

Facilitating Change – Creating Institutional and Policy Spaces: A Case Study of the Indo-German Watershed Development Programme (IGWDP)

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Background:

The Indo-German Watershed Development Programme (IGWDP) which was initiated in 1989 (operationalised in 1992) by Fr. Herman Bacher is now in its 15th year of existence in Maharashtra. What began amidst great difficulties and uncertainties has now spread to 2 other states in India (Andhra Pradesh and Gujarat), developed innovative approaches and methodologies, secured important policy changes, influenced major watershed programmes in the country and has been the *raison d'être* as well as the template of the National Watershed Development Fund (NWDF) which seeks to replicate the effort in 100 poor districts of the country. It has been widely studied and referred to as a prime example of successful public-private-civil society partnership involving multi-sectoral interventions and extending from the local to the regional, national and international levels.

The key to its success has been its developmental philosophy, a robust partnership amongst its key actors, an enabling policy environment, firm political and governmental support on both the Indian and German side, an innovative and path breaking capacity building pedagogy, unique institutional arrangements and secure funding.

In this paper, we shall touch upon the policy and institutional aspects that contributed to making the Program a success.



History:

The IGWDP arose out of a confluence of several events and processes.

In Germany, during the 1980's, German developmental cooperation policy came under review as it was realized that, with very few exceptions, official aid reached the poor largely by way of exception. It was decided to launch a worldwide study to assess and determine the conditions under which official aid could directly reach the poor in a manner that empowered them to free themselves from poverty. In India, on the other hand, there was also a growing realization that despite huge amounts spent on poverty alleviation programmes, the absolute and relative number of people living in poverty remained stubbornly constant. Both sides realized that despite their best efforts, something critically was missing and had to be addressed if a difference was to be made.

These two processes resulted in the launching in India of the Indo German Pilot Program (IGPP) in which both Governmental and Non-Governmental developmental agencies involved in policy making, funding, implementation and research on the German (BMZ, KfW, GTZ, Misereor, EZE, DSE (Now InWent), etc.) and Indian (MOF/DEA, MOA, NABARD, IGSS, IIM, GIAP, NGOs, etc) sides participated.

Some of the key learnings that emerged from this process of research, dialogue and engagement were:

- Any developmental initiative will be successful only if it is “owned” by the target group itself. People had to consider themselves not as beneficiaries, but as active agents of their own developments (“Artisans of their own Destiny”)
- They, therefore, had to be involved at all stages in a developmental intervention, from its design through implementation to maintenance. They had to be a part of the entire project cycle where responsibilities are matched with authority, access to resources with accountability, at every level.
- The role of every agency (besides that of the target group) would have to be that of a facilitator and accompanier, not as “doer” on behalf of the target group or substitute for their own efforts.

- Given the multi-dimensionality of poverty, various developmental actors including those of the policy and institutional framework, would have to be engaged if sustainable impacts and outcomes were to be achieved. Effective and synergistic partnerships would have to be entered into across the three sectors – civil society, public and private.
- If success were to spread, “facilitating involvement” (as opposed to control) by framework actors, namely, govt. and political institutions would have to be ensured at all stages of interventions.
- Since the environment provides the basis of survival in rural areas, especially for the poor, regenerating it in a participatory, equitable and sustainable manner along watershed lines would offer a promising approach to mobilize communities for poverty reduction.

Fr. Herman Bacher, who has been involved in the developmental sector for over 50 years and who was involved in the entire IGPP study, saw the opportunity that arose from the confluence of these various events and processes and conceived of a large scale community-driven program for poverty reduction, centered on regenerating the environmental space of villagers along watershed lines. The people themselves would be responsible for the project, with NGOs facilitating them and all other actors playing the role of enablers.

Given Fr. Bacher’s credibility and experience, he was successful in convincing both the Indian and German Governments to accept, approve and fund the project. The first official agreement was signed in 1989.¹ However it took some time for formalities to be completed and procedures to be set in place and the IGWDP became fully operational only beginning 1993.

¹ The author of this article, Crispino Lobo, joined Fr. Bacher in May 1989 and together with him developed the institutional and organizational framework of the IGWDP. He was the Programme Coordinator from 1989 up to March 2001, after which, the post ceased to exist.

From Concept to Practice: Challenges, Creativity and Innovation

1. Securing Agreements – A Confluence of Interest:

The German side agreed to fund it under official development assistance (ODA) as it met all their criteria for grant-based funding, namely, environmental regeneration, self-help, poverty reduction and women's involvement. In June 1988, the Parliamentary Commission for Economic Cooperation, following a Public Hearing, passed a resolution titled "Fighting Poverty through Self Help" calling upon the German Govt. to re-orient its official development aid towards poverty alleviation in a way that placed the poor at the center of the developmental intervention. Subsequently, the German Parliament passed a resolution supported by all parties (remarkable, indeed!) mandating the Govt. to increase and re-orient its Overseas Development Assistance (ODA) for poverty reduction through Self Help efforts which if, henceforth, would be grant financed. The project proposed by Fr. Bacher (namely, the IGWDP) fitted in nicely with the new institutional and developmental thrust in Germany and offered an opportunity to realize these new orientations and perspectives on a large-scale.

The Indian side approved it because participatory watershed development had come to be seen as crucial to stabilizing dryland and rainfed farming systems (and consequently enhancing agricultural income), which cover over 70% of India's arable lands. Further more, the success of the voluntary sector in reaching the poor, albeit on a very limited scale, was by then widely recognized. Officially also, there was a growing acceptance of the voluntary sector as a necessary and important partner in the national development effort for poverty alleviation. It was also realized that people had to be in the "driver's seat", having access to resources and being publicly accountable, if sustainable improvements in welfare and quality of life were to be achieved.

2. Getting in the Funds:

These being bilateral funds, they normally would have to be routed through either the Central or State Govt. treasuries. However, the procedural and other complexities

involved in accessing budgetary resources, and the need to have funds allocated in a flexible manner and available on a timely basis, made the NGOs as well as the target groups (villagers) uncomfortable with this route. On the other hand, if the funds were routed outside the budgetary channel, they would then attract the provisions of the Foreign Contribution Act (FCRA). Since the goal of the IGWDP was to create a large-scale movement involving civil society, most of the NGOs, especially the smaller ones, and all the Community Based Organisations (CBO's) would have been excluded from directly receiving these funds. Moreover, whatever channel was used, since these funds were ODA and fairly substantial, both the Govt. of Germany and Govt. of India would have to be assured of its deployment and proper utilization.

Since NABARD had been involved in the IGPP, and Fr. Bacher personally knew its top management, he decided to explore NABARD as the routing agency for the German Funds (KfW).²

NABARD, being a Govt. institution, would meet the requirement of governmental oversight, (both from the German and Indian sides), could accept the funds directly (do away with the budgetary route) and would not attract the provisions of the FCRA. Being a public sector financial institution dealing with large amounts of money and having experience in dealing with bilateral and multi-lateral funding institutions, it would also provide a credible counter part to the official German Funding Agencies.

However, NABARD, being a credit disbursing agency, faced an initial difficulty in administrating these funds since they were grants and had to be disbursed as grants. However, there is a provision in the NABARD Act, which allowed for NABARD to accept and disburse grants for action research purposes and innovative pilot projects especially those which would test out approaches and mechanisms that enhance credit absorption and utilization. Since NABARD largely re-finances agricultural operations, a good amount of which is rain dependent, promoting watershed development as a means of stabilizing and productivising rural agricultural credit was

² At the time, there was no Capacity Building Phase and ODA for the IGWDP was by way of Financial Cooperation. The German Govt routed this through the German Bank for Development (KfW). Later, in 1992, when the Capacity Building Phase was established, the German Govt. routed a part of ODA by way of Technical Cooperation through the German Agency For Technical Cooperation (GTZ) directly to WOTR, which was given an official role in the bilateral arrangements pertaining to the IGWDP.

viewed as innovative, in line with its mandate, and therefore qualified to be taken up on a pilot basis.

A difficulty arose in routing these funds to the villagers directly. Since, at the village level, the legal project holder was the Village Watershed Committee (VWC) consensually nominated by the Gram Sabha³ and since this was not a registered body, the question of whether they could receive funds from a public sector institution and be held accountable for the same arose.⁴ Local Banks refused to open accounts in the name of the VWC.

The Bombay Village Panchayat Act of 1958 provided a legal solution. It held that when the majority of adult voting members in a village held a Gram Sabha in accordance with the provisions of the Act and passed a Resolution, that Resolution was a formal act, having a legal basis, was binding and enforceable. Thus the VWC that is established in such a manner becomes a formal body, a person in law and therefore, eligible to receive funds and be held accountable for them. When this was brought to their attention, local banks began to open accounts in the name of the VWCs and funds were disbursed directly to these accounts.

3. Expansion: Introduction of Capacity Building as a Pre-condition to Full Implementation

When the IGWDP began, there were only 7 NGOs were involved, of whom only two had some experience in integrated watershed development. If the Programme was to become a movement, as envisaged, and go to scale rapidly, a lot many more NGOs would have to be involved, common standards and protocols developed and best practices put in place. This called for a substantial expansion in existing capacities, identification of new NGO partners and the development of a pedagogy that systematically built up the institutional, organisational and operational capacities of NGOs as well as the VWCs and other CBOs. Existing resource agencies were unable to meet this requirement and by 1993, the IGWDP was floundering and not making much headway.

³ Gram Sabha is the body of all voting adults living within the boundaries of a revenue/ natural village.

⁴ The question was: who is the legal recipient of the funds? Is it a “person” in law, who can be sued and be held responsible for repayment in case of mis-utilization?

It was decided by a group of prominent NGO leaders to set up a new organisation to cater to the capacity building needs of the IGWDP as well as to provide an institutional base for the Programme Coordinator⁵.

Thus, the Watershed Organisation Trust (WOTR) was established in December 1993 as an NGO under the Bombay Public Trust Act 1950.

Since then, the Programme has grown from 7 NGOs to 75, from 16,000 hectares to over 165,000 ha at present, representing an annual growth rate of 81% and 78% respectively. The key to this rapid expansion was the development by WOTR of a stand alone rigorous Capacity Building Phase (CBP) as a pre-condition to undertaking full implementation of a watershed development project. It was mandatory that all intending NGOs and village groups/ CBOs go through this process over a period of 12-18 months. No project would be accepted by NABARD for full implementation unless it successfully went through the Capacity Building Phase. The salient components of this Capacity Building Phase was a pedagogy called the Participatory Operational Pedagogy (POP)⁶, the Gender Oriented POP (GO-POP)⁷, the Participatory Net Planning Methodology (PNP)⁸, Participatory Impact Monitoring (PIM)⁹ and various IT based systems for project formulation, record keeping and reporting.

At the time of the launch of the IGWDP, there was no Capacity Building Phase as the KfW, which was the initial funding agency, could only provide funds for Financial Cooperation (investment purposes) at the time. Capacity Building was considered Technical Cooperation, which came under the purview of the German Agency for Technical Cooperation (GTZ). The German Govt. agreed to support the CBP as Technical Cooperation and routed the funds through the GTZ to WOTR. The Indian Govt. accorded its approval and these funds, being part of ODA, were exempted from

⁵ Please refer below to Section 4, point no. 3: "Institutional and Organisational Arrangements-Making Things Happen" for details on the Office of the Program Coordinator.

⁶ The POP is a systematic step-by-step approach to building up the capacities of NGOs and Village Self Help Groups (VSHGs) to undertake watershed development. The POP has been recognized as a significant tool for up scaling and managing large-scale programmes.

⁷ Gender and women's promotion has been specifically interwoven into every component of the POP. This gender-inclusive POP is called the GO-POP.

⁸ PNP is a site-specific and farmer friendly method of planning for watershed development. Each land holding is visited and surveyed by the planning team along with the farmer couple and measures decided upon as required. This builds a sense of ownership in the farmer couple for the proposed measures and also enables realistic planning.

⁹ PIM involves the villagers in identifying indicators that measure and assess impacts of the watershed measures undertaken. Once these indicators are participatorily identified, the community, facilitated by the accompanying NGO, then collects information and tracks changes at various times during project implementation. This helps the community internalize lessons learnt and also deepens their understanding of what really is happening to them and their village.

the purview of the FCRA. Thus, WOTR was granted the status of an official partner within this bilateral development cooperation. These funds were available for direct disbursement to NGOs (even those that didn't have FCRA registration) and village groups.

4. Institutional and Organisational Arrangements: Making Things Happen.

While everybody agrees that participation of the target group is vital to the success of any developmental venture, not enough attention is paid to devising institutional, administrative, managerial and financial arrangements that foster and support “ownership” and whole hearted involvement of the target group. Such neglect often leads to a situation that can be described as “institutional schizophrenia”, where, what is sought to be achieved (in this case, participation and stakeholdership) by a particular instrument or arrangement, is not possible, as it is not configured towards delivering or arriving at that output.

This arises due to asymmetries (power, information, organisational capabilities, resources, etc.) between the actors, as is often in the case of projects funded/ managed by major actors like government or large donors. An institution given to a “top down” and bureaucratized culture cannot possibly promote and support genuine participation (even with the best of intentions) unless it also opens itself to the “other view”- in this case, civil society actors'- and enters into an enabling partnership with the other¹⁰. This is quite the opposite of a controlling, dependency-engendering, contractor-contractee or vendor-client relationship. These kinds of relationships only instrumentalise and co-opt civil society actors and cannot be treated as partnerships in the real sense of the word. Only when true partnerships are forged between the actors (where the other is treated with respect and as an equal, even where large asymmetries exist) can equitable and sustainable outcomes result.

In the IGWDP, since “participatory development” was its central tenet, it was necessary to bring about a level playing field (all the major actors were government agencies) and

¹⁰ As the adage goes: “You don't get figs from thistles!”

ensure that the concerns and perspectives of the field actors (villagers and NGOs) were brought on board.

This was achieved by three innovative institutional mechanisms:

- The inclusion of an NGO, namely, WOTR as an equal and official partner in the governance and management structure of the Program
- The creation of a flexible financial instrument called the “Disposition Fund”;
- The establishment of the Office of the Program Coordinator.

1. The Role of WOTR in the IGWDP

WOTR manages and is the legal project holder of the CBP while NABARD is that of the FIP. Both phases are dovetailed into each other and together make up the IGWDP in Maharashtra¹¹. Thus, field realities were continually fed into the system, corrective actions taken on a timely basis, successful innovations or measures institutionalized and “learnings” fed into the policy making network. Moreover, being an organisation, WOTR was able to provide the institutional base as well as its resources, good will and access to the Program Coordinator.

In the IGWDP, WOTR plays several roles in addition to that of being a Capacity Building and CBP Program Management Agency. It also acts as Network and Linkage Builder by organizing various platforms that bring NGOs and Village Self Help Groups (VSHGs) together, for experience sharing and solidarity building. By frequently interacting and communicating with the administrative and policy making establishments, WOTR feeds in “field learnings” into the system, thus contributing to the shaping of an enabling framework for pro-poor, people-driven environmental regeneration and natural resources management.

¹¹ It is pertinent to mention here that the KFW financed watershed development programs being implemented through NABARD in two other states follow a different institutional arrangement. They do not have a Program Coordinator nor a dedicated Capacity Building Agency; the approach used for capacity building is different from that followed in Maharashtra; the GTZ is not involved; and NABARD is the legal project holder for both the CBP and FIP, i.e. it is also responsible for undertaking capacity building.

2. Bridging Gaps – The Disposition Fund.

Delays inevitably occur in large-scale projects especially when large volumes of funds as well as various actors are involved. These delays, if inordinate, can seriously compromise the process of social mobilization, reduce trust amongst parties (in this case, the villagers' faith in the NGO), create hardships especially to wage laborers and disrupt the process of implementation. Once people are mobilized and work in the watershed begun, lack of funds at the project level over a protracted period can unravel the common will, trust and energies built up – partnership and participation are the first casualties.

In the Capacity Building Phase (CBP), project documentation (proposal formulation) was limited to what was essential only since the focus was on mobilizing people, training them on the job and getting the work started. Once the project qualified for inclusion in the FIP, a more elaborate project proposal was required, as substantial funds would have to be committed over a longer period (4-5 years). This took time¹² since an intensive process called Participatory Net planning (PNP) was used to collect data as well as strengthen “buy-in” from the villagers. However, work had begun under the CBP and had to be continued. In order to ensure that there was no break in funds flow, an instrument called the “Disposition Fund” was created to bridge the gap between the end of the CBP and the beginning of flow of funds under FIP.

It was managed by the Program Coordinator and funded through NABARD. Since a project had successfully gone through the CBP and was certified as such by NABARD and the Program Coordinator, it was deemed as being sanctioned, subject, however, to formal approval being accorded later. This was a remarkable innovation since public institutions are loathe to provide substantial funds without all formalities being completed, usually a time consuming process. Its deployment greatly facilitated expansion of the Program and built up a reservoir of trust,

¹² Project formulation usually took 6 months; scrutiny and sanction another 3 months, making a total period of between 9-12 months up to formal sanction and release of funds.

goodwill and commitment between the villagers, the NGOs and the governmental agencies.¹³

3. Office of the Program Coordinator

The IGWDP is a complex program having multiple actors each with its own interests, agendas and mandates and operating across various levels from the local to the state, national and international. For such an arrangement to succeed, it is important that all the actors share a common purpose and understanding, have confidence and trust in each other and are apprised of developments on an as-they-happen basis. This calls for close and frequent communication, discussion and dialogue. An innovative mechanism that arose historically and which greatly facilitated this process was the institution of the Program Coordinator (PCO).

Since the institution was approved of in the bilateral agreements, it had official sanction and therefore could represent the Program at all levels. Since the Program Coordinator (PCO) was historically from, and nominated by the NGO sector, he represented the interests of civil society. It was an officially sanctioned post and so the PCO had official access to Govt. Since WOTR provided the institutional and organisational base¹⁴ for the PCO, the latter had at his disposal the resources and goodwill of the organisation and its network.

This unique combination enabled real time flow of information as well as provided the flexibility and resources to undertake creative and innovative experiments at the projects as well as institutional levels. Unencumbered by bureaucracy or protocol, the Program Coordinator was able to easily move across levels of influence from the village to decision makers, across the boundaries of the civil and public sectors as well as between the official and non-official worlds. In fact, the directives of the Government of Maharashtra granting permission to treat forest lands as well as extension of facilities and benefits of the FIP to the CBP were in response to the initiatives and consistent follow up done by the PCO¹⁵.

¹³ At times, when the replenishment of the DF did not take place in time, or adequately, for a variety of reasons, WOTR deployed its own funds to bridge the gap. Some NGOs also did so in regard to their own projects as they felt effectively represented, empowered and assured.

¹⁴ The PCO was Co-Founder and Managing Trustee of WOTR.

¹⁵ The letters, which were addressed by the Govt. to the PCO, mention this fact.

Furthermore, in being able to approach the political and administrative establishments on both the Indian and German side at various levels, the Program Coordinator was able to facilitate continued support and an enabling policy environment for the IGWDP.

5. Securing Govt. “Buy In”: Crafting an Enabling Policy Environment

Such a Programme could have not been possible without the active political and administrative support of Governments, both on the Indian and German sides. The political establishments pertaining to development cooperation in both countries were involved at the highest levels. What greatly facilitated the fostering of a commonality of purpose were two processes and instruments in particular, namely, the IGPP referred to above and the Exposure Dialogue Program (EDP).

The EDP was conceived by Dr. Karl Osner,¹⁶ and organized by the Association for North South Dialogue¹⁷ on the German side and by the Social Centre and WOTR, on the Indian side. The EDP brought together high-ranking Govt. officials as well as members of the political establishment in a lived experience in selected poor and drought prone villages in the Ahmednagar District. In these villages, the participants entered the daily routine and rhythms of the villagers, shared their lives, dialogued with them as equals and tried to understand reality as perceived and experienced by the poor. A Policy Dialogue Workshop immediately followed this encounter. This greatly helped the creation of a common vision and purpose, the establishment of personal bonds, and the determination to find a solution to problems faced so as to make the Program a success. This made the IGWDP a jointly owned and shared effort of all the major partners in both Germany and in India.

It was necessary to obtain formal, political and administrative approval from the Govt. of Maharashtra (GOM). In August 1992, the GOM, following a cabinet decision, passed an all-encompassing GR according political and administrative sanction to the IGWDP. It also enjoined upon other depts. of Govt. to support the Program and make available

¹⁶ Dr. Karl Osner is considered as the “father“ of the EDP. Now retired, at that time, he was a high-ranking official in the German Ministry for Economic Cooperation (BMZ).

¹⁷ A German NGO set up by Mr. Karl Osner to implement the exposure-dialogue approach.

to project villages on a priority basis the various developmental schemes and projects being implemented by them.

Watershed development under IGWDP follows the ridge-to-valley approach and since a large number of primary catchments had hill areas which belonged to the Forest Dept. ("forest land") it would not have been possible to implement such an approach without concurrence and approval of the Forest Dept¹⁸. Until then, no permissions had been given by the Forest Dept. to village groups and civil society bodies to enter and treat forestlands.

Furthermore, usufructory rights did not accrue to the local villagers. In order to get permission of the Forest Dept. to allow the IGWDP to treat forest lands, Fr. Bacher and the Program Coordinator approached the Govt. of India (GOI) as well as the State Govt. in this regard. Based on the Amended Forest Conservation Act of 1992, which declared that the first claim on forest produce was to meet the livelihood needs of the local community, especially the poor amongst them, they argued that since the IGWDP is a Programme for poverty reduction and livelihood securitization through regeneration of degraded catchments, it qualified for application of this enablement. The Government concurred and in July 1994 and January 1996 respectively, the Govt. of Maharashtra issued two directives, which granted permission to the IGWDP to treat forest lands, devolved usufructory rights to the local villages and confirmed the non applicability of the Forest Conservation Act, 1980 to this effort.

Since the CBP was introduced in the Indo-German only in 1993, the Government Resolutions passed by the GOM (referred to above), granting approval, permission and facilities to the Full Implementation Phase (FIP) of the IGWDP did not formally apply to the CBP (in practice, they were operationalised informally). On being approached by WOTR, the Govt. of Maharashtra issued a GR in 1997 extending all benefits and facilities of the FIP to the CPB.

In order to prevent "double-financing" of project villages (i.e., being included at the same time in GOM- funded schemes as well as the IGWDP), the GOM issued directives to its Watershed Department giving priority to IGWDP watersheds, dovetailing of activities in the case of ongoing projects and joint collaboration with WOTR,

¹⁸ Forestlands come under the Forest Conservation Act (FCA), which is a very restrictive Act.

on a pilot basis in selected watersheds. This greatly facilitated mutual cooperation and understanding at the field level, since, it should be remembered that, at the time, the GOM had a large on-going departmentally- driven watershed development program.

In order to facilitate exchange of learnings and experiences, institutionalize them as processes and mechanisms both in NABARD as well as the GOM, build relationships and a sense of common purpose and vision, WOTR took on deputation 2 government officers, one from NABARD and the other from the Forest Dept, GOM.¹⁹ Regular informal and structured meetings, as well as personal relationships, greatly facilitated smooth functioning of the Program and created a sense of ownership, enthusiasm and a will to succeed.

Conclusion:

Various forces, events, individuals, institutions and organisation in India and Germany have made the IGWDP the success it is today. None of this would have been possible without the generous, committed and persevering efforts of all these agencies and, in particular, the villagers of Maharashtra. However, the enabling institutional and policy frame work that made possible the IGWDP in the first place and sustained it, was the key to its being able to deliver on its hope and promise.

The impact that it has had on the concept and practice of watershed development in India is evidenced in its expansion to other states as well as in the adoption of its successful practices, notably the Capacity Building Phase (CBP) and the Participatory Net Planning (PNP) in other major programs being implemented in the country, both in the governmental and non-governmental sector. Furthermore, it has provided the “blue-print” for the National Watershed Development Fund, which is carrying the experience and learnings of over a decade and a half, to several states in the country.

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¹⁹ The NABARD officer was on deputation for a period of 5 years and the Forester for a period of 2 years, respectively.