIJAN OWN FUND</td>
<td>1,467,271</td>
<td>(409,162)</td>
<td>1,058,109</td>
</tr>
<tr>
<td><strong>CAPITAL ASSETS FUND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>1,192,424</td>
<td>597,680</td>
<td>1,789,299</td>
</tr>
<tr>
<td>Depreciation charged</td>
<td>(592,440)</td>
<td>(291,939)</td>
<td>(884,379)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2,087,064</td>
<td>(103,421)</td>
<td>1,983,648</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td>1,433,157</td>
<td>1,459,544</td>
<td>2,992,701</td>
</tr>
</tbody>
</table>

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*Notes on Accounts:

- Fund based Receipts and Payments Account:
  - As on our report of even data for V. Nagarajan & Co.
  - Chartered Accountants
  - M.L. Mehta, Chairman
  - Ved Arya, Managing Trustee

*Financial Statement for Year Ended on March 31, 2005*
Annual report 2005-06

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Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of SRIJAN for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of SRIJAN as at 31.3.2006 and of the results of operations for the year that ended.

We acknowledge our responsibility for preparation of financial statements in accordance with the generally accepted accounting principles and recognized accounting policies and practices. We confirm, to the best of our knowledge and belief, the following representations:

1. Accounting Policies
   1.1. The accounting policies, which are material or critical in determining the results of operations for the year or financial position are set out in the financial statements and are consistent with those adopted in the financial statements for the previous year. The financial statements are prepared on accrual basis and all accounting standards applicable have been followed in preparation of financial statements.

2. Assets
   2.1. The Society has a satisfactory title to all assets and there are no liens or encumbrances on the Society’s assets, except for those that are disclosed in Notes to the financial statements.

3. Fixed Assets
   3.1. The net book values at which fixed assets are stated in the balance sheet are arrived at:
      3.1.1. after taking into account all capital expenditure on additions thereto, but no expenditure properly chargeable to revenue;
      3.1.2. after providing depreciation at the rate which are followed consistently over the years.

4. Capital Commitments
   4.1. At the balance sheet date, there were no outstanding commitments for capital expenditure except those disclosed in Notes to the financial statements.

5. Investments
   5.1. All the investments of the trust are Irrevocably held in the name of the trust only, for the financial year ended on 31.3.2006 Trust does not hold any Investment at the Balance Sheet date.

6. Bank account operations
   6.1. With reference to your query on control of various bank accounts across the areas of operations of the Trust, the Trust has set up a control system. The enclosed Bank control chart and a stock tally of bank accounts (opening accounts plus opened and closed) will explain the position.
   6.2. All the accounts that have been closed are evidenced with the proof for closure of accounts received from the respective banks.
   6.3. All changes in the signatures have been duly intimated to the bankers and we confirm that there are not any ex-employees are still signatories of the bank accounts.

Yours truly,

V. Nageshwar
V. Nageshwar & Co.
Chartered Accountants
Gurgaon.

7. Transactions relating to foreign currency grant received.
   7.1. All foreign grants, and contribution are received only in designated bank account i.e. Savings Account No. 103416659712 old no. 014-000-4776 in State Bank of India, Saket, as per the permission provided by the FCRA Division, Ministry of Home Affairs.
   7.2. No other amounts, say grants and donations of Indian Origin has been deposited into the above designated account.
   7.3. During the period under audit amount of foreign grants and donation have been utilized exclusively for the purposes for which it was received.

8. Consulting Income
   8.1. Revenue on all consulting contracts completed during the year on in process as on March 31, 2006 has been recognized based on accounting policy set in the notes to accounts forming part of financial statements.

9. Personal expenses of members of board of governors and members of managing committee and their relatives.
   9.1. We hereby confirm that none of the personal expenses of members of board of directors, members of managing committee and their relatives have been charged to revenue and that no benefits other than properly disclosed in the financial statements have been provided to Members of Board of directors, members of managing committee, founder members and/or their relatives.
   9.2. A list of Founder members, Board of Directors, Members of Managing Committee and their relatives is being provided along with this representation letter for your reference.

10. Liabilities
    10.1. We have recorded all known liabilities in the financial statements.
    10.2. We have disclosed in notes to the financial statements all guarantees that we have given to third parties and all other contingent liabilities.

11. Income & Expenditure Account
    11.1. We confirm the all the revenues and income earned, as calculated according to adopted accounting policies, during the financial year have been duly recorded in the Income & Expenditure Account of the Trust.

12. Operations of the Trust:
    12.1. The Trust’s operations resulted in revenue from the following sources namely, Consultancy, Contracts, related to the main objects of the trust and Grants and Donations received for rural development and research projects undertaken by the trust and Bank interest on its funds.

The accounts were approved by the Board of Trustees, on 29th July, 2006. The duly approved accounts and signed by the Board of trustees are enclosed. Based on the above we request you complete the audit and provide audit report.

Yours truly,

Ved Anj
Managing Trustee
Our Board of Trustees:

Our Board consists of eminent persons who have excelled in a variety of fields in their respective areas.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position in the Trust</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr M L Mehta</td>
<td>Chairman</td>
<td>Former Chief Secretary, Government of Rajasthan, Currently Vice Chairman, Livelihoods Mission set by Chief Minister</td>
</tr>
<tr>
<td>Ms Madhu Sarin</td>
<td>Trustee</td>
<td>Researcher Activist, Joint Forest and Tribal Rights</td>
</tr>
<tr>
<td>Ms Rekha Masilamani</td>
<td>Trustee</td>
<td>Country Director, Pathfinder India Agency</td>
</tr>
<tr>
<td>Prof Tushaar Shah</td>
<td>Trustee</td>
<td>Theme Leader, Water Policy, International Water Management Institute, Colombo, and Ex-Director, IRMA</td>
</tr>
<tr>
<td>Mr S K Khuntia, IAS</td>
<td>Trustee</td>
<td>Joint Secretary, Ministry of Human Resources</td>
</tr>
<tr>
<td>Rtn. T K Mathew</td>
<td>Trustee</td>
<td>Chief Executive, Deepalaya (CSO)</td>
</tr>
<tr>
<td>Mr Ajay Mehta</td>
<td>Trustee</td>
<td>Executive Director, National Foundation for India and President Seva Mandir (CSOs)</td>
</tr>
<tr>
<td>Prof Govind Sharma</td>
<td>Trustee</td>
<td>Professor of Electrical Engineering, Indian Institute of Technology Kanpur</td>
</tr>
<tr>
<td>Mr S Loganathan</td>
<td>Trustee</td>
<td>Executive Director, ASHALX, a reputed</td>
</tr>
</tbody>
</table>