Note on proposed Scaling Up Approach for Integrated Livelihoods Support Project in the State of Uttarakhand, India (a pipeline project of India COSOP 2010-2015)

Introduction: The Government of India recognizes IFAD as an innovative institution that develops and tests approaches, models, delivery mechanisms and best practices for integrated, sustainable and community demand driven development and plays a catalytic role in facilitating and enabling their replication and scaling up by governments and other larger donor and aid agencies. Innovations and achievements of IFAD-supported activities in India, such as the self-help group that provides a platform for discourse, collective action, enterprise and development and promoting community based natural resources management and bridging it to household livelihoods to promote sustainability, have been successfully replicated and scaled up by donors like the World Bank and, more importantly, by state and federal governments. The State Government of Uttarakhand has sought investment from IFAD during its new COSOP period to leverage the learning, social and institutional capital and best practices of an on-going project, the Uttarakhand Livelihoods Improvement Project for the Himalayas (ULIPH), and scale it up to cover the poorest in all the districts of the State.

Scaling Up Idea and Vision: ULIPH (2004-2013) has three elements: strengthening community organizations and service providing institutions that provide support to community groups; bridging community based natural resources management with household livelihoods to build in sustainability; and, promoting diversification of livelihoods while enabling fair inclusion in market and value chains. What is being considered for scaling up are approaches, institutions and delivery mechanisms that even at this stage show promise and will need more time than the ongoing project offers to test, adapt and validate. The government sees the scaling up as a first, intermediate scale up to test for geographic spread and saturation to build a path for large scale implementation, which has potential for replication in the mountainous regions of several states. The ingredients for scaling up include: community level self-help groups and federations of groups, which are structured as mutual assistance cooperatives (MACs) that allow aggregation of social capital and livelihoods activities to reach critical mass for economic viability; using the MACs as platforms for discourse to mobilize action, share ideas and inform and influence service providing institutions and local government (PRIs) and gain access to entitlements of centrally and state supported schemes through convergence; a Social Venture Capital Company (SVCC) that works with government and with MACs to provide capabilities and services, including venture capital to overcome hurdles in developing livelihoods and engaging in value chains; the engagement between SVCC and MACs enabling mapping of people’s needs and priorities and use of the voice of people to drive activities; the growing confidence of the financial institutions and private sector to engage with SHGs and MACs with leverage from SVCC.

The government’s vision is to go into all the poorest blocks in the state (including the on-going areas of ULIPH), more than double the households reached to 100000 and strengthen institutions and delivery mechanisms to enable all the poor to take steps to overcome poverty in the next stage of scaling up. The innovative ideas emerged in the design of ULIPH and were adapted through learning by the project. The evaluation of the project will provide further learning to the scaling up process envisaged.

Drivers of Scaling Up: First among the drivers are SHGs, MACs and local government who are tasting success and see promise in the way things are going and who believe in the path to take them out of poverty and to prosperity. The second among the drivers are communities who have seen success and promise evolving amongst their fellow citizens. The state government, facing huge challenges in implementation of poverty reduction programs and therefore being unable to access and use existing funds, see promise in the institutional mode and delivery mechanisms to develop sustainable mechanisms that are engaged with community organizations and are transparent and accountable. The political leadership is a key driver in wanting to overcome hurdles in implementing poverty reducing programs and the Chief Minister has personally raised the issue with the President of IFAD during his visit to India last year. The proposal from the state government, through the DEA, for inclusion as a pipeline project of the new COSOP was the first to be received and the best developed.
Spaces for Scaling Up:

Policy Space: The enabling legislation to structure federations of SHGs as MACs is indicative of the policy space being created by government. AJEEVIKA, a registered society established by government for rural development, which runs implements ULIPH, needs strengthening to evolve into an independent quasi-government agency that is not tied down by procedures of line departments and the scaling up hopes to address this. A combination of AJEEVIKA and the SVCC, a viable service provider, is seen as pathway to facilitating and enabling poverty reduction programs to become effective and efficient.

Political Space: With improvements in communication and media people even in remote areas are becoming more aware and through their institutions are beginning to bring political pressure on governments. The government, as described above, sees the effort as a means to address critical implementation problems and seems open to change. With states dependent on central government rural development and poverty alleviation schemes the political leadership may be inclined to create the will to support efforts that will make it possible for them to access and better utilize available funds.

Cultural Space: People residing in communities in mountainous Himalayan states are increasingly recognizing that out-migration is not a viable solution to economic insecurity and are interested in the developments that provide sustainable opportunities for increased wellbeing locally. They particularly value their collective voice and livelihoods capacity to engage with and influence local government, share knowledge and lead development based on their local realities and priorities.

Natural Resources / Environmental Space: Conserving and enabling sustainable use of natural resources is high on the government’s priorities because soil erosion and degradation of its fertility particularly on hill-slopes, water scarcity and flooding have reached critical levels and there is pressure to choose paths that are not only sustainable but resilient because of the state’s vulnerability to climate change. The state being upstream to the hugely populated Gangetic Plains brings political pressure from the central government. Developing grassroots institutions and mechanisms to bridge community based natural resources management with household livelihoods is seen as a means to address these priorities.

Institutional/Organizational/Staffing Capacity Space: Given the inherent weaknesses of line agencies of government the scaling up of AJEEVIKA, SVCCs and MACs can be viable and sustainable institutional development mechanisms that engage with and are being influenced by communities through the SHGs and federations/MACs. Building the capacity of project management to enable better performance and impact is a central concern that IFAD support addresses and will continue to stress on. The new institutional forms provide an avenue to tap the open market for project managers with capacity and tenure that has not been possible with government staff deputed from line departments.

Learning Space: The scaling up should be seen as an intermediate effort to learn how best to go to full scale as each expansion in geography and in activities will pose new challenges. Building in learning and knowledge management for adaptive management as highlighted by the state government in its proposal suggests that it is willing to push the envelope and create the necessary learning space.

Financial Space: Given that the state government is driving the scaling up effort and is creating spaces to make it possible, IFAD needs to engage government to contribute more to financing the effort to show its commitment and ownership, while using IFAD funds to focus on innovation and learning on the one hand and on building the capacity of stakeholders on the other.

Partnership Space: Partnership potential exists with not only line departments of the state government but also with central government agencies and schemes, with financial institutions, and the private sector. Two major donors, the World Bank and GTZ, are involved with activities with similar objectives in the state and are keen to work together, learn from each other and complement and supplement each others efforts.

Pathways to Scaling Up: The central pathway to scaling up is to expand the size of the target group, first through saturating the areas in which ULIPH is already engaged and then through geographic expansion. A means to scaling up is to leverage the social capital and learning of the communities and their
institutions and of the project institutions like AJEEVIKA and SVCCs to enable community to community and organization to organization interaction, knowledge sharing, training, and mentoring to accelerate the process, make it more sustainable and less costly. Scaling up will require continuous support to monitoring, evaluation, learning and adapting to enable institutions to grow in scale and enhance their performance and impact.

**IFAD’s Role in Scaling Up**: IFAD’s primary role should be in implementation support through capacity building and strengthening of community and service providing organizations and providing access to knowledge and learning as required. IFAD has another role and that is to take the learning of approaches and best practices to inform and influence planning, administration and policy to the states where it is engaged and to line ministries and the Planning Commission of the Government of India.