

The Role of Self Help Group Bank Linkage Programme in Preventing Rural Emergencies in India

by Kim Wilson

Paper presented at the Seminar on SHG-bank
Linkage Programme at New Delhi
on 25th and 26th November 2002



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Published by :

microCredit Innovations Department,

National Bank for Agriculture

and Rural Development.

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Designed & Printed at Thomson Press (I) Ltd.

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Preface

Congruity with human nature enhances the relevance and utility of human development initiatives. The core of SHG-bank linkage in India has been built around an important aspect of human nature - the feeling of self worth. Over the last ten years, it has come to symbolize an enduring relationship between the financially deprived and the formal financial system, forged through a socially relevant tool known as Self Help Groups (SHGs). An amazingly large number of formal and non-formal bodies have partnered with NABARD in this unique process of socio-economic engineering. What had started off in 1992 as a modest pilot testing of linking around 500 SHGs with branches of half a dozen banks across the country with the help of a few NGOs, today involves about 20,000 rural outlets of more than 440 banks, with an advance portfolio of more than Rs.1, 200 crore (\$ 240 m.) in microFinance lending to SHGs. Financial services have reached the doorsteps of over 8 million very poor people, through 500,000 SHGs, hand-held by over 2,000 development partners. A brief history of the microFinance initiatives in India will help place the present study report in perspective.

The Background

The high level of dependence of the informal sector on non-institutional sources continued despite a rapid growth of banking network in India in the last five decades. The rural financial system at present functions through an impressively large network of more than 150,000 retail outlets. Despite such phenomenal expansion of the outreach of the formal banking structure, the All India Debt and Investment Survey (GoI), 1981, gave indications that the share of non-institutional agencies (informal sector) in the outstanding cash dues of the rural households was quite high at 38%. It was also seen that households in the lower asset groups were more dependent on the non-institutional credit agencies.

The main hurdle faced by banks in financing the very poor seemed to be the comparatively high transaction cost in reaching out to a large number of people who required very small doses of credit at frequent intervals. The same held true of the costs involved in providing savings facilities to the small, scattered savers in the rural areas. Feelings were mutual among the very small savers and borrowers in the rural areas as well, as they tended to view banking as an institutional set up for the elite; even if they tried to reach the bank branch the long distances and loss of earnings on being away from work while visiting bank branch were hurdles and they were never sure whether they would get any service or not if they did approach the branch. The levels of mutual inconvenience and discomfort made the poor look at banking as an almost inaccessible service, and the banks felt that banking with the very poor was not a 'bankable' proposition.

Role of NABARD

It is in this background that NABARD conducted studies in the mid-eighties that brought out the simple fact that the most important and immediate banking needs of the poor households, in the order of their priority were:

- Opportunities to keep safe their occasional small surpluses in the form of thrift
- Access to consumption loans to meet emergent needs and
- Hassle-free access to financial services and products, including loans for micro-enterprises

Viewed against this demand, there were serious limitations on the supply side, as the existing products and services of the banking system were largely meant for a different type of customer segment. In trying to fulfil the credit needs of the poor for financial services, the banks had to contend with regulated interest rates, high transaction costs and high cost of mobilization of funds.

In cases where credit was made available to the poor through special programmes, absence of an integrated savings component and something to fall back upon in case of any adversity was leading to poor repayment performance. The problem was further confounded, as the users were unable to distinguish between the State support (grants/reliefs) and bank credit as the rural and agricultural banking system was getting identified with the State. The political expediency for 'removing poverty at a stroke' was putting resources for running micro enterprises in the hands of the poor without nurturing them to handle such resources. The high cost of appraisal and monitoring led many banks to jettison those systems in the context of low-value advances, aggravating the already vitiated repayment climate further.

Based on the studies mentioned above and the results of action research conducted, NABARD developed the Self Help Group [SHG]¹ - bank linkage approach as the core strategy that could be used by the banking system in India for increasing their outreach to the poor. The strategy involved forming SHGs¹ of the poor, encouraging them to pool their thrift regularly and using the pooled thrift to make small interest bearing loans to members, and in the process learning the nuances of financial discipline. Bank credit to such SHGs followed. NABARD saw the

¹ A SHG is a group of about 20 people from a homogeneous class, who come together for addressing their common problems. They are encouraged to make voluntary thrift on a regular basis. They use this pooled resource to make small interest bearing loans to their members. The process helps them imbibe the essentials of financial intermediation including prioritization of needs, setting terms and conditions and accounts keeping. This gradually builds financial discipline & credit history for themselves, as the money involved in the lending operations is their own hard earned money saved over time with great difficulty. This is 'warm money.' They also learn to handle resources of a size that is much beyond their individual capacities. The SHG members begin to appreciate that resources are limited and have a cost. Once the groups show this

promotion and bank linking of SHGs not merely as a credit programme but as part of an overall arrangement for providing financial services to the poor in a sustainable manner leading to empowerment of the members of these SHGs.

Fine-tuning Future Strategy

The corporate mission for microFinance set by NABARD envisages reaching banking services to one-third of the very poor of the country, i.e., a population of about 100 million rural poor through one million SHGs by the year 2007-08. The banking system has already reached microFinance services to 40 million poor through SHGs, reinforcing this commitment. NABARD and its partners are all set to traverse the path beyond the mid-mark. This is the right time to fine-tune the strategies for the future, based on the experiences of the past.

The overall strategy adopted by NABARD relies on two main planks: (i) expanding the range of formal and informal agencies that can work as SHG promoting institutions, and (ii) building up capacities of the increasing number of stakeholders. The key to all such initiatives has been training and capacity building of various stakeholders including the SHG members themselves, the range of which is growing at a fast pace. The series of studies undertaken now are oriented in this direction, and are

mature financial behaviour, banks are encouraged to make loans to the SHG in certain multiples of the accumulated savings of the SHG. *The bank loans are given without any collateral and at market interest rates.* Banks find it easier to lend money to the groups as the members have developed a credit history. 'Cold (outside) money' gets added to the own 'warm money' in the hands of the groups, which have become structures, which are able to enforce credit discipline among the members. The members have experienced the benefits of credit discipline by being able to save & borrow regularly without many hassles. The groups continue to decide the terms of loans to their own members. *The peer pressure ensures timely repayments & replaces the "collateral" for the bank loans.*

expected to help NABARD and its partners in this process of fine-tuning their future strategies.

The Present Study Series

These studies provide multi-perspective evaluation of the SHG-bank linkage programme from academics, consultants and practitioners of microFinance from India and abroad. What is germane to all these studies is the rapid growth of SHG-bank linkage into the largest microFinance initiative in the world in terms of its outreach and the need to closely look at the different critical issues related to it. The studies cover the overall programme and its impact, document the different steps taken so far, and evaluate the need and scope for fresh initiatives. These studies were commissioned by NABARD, with financial assistance from the SDC, GTZ, and IFAD. The focus of the five studies is:

- A review of the progress and impact of the overall strategy for scaling up the SHG Bank Linkage Programme over the last decade (by Dr. Erhard Kropp, formerly Senior Economist, GTZ, and Consultant)
- Role and scope of NGOs and non-NGO agencies as SHPI (by Mr. Malcolm Harper, formerly Professor, Cranfield School of Management)
- Study on commercial aspects of impact of SHG-bank linkage programme on bank branches (by Dr. Hans Dieter Seibel, Professor, Cologne University, Germany)
- Evaluation of SHG Bank Linkage Programme based on the economic indicators on the members of SHGs (by NABARD)
- Impact of SHG Bank Linkage Programme on Social Indicators and Empowerment of the members (by Mr. Aloysius Fernandez, Executive Director, MYRADA, India)

In addition, an independent study on 'The role of Self-Help Groups and the Bank Linkage Scheme in Preventing Rural Emergencies' by Ms. Kim Wilson, microFinance Advisor, Catholic Relief Services, Kolkata has also been made available to us. The findings of these studies will be deliberated upon in detail during a seminar organized by NABARD in collaboration with the SDC, GTZ and IFAD on 25 and 26 November 2002 at New Delhi. The seminar would be attended by key stakeholders like banks, NGOs, and government agencies, international agencies like the World Bank, GTZ, SDC, IFAD, ADB, representatives from some developing countries, as also some acknowledged experts on microFinance.

I am sure that the learning points emerging out of the deliberations of the wide range of participants would help NABARD and its development partners to fine-tune their strategy and approach for the next few years.

Y. C. Nanda
Chairman
NABARD

Mumbai
November 2002

I. Introduction

Within a six month period, two years ago, 60,000 people died overnight. They died in India, first by cyclone and flood in Orissa, and next by earthquake in Gujarat. Did they have to die? We don't think so.

Throughout India floods, cyclones, droughts, earthquakes, and landslides threaten the survival of rural households, dealing their harshest blows to the most vulnerable communities. In the face of such natural calamities, very poor families lose their health, their homes, their animals, their water, their land, and their chance for education. Most of all, they lose their hope.

Catholic Relief Services seeks to reverse these losses through the **Self-Help Emergency Prevention (SHEPherd)** program, an approach which sequentially engages two proven models: the 'self-help group' model-particularly the self-help bank linkage model advanced by NABARD, and the 'community-based disaster preparedness' model. CRS has already secured \$600,000 to begin this program in Eastern India effective October 2002.

The benefits of SHEPherd are many. To name a few:

- On average, every \$1 invested in disaster preparedness saves \$7 in disaster recovery costs.¹ Emergency prevention, then, allows CRS funding to go seven times further than it would if we focused funds solely on emergency response.
- Conventional emergency response relies on 'instant' networks based on the emergency. Such immediacy can undermine smooth logistics. Community organization is the nucleus of the SHEPherd model. If a natural hazard, great in magnitude, were to produce an emergency despite local prevention efforts,

¹ Abramovitz, Janet N. *Worldwatch Paper 158 : Unnatural Disasters*. Institute : Washington, DC, October, 2001.

CRS and other relief agencies will be in a position to channel inputs into previously organized community networks.

- Conventional emergency response, which requires rapid action, often leaves women out of relief and post-relief programming. SHEPherd not only includes women but ensures their needs and priorities are met before, during and after a disaster.
- Conventional emergency response relies on distributions from government, international and local NGOs. 'Dumping' large relief inputs in a community can disrupt local commercial networks. SHEPherd seeks to actually boost market participation which assists the local economy as well as beneficiaries.

II. The Problem

Natural disaster, unrelenting in eastern India, has become an annual occurrence and the cause of many economic and social losses. Floods and cyclones, in particular, have produced the greatest damage in eastern India, an area contains two great river systems, the Ganges and the Brahmaputra, both of which can surge dangerously during the monsoon. Fed by melting snow from the Himalayas and the monsoon rains, these two rivers join in Bangladesh and beyond their confluence empty into the vast delta system of Bengal. Seismic disturbances are common too, especially along the larger fault lines western (Gujarat) and eastern India (Assam) with many predicted earthquakes slated to occur in the near future.

Drought is prevalent throughout India with major impact in Madhya Pradesh, Rajasthan and Bihar. Drought, a 'slow on-set' disaster, lowers water tables which makes fetching drinking water burdensome. It results in decreased fodder production, thus affecting animal weight and livestock production, and decreased cereal crop production. As a

result, poor villagers who depend on subsistence agriculture are forced to migrate to find food or earn money, thus destabilizing local community social structures.

Those most affected by hazards are the poor and socially disadvantaged groups, as they are least equipped to cope with the sudden, adverse effects. They live in thatch huts prone to rain and wind damage. Their fields often abut canals and waterways with weakened embankments. Their homes are located in the lowest lands of the village especially prone to the impacts of flooding. In the months which precedes the flooding season, they lack the means to store enough grain to feed themselves or to protect tubewells by raising their platforms. Broadly speaking, their risks are as follows:

Hazard	At Risk
Floods and Cyclone	Everything located in flood plains including crops, livestock, machinery, grain stores, huts, tubewells (functionality), documents and cash savings. Human beings especially the very poor, the elderly, sick and handicapped and children.
Drought	Lakes, ponds and aquifers. At risk is livestock including death or underweight, crops, family water supply for safe drinking.
Earthquakes	Weak buildings and structures collapse causing loss of life. The poorest tend to live in the most vulnerable structures. An earthquake will quickly reduce their homes to rubble.
Landslides	Everything located on or at the base of steep slopes or cliff tops, roads and buildings. Losses include loss of human life, crops, and animals.

Vulnerability is a condition with both physical and socio-economic causes. Physical vulnerability relates to a family's location and its proximity to potential hazards, e.g. weak embankments, dangerously unstable housing structures, lowland paddy fields. Socio-economic vulnerability relates to the social and economic conditions which block a family's coping strategies (low literacy, low caste and low respect in a community). People with positions of low social and economic status within communities have less capacity to absorb the impact of natural calamities. These families are illiterate, have few and unprotected savings, inadequate grain storage, poor access to safe drinking water, and paddy fields which are the most vulnerable to flooding.

In other words, natural disasters quickly turn into emergencies for poor families because of their extreme vulnerability. Well-to-do families in the same geographical areas usually have the assets and networks (both financial and social) to weather such events so that they don't become the emergencies that threaten their very survival.

III. Conventional Response

Conventional response to emergencies has been the province of government (Government of India), international donors (CRS, CARE), bilateral and multilateral donors (USAID, EU, WFP and UNICEF) and local NGO networks. Traditionally, such providers of relief services have focused on responding to an emergency as it happens. Shortcomings of this approach include:

A disaster becomes an emergency. Measures to prepare for a disaster and mitigate its effects may have prevented the disaster from becoming an emergency.

Responses often exclude women's priorities. Women, often the most silent and the most vulnerable members of a community, look out for the well-being of their spouses

and children. If men take the lead (CRS/Bhuj), response inputs often do not include items essential for women or task them with too much work.

Local markets become depressed. Sometimes (CRS/Orissa, 1999) massive external inputs such as food, seeds and tools can depress local commercial networks, be they comprised of petty traders, ration shops or wholesale distributors.

Logistics are uncoordinated. Because emergency responses are rapid, relief organizations must often plan logistics externally. Since there is often insufficient time to include communities at this stage, input distributions can be delayed, mistargeted, and/or duplicative of other agencies' efforts.

Responses do not leverage local resources. Communities which are not prepared to respond quickly to disasters miss out on a number of opportunities. Relief organizations often do not tap the vast local potential of human resources (e.g. labor), economic resources (e.g. household savings), and social resources (e.g. knowledge). In addition, local bank branches have credit to contribute and businesses have supplies. Ignored, these resources become lost opportunities for communities in the face of a disaster. Relief providers lose out on the chance to leverage their own inputs.

IV. The CRS/Orissa Experience

In 2002, CRS commissioned an independent consultant, Daniel Seller, to review the CRS/Orissa response to both the 1999 Supercyclone and the subsequent 2001 floods. He focused on CRS' and Caritas' mobilization of self-help groups as a highly effective mechanism for disaster recovery and emergency prevention. (Please note that the term CRS/Orissa refers to the joint CRS/Caritas India response.) While Seller's complete report, as it pertains to Orissa, is provided in *Appendix B*, some key findings are as follows:

1999 Supercyclone Facts: This disaster which struck coastal villages of Orissa during a period of three days in October claimed 250 lives, destroyed 30,000 houses and left 750,000 people homeless. Tidal waves ten days later affected 19,000 villages and 13 million people. Death toll estimates exceed 10,000. Farm families lost their cattle and paddy rice. Saline water rendered infertile many acres of cultivated land. When compounded by drought during the following year, some communities lost two years of harvest.

2001 Flooding Facts: In July 2001, another flood struck the coastal area, hitting 24 districts and affecting 15,500 villages and damaging an estimated 250,000 homes.

Time Line of Action and Events

Time	Action or Event	Result
October 1999	<i>Supercyclone, tidal waves, floods strike coastal Orissa.</i>	<i>Loss of life, farms, infrastructure. 19,000 villages affected.</i>
	CRS/Caritas with support from others (CARE) conduct relief effort. Notice some local partners have 365 self-help groups. Make some of distributions through groups.	Groups distributions work well and channel inputs to poorest members of community. Groups disburse savings to members to help with emergency.
February 2000	CRS/Partners form new groups. Strengthen old groups.	Groups formed.
June 2000	Decide all future relief and development will be through groups (DFID funds Livelihood initiative).	Focuses development activity.

July 2000	Begin community-based disaster preparedness programs (based on UNDP support methodology).	Groups mobilize communities. All submit resource maps of communities by 2002 including bank linkage opportunities. In some areas, SHGs work very closely with PRI.
July 2001	<i>Floods strike.</i>	<i>Affects 15,500 villages in same coastal area.</i>
July 2001	CRS/partners make all distributions through SHGs.	One-time distributions of food and family kits; low cost and immediate (all distributions within 1 week).
September 2001	CRS/partners provide Food-for-Work incentives to support rehabilitation.	Food is locally procured. Groups give loans for consumption purposes.
October 2002	Group formation and strengthening continues.	1,850 groups (~35,000 members); Rs. 9 lakh savings (~180,000 USD); 355 linked to banks for credit; 250 more in line for credit (30%+); all linked for savings. Groups performing disaster preparedness activities in 390 villages. 75% of households represented in SHGs.

While CRS/Orissa's experience provides many lessons to communities and NGOs, chief among them are :

- 1. Dramatic reduction in costs of relief effort using SHGs.** Local costs for distributing inputs *decreased by 60%* between the Supercyclone distribution and the 2001 Flood distributions. These include costs associated with warehousing, transportation and on-site distribution (staff time) efforts at the local partner level. Because distributions took place over one week, NGOs eliminated rented warehousing by using their own premises.

Local Distribution Costs	1999 Supercyclone	2001 Floods
Cost per Family	Rs. 6.40	Rs. 2.65
Cost Breakdown per 5,000 families	Rs. 32,000 Warehouse- Rs. 5,000 NGO staff- Rs. 1,000 CRS on-site staff- Rs.12,000 Vehicle- Rs. 14,000	Rs. 13,250 Warehouse- None NGO staff- Rs. 2,250 CRS on-site staff- Rs. 2,500 Vehicle- Rs. 7,500

- 2. Improved socio-economic results.** Following the Supercyclone, many needy families were left out. In some cases, they could not afford the expense of travelling to the distribution centers, while in other cases they were not even on the beneficiary lists. CRS/ Orissa and partners worked with groups prior to the 2001 floods to identify and record neediest members of their village, regardless of whether families were part of a SHG. As a result, during the 2001 floods, the neediest households were already included on distribution lists, and SHG leaders had already facilitated identification of distribution centers which were convenient to most beneficiaries. Twice as many centers were established so to greatly reduce the

average distance travelled by families. Finally, following the 2001 floods, CRS/Orissa purchased many of its relief supplies from local traders, thus providing an immediate boost to the local economy.

V. The Solution

The Self-Help Emergency Prevention (SHEPherd) program aims to use lessons from CRS/Orissa's emergency responses in 1999 and 2001 to inspire an India-wide response to emergency prevention. We have witnessed first-hand the ability of SHGs to mobilize poor families and communities to work together in order to reduce vulnerabilities at many levels. Vulnerability refers to the extent to which a natural disaster can negatively affect communities and families. **CRS/India's aim is to prevent disasters from becoming emergencies.** We define emergency prevention as the following:

- **Emergency preparedness and mitigation:** where changes in community and family practices lessen the likelihood that hazards will turn into survival-threatening emergencies for poor families. Potential outcomes include: community-based early warning systems, changes in agricultural patterns, building of new community infrastructure (wells, bunds, bridges, water tanks), reinforcing household structures to resist damage from natural hazards and shocks, rescue operations plans, provision for basic needs (food, water, safe communal shelter), protection of household and community assets (important documents, cash, animals), and identifying CRS and partners' role in a potential emergency response. CRS' approach is to encourage partners to use participatory exercises to identify potential hazards in a village, map appropriate resources, and set an action plan for reducing the chances of an emergency.
- **Emergency response:** where CRS and community responses to hazards include assisting with life-saving

inputs (either cash or in-kind) through measures appropriate to women, who while often overlooked, sustain relief efforts. Due to their well-organized networks, SHGs serve as a primary mechanism for identifying and organizing potential aid recipients, as well as managing or facilitating the distribution of relief supplies. Given their experience in successfully managing the loan rotation of significant amounts of group savings, CRS will explore options to use these groups to quickly and effectively channel cash (either through loans or grants, depending on the nature of the emergency and the priorities of the groups) through SHGs to emergency-affected community members. Such focus on stimulating demand, as opposed to increasing supply, jumpstarts the local economy to provide needed goods and services through the formal and informal commercial networks. Such an approach also lays the groundwork for the sustainability of future rehabilitation interventions.

- **Rehabilitation and recovery:** where CRS and community recovery efforts incorporate plans for emergency prevention that link back to the beginning of the emergency cycle. Our partner will conduct exercises similar to the initial participatory emergency prevention exercises to assess damage, what preventative measures succeeded, and which requiring strengthening. CRS intends to channel this analysis into action at the preparedness and development stages, based on the understanding that part of disaster preparedness involves mitigation through targeted natural resources management (NRM) interventions. This approach makes sense given the eastern Indian context, where tree and vegetative cover has decreased significantly over the past 30 years in many states. Decreased vegetative cover means heavy rains don't infiltrate the soil, but rather create runoff which increases soil erosion and flood severity. Since the ground surface's ability to absorb and slow the water is

lost, monsoon rains quickly turn into raging currents and devastating mudslides. Given the fact that it is often the poorest families who live on these marginalized lands, they are the ones who are disproportionately affected. Thus, recovery interventions will lay the foundation for NRM development programs which mitigate the impact of drought, heavy winds, and heavy rains on vulnerable families.

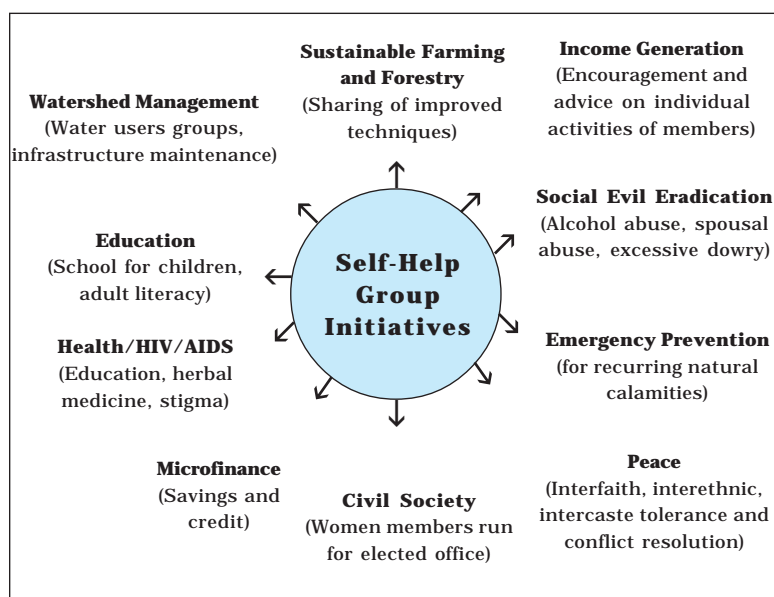
- **Refocused approach to development:** where CRS reassesses its entire program to determine how the above emergency prevention cycle could best be supported by complementary strategies which are incorporated into the zone's ongoing development program. Programming sectors which offer the most potential include: integrated watershed management, community health, education, and microfinance. Integrated watershed management will play a particularly important role. A main component of the SHEPherd approach is mitigating the severity of future disasters. By integrating this emergency prevention approach into CRS/EI's existing watershed management strategy, we are looking to strengthen local biophysical environments through improved natural resource management which combines the short-term benefits of increased agricultural production with longer-term incentives for watershed rehabilitation. The simple rules for this integration will be promoted using CRS' new *Renaissance Farm* books. In other words, we want to make sure that the development end of the relief-development continuum feeds back into the relief side and mitigates the need for relief in the first place. What we then have is emergency preparedness that strengthens coping responses to lessen the adverse impact of disaster (Thrust 1) and development with an eye to risk reduction and reduction of disaster severity (Thrust 2). In this way the beginning and end of the relief development continuum both link to each other and

make a complete circle that is much more powerful than either alone.

VI. CRS' Approach and Its Benefits

Our decades-long experience with emergency relief provides a historical base for future responses. Of equal importance, however, is our recent experience (since 1995) with SHGs. Across India, CRS is now supporting nearly 100,000 women in SHGs through our partners. In eastern India, CRS will build on its existing network of 1,050 grassroots partners operating in thousands of villages to implement the SHEPherd program.

Based on an economic paradigm - where poor women save regularly in a group fund, lend savings to members and finally link their fund to a bank for additional credit - SHGs form the backbone of good communication, governance and problem-solving in a community. While the model's benefits are many, its financial activities sustain and motivate SHG members to address community-identified needs in a number of areas. Examples of SHG initiatives in eastern India can be summarized as follows:



One of the model's advantages is its ability to shape-shift into the backbone of a community-based emergency prevention program. The program² relies on the community, through a variety of participatory exercises, to identify potential vulnerabilities and to develop plans to block a natural shock from becoming a wholesale emergency. CRS' SHEPherd program asks partners to develop or identify strong self-help groups, group them into social clusters at the village level, invite clusters to engage all members of a community, and then train the entire community in how to plan, prepare, and respond to future natural calamities. In essence, SHEPherd assists communities to prevent natural disasters from becoming emergencies for poor households and communities. The numerous benefits of SHEPherd approach include:

- ***Increased ability of communities to prepare for recurrent natural hazards.*** When properly trained, women leaders gain the confidence and skills required to mobilize their communities and local government resources to reduce the impact and adverse effects of natural disasters on poor households.
- ***Increased strength of self-help groups through emergency prevention measures.*** SHEPherd actually strengthens groups. Since the process is participatory and requires good decision-making, groups improve their problem-solving skills in the process of preparing against natural disasters.
- ***Inclusion of the whole community.*** One repeated criticism of self-help groups is that they usually consist only of women; men in the community often feel left out. However, SHEPherd uses women to engage the entire community, and thus motivate men to improve community infrastructure and cropping patterns.

² CRS' training in emergency prevention is based on the community-based disaster preparedness (CBDP) program developed by UNICEF and used by CRS partners in West Bengal and Orissa.

- **Increased capacity to plan.** Upon completion of the disaster preparedness process, communities submit formal microplans to local government officials in order to mobilize public resources. Emergency management breathes new life into participatory learning techniques. Despite the best of intentions, many PRA exercises lead nowhere. They lack purpose or enjoin the community to adopt a purpose that is not a priority. Communities do care about emergencies and enjoy the opportunity to start managing their response. This benefit leads to confidence and overall interest in planning.
- **Increased use of local resources.** The SHEPherd plan calls for mobilizing community labor and savings to help prevent and respond to emergencies. It also calls for banks and businesses to play an active role in supplying groups with credit and needed supplies.

VII. Objectives and Strategies

CRS/India's objective for SHEPherd is: ***By September 2004, 100,000 women will be taking the lead in protecting 2,775 communities from recurrent natural hazards.*** CRS is already in the process of working with its partners to identify the states and districts which: a) are most vulnerable to natural disaster, and b) have sufficient partner capacity, either current or new. Four major strategies will advance our program objective. These strategies take into account the people we serve, the partners with whom we work, and our implementation approach.

- **Target vulnerable areas:** Of the many natural disasters which affect India, flooding has inflicted the greatest harm to eastern Indian communities. We will identify first priority areas as those which are most prone to flood and have especially poor and vulnerable communities. A second priority is to adapt this approach for use in areas prone to droughts, landslides, and earthquakes.

- **Select partners committed to promoting SHGs:** Many of CRS' traditional development partners have adopted the SHG model as a way to help poor women to increase their assets and income. We will select partners committed to implementing SHEPherd, particularly local coordinating bodies, such as the Association of Bengal Collaborators for Development (ABCD).
- **Implement SHEPherd in flood-prone areas:** CRS will train between 10-20 partners in how to implement the SHEPherd methodology. In so doing, we will request partners experienced in this methodology, e.g. Catholic Charities in Krishnagar, to facilitate experience sharing opportunities through field visits with other partners within the CRS network.
- **Adapt SHEPherd to drought, landslide and earthquake prone areas:** SHEPherd builds from existing community-based disaster preparedness programs promoted by UNICEF. CRS will need to adapt the model for use with other types of recurrent hazards in order for the model to serve local contexts.

VIII. A Shift in Approach

Time-sequenced emergency prevention includes efforts before the disaster occurs, during the disaster, and afterwards, with all three phases linked to prior planning. Emergency prevention mandates efforts from the community, from local and state governments, and from NGOs, both local and international. These efforts, however, require a sea change in CRS' relief paradigm such that communities take primary responsibility for their roles in proactive emergency prevention. From CRS' side, we will be approaching emergency response from a broader, more strategic perspective that moves beyond the usual distribution of food and relief inputs. This new paradigm asks us change our response from:

**high relief inputs
after a disaster** → **high process/planning
before a disaster**

Both CRS and partners must look at appropriate roles in disaster management prior to the the onset of the next round of the same disaster. Here we are referring to natural disasters that occur regularly, i.e. every several years, striking villages in vulnerable areas so frequently that communities have a sound memory of their impact. Memory is what drives community planning needs that prevents future disasters from from turning into emergencies.

Why Self-Help Groups? To protect themselves from emergency, communities must organize. They must have good systems for decision-making, good communications among all community members, the ability to catalyze local resources (both government and non-government) and the skills to shore up their family and community holdings. To create the kind of civic life needed to make these benefits possible, CRS and partners use the self-help group (SHG) model. SHGs, consisting of 20 or fewer women, form for economic purposes. Women, under the guidance of an NGO animator or field worker, gather together at least once per month and deposit an agreed upon amount of savings into a group fund. Typically, savings range from 5 rupees (~US\$0.10) to 50 rupees (~US\$1.00) with each group deciding what money it can spare. If, after six months, a group demonstrates that members have 100% on-time loan repayment, regular savings, high meeting attendance, the group may borrow from a local bank.

Through NABARD (National Bank for Agriculture and Rural Development), local state-owned banks, commercial banks, and credit unions may obtain reasonably-priced funds to onlend to groups. India's system of 150,000 bank branches makes credit truly accessible, even for the most remote communities. Each rupee of savings mobilized by a group allows the group to access up to 4 rupees in credit at a very reasonable 2% annual interest rate. Serving more than 7 million marginal families in India, this scheme is so successful that some banks offer a higher leverage (up to 10 rupees for each rupee saved) and forego

refinancing. Why? They have quickly realized that these groups are excellent customers, and in many cases better than their traditional clients. SHGs democratically set their own interest rates on inter-group loans ensuring the interest rate is affordable to members. Members decide for what purposes they will use loans. Uses vary from investment in small businesses to purchasing needed household items. Low cost, multi-purpose loans remove groups from the grip of local moneylenders. In fact, a former CRS partner in Karnataka documents that interest charged by moneylenders has dropped from 120% to less than 40% per annum due to the competition of self-help groups.

While the impetus for forming an SHG is economic, women soon realize that the social benefits they derive from group membership are as important as the financial ones. In most communities in rural India women do not participate fully in decision-making processes, leaving them bereft of confidence and the power to make important changes in their lives and the lives of their families³. Limiting the potential of half a community's members prevents the whole community from moving forward.

SHGs by dint of intrinsic dynamics and the money which accrues to members offer women the chance to make decisions, gain power over local resources, and ultimately build confidence. This confidence is precisely the catalyst needed to move communities forward on social problems. Some of CRS' partners have reported reductions in the occurrence of rape, alcoholism, murder, dowry abuse, and spousal abuse in communities with strong SHGs. Without external inputs self-help groups find themselves managing many social issues. SHGs, when properly formed and linked to one another, are able to provide a broad range of social benefits to members and even to entire villages. With limited

³ This generalization is qualified to reflect the fact that some of India's tribal groups are matriarchal societies, and thus afford women a much greater voice in household and community decisions.

external inputs, groups take on community-wide social problems such as dowry and alcohol abuse and attract resources to build roads, bring in electricity and supply credit from government and private institutions. These groups make ideal platforms for launching an emergency prevention program. Women are confident, organized and have funds saved to invest in protective measures for the households.

What is lacking? In isolation, SHGs cannot prevent a natural disaster from turning into an emergency for a community. Due to legal reasons, most SHGs have 20 or fewer members. In India, many villages contain at least 100 families, with some going much higher. To allow for village level planning, SHGs must bind themselves together into a coherent system of communication and decision-making. Women must not only work together but must also bring in all members of a community, not just those in SHGs.

What can be done? To engage members of the community not represented by SHGs, men in particular, CRS chooses to use the CBDP models piloted by our church partner in Krishnagar, West Bengal (Catholic Charities) under the guidance of UNICEF and in Orissa (with the assistance of UNDP).

In 2001-2002, Catholic Charities Krishnanagar (CCK) trained SHGs to mobilize 300 villages to prepare for potential floods. The CBDP program was part of a state-wide, inter-agency initiative spearheaded and supported by UNICEF. By using a participatory learning and action methodology, CCK and its network of SHGs have empowered villagers in Nadia, Murshidabad and Malda districts, which were devastated by floods in 2000. As a result of these activities, a recent study⁴ shows that: 1) families feel more confident in managing a potential

⁴ Smith, Sarah. *Community Preparedness in Action*, August 2002. (see Appendix C)

crisis; 2) some families have considered changing animal raising practices and cropping patterns (to pre-September harvests) to avert flood impact; 3) communities have created infrastructure to prevent loss of life (e.g. raised platforms and school-based shelters); 4) families have established grain reserves in protected bins silos have sealed important documents in plastic bags; and 5) for the first time in these villages' history, women have actively participated in Gram Sansad meetings (local governance structure) to effect important policy changes and secure government resources to construct roads, bridges and wells in their communities. Similarly, in Orissa, CRS used the UNICEF model of participatory community preparedness (similar to the West Bengal model) to mobilize partners to train 1,500 communities in emergency prevention, as described earlier in this paper.

CRS plans to fold this methodology into the SHEPherd program, which will be implemented with other partners who work with SHGs in disaster-prone areas. Trained animators will enlist SHGs to draw in members of an entire village, including its men and boys, to prepare for recurrent crises. To avert full-scale emergencies, good training inspires a village to find ways to tap its natural and human resources and to access government resources through increased participation in the *Panchayat Raj* and private structures.

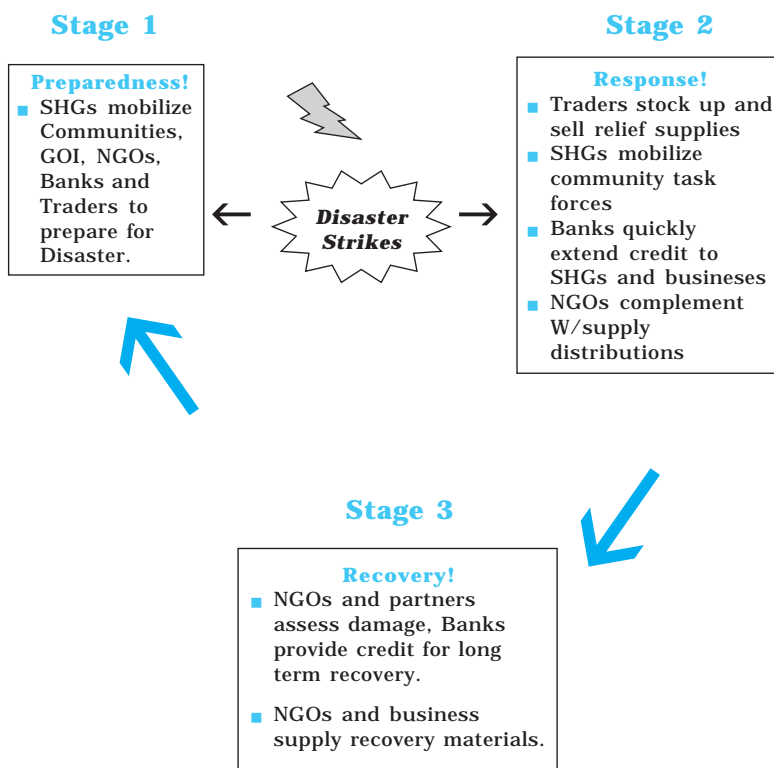
How to improve coordination, linkages, and networking across partners? While CRS has a long history of managing supply-side responses to natural disasters in India, the introduction of the SHEPherd program will require an increased level of coordination with a wider community of partners. At the NGO coordination level, CRS will plan, implement, and monitor SHEPherd interventions in close coordination with coordinating

bodies such as West Bengal's and Orissa's Inter-Agency groups. Such a strategy will ensure that CRS is providing systematic support to a broader network of faith-based and secular NGOs, instead of just those which have historically been associated with the agency. In addition, CRS will continue to participate in initial efforts in Guwahati to replicate this inter-agency model for Assam. A key aspect to both of these inter-agency initiatives is the central role played by local government structures. In West Bengal, CCK has so impressed district and block-level authorities with its disaster preparedness results that the government has actually funded this partner to train government staff in how to scale up their methodology across the entire district. In Assam, CRS intends to pilot similar interventions in collaboration with one of the DC offices.

The newest level of partnership which CRS will develop focuses on the business sector. While CRS has traditionally focused on the supply side of emergency response, SHEPherd seeks to stimulate local demand through maintained or improved household purchasing power. In order to move forward with this complementary approach, CRS and our partners will engage the private commercial sector (e.g. local businesses, trade associations, CII, rotary clubs, and lions clubs) and specifically the banking sector (e.g. regional rural banks using NABARD facilities).

IX. The Self-Help Emergency Prevention (SHEPherd) Model

The SHEPherd model follows a sequence of three main stages: disaster preparedness (i.e. SHG formation, SHG cluster development, emergency prevention training, community preparations), disaster response, and disaster recovery/rehabilitation.



Stage 1: Preparation — Relief Providers (Government/ NGOs), Banks, Businesses, and Communities Prepare for Disaster

Each actor described has a function according to the new paradigm. All must work closely with national, state, district and block level government to coordinate and leverage resources. The Government of India (often in coordination with UN and other multi-lateral agencies) provides intensive and extensive resources in emergency prevention and response. The GOI is not included in the following tables because of the magnitude of its effort. All actors mentioned must coordinate closely with government entities at appropriate levels. Details of how CRS and its NGO partners will facilitate SHG/SHG cluster development and training (as listed under the first column below) are provided in *Appendix A*.

Preparedness Before a Disaster

Local Governance & Communities	NGOs & International Donors	NABARD-Banks	Businesses
<ul style="list-style-type: none"> ■ Form SHGs and clusters. ■ Mobilize savings ■ Link to banks and business centers ■ Invest time and savings in disaster preparation. ■ Change practices to mitigate disaster (cropping patterns) etc. 	<ul style="list-style-type: none"> ■ Promote SHGs and clusters ■ Train in community-based disaster preparedness. ■ Help with bank, business and PRI links. ■ Identify commercial networks suitable for possible relief efforts. ■ Assess suitability of vouchers and cash grants to SHGs 	<ul style="list-style-type: none"> ■ Institutionalize emergency credit flexibility (ratio of savings to credit is ad hoc) ■ Sensitize banks to emergency programming ■ Preapprove qualified local businesses for emergency lines of credit ■ Bankers spearhead emergency sensitization through local business associations. 	<ul style="list-style-type: none"> ■ Participate in community meetings. ■ Research wholesale suppliers who can meet emergency product needs quickly (and who may supply trade credit) ■ Apply to banks for preapproved lines of credit.

Disaster Strikes!

SHEPherd's goal during this stage is to prevent the natural disaster from becoming an emergency for vulnerable communities and families. CRS defines the magnitude of an emergency by the following simple formula:

$$\text{Natural Disaster} + \text{Community Vulnerabilities} = \text{Family Emergency}$$

Our primary aim is to reduce the vulnerability of poor, rural families in disaster-prone communities, as historically disasters have dealt their greatest blows to this population.

Stage 2: Response - Government, NGOs, Banks, Businesses and Communities Respond

Each actor described has a function according to the new paradigm. All must work closely with national, state, district and block level government to coordinate and leverage resources. The Government of India (often in coordination with UN and other multi-lateral agencies) provides intensive and extensive resources in emergency prevention and response. The GOI is primarily included in the following tables under the local governance and NABARD columns. All actors mentioned must coordinate closely with government entities at appropriate levels.

<i>Response During a Disaster</i>			
Local Governance & Communities	NGOs & International Donors	NABARD-Banks	Businesses
<ul style="list-style-type: none"> ■ SHGs-lead efforts ■ Community task forces take action ■ SHGs lend savings and work with banks for emergency credit ■ Purchase supplies from traders. ■ Monitor that relief inputs go to pre-designated families 	<ul style="list-style-type: none"> ■ Confirm action plans with community. ■ Assess local supply and transportation networks ■ Provide complementary relief inputs through SHG and cluster networks. ■ Distribute vouchers and cash grants as appropriate. 	<ul style="list-style-type: none"> ■ Banks extend emergency credit to groups. ■ Extend line of credit to pre-approved suppliers. 	<ul style="list-style-type: none"> ■ Activate line of credit ■ Purchase supplies ■ Sell supplies

Stage 3: Recovery - Government, NGOs, Banks, Businesses and Communities engage in longer term rehabilitation.

This period takes place after the immediate crisis, which could range anywhere from 2-3 weeks to 2-3 months after the natural disaster, depending on the context. It could even last for several years, in the case of drought. An important aspect of this third stage is for communities to identify and discuss lessons learned from their actions and apply them to the next round of disaster preparedness.

<i>Recovery From a Disaster</i>			
Local Governance & Communities	NGOs & International Donors	NABARD-Banks	Businesses
<ul style="list-style-type: none"> ■ SHGs-lead efforts ■ Community assesses damage, submits plans, supplies labor to recover. ■ Procures funding for repairs. ■ Secures emergency credit ■ Secures loans. ■ Reviews process to enhance preparedness. ■ Begins asset replacement. 	<ul style="list-style-type: none"> ■ Participate in community assessment ■ Refines preparation and planning ■ Funds recovery efforts of community that are not funded by communities or GOI ■ Implements lessons into next round of preparedness. 	<ul style="list-style-type: none"> ■ Monitors repayment of emergency loans. ■ Assess longer term credit for recovery (asset replacement). 	<ul style="list-style-type: none"> ■ Continue supplying into recovery

Appendix A

SHG/SHG Cluster Development and Training

CRS and partners, using the SHG model catalyze up to 20 women in a community. Groups of women gather for the purposes of saving and then to lend group savings to needy members. Once groups are strong they may borrow from a local bank. The following table describes the four phases through which a group must pass before it is financially sound.

Financial Development of a Self-Help Group

Phase 1: Savings	Phase 2: Interlending
<ul style="list-style-type: none"> ■ Group chooses a common amount to save each month (typically between US 20 cents and \$1 per member). ■ Group opens a savings account at a nearby bank. <p>Indicators of success</p> <ul style="list-style-type: none"> ■ All group members contribute to savings regularly based on what group has agreed. ■ 90% meeting attendance. <p>Benefits?</p> <ul style="list-style-type: none"> ■ Discipline of thrift, creation of assets. ■ Learn to open bank account. 	<ul style="list-style-type: none"> ■ Savings from phase 1 continues. ■ Group lends savings to members (charges interest). ■ Basic bookkeeping begins. <p>Indicators of success</p> <ul style="list-style-type: none"> ■ Books and records kept properly (not by animator but independent person). ■ >90% of savings are lent out ■ on time loan repayment is >95% <p>Benefits?</p> <ul style="list-style-type: none"> ■ Groups learn to lend and borrow with small amounts of cash at stake, prepare for larger amounts from bank. ■ Groups increase fund through charging interest. ■ Dependence on moneylender reduced.

Phase 3: Bank-linkage	Phase 4: Sustainability
<ul style="list-style-type: none"> ■ Savings and lending continues within group. ■ Group approaches bank for credit, up to four times the amount saved. <p>Indicators of success</p> <ul style="list-style-type: none"> ■ All previous indicators plus Group is borrowing from bank. ■ On-time loan repayment is > 98%. <p>Benefits?</p> <ul style="list-style-type: none"> ■ Group develops relationship to mainstream financial institution for permanent credit access. ■ Group can borrow up to 4 times savings. 	<ul style="list-style-type: none"> ■ Group manages savings, internal lending and bank credit and bookkeeping without subsidized support. <p>Indicators of success</p> <ul style="list-style-type: none"> ■ All previous indicators plus ... ■ No subsidized services to group. <p>Benefits?</p> <ul style="list-style-type: none"> ■ Group continues indefinitely without subsidy. ■ Women gain confidence, begin to take leadership roles in community

Groups in isolation cannot tackle social problems as effectively as groups bound together through a social cluster. CRS leaves to partners the way in which they would like to organize clusters. We do, however, recommend the model practiced by Catholic Charities in Jamshedpur. This organization has 800 groups and is completing formation of village level clusters using groups as a base.

Social Development of Groups and of Village Level Clusters

<p>Phase 1: Group formation</p> <ul style="list-style-type: none"> ■ Group addresses governance issues: creation of by-laws and election of leaders, ground rules for membership. ■ Group addresses logistical issues: Group meeting times, locations, etc. <p>Success Indicators</p> <ul style="list-style-type: none"> ■ Group understands bylaws are theirs, not NGOs. Understands they can change as group develops. ■ Someone reads aloud bylaws at each meeting. <p>Benefits?</p> <ul style="list-style-type: none"> ■ Group learns the basics of governance, decision-making, leadership. ■ Skills are prerequisites to managing a sound disaster preparedness program. 	<p>Phase 2: Group management</p> <ul style="list-style-type: none"> ■ Group solves issues within the group. ■ Begins to tackle social issues. <p>Success Indicators</p> <ul style="list-style-type: none"> ■ Issues resolved as they arise. ■ Leaders take responsibility for meetings (not animator) <p>Benefits?</p> <ul style="list-style-type: none"> ■ Group learns to analyze and solve problems, skills that will serve them outside of the group. ■ Skills can be applied to mobilizing community for disaster preparedness.
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Phase 3: Social clustering

- Groups link with 20-35 other groups.
- Elect a small committee to do the work of the cluster.
- Develop by-laws.

Success Indicators

- Committee members represent the diversity of religions, tribes, castes and other ethnic category in local area.
- Committee understands its role in representing the groups and mobilizing resources.

Benefits?

- 300-450 women become a powerful social force to combat social problems, plan village infrastructure, prepare for hazard, mobilize resources.
- Can do some of the work of the NGO such as form new groups, ensure quality banking services.

Phase 4: Sustainability

- Social cluster manages social matters without support of NGO.

Success Indicators

- Group meets regularly, manages all problems without outside assistance.
- Volunteers to form new groups
- Engages in disaster preparedness measures.

Benefits?

- Group continues as a powerful social entity.
- NGO can shift resources to new groups and new clusters.
- Groups mitigate natural disasters.

The first step in emergency prevention is for villages to rank disasters according to potential impact and create microplans to respond to them. The community then develops early warning systems, planned rescue procedures, and plans for the immediate protection of a community's most vulnerable people. Trained community members know their responsibilities in responding to potential emergencies. Supplies of food and water, and building infrastructure such as levied roads and bridges are all part of this preparation. Modifications to livestock raising and crop cultivation are additional measures to lessen the impact of potential shocks to household food security. As soon as clusters begin to form, the partner conducts emergency prevention training. Because training is highly participatory and inclusive of all community members, it tends to have the added benefit of strengthening the village-level cluster.

The following table indicates highlights of the training curriculum. All discussions are based on villagers' memories of the most recent emergency. If the village is disaster-prone but has not experienced an emergency in the immediate past, then villagers may use their knowledge of an emergency in a village nearby.

Major Issue or Activity	Topics Discussed
What Happened?	The NGO facilitator asks villagers to recall what happened in the last emergency. All structural and non-structural problems are discussed and ranked in order of greatest threat and impact.

Resource Map	The facilitator helps the villagers create a comprehensive map of where all residents live and marks important local resources. Distances to local shelters or safe houses, dispensaries major roadways, and high ground are noted. Communication systems (control rooms, phone lines, etc.) are also noted. Also marked are fields, tanks, tubewells, power installations, roads, drinking water facilities. Inventory is taken of all community assets (boats, animals, grain silos) and family holdings.
Hazard map	The facilitator discusses proven and potential disasters including power lines, weakened embankments, low fields, eroded levies or steep slopes and structures subject to wind, rain and flooding. (This differs for drought-prone areas). These hazards are marked on a special hazard map
Who and what is at risk ?	The facilitator helps the community identify who is most vulnerable : elderly, sick, handicapped, pregnant women, lactating mothers and children < 5, and where they live. The facilitator also looks at assets at risk such as farm equipment, looms, pottery wheels. Boats, crops and animals are also noted.
Solution mapping: What can be done?	At this stage the community is ready to order their problems and develop solutions based on resources at hand. The community takes on a plan of action for every problem. Examples include plans to protect documents in plastic bags, to change crops from paddy only to pulses or rice varieties with a pre-flood harvest. It also includes identifying early warning mechanisms and ways to access government resources.

Task force formation	<p>The facilitator then helps the community organize into task forces which include: Early Warning, Evacuation and Rescue, Shelter Management, Relief, Sanitation, and Medicine and First Aid. Post emergency task forces include Carcass Removal, Damage Assessment and Counseling.</p>
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Appendix B

Microfinance and Emergencies - Report by Daniel Seller

Case Study India - 5 - 15 February 2002

1. Background

“A lot of people never recovered from [the cyclone]. You still see people (...) living under a piece of plastic (...). They suffered the generational setbacks. Why is India not on the IT development? Because every generation they get nailed. What will it be this year: cyclones, droughts, floods?”

This is how Will Lynch, CRS Deputy Regional Director, described the situation in Orissa State, almost three years after the worst cyclone of the century.

The state was known for its chronic natural disasters — years of drought alternated with years of flooding. And in recent years, the flooding and droughts were getting worse due to climate changes and deforestation. (Missal)

Orissa was also the poorest state of India with an estimated 17 million people of a 35 million population living beyond the poverty line. Overall literacy was around 50%, female literacy at 35%.

Before the 1999 cyclone, an estimated 92% of people relied on moneylenders. (RGVN). Now approximately 30% of the population had access to microfinance services, and of those an estimated 20% are poor. (Mukkath)

Although the government was in general supportive of microfinance schemes, its projects to support the poor had in the past often not reached the target groups, and suffered from inefficiencies.

2. CRS Partner:

“Rarely in emergencies what we give makes the difference between life and death. Rarely people died in the tropics from a lack of a plastic sheet. So you start looking at it from a different level. (...) [Our goal was] putting livelihoods back together, find ways to have people take care of themselves. (...) The guy who has money lives in a concrete house. He can weather the storm, he won't get into debt, the children can continue going to school (...) But if poor encounter a storm, they are set back an entire generation of development, (...) the crops production is down, they might even loose the farm. The reason: no network of money behind you (...) [and] the survivors of cyclone get nailed for the credit. So our idea was to get some money together. “ (Lynch)

With these goals in mind, CRS designed its program in Orissa after the 1999 cyclone in such a way that the provision of emergency relief was followed by a phase of parallel relief and rehabilitation activities, until economic self-sufficiency became the focus of the program. The model used, Women Self Help Groups (SHG), was not new to the area, but hardly ever used in such a comprehensive manner to tackle relief and rehabilitation after disaster. It is not surprising that in area of chronic natural disasters, traditional society depended on self-reliant village structures, however, the British colonial rule, as well as NGO sponsored free of charge welfare and charity programs gradually dwindled the traditional coping mechanisms of the villagers (M.C., Jolly, April 2002).

CRS Bhubaneswar defined a SHG as a

“(...) voluntary association of persons self-motivated form common interest formed democratically without any political affiliations. Main objective is to improve economic and social status of its members as well as of the community. These are small homogenous groups (...) with mutual self-help attitude. Though not registered, but governed by an informal set of bye-laws framed by themselves. The strength of the group should be between 10

- 20. The main functions of the SHGs are to hold regular meetings, regular saving, carry out community action programs, build up common fund.” (General Information on WSHG)

Microfinance in the CRS Orissa program was seen holistically, aimed at organizing people, their resources, skills, and to build the capacity to work as a team. In this process, saving and lending were seen as a key ingredients, but only part of a larger, long-term strategy. The program recognized that especially after a disaster, people were operating in an environment of scarce resources. Therefore, one had to use every resource available locally, mobilize other resources, and underutilized capacities to achieve a multiplier effect. (Mukkath) Relying on resources already available in the village was also unavoidable, because of the little funds CRS had for the program in the early days. (Lynch)

A better usage of resources also meant to shift from individual to group coping strategies. (Focus Group Discussion) Furthermore, group formation was necessary because when CRS started the relief program there was no village level structure available to handle the distribution, and reach the most needy and vulnerable. (General Information on WSHG)

The approach taken also recognized that women were disadvantaged in society and suffered disproportionately in the aftermaths of disaster. Therefore, the program aimed at improving the women's socio-economic status, enabling them to lead a dignified life, and making them less vulnerable to disasters by organizing them into groups.

Another key ingredient of the program was training, including training of trainers. Various training modules are provided, including critical analysis on the structure and functions of society; poverty analysis; identification of village problems, prioritising them and finding solutions; concept of thrift and credit; and in general group formation, leadership,

and management. Furthermore, basic literacy was taught in a peer-teaching process.

The central message of the training programs was self-reliance. By using this approach without actually providing material inputs, the project became less interesting for men, who had traditionally control over resources. It is understood though, that in a later phase, all members of a village would eventually have access to SHG kind of activities.

The specific objectives of the SHG program were described as follows:

- *“To generate critical awareness among the women about the condition that has made them vulnerable and the different facets of exploitation responsible for their vulnerability.*
- *To strengthen and improve the economic status of the members by facilitating them in enhancing their knowledge base on different income generation schemes, skill and extending minimal financial support to take up different income generation schemes at individual or group level.*
- *To protect them from the clutches of moneylenders and abate them from further exploitation by devising the mechanism of thrift & credit.*
- *To aware women group about various facilities / resources available at different level i.e., govt. /Non govt. thus helping them to improve their bargaining & negotiating capacity.*
- *To educate them on basic health and hygiene practicing which they can ameliorate the unhygienic condition.”*
(ibid)

The need to shift away from moneylenders as a main source of external funding was not surprising when considering that they charged interest rates of 120% annually and more, and required collateral. The CRS program director estimated, that despite the increased availability of funds through NGO and

government schemes, moneylenders still controlled about 60% of the market. (Mukkath)

The first and foremost motive to join the groups was the savings aspect, which in fact meant a better management of scarce resources. Every SHG maintained a bank account for the group's funds. Build on the concept of thrift, the idea was that even poor women can save as little as Rs 10 per month (USD 0.25). Thrift in this context meant to mobilize savings by reducing the already small consumption, or as NABARD, India's APEX bank for rural development, put it, *"the foregone expenditure of income is what can be saved"*.

To give a concrete example, in one SHG after the 2001 flood, the women decided not to follow the traditional behavior to go to moneylenders. Their aim was to save, no matter what, and to make it on their own, even cut back on their own consumption. They took away a little bit every day from what was given by their husbands for buying food. They either sold it or used it the next day and saved this way. The amounts were so small that the family did not notice. (SHG Bajra Maa Kali).

Women remained members of the groups as long as they wanted to. If a woman left the group due to marriage another woman of her family could join the group, and take her place, vested with her rights. (Lynch)

Currently, the program had organized 1,600 SHGs or about 29,000 people that are served through 17 NGOs. These groups had generated Rs 7 million (approx. USD 150,000) in savings in one and a half years. Once they reached a certain level of savings, CRS would start contributing funds, the SHGs in turn started lending to individual group members, and to other SHGs in trouble. Furthermore, they would start income generation activities.

In the area of one partner NGO (My Heart), there were also so called Mahila Mandals that are made up of four or

five SHGs at the village level. Mahila Mandals operated a common fund for village development activities to which SHGs contributed a certain amount from their monthly savings for communal projects. (M.C., Jolly. April 2002)

In summary, the SHGs became the main focus of community development, income generation, and capacity building initiatives with a strong focus on savings collection, inter/intra group borrowing and lending. To strengthen the SHGs' capacity, a mixed grant-loan approach was taken.

It appeared that the strategy paid off: When the next flood hit July 2001, these groups were much better prepared, handled the relief distribution, and clearly made a difference in the post-disaster rehabilitation. Key feature was that the program addressed the needs pyramid after disaster: relief, followed by replacement of assets, followed by income stability, increased income, and then social goals like tackling the role of women in traditional Indian society. On top of it, it did not create dependency on relief and people became less vulnerable to the chronic reoccurrence of disaster.

3. Immediate Response to the Crisis

Even on an Orissa State scale, the cyclone of 1999, the so-called super cyclone, was unique in its magnitude and devastation. The population centers along the coastline were especially hard hit. A first cyclone on 18 October claimed 250 lives, destroyed 30,000 houses and left 700,000 people homeless. On 29 October winds of up to 350 km per hour, tidal-waves up to 30 feet, and two days of rain, left 19 districts, over 19,000 villages, and 13 million people affected. The official death toll was put at below 10,000, independent estimates talked about at least ten times this number. Furthermore, thousands of cattle were lost and hectares of paddy rice destroyed. Due to salinity that remained after the water receded, much of agricultural land remained infertile, and water sources contaminated. In some areas, the water stayed for six months (Briefing Package; Mukkath)

The following year 2000 was a year of drought, making it especially hard for an agriculture-based society to recover. Some areas lost two years of harvest.

In July 2001, the next flood hit the area. Although less devastating in comparison to the 1999 cyclone, it seriously hampered the rehabilitation process, and delayed the CRS program. 24 districts and 15,584 villages were affected, as well as a quarter of a million houses damaged. (Cyclone Relief & Rehabilitation operation by CARITAS/CRS).

As early as 4 November 1999, less than one week after the super cyclone, catholic priests set up base camps for emergency relief operations, and CRS/Caritas assistance started, providing food, and non-food items. Staff was recruited in Bhubaneswar in December 1999, and the direct CRS intervention got on its way with OFDA, ECHO, CRS and Caritas funding (Prior to the crisis, CRS had not worked in the coastal areas of Orissa but in the more neglected Western region).

The relief intervention included agricultural inputs, and some technical advice. This ensured that despite harsh conditions during the winter months, most of the people stayed on their land and resumed farming.

Earlier research had shown that about 365 defunct women groups already existed in the CRS area operation prior to its intervention. Thereby, CRS was able to draw on these SHGs, as well as form new groups (Parija).

Within five months after the cyclone, various NGOs were tested as cooperating partners. However, the women groups remained the focus of the relief program, and more groups were encouraged to form, taking over additional community development tasks. Food for work programs started after seven months. Especially the DFID grant for a Livelihood Rehabilitation project as of June 2000 assisted in the refinement of the program and the process

of non-traditional rehabilitation. In August, the capacity building training for NGOs and for SHGs started.

In October 2000, one year after the cyclone, a boat and net program in support of fishing communities began jointly with CARE and funded by DFID. During the same months, a format was developed for income generation activities (IGA) as well as ongoing SHG activities, including community plantations and disaster preparedness. A few SHGs started IGA earlier on their own initiative.

In May 2001, CRS embarked on a grading exercise of the SHGs into four categories: forming (210), storming (715), norming (573), and performing (none, yet). This exercise helped to identify gray areas and planning for future training activities. The graduation process also helped to decide on the level of support groups would get for Income Generation Activities.

This exercise coincided with the next flood in June 2001. Staff was deployed to the affected areas, assessments conducted, and the relief program kicked back into gear. Major transportation and communication problems existed, but CRS was now much better prepared to handle the situation and relief was very quickly provided to those areas where the livelihood rehabilitation project had already been running. Especially the established SHG proved to be an irreplaceable asset in the distribution of relief supplies, selection of target families, input selection, and documentation. SHGs were involved in every step of the relief program, including the monitoring and evaluation.

As of August 2001, food for community work projects started to deal with the still existing food shortages. The goal of the project was to turn away from pure distribution without community participation to counter the risk of developing a handout mentality as the second phase of

the relief distribution (see below). As of January 2002, the process for implementing the long planned Income Generation project re-started. (Briefing Package; DFID Activities. Progress Report).

4. Adjustments to the existing program:

SHGs were only organized as savings and loan groups after the 1999 cyclone. Before, people had to rely on moneylenders, cooperative schemes, or family and friends since formal bank loans were difficult to access. Some government and other NGO schemes were available for housing repair and reconstruction. Alternatively, people also reduced their meager consumption, stopped celebrating rituals and festivals, used the little savings they had, sold property, took their children out of school, or became migrant workers. (Focus Group Discussion).

The 2001 floods affected regular group meetings and savings for about two months. Under the difficult circumstances of post-disaster, the animators of the NGOs and CRS staff had to make an extra effort to motivate people to restart their group activities. SHGs who had enough resources allowed members to take loans from for consumption purposes, and approached the government for relief. (Focus Group Discussion).

Normal activities restarted as of October 2001. In retrospect, interview partners suggested that savings and other program activities might have started even from day one. Key for an early start of activities was the availability of qualified staff. (Mukkath).

In those places, where there were no SHGs, community mobilization efforts could have started already during the relief phase, recognizing its benefits as creating a good selection mechanism for distributing relief. (Focus Group Discussion) The relief provided could have been used for savings and building of communal assets with whatever relief they were getting:

“Especially in a disaster situation like this, people like to live day by day. But we have to build the capacity to think of tomorrow, and see what they can contribute for tomorrow. If that doesn’t take place, it doesn’t help further.” (Mukkath)

Other governmental and NGO programs at the time introduced flexibility on loan repayment and some agencies like cooperatives and banks, subsidized previous loans through interest rate reductions and rescheduled. In some places, because of the increased demand, moneylenders increased their interest rates, further highlighting the need for microfinance services.

A couple of remarks on the issue of loans versus grants, and in-kind versus in-cash programs: In general, the team suggested that depending on the situation a combination of grants, loans, and a mix thereof should be provided. In CRS Orissa’s experience, grant programs do not necessarily create dependency, as is proven for example by CRS provision of grants to SHGs.

The program director thought that grants were more appropriate where communal assets were to be replaced, while loans should be given for individual needs. (Mukkath) Part of the team thought in-kind and in-cash grants are especially helpful during relief phase, while loans should be given during the reconstruction and rehabilitation phase. (Focus Group Discussion)

For many IGA activities, the program director advised to provide the assistance in-cash rather than in-kind, as people will most likely make the better decision on what was the most suitable input to buy, and get better quality and value for the money.

5. Creation of New Products:

Food for Work and Cash for Work:

Food for Work programs were started after the 1999 cyclone and the 2001 flooding. Beside providing food to a population

in need, they also were a means to have people contribute to their own recovery and used as a tool for the early SHG formation activities.

In general, Will Lynch thought that although food for work was useful, cash for work was the more effective tool. However, in the case of Orissa, CRS did not have sufficient funds available. In other states, where cash for work was available, about USD one per person in the family was paid for six hours of physical hard work (clearing up after an earthquake). Since the work was close to the village, people were also able to augment that one dollar with additional work. Cash for work also proved easier to monitor when compared to food for work schemes.

Both Cash and Food for Work programs could begin right after a crisis. These type of programs also encouraged the restart of market activities, based on a real need. Furthermore, they could contribute early on to savings generation.

Food for Work projects included activities to repair community assets, such as repairing breached embankments, damaged roads, cleaning of polluted ponds and so on. New communal ponds were started, as well as fruit bearing trees planted on unused communal, temple or school campus land. The profit of the produce was being shared, or used for public health and sanitation projects. In one area even several community halls were constructed.

These project were also important as providers of sources of income since many fields were submerged at that time and could not be worked. They helped to bring women groups back together, and also motivated the rest of the village to get involved. Joint repairs to communal assets created a further sense of ownership.

In 2001, the Food for Work programs encountered some difficulties as multiple members of a family participated,

thereby creating a food surplus that was sold in the market. The solution suggested was limiting the number of family members allowed to participate or the amount of food received by one family. (Cyclone Relief & Rehabilitation operation by CARITAS/CRS)

Rebuilding Assets: Boat & Net Program

Eligibility for this program depended on the group's willingness to make its own contribution. In the case of nets half the amount needed had to be provided by the fisher groups. Again, the SHGs were involved at any stage in the process. The boats remained property of the SHG in the village until the fishing groups had repaid for the investment. (Net & Boat distribution in collaboration with CARE)

As a side effect, the boats built under the program became essential assets during the relief efforts after the 2001 floods.

Communal Assets: Seed and Grain Banks, Fish Ponds

Seed and grain banks proved to be a successful model of savings, quasi-insurance, and also for contingency planning. Members and non-members had access (latter if they provided cash as a security to the SHG), and could choose whether they wanted to repay at the time of harvest in-kind or in cash. Key was the availability a storage facility, or the possibility to rent or construct one. If this was not possible, the seeds and grains had to be converted to cash. Non-group members were usually charged a higher rate of interest, but a share of the profits would go to the land less poor. (Update. December 2001)

NABARD recommended that every community should built a buffer of 15-20 days of food to bridge the immediate emergency phase. It was recommended that part of this emergency stock should be provided for by a grant, and partially by the families themselves to create ownership.

Along the same lines of partial grant and partial own savings, a buffer for animal feed should be build to save the livestock after a disaster, which was the basis for the agriculture to recover (NABARD).

A positive side effect of these in-kind banks was that it allowed also in normal times to store the harvest and sell it at a time when it would yield the highest profit in the market. NABARD quoted an example of a rice growing community where 6 SHGs jointly build a storage facility. They saved about 25% of their harvest and since they had the storage facility and alternative sources of income to live on for five months, they sold the harvest at a time when the market price was at its height, achieving an income five times above normal revenues. In light of this additional benefit, repayment in-kind to the seed and grain banks was encouraged.

Fish ponds established as communal projects yielded also high profit margins: An investment of Rs 3,000 in fishlings, resulted in at least Rs 35,000 revenue after one year, with very little expenses and maintenance efforts.

As an example for the success of such communal projects, some SHGs were able to fund schooling for the most gifted children in the community from the grain bank proceeds, and in some cases even the provision of health care. (Mukkath)

Income Generating Activities:

As the latest phase of the CRS intervention, a new Income Generating program had been started. Individuals and SHGs were encouraged to propose projects that would broaden their income base. The SHG contributes one-third of the funds needed, while CRS provided the other two-thirds as a grant. The whole amount was then given as a loan to the IGA that had to be repaid to the SHG. As with all previous projects, the SHG was fully involved in the decision making process.

The groups were encouraged to give priority to the most marginalized and poor. The rate of interest was not to be below 20% per year. Non-repayment by individuals would result in exclusion of further loan assistance. In the future, it was planned to link these activities to funding through NABARD.

It is important to mention that the approach was not to support activities that required new skills. The goal was to support projects that would help people generate additional income with their existing skills:

“[W]e know the best thing is to learn handicrafts’. So we sat down with them [NGO and staff] and asked them “how many crafts did you buy last year”? So we brought examples, and asked if people had bought them. You had money, why didn’t you buy it? Now you want people to make it? Just let them save their money first. Don’t force them to do this development stuff. (...) And it is so ‘like’ development to say, ‘if everybody just knew how to do eye surgery, they could make so much money.’ (...) No, you do what you do. We would not introduce any new technology (...). These are people with a lot of skills. You know how to raise a cow or a goat, cook parboil rice, you are a fisherman we get you back in the water, but not teach you how to fish. We don’t have time or money to do that. We only get you back where you and get you into the savings habit.” (Lynch).

Therefore, only few craft projects were supported, and of those many experienced difficulties. In one village visited, the group was engaged in crafts, which had major problems to market its products. At the same time, the artisans still owned fields, which other members of the village attended to and were paid for. When asked about it, the NGO representative thought that the people would actually be better off if they were attending the fields by themselves and not produce crafts. (Swain, S.)

The program director quoted other negative examples of NGOs providing hybrid seeds instead of the local

variety with the idea of generating higher proceeds. These projects made people more vulnerable in the process. The hybrids were vulnerable to pests, which meant that farmers were forced to take out additional loans to buy pesticides. There were a few cases where farmers even had to go to moneylenders to buy the additional inputs, and in fact ended up worse off than before the project.

It appeared that in a post crisis situation, unless in-depth market studies had been conducted, it would be advisable to stick to traditional products.

6. Coordination between Microfinance and Relief Activities:

A management committee was formed in the relief phase with Caritas, and the Church institutions, CRS acting as the coordinator.

In the long term, the program director in Bhubaneswar recommended to consider shifting more resources toward capacity building at the level of the local NGO partners, as these are the ones in daily contact with the end users. This would also allow them to manage the resources they receive in times of crisis and rehabilitation more efficiently. It also recognized the key role of the local NGO partners in monitoring the impact of the program.

CRS itself should remain in its function as overall project manager and draw on in-house resources. This would mean to build a small resources team in Orissa to provide assistance to centers and sub-centers when the NGOs and SHG on the ground would request assistance. So the planning part would remain to a large degree with the people on the ground. Such an approach would also not require building expertise in every field, but rather draw on other CRS India program resources as the need arises. (Mukkath)

7. Bundling of services:

India also clearly demonstrated the need for an integrated and holistic programming. Microfinance made a lot of sense in the relief to rehabilitation context as a major part of the overall puzzle. The trend towards hiring staff with a specific expertise was seen as a potential difficulty for integrated programming. As mentioned above, in the case of Orissa, the CRS program director expressed a preference to draw on expertise in certain areas like agriculture by drawing on resource form other CRS offices in India and the region.

8. Coordination of MFIs:

The early days of the super-cyclone major confusion was apparent amongst the government authorities on the local and national level responsible for relief activities (Briefing Package). Therefore, relief activities were coordinated through the UN, assisting state and local authorities. Increasingly, the coordination functions were shifted to the government authorities. The UN and CARE were running capacity building projects in support of the government coordination functions. (Missal)

CRS took the approach to keep government authorities closely informed about its activities. Although the local authorities had difficulties to exercise their responsibilities, CRS thought that those government officials needed to be supported because they are potentially in a strong position to coordinate, including microfinance activities, because of their knowledge of the situation on the ground.

Amongst NGOs, coordination became key during the crisis, especially for a multi-service provider like CRS. The sudden huge demand for essential relief items led to an increase of prices. Some of these price rises could have been avoided by coordinating amongst relief agencies.

In terms of strategy, it would have been advantageous to decide on a common strategy on the provision of microfinance products. After an assessment, one could have decided on grants, loans, or a mixed approach across the board, and built in flexibility, according to the needs. However, CRS did not find the other NGOs to be interested, mostly due to an attitude of competition for donor funds. (Mukkath)

Due to this lack of coordination difficulties arose when neighboring areas were serviced by different NGOs. The difference in service provided led some clients to think that they were being cheated. So the difference in products provided also affected the relationship to the people. Especially for CRS and its approach to build capacity for SHGs to manage their resources better, without necessarily providing inputs at first, the lack of coordination made its task more difficult. (Mukkath).

9. Contingency Planning:

Village Banking vs. SHGs

Two general observations:

1. Considering that in the last 100 years, Orissa experienced 90 calamities, it was clear that people have been coping with disasters before and had their own contingency mechanisms. CRS Orissa realized that in order to work in a chronic disaster environment, it was important not to break traditional coping mechanism but rather build on existing model.

2. In the other case studies, CRS was supporting various village banking models whereby a NGO often functions to a certain degree as a quasi bank. This created additional risks from an institutional perspective especially in a disaster environment (e.g., who is ultimately responsible should a program fail). Therefore, the approach taken by

CRS Orissa could be seen as possibility to reduce risk from an institutional perspective.

CRS' NGO partners never became financial intermediaries. They did not have to fulfil quasi-bank functions, therefore they did not have to bother with additional risks such as security problems and costly administrative burdens. The risk remained with the groups since they were dealing directly with the commercial banks (However, in the case of the new IGA project, CRS might actually have to serve as guarantor at times). The NGO partners had to be more involved though as mediators and "educate" clients and commercial banks about the advantages of dealing with each other, overcoming fears and preconceptions, and teaching clients as a further step to self-reliance what could be labelled "banking literacy".

Human Resources:

The availability of trained staff was regarded as key to start early on with microfinance and IGA activities. In the Orissa case, the team had to be built literally from scratch. Many young university graduates with sociology and liberal arts degrees were hired, with little work experience. However, they contributed enormous motivation, and were learning the art of listening to the women groups and working close with the partner NGOs. (Mukkath)

Disaster Preparedness:

The UN offices encouraged NGOs to get involved in so called Community Based Disaster Preparedness (CBDP) training. SHGs provided an excellent framework for activities such as resource and evacuation mapping. In the case of CRS, FFW programs were used to build a store house or a community house, as a meeting place and for shelter in a high place, which was also an aspect of CBDP training. (Mukkath)

The CRS team also thought that as a part of disaster preparedness, SHGs needed to be better networked to the government authorities in order to gain timely access to assistance. Also the training aspect needed to be intensified, covering areas such as rescue and relief operations, as well as information systems. The team also recommended that simple assessment forms and beneficiary cards should be available prior to an emergency. The paperwork developed during the emergency for documentation purposes was too cumbersome and at times redundant. (Focus Group Discussion)

CRS Team members stressed that SHGs were now motivated to develop contingency plans and form different committees for taking on responsibilities during disasters. The SHGs were better prepared to cope with disasters because of the mutual help attitude. Furthermore, group savings could cover immediate needs, and people had gained knowledge that would allow them to access more of the outside resources available to them. (Focus Group Discussion)

Disaster Loan Funds (DLF)

Key for improved performance in the future was the timely availability of funds. Individual savings set aside for emergencies should be encouraged, but would probably not yield a substantial amount. Some SHGs created emergency funds that were linked to savings, but did not generate enough funds to satisfy the demand. (NABARD) Therefore, DLFs should be considered as a tool for risk reduction and risk sharing (with donor help, on a regional CRS level, or maybe through commercial banks in the form of a line of credit).

Diversification:

The first step to be taken to reduce the risk was to help SHGs to diversify their income base. As mentioned above, the preferred strategy was to build on the already existing

and well-established IGA's of the community, and not engage in products that end up making the people more vulnerable.

For these IGAs to work, it was also important to support the basic market research capacity of NGOs and SHGs alike. I should also be seen as a contingency measure to diversify the sources of funds, e.g. relying on savings, soliciting grants, and a loan.

Insurance:

Health problems were mentioned by the SHGs as a major difficulty to cope with, and also a frequent reason to take loans from moneylenders. Only a tiny minority could afford the rates insurance companies charged for health and life insurance. Although a rudimentary public health system existed, especially for people living in rural communities, 24 hours access was not guaranteed, and the lack of transport could lead to serious problems if urgent medical attention was needed. Therefore, providing health insurance as part of the SHG program was being considered.

It appeared worthwhile to explore existing schemes in other areas that would entice private health providers to work in the rural areas. Alternatively, maybe it would be possible to expand the existing government schemes at a reasonable cost. The fact that the program had close to 29,000 members should provide some negotiating power with commercial insurance companies. However, further advice by insurance experts would be a precondition before experimenting with such insurance schemes.

The Government was promoting crop insurances, which traditionally had not been very successful. In many cases, especially small farmers who rent land from absentee landlords had difficulties to provide the necessary documentation, so the schemes usually benefited bigger farmers who owned the land. Cattle insurance schemes

were also difficult to manage and it took a long time to process claims.

10. External factors:

Trauma:

A number of NGOs worked on the psycho-social effects of disaster. CRS did not have a specific program component for it, but stressed that the ability of women to revert to the SHG as a support base to help one another had made a significant contribution to deal with the psycho-social effects of the crisis.

Mobility:

Migration was largely kept in check when people were able to find work in the respective village, for example through FFW schemes (Briefing Package). Overall, it appears that SHGs helped building the capacity for people to sustain themselves in their villages.

Communication:

In some areas, telecommunication was down for up to four months after the 1999 cyclone, and one month after the 2001 floods. In response, and with the help of international funding, a radio network was being put in place reaching down to the level of the local government authorities.

CRS deployed staff to the field during the crisis. However, in order to relay information they had to physically return to the base camp. Therefore, in order to improve the disaster response, and the following rehabilitation activities, while bearing in mind that Orissa is chronically affected by disaster, an independent communication network should be considered. This could speed up the disaster response, which was also key in terms of keeping contact with the SHGs and partners in the field.

Donors:

The CRS program was fortunate that some of the major donors bought into the concept. However, in one case the short relief budget cycle created difficulties for a program that tried to overcome the short-term perspective of traditional relief provision.

Interview partners thought that donors should learn from past emergency experiences, and support the sharing of information amongst partner NGOs about issues like input costs and the availability of resources. Donor coordination itself was regarded as an area in need of improvement.

Commercial Banks:

Commercial banks were increasingly recognizing the potential market amongst SHGs. After the cyclone, there was also a new openness towards taking savings, as opposed to just providing loans (RGVN). Government actually advised banks to prioritize group loans over individual loans. It was also observed that clients who had defaulted as individuals, became good customers once they joined the support network of the SHG, and even repaid their non-performing loans. (NABARD)

It was also due to NABARD and other government sponsored schemes that a shift in attitude was observed amongst commercial banks. Through these schemes, the banks could receive concessional loans below the market rates that allow for a sizable profit margin. (Mukkath) This was a potential source for local NGOs who expressed the need for additional funds.

A commercial rural bank manager was interviewed and displayed a very open attitude toward SHGs. However, he stressed that he lacked the staff to reach out to the groups and would need the assistance of NGOs to mediate. (Mrutyunjaya)

Government:

The government was in general supportive of the microfinance sector. In particular, NABARD subscribed to microfinance and to linking SHGs to rural banks. All of its credit was channeled through rural banks. NABARD also strongly supported the idea of having SHGs proof their ability to save first, before outside credit was being introduced. Despite this recognition NABARD was now considering to provide credit early on to help groups that are struggling to get on their feet.

Different than other government sponsored schemes, NABARD seemed to have been successful, mostly because of the dedication of the staff and the flexibility in the approach. Many other government sponsored funds existed, like for housing grants and loans. To a certain extent, they helped people to recover, however, many schemes were complex, difficult to understand, complicated to access, and not very successful in reaching the most needy. (Pattnaik)

NABARD did not see a need to adjust its products to specific emergency type of loans because there was enough flexibility in the system to adjust existing credit funds according to need. The SHGs had the freedom to set the repayment period, the interest rate and the purpose of the loan.

In the focus group discussion, the team expressed a number of areas, where increased government involvement and support could benefit the SHGs. These areas were CBDP, insurance schemes, support to community level structures as a means to channel government assistance, coordination amongst MFIs to maintain uniformity in implementation and to avoid overlaps, and the need to discourage subsidized loan policies. Furthermore, contingency plans needed to be formulated and reviewed regularly, and reach down to the

block and village level (Currently, they were restricted to state and district level). Last but not least, it was mentioned that government support schemes needed transparency, and display a greater level of continuity, i.e. be less dependent on election cycles. (Focus Group Discussion),

Change to traditions:

In the course of the group formation process, also the behaviour of women markedly changed. Usually confined to their homes, their shyness disappeared over time and they started to participate in the decision-making and actively participate in community development activities. This also showed in the interviews conducted for this case study as the women openly shared their experiences. Above all, and without being prompted, women asked to learn. As one woman told the author *“We never left the home, we were completely in the dark. Now we are able to sit down and smile.”* (Member of SHG Bajra Maa Kali)

Beside the positive effect of changing the traditional role of women in society, the disasters also had negative consequences as they affected the social cohesion, and led to violence against women. Here the SHGs became active: Domestic violence, alcohol abuse by men, and dowry abuse were some of the areas that had started to be tackled by the women groups. In one village, women started to beat saucers with spoons when they were being abused, making it thereby known to the rest of the community what was going on in their homes. Women would then congregate at that home and confront the husband. In the same village, women hung brooms from the top branches of a huge tree to remind the men in the village of a proper conduct towards women. (Briefing Package; Sahoo; and interviews)

CRS recognized, that despite all the positive aspects the SHGs had on life amongst the rural poor, the change the

program had on the traditional role of women also created a certain amount of conflict between genders. This aspect has to be addressed with a lot of caution and sensitivity to the village situation:

“We have seen conflicts between man and woman. Suddenly the women had resources, were sitting together, talking together. Man would stand and listen what we are saying. So we would tell the women: please explain to your husband what we are doing. Get them to help you with the groups. We are not here to break from your husband, but integrate better, and take care better of your families.” (Mukkath)

Overall, the positive aspects of the program by far outweighed the shortcomings. SHGs succeeded in confronting corrupt officials and got the perpetrators of dowry abuse to court. Having gained the knowledge about the responsibilities of officials, the women started to confront of government and non-government bodies alike when shortcoming occurred, thereby improving their lives and the conditions in the villages as a whole. (Briefing Package; Sahoo; and interviews)

Another issue to be considered was the traditional role of castes in Indian society. A centuries old socio-economic divider proved to be a challenge to some SHGs. Most SHGs were mixed in terms of castes, however in some villages, they were divided along caste lines. CRS was working on breaking these lines, and for example made it a rule that less articulate women, often from lower castes, would talk in group meetings, as well. (Mukkath)

During disasters, castes tended to collaborate more closely. In one village, women worked together to cope with the effects of the 2001 flood, and jointly cooked the meals for those working on community rehabilitation projects. However, in the same village, the lower castes were not allowed to take water from a well once the disaster had passed (Sahu).

It could be argued that especially in terms of disaster preparedness and response, the divide along caste lines is counter productive and could be used as an argument for closer cross-caste collaboration. A separation of SHGs along those lines meant also a lesser degree of diversification in terms of income sources within a group and therefore higher risk to the community as a whole.

11. Experience of Others:

RGVN:

RGVN, the National Rural Development Fund, a network of local NGOs, was currently assisting close to 17,000 clients. The cyclone functioned as a wake up call because of its magnitude. It also changed the microfinance sector. The funds and stocks that poured in meant that resources went to previously neglected areas, and the demand for loans increased. However, some areas were again left out, which RGVN was trying to serve through its network.

RGVN was acting as an intermediary and APEX institution, providing loans from the proceeds of its capital base, charging NGOs 9% interest. They were providing capacity building, through regular meetings with partner NGOs, peer learning, and training workshops.

The NGO experienced difficulties to mobilize additional resources after the floods. This meant that the high demand for additional consumption loans could not be met, and limited their ability to work in emergencies, disaster preparedness and mitigation.

As RGVN was working in areas that are difficult to reach they experienced difficulties to monitor the program with the number of staff available. Therefore, they came up with an innovative scheme called Joint Management Program (JMP), whereby 3-5 of its now 27 NGO members form peer group, monitoring and assisting each other.

This meant that new loans would only be given to a NGO in the JMP if the other members had repaid.

RGVN saw after the crisis a need for short-term soft loans, taking into consideration seasonality. They rescheduled the outstanding loans, allowed for grace periods of up to 12 months (originally 6 months), and gave loans for up to five years for the best performing NGOs.

RGVN started a shelter program in cooperation with an insurance company, covering the construction of 500 houses. RGVN provided 50% of the funds needed, while the insurance would cover against damage during construction up to a certain limit, flood, fire, and earthquakes at a small premium. In case of a calamity, 100% of the loss would be replaced. The loan was for a 10 years period. RGVN was also considering life and health insurance as part of a package.

A major lesson learned was that loan and grants should be given for integrated infrastructure development that would result in a multiplication of funds. RGVN thought that mixed grant and loan programs were possible, as long as there was no ambiguity about what is what.

The main stumbling block for RGVN was the high administrative costs because of working in new areas, the inadequate funding base, and the priorities of the donors in terms of products and areas to work in.

In RGVN's view, the SHG model was being over-emphasized, partially due to donor preferences. The common microfinance scheme, whereby the NGO became the intermediary for the funds, would prove to be more sustainable in the long run as there would be an organization directly responsible for the donor funds. In the case of SHGs, they might easily disappear.

Appendix C

Community Based Disaster Preparedness in Action:

A Report on activities in the Villages of Jalalkhali and
Palpara

Submitted by Sarah M. Smith
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August 4, 2002

Executive Summary

Background

Close to 22 million people in 17 Districts of West Bengal were very badly affected by the devastating floods of September 2000. The flood left several million people homeless for more than a month, and several aid agencies came forward to extend humanitarian assistance to the victims. In order to deal with the flood of 2000 and to prevent this type of devastation in the future, UNICEF took the initiative of organizing an Inter Agency Group that would develop a joint strategy to deal with natural disasters and moreover that would pilot a program to mobilize villagers themselves to prepare for floods and other disasters. The medium for carrying out the program would be the already existing Self Help Groups (SHGs) that were part of the Micro Finance program of Catholic Relief Services (CRS) and Catholic Charities, Krishnagar (CCK). The program took the name Community Based Disaster Preparedness (CBDP) and adopted the methodology of Participatory Learning and Action (PLA). The program is currently in its third phase as of April 2002. It has successfully completed one year since it was first piloted in 38 villages in Nadia and north 24 Parganas. In the second phase CBDP reached over 230 villages in Nadia, Murshidabad and Malda district. Moreover, the second phase saw close involvement with the district administration in the project, particularly in Nadia, where the administration has accepted CBDP as their official program.

As the program continues to expand, the link between NGOs and PRIs has become closer as well as the link between SHGs, local Panchayats and the block administration. The CBDP faces new and exciting challenges in this third phase as the program continues to expand and to involve more and more volunteers, SHG leaders, PRI members and others.

This report is based on a Community Based Disaster Preparedness (CBDP) training session for Gran Panchayat members, and field visits to two villages participating in CBDP through their SHGs. During the village visits a combined total of 46 women took their time to attend two separate meetings to discuss their SHGs and the CBDP program. Their insights are very useful for understanding in what ways the program has been effective so far, and also illuminate some of the challenges that need to be addressed in order for the initiative to achieve maximum success. Key findings show that at least three significant changes have come about in the ways in which villagers prepare for and deal with floods. These changes seem to be directly related to SHGs members' participation in the CBDP program and community participation in developing a PLA Action Plan for disaster preparedness. 1) SHG members and their families have made changes in the types and timing of crop plantation in order to cultivate crops that are more resistant to floods and have an earlier harvest time. 2) SHG members and their families have made changes in the types of animals they are raising, and have also begun taking better care to vaccinate their animals against diseases that are prevalent during the rainy season. 3) Women in the villages have been attending their local Gram Sansad meetings in great numbers and have effected policy changes. They have also presented their PLA Action Plans to the Gram Sansad, which has been the catalyst for implementation of the Action Plans in their communities.

Some of the issues that the CBDP program needs to address in order to ensure maximum success are the following. 1) Since villagers are still recovering from heavy financial loss caused by the flood of 2000 they do not have funds available to invest in some of the important disaster preparedness infrastructure that would really help them. Therefore all of the measures outlined in the CBDP/PLA trainings are not being implemented to the fullest. 2) Some women feel that they are not allowed to use their SHG

loans to purchase necessary materials to prepare for flood. They think that they can only use the loans for productive business purposes, and therefore many of them are not as prepared for flood as they could be. They have expressed confusion over who makes the rules for the SHGs. 3) There is interest among the women in becoming more actively involved in the Gram Panchayat, but women perceive that it would be too costly or complicated for them to become elected officials. Therefore women and community members are not reaching their full potential for involvement in local government. It would be useful for CRS to elaborate on this initial study by continuing to interview members of SHGs in villages participating in the CBDP program, as well as villages that are not participating, so as to build on these preliminary findings.

Report on CBDP

This report is based on a Community Based Disaster Preparedness (CBDP) training session for Gram Panchayat members, and field visits to two villages participating CBDP through their Self Help Groups. These SHGs are receiving support on microfinance and disaster preparedness through collaboration between Catholic Relief Services and CCRK.

CBDP Training

On July 31 of 2002, the Inter Agency Group (IAG) and members of the Block held a Workshop/Training on CBDP for members of the Gram Panchayat in Krishnagar. Trainers included staff of UNICEF, staff of IAG, the Block Medical Officer, Block Development Officer and others. The purpose of the training was to brief Gram Panchayat members on the CBDP program and to provide them with important concepts and methodology so that they in turn can train members of their villages in disaster preparedness using the resources and methodology of CBDP and Participatory Learning and Action (PLA). The topics covered in the training included 1) Objectives, 2) Concept of Disaster Preparedness, 3) CBDP Action Plan, 4) Health and Sanitation, 5) Relief, Rescue, Food, 6) General Questions, 7) Flood Forecasting and Warning System, 8) PLA, 9) Future Steps for Preparation of POA, 10) Panchayat, Relief, Social Welfare, 11) CBDP Song

The room was decorated with colorful banners that explained in Bengali text and with pictures the various measures required to prepare for and deal with floods. The banners covered the following topics, which the trainers elaborated on throughout the different sessions:

- Important items to take when there is a flood: land title, certificates (school, baptism etc), children's books, ration card, ID card, passport and visa, medical papers, bank papers, license, any other documents.

- Stocking and storage of food and other essential items to last through the first five days of flood: rice and wheat, dried food, jagri and bread, drinking water, kerosene oil, matches, candles
- Medicine and Health precautions: Water disinfectants, Oral Rehydration Kits (prepare using clean water, salt and sugar)
- Things needed to prepare temporary shelter: hammer, nails, etc
- Checklist of things to remember for flood preparation
- Relief Materials: tarpaulin, life vest
- Committees for Booths: *Coordination, Early Warning, Rescue, First Aid, Health and Hygiene, Shelter*
- How to make a temporary toilet using bamboo and bricks, tin, and proper elevation
- Priority analysis of villages using mathematical equation

$$\text{Disaster} = \frac{\text{hazards} \times \text{vulnerability}}{\text{capacity}}$$

hazard -constant

capacity-varies

vulnerability -varies

disaster = $10/2 \times 4 = 20$

but if capacity = 4, then

vulnerability is less.

Therefore chance of disaster is less.

disaster = $10/4 \times 2 = 5$

- Village map: shows lowland areas, highland areas, total number of houses, types of houses, direction from which water comes during flood, resources that are helpful: bamboo trees for temporary shelter, banana trees for carrying people out of flooded areas using “vala” when there are no boats available. Identifies human resources in villages (mechanics who can help raise tube wells, doctors, midwives etc.

In addition to the discussion of points from the banners, a member of the Inter Agency Group presented a series of

charts that are very useful tools to help people strategize ways to prepare for and cope with floods. These charts included:

- Resource Map- identifies all people and institutions in village and surrounding areas that may be useful to villagers faced with flood. These include churches, schools, District Office, post office etc (places to take shelter) as well as doctors, mechanics, midwives, and other skilled members of the community. The map indicates the location of resources and distances in kilometers from the center of the village.
- Chart showing how many people leave the village for employment: where they go (Mumbai, Calcutta etc), when they leave and when they return to the village (which months), and how their absence corresponds with the flood season. The message of the chart was that men should plan to be back in the village by flood season so they don't leave the women alone to deal with floods.
- Chart of crops illustrating planting times, harvest times, rain months
- Chart documenting the history of floods and natural disasters in the area-months and years
- Chart for problem identification: Prioritization of problems, who is designated to address each problem, Plan of Action at village, Panchayat and NGO levels.

Field Visits to Two Villages participating in CBDP through SHGs

Survey Methodology

Members of SHGs from the two villages, Jalalkhali and Palapara, came together in an informal focus group in each of their villages to share their insights and opinions on the program with the interviewer. They responded to a series of questions covering 10 categories: 1) Basic SHG questions, 2) Basic Village Disaster Preparedness questions, 3) Food and Water Security, 4) Resource

Awareness, 5) Knowledge or Mastery of Disaster Preparedness, 6) Investments in Disaster Preparedness, 7) Governance, 8) Peace, 9) Ripple Effect, 10) Role of Men and Women. For the women of Jalalkhali this was a planned field visit and they knew that they would be interviewed, while for the women of Palpara the visit was a surprise. Overall key findings were similar in the two villages. 1) In both villages SHG members had switched both their principle crop and the types of animals they were raising in response to their new focus on flood preparedness. 2) SHG members in both focus groups also noted that village unity and sense of control over their own lives had increased since villagers had participated in the PLA exercise and had drafted and Action Plan for flood preparedness. 3) Women in both villages had taken an active role in the Gram Sansad since joining the CBDP program.

August 1, Jalalkhali Village

Survey Findings

This village is participating in the CBDP through its 20 Self Help Groups (SHGs), supported CRS and CCK. Based on focus group interview of 35 women from many different SHGs, it is clear that the village has taken several important measures to prepare for floods since the beginning of its involvement with CBDP. The most interesting findings are two: 1) that villagers have changed both the types of seeds they are planting and the planting times of seeds in response to the threat of floods. 2) that women from SHGs became involved in the Gram Sansad meetings due to their participation in the CBDP. Before this they did not know about the existence of Gram Sansad nor that they were allowed to attend the meetings. Through CBDP they presented their PLA action plan at the Gram Sansad meeting in May 2002.

SHG Questions

The first questions were about the Self Help Groups and the size and uses of loans. The women first explained that the SHGs of this village had held a meeting in the month of May to come up with a plan for disaster preparedness. 30-40 people came together to make the plan and once drafted, they photocopied it and distributed it to the rest of the village for discussion. They explained that in 2000 all of the villagers suffered greatly during the flood and nobody had been prepared. Because of this they felt that they needed to organize better to prepare for future floods. Through doing PLA they learned how to face disaster. They gathered information about the village and its resources and made a disaster management plan. They presented it to the Gram Sansad on May 31, 2002. This was the first time they had ever planned for a flood.

The village of Jalalkhali began forming SHGs in March of 1995. There are 20 -25 members in each SHG and 20 SHGs in existence now. The women explained that most of them have taken 5-7 loans since they joined an SHG, and they have used them for purchasing different business inputs. Examples of these inputs are: mosaic stone cutter, pig, agricultural inputs (purchase of seeds, paying for labor, purchase of manure) cloth for stocking clothing store, cow (purchased at one market and sold at a higher price at another market,) thread for weaving, sewing machine, banana trees for banana plantation, seeds for rice paddy cultivation. Through their SHGs, women are allowed to take a loan up to 5x the amount of their savings, and in the more established groups each woman has a savings of 1,900Rs. The woman said that as of yet, no one has ever been turned down for a loan. Of the women interviewed, the loan amounts range from 1,000 Rs to 8,400 Rs. The interest rate is always 2% and the terms vary from 6 to 10 months. The women save 20-30 Rs per month. All together the women know of 7 women who have left their groups, but others have taken their places.

One of the things the women find most useful is the facility of savings and credit through the SHG. In the SHG they can deposit small amounts to their savings accounts, whereas banks do not accept deposits of less than 500 Rs. Through the SHGs they can get unsecured loans, unlike at banks. The interest rate on a loan through the SHG is only 2% while money lenders charge 10 % interest. Women can rely on their SHGs to provide them with loans in difficult situations and times of need. The interviewees also find social benefits through the SHG. They feel more empowered since joining. They explained that before joining the SHGs they were involved only in their household work and they couldn't talk or express themselves in public or even very much with each other. Now they are out of their houses, organizing and attending meetings. This March 8 they celebrated Women's Day for the first time, a holiday that they didn't even know existed before. "Now we know men and women are equal," said one woman. The women explained that in the beginning men were not supportive of the SHGs but once they learned that the loans could be used for the development of the whole family they did not say anything against SHGs.

The women expressed some confusion over the rules of the SHGs. They explained that there are certain rules governing the use of the loans, and they do not have a clear idea of who makes these rules. One of these rules imposes a fine for people who default on loans. Many women said that they did not feel defaulters should be fined. They also opposed the idea that if a women defaults on a loan then she is entitled to take only three loans instead of 5 loans from the SHG. Most women felt that everyone should be able to take a loan 5 times. They also said that sometimes rules get imposed in the middle of the year. They would prefer that once a rule is imposed, it be followed for the whole year, but they do not like the idea of rules being imposed in the middle of the year. When asked who imposes these rules they expressed confusion. They said that it could be CRS, but they were not sure.

The women said that they had never taken a loan to prepare for disasters because that is against the rules of their SHGs. The rules state that loans are for productive business purposes only. They said that they would like to take a loan to prepare for the floods but they are not allowed to. This is something that CRS needs to investigate. If women feel that CRS is making the rules this may be a misunderstanding that needs to be resolved. It may be that in the past this was the case, but that it is no longer CRS who makes the rules. The second village did not have this same perception, but the SHGs have only formed in the past year. Maybe this first village is confused over old CRS policy that has now changed.

Disaster Preparedness

In Jalalkhali, 85 people participated in the CBDP/PLA exercise that took place in May. Of these, 70 were women from SHGs and 15 were men from the community. These men included club members, president and secretary and vice president of the Panchayat and relatives of the women. CCK together with three of the village leaders organized the meeting. These leaders were: Rahka Gaian, Jhari Mondal, and Purnima Biswas. During the meeting the participants introduced themselves and divided into two groups. These groups set out to survey the village and identify its resources and came back to make a map. The map indicated the high land, low land, roads, areas most vulnerable to flood and people most likely to be affected by flood. It also identified the skilled people in the village and the institutions in and around the village such as schools and churches, where people could take shelter in the event of a flood.

Food and Water Security

The women explained that they have changed their planting patterns as well as the types of seeds they plant in order to better prepare for flood. In 2000 they lost all of

their crops and they want to avoid this possibility in the future by planting other crops. They are thinking of cultivating sugar because it can survive underwater. This year they have taken the action of changing from cultivating mostly Aman paddy to now cultivating Owas, which takes less time to mature for harvest and is also ready for harvest in August instead of November like Aman

As far as livestock the women have been tending to their animals very carefully. They have been taking them to the vet and also giving them vaccines and injections to prevent fever and pox. Their hens had been dying due to a disease that breaks out during the rainy season, so they are now taking better care to give them the appropriate vaccines.

The women living in the more vulnerable areas said that they are keeping rice and dried food in the grain bank to prepare for the months of August, September and October.

Resource Awareness

Since not everyone in the village has a boat, the villagers are planning to use banana trees as a resource in case of flood. They will use banana trees to make “valas” which can carry three to four people out of a flooded area. They also plan to use bamboo trees to build temporary shelters. During the 2000 flood they took shelter on the road, but now that they know of other resources in and around the village they plan to use them for shelter instead. These include the primary school, the temple and church. They have had this idea in mind since they developed their Action Plan during the PLA.

Knowledge or Mastery of Disaster Preparation

When asked what they would do in case of flood, the women said that they would keep all of their important documents in plastic bags. They will use plastic manure

bags that they already own. These documents include ration cards, bank passbooks, SHG passbook, deed of house. If they get the message of the flood early, they will make “machans” (bamboo platforms). They will also keep dried food on hand. The early warning system team comprised of 4 SHG members will go door to door in the village warning of the impending flood.

Investments in Disaster Preparedness

The village faced a great loss in the floods of 2000 and it still has not recovered from this loss. The community is currently in a rebuilding process and women have not been able to save much money recently. Because of the kerosene crisis in the flood of 2000, the women are stocking kerosene now so as to be better prepared in the event of another flood. Not all of them have stocked what they need yet, but they are in the process. When asked if they would suffer the same losses in the event of a flood this year, they said that at this point the agricultural loss may be the same as in the year 2000 but from the family point of view loss would be less. (Though since they have changed their primary crop to a heartier one, I question this.) They are more prepared to save the family assets now (furniture, documents etc) The women also said that if they were allowed to take a loan for disaster preparedness they would take it and use it to purchase food and to have cash on hand to use for emergencies during the flood. Some would use this money to repair their houses after the flood, others to buy a tarpaulin for use during the flood. The village has not been able to add any assets such as bridges, bunds or water tanks as flood preparation measures, because the economic condition of the people is not good and the budget of the village can not accommodate these measures now. Instead they have identified where to go in case of flood. They also plan to make donga boats from corrugated aluminum. Since the Gram Sansad meeting they have continue discussing plans for the flood in SHG meetings once a month.

Governance

Some of the women expressed interest in running for elected office in the PRI system but they said that there are expenses involved which make this difficult for them to consider.

Peace

Since joining the SHGs the women have gotten to know each other very well and have developed a feeling of closeness. This has resulted in a reduction of quarrels in the village.

Ripple Effect

One woman who is not a member of a SHG said that she learned all this information about disaster preparedness from other women. The women said that they also spread the message to their relatives in other villages.

Role of Men and Women

The men are primarily responsible for Rescue and Relief efforts and the women for matters relating to household preparation such as preparation of the Family Kit.

August 1, Palpara Village

Survey Findings

In Palpara, CCK introduced SHGs at the same time that it began the CBDP so that the microfinance component began in conjunction with the disaster preparedness program. The first SHG formed 8 months ago in December 2001 with 9 members. Since then two other SHGs have formed and each of the three SHGs now has 24 members. Most of the SHG members have already taken loans from 300 Rs to 500 Rs and have used them largely for purchasing animals. In this focus group interview 11 women came together without previous knowledge that they were going to be interviewed, and spoke about their SHGs and about

the CBDP. Findings indicate that women participating in the SHGs have made some important changes in the types of animals and crops that they are working with in response to what they have learned about flood preparedness. These women indicate that they have been sharing what they learn with family members and relatives in Palpara and other neighboring villages. Significant changes since learning more about flood preparedness include switching from raising primarily hens, to now raising primarily goats because hens have been falling ill and are more susceptible to water borne disease that is prevalent during the rainy season. The SHG members have also adjusted the time of planting of crops and have switched from cultivating primarily Owas to primarily Aman because it is a heartier plant that can grow underwater and that also is ready to harvest in August instead of in November. Another important finding is that women have become active in the Gram Sansad directly due to their involvement in the SHGs and PLA training. They have demanded and gotten a road for their village.

Survey Response

SHG Questions

Currently 72 women are participating in 3 newly formed SHGs in the village of Palpara. Women in the village quickly took interest in the SHG groups when CCK introduced the concept 8 months ago with the dual purpose of promoting microfinance and disaster preparedness simultaneously. The most recent SHG formed 5 months ago in March. So far all of the women have deposited at least 100 Rs in savings to their SHGs and the majority have taken loans of 300 Rs at 3% interest for 4 month terms. Out of 7 women asked about their loans, 5 borrowed in order to buy a goat, 1 in order to buy vegetables from one market to sell at another market, and one woman borrowed to buy a hen. SHG members save 20 Rs a month each. No one has left a group since the groups formed.

SHG members appreciate the fact that they can get a much better interest rate on a loan when they borrow from the SHG instead of the landlord. The landlord charges 10-15% interest while the SHG charges only 3%. Women have difficulty borrowing from banks because the banks won't give them small loans nor will they accept small savings deposits as the SHG does. With the SHG they can get a loan without security. They also like the SHGs because now they have a place to gather and learn from each other. They are no longer confined to their homes but can get outside and discuss issues with others. They say that since the SHG program began, "unity has come" to the village. Respondents explain that if they have any problem or difficulty they can now discuss it in their SHGs and get feedback and ideas from their peers. Respondents can find nothing to change in the SHGs as of yet, as they are still very new. The only change they are considering is raising their monthly savings to 30 Rs each from 20 Rs.

Disaster Preparedness

In Palpara 40 people have participated in CBDP so far, and of these 22 are from the SHGs. The remaining 18 are men and women from other families not involved in the SHGs yet, because each family in the village was to send 1 representative to the meeting. These 40 people participated in a PLA and came up with an Action Plan for the village to prepare for and respond to the eventuality of a flood. Some of the key points that the respondents have followed up on are: storage of food in preparation for flood, protection of documents in plastic bags in a safe place in the house, a specific plan for pregnant mothers. During the flood of 2000 pregnant women suffered greatly, so now the action plan includes a specific provision for pregnant women. The participants identified a traditional birth attendant in a neighboring village who can attend to women in case they can not get to a hospital in time during a flood.

Food and Water Security

In response to CBDP and PLA, the respondents and their families have adjusted the time of planting so that they will be able to harvest their crops before the flood. They have also changed their seeds from Owas to Aman. The planting time for Aman is earlier than Owas and Aman is a more vigorous plant that can raise its head above water, grow underwater, and even remain underwater for 10-15 days. When they used to cultivate only Owas they lost all of their crop to the flood because it was not ready for harvest until November and was not such a hearty plant. The respondents have also shifted from raising hens to now raising goats, because hens suffer from water borne disease during the rainy season whereas goats are heartier and are not as affected by a wet climate. Women have also begun storing food for disaster time. They regret that they cannot store more food but their finances do not permit them to purchase enough food to have a surplus as most of them are living on 1 kilo of rice per family at a time. In the 2000 flood they lost everything and suffered severe financial setbacks from which they are still recovering.

Resource Awareness

When they made their Action Plan during the PLA exercise, villagers identified resources in and around the village that could be helpful to them in the event of a flood. They identified a school that could be used for shelter, banana trees in the village that could be used to carry people out of flooded areas. They do not have money to invest in other infrastructure or even to invest in food to store, but they are saving in their SHGs specifically so that they can have cash on hand during the event of a flood and to rebuild after a flood. The respondents said that

they did not know about any of the resources available to them before they joined the SHGs because they had been confined to their homes. They came out of their homes after the joining the SHGs formed and attending the PLA training. The women were very pleased with their new involvement in the Gram Sansad. Many village women attended the most recent Gram Sansad meeting and demanded and got a new road in the village. This road is now a constant reminder of their influence and success in a community initiative and is a great source of pride for them.

Knowledge or Mastery of Disaster Preparation

As part of the PLA exercise, members of the SHGs along with other village members have formed different teams to deal with floods. These teams include the Rescue Team, The Early Warning System Team and the Temporary Shelter Management Team.

Investments in Disaster Preparedness

The women interviewed said that they intend to use some of their savings and/or take out a loan to purchase food to stock for the flood. They will do this in the month of August. As a community they have not invested any money in infrastructure specifically to safeguard against flood damage because they cannot afford to at this point. This community was very hard hit in the 2000 floods and they do not have the finances to invest in infrastructure now. On the individual household level they have all started saving plastic manure bags so that they can use them to protect their important documents from water. They have not been able to invest in other types of flood preparedness tools because of lack of funds. Most of the discussion and planning for flood takes place during their monthly SHG meetings.

Governance

So far no one in the village is participating in the PRI as an elected official even though there is interest among members of the village. The SHG women have all participated through the Gram Sansad meetings and they are very pleased with their new- found knowledge of Gram Sansad and their ability to influence local policy through Gram Sansad.

Peace

Since the introduction of the SHG groups in the village, the SHG members feel that common feelings and unity have grown in the village. Now other village women are interested in joining SHG groups as well. At first men were frightened by the women's new participation and empowerment, but once they realized that everyone could benefit from the loans, they were satisfied.

Ripple Effect

The SHG movement has grown in popularity in Palpara in the past 8 months. At first people were a bit wary of joining because some of them had lost money in the past through Chit Groups. But once they realized that SHGs were different, interest grew quickly. Now there are 72 women in the village participating in SHGs and they anticipate that more will join. The SHGs are providing the main forum for discussion of disaster preparedness in the village so far, and as membership increases more and more families are learning about disaster preparedness and taking measures to prepare for the eventuality of flood.

Role of Men and Women

In the PLA Action Plan men the villagers assigned some of the men to work on Rescue Operations and the women

to work on Family Preparation and Survival. Both men and women feel empowered because they did the PLA, made the Plan of Action, and feel more in control of their livelihoods in the face of possible flood.

Conclusion

Some significant changes have taken place at both the village and household levels due to participation in this program. The SHGs are unified and action- oriented and have played a key role in both raising awareness among villagers and in implementing measures to help their communities prepare for floods. Some of the limitations of the program as identified by the women are: 1) that the villagers are still recovering from the flood of 2000 so the villages do not have funds available to invest in some of the important disaster preparedness infrastructure that would really help them. 2) Some women feel that they are not allowed to use their SHG loans to purchase necessary materials to prepare for flood. They think that they can only use the loans for productive business purposes, and therefore many of them are not as prepared for flood as they could be. 3) There is interest among the women in becoming more actively involved in the Gram Panchayat but women perceive that it would be too costly or complicated for them to become elected officials.

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LIST OF ACRONYMS

ABCD	Association of Bengal Collaborators for Development
CBDP	Community-Based Disaster Preparedness
CCK	Catholic Charities Krishnanagar
CRS	Catholic Relief Services
NABARD	National Bank for Agriculture and Rural Development
NRM	Natural Resources Management
SHEPherd	The Self-Help Emergency Prevention Program
SHG	Self-Help Group
UNDP	United Nations Development Program
UNICEF	United Nations Children Fund

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