



# Vanasiri Rural Development Society

## Sustaining Livelihoods Through Community-owned Enterprise

Area of operation: Haveri



<b>Name of the Organisation</b>	Vanasiri Rural Development Services
<b>Type</b>	Rural co-operative
<b>In the Sandbox</b>	Since 2008
<b>Focus areas</b>	Organising and empowering marginalised communities in Haveri. Sustainable livelihoods through income-generating activities. Participation in natural resource management, sanitation, organic farming and biodiversity preservation.

Nagamma of Ranibennur, Haveri district, Karnataka, always knew that she would be an entrepreneur some day. Yet the dream seemed distant as the 40-year-old sole earning member of the family struggled with rearing her cattle, earned measly wages as a cook and worked hard to support her 2 daughters and a nephew. She longed for an opportunity to counter the overwhelming backwardness and poverty that echoed the fate of most from the Dalit community of tribals that she belonged to.

In 2013, a loan of Rs. 50,000 from Vanasiri Rural Development Society (VRDS) in partnership with lender Microgram transformed her life and those of others around her. Nagamma finally got the keys to her own flour mill, one of the few in her village. During the day, Nagamma continues working at the government school as a cook, a job that pays her Rs. 1000. And every evening, women come to her home with large baskets of grain and several small children in tow, grains that need to be ground for the evening's dinner. Grinding the region's famous Byadgi chillies and jowar, Nagamma's income has leapt by 6 times just in the last year: from a monthly salary of Rs. 1,000, she now nets a monthly profit of Rs. 6,000 after paying for electricity and other operational expenses for her mill.

Inspiring stories like that of Nagamma abound in every corner of the villages inhabited by the livestock rearing communities in Haveri district, all due to the efforts of one organisation and its partners – Vanasiri Rural Development Society (VRDS). VRDS was started in 2003 as an NGO by Samshuddin D Baligar, a noted rural health and livelihood activist with over 20 years of experience in working with villagers to correct the information asymmetry and widespread ignorance among populations in these areas. The growth of the organisation from a non-profit involved in advocacy to a thriving co-operative of 1365 members and Rs. 7,77,400 in shares in Desphande Foundation's Hubli Sandbox, enabling sustainable livelihoods for over 5000 families, is as transformational a story as those of the rural women VRDS empowers.

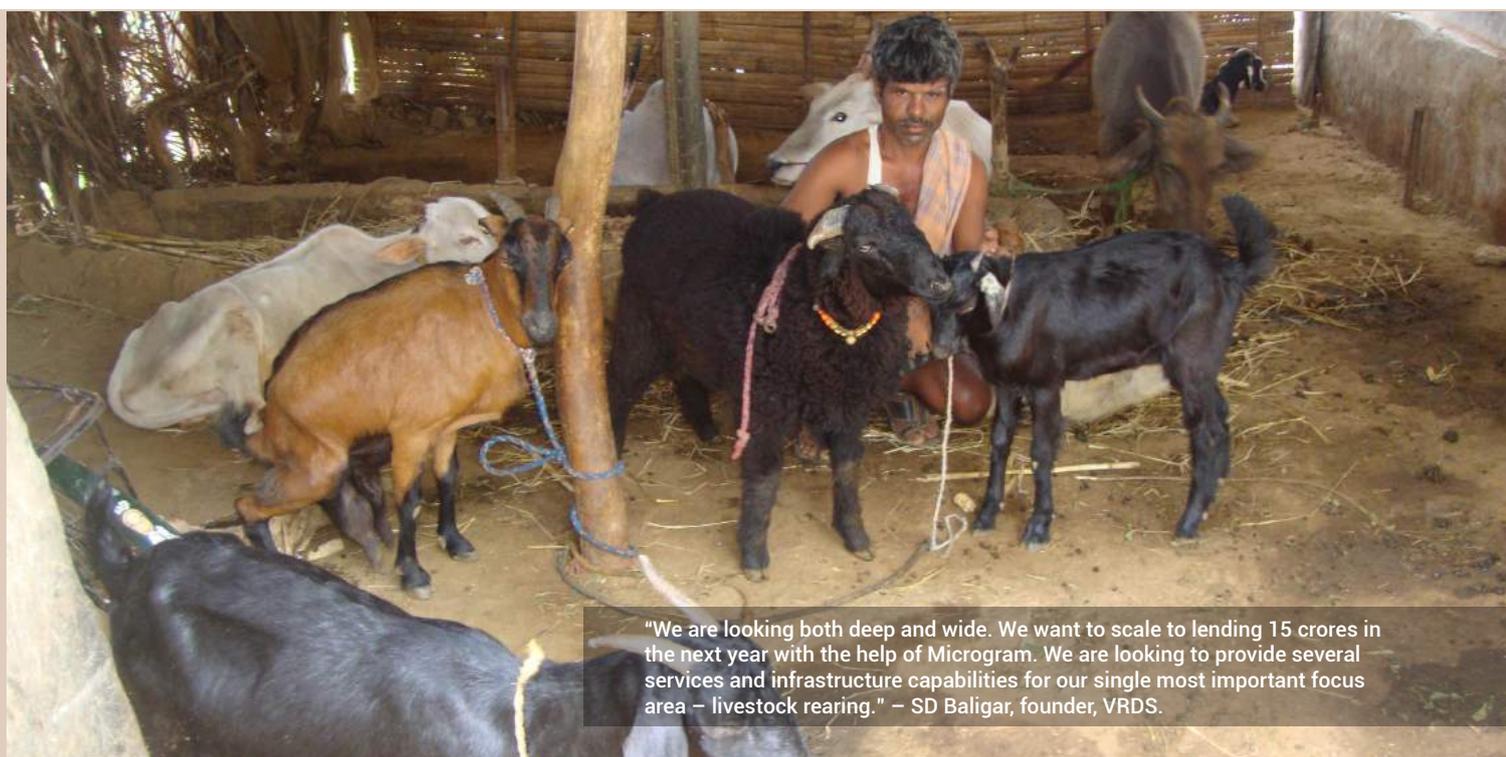
## Genesis: Migration And Lack Of Livelihood

With an initial grant funding of Rs.2,00,000 from Concern India Foundation, Bangalore, VRDS began working with landless labourers and marginal farmers, especially women, in 3 taluks and 7 gram panchayats in Haveri district on empowering them through information, awareness and income generation activities.

Haveri district was plagued by the usual rural development challenges: migration was a major problem - youth were shifting to cities in search of better employment opportunities and people in the villages were largely unskilled and could not earn enough to support their families. Ignorance was also rife – schemes like the NREGA were very poorly implemented as villagers didn't know much about them, employers did not recognize it and the Government delays, irregularities and misappropriation of funds worsened conditions further.

VRDS recognized that livestock and livestock rearing was one of the greatest assets and skills among the villagers in Haveri and an important complement to agriculture, especially among the economically weaker tribal populations. "We noticed that every farmer has a couple of goats with her which she carried everywhere - these were their only assets," says SD Baligar, founder of VRDS. VRDS started working in 2006 on forming SHGs and connecting them to loans through NABARD, Public and private banks and MFIs in the region.

The reluctance of public banks to lend small amounts to people without any significant collateral, the high rates charges by microfinance institutions and long turnaround



"We are looking both deep and wide. We want to scale to lending 15 crores in the next year with the help of Microgram. We are looking to provide several services and infrastructure capabilities for our single most important focus area – livestock rearing." – SD Baligar, founder, VRDS.



In a model that could provide employment to youth in the village, healthcare for animals and the benefit of affordable costs to the community, DF and VRDS started training rural youth who had finished their PUC/+2 to be para-vets.

times with local banks on one side and the total absence of infrastructure or services to support livelihoods on the other hand steered VRDS towards a partnership with Deshpande Foundation. The non-profit sought funding, support and mentoring from DF in order to figure out the best way to provide sustained livelihoods for all its SHG members.

“We charge a very nominal amount, so people would be more open to the idea of taking their livestock to the vets otherwise due to lack of facilities and insufficient cash they would just ignore them.” – Maruti, para-vet

## The Sandbox Story

### 1. Sustaining Livelihoods: From Non-profit To Community-owned Co-operative

When VRDS entered the Sandbox, it had 159 SHGs formed and over 82 lakhs in loans, but was struggling to scale or sustain the program as an NGO. Initial meetings and ground studies along with DF brought about the insight that while an NGO was the best model to handle training, educational development and awareness, the organisation had to think of alternatives that would

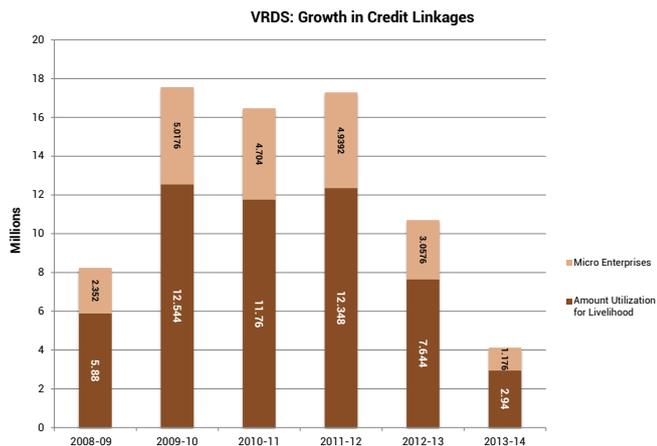
help it sustain itself while building livelihoods for its members, from providing micro-loans to market development.

With the advice of DF, VRDS spun a co-operative: it raised an initial share capital of around Rs.3,00,000 from 708 SHG members, procured working capital by way of grant funding from DF and registered the ‘VRDS Multi-purpose Rural Co-operative Society’ in 2010.

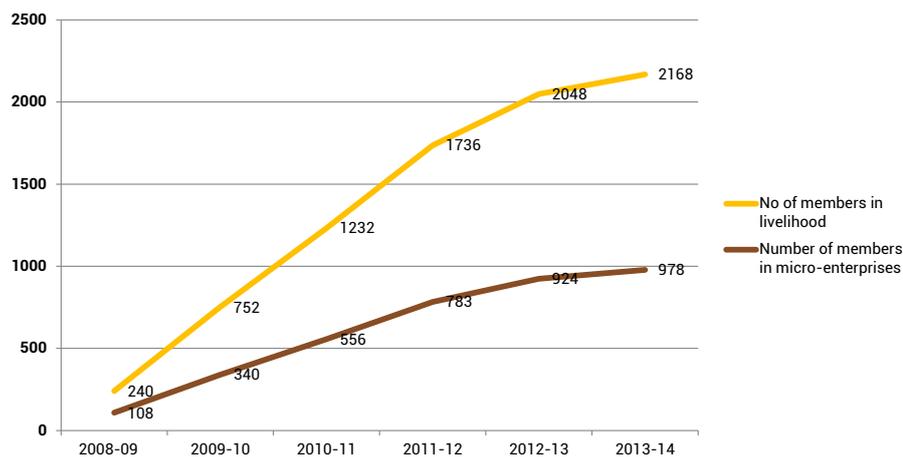
“We were able to deepen our value and relationship among the SHG community that VRDS the NGO had nurtured in the last 7 years. As a co-operative, VRDS provides key financial services to its members including loans for livelihoods in livestock, farming, art and craft and allied activities, banking facilities and most importantly, a micro-insurance for livestock,” says Baligar. Unfettered by restrictions imposed by traditional banks, VRDS

encouraged its members to open savings accounts with the co-operative and grow their investment through savings deposits and insurance policies. In a year, the co-operative had grown to 922 members and almost 2 crores in loans through NABARD funding, and a fresh infusion of investment in the co-operative was required.

The 2011 annual Development Dialogue conference and its networking opportunities brought VRDS in touch with funders who would grow to be their largest in the next two years: rural lender Microgram. “We slowly reduced our dependence on NABARD and ICICI banking and grew our offering through the partnership with Microgram that agreed to directly fund the co-operative instead of going through the NGO route. It quickly helped us scale to a few crores in loans in 2012-13,” says Baligar.



**VRDS: Growth in livelihood and micro-enterprises**



VRDS: growth in co-op members and share amount

## 2. Service Delivery: Para-vets And Udyoginis For Animal Welfare

### Para-vets: Well cattle for better incomes

As the financial inclusion, self-employment and microenterprise development grew, VRDS realised that it had to bridge the gap with infrastructure and other services that co-operative members needed to stabilise their livelihoods. The biggest challenge with livestock farming was the absence of healthcare facilities for the animals. "There were many nursing homes and hospitals to treat people but not a single clinic for livestock," says Baligar; in fact, they had only one veterinarian who distributed his time between 50 villages! People were not aware of vaccination procedures, de-worming or the benefits of animal insurance. As a result, villagers were starting to lose their livestock at an alarming rate to disease and poor health.

In a model that could provide employment to youth in the village, healthcare for animals and the benefit of affordable costs to the community, DF and VRDS started training rural youth who had finished their PUC/+2 to be para-vets. DF provided a grant for training and got experts from their network – doctors, vets, govt. officials - to establish a vet training curriculum that was rooted to essential practice. A Sandbox partnership with the BAIF Development Research Foundation helped deliver the training effectively to the youngsters. A cost-recovery

business model created with the help of DF helped VRDS deliver health services for cattle – from vaccinations to medicines and routine procedures – for sums as low as Rs. 50.

"We charge a very nominal amount, so people would be more open to the idea of taking their livestock to the vets otherwise due to lack of facilities and insufficient cash they would just ignore them," says Maruti, a para veterinarian. Para-vets helped increase the life, health and productivity of the livestock and played a major role in generating stable income for the villagers.

### Udyoginis: an efficient last mile community delivery model

Just as the training model and delivery for para-vets got established, it was evident that the program was more sustainable than its takers: there was a reasonable attrition among rural youth trained to be para-vets to switch to private dairy enterprise or migrate to greener

pastures in the cities. VRDS then hit upon their second breakthrough idea, that of creating Udyoginis.

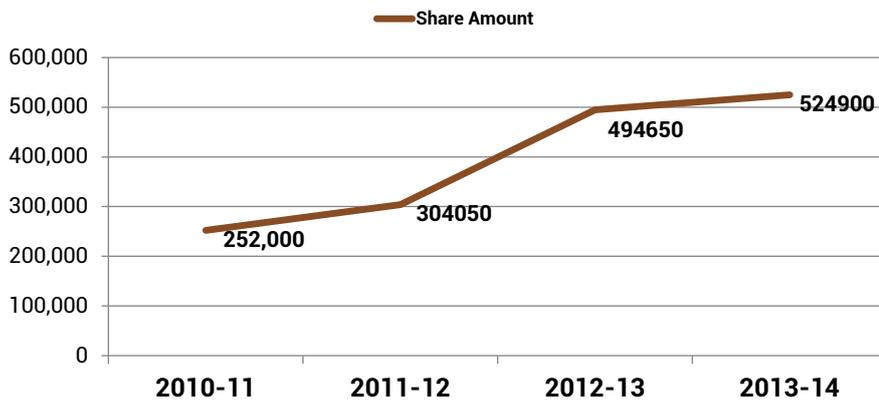
VRDS' Udyoginis are capable and efficient village women picked from active members in the SHGs and trained to provide para-vet services to their community. "Like Nagamma and many others, these women are far more entrepreneurial than many of their male counterparts. In addition, they are rooted to their families and hence remain in the village, they provide reliable service and we are able to see the ripple effect of impact on their families as well," says Baligar. Besides animal health services, Udyoginis are also trained to maintain accounting books for the co-operative and earn some extra income which keeps them well connected with the co-operative's activities and plans. The logic of bringing these women micro-entrepreneurs close to the co-op is sound: Udyoginis serve as an important channel between the co-operative and the community, furthering the sustainability of both.

They earn incentives for increasing shareholders in the co-op (Rs. 400 per SHG formation) and for popularising products offered by the co-op, like savings deposits and cattle insurance. The co-op also purchases medicines in bulk and ensures distribution through the Udyoginis. "The impact on livelihoods is notable. On an average, Udyoginis earn a revenue of Rs. 8,000 to 10,000 every month. We have reached 5 villages and over 5000 families with the help of our women micro-entrepreneurs," says a proud Baligar.

**Vansiri Multipurpose Co-operative Society: Shareholder growth**



### Vanasiri Multi-purpose Co-operative Society: Share amount



VRDS: growth in co-op members and share amount

### In the Sandbox, VRDS has grown to:

- 559 SHGs, 3200 members linked to credit and loans upto 3.5 crores
- A co-op of 1365 members, Rs. 7.77 lakhs in shares and a net profit of Rs. 5.6 lakhs
- Assist 311 SHGs run by women to get Rs. 2.16 crores for self-employment
- Livelihoods for over 8000 people in 3 taluks and 60 villages

### The Impact: Powering Rural Micro-enterprise

In its work span of 6 years in the Sandbox, VRDS has formed 559 SHGs, linked over 3200 members to credit and loan products, grown to 1365 members and a share value of Rs. 7,77,400 in its co-operative and ensured sustainable livelihood opportunities in three taluks covering 60 villages. From 50 families that owned goats in 2008, VRDS now has 1000 families into goat rearing and is now looking to grow to 200 families that have more than 100 goats.

The co-op has given out loans to the tune of 3.5 crores and earned a net profit of Rs. 5.6 lakhs through offering value-based services.

The NGO arm has assisted 311 SHGs run by women to get Rs 2.16 crore to undertake self-employment. The organisation believes that this achievement of tremendous scale in the last 3 years in the Sandbox is only the beginnings of its journey in expansion.

“We are looking both deep and wide. We want to scale to lending 15 crores in the next year with the help of Microgram. We are looking to provide several services and infrastructure capabilities for our single most important focus area – livestock rearing,” says Baligar. VRDS is looking at going beyond providing soft support – it is aiming to increase goats per family from 15 to 25, build a new breeding centre and buy new healthcare vehicles.

The organisation is also tied up with corporates in the region to pilot its new program of offering artificial insemination of goats, the “Satara Paltaan”, as Baligar refers to a successful breeding model in Gujarat that he is looking to pioneer in the Sandbox.

As an NGO, VRDS, winner of the NABARD award for best NGO in 2011, has strengthened the rural community to understand and demand their rights and entitlements from the Government. Rural women are now involved in joint forest planning and management activities. Livestock farming has become a thriving occupation in these semi-arid regions – there has been a remarkable difference in the health and productivity of the cattle reared.



The Deshpande foundation linked VRDS with MicroGram which helped them with a loan of Rs.26,00,000 to train rural women.

Baligar speaks of the Sandbox and Deshpande Foundation as being the core reason for the existence of VRDS, right from business planning to providing access to experts, working capital and ongoing mentoring support besides the value the organisation has reaped from the various Sandbox programs. The greatest credit he gives however is in transforming him into being an entrepreneur. "I was a passionate activist when I started a partnership with DF. And today, I am the head of 3.5 crore turnover community

owned enterprise with over 30 staff members that is looking to scale. I do not think this would have been possible outside the Sandbox," avers Baligar.

"People find their voice when they become self-reliant," says Baligar when questioned about community empowerment; talking about himself, his organisation and the community he seeks to nurture. Like Nagamma who stood at a podium in a conference room in Taj Vivanta Bangalore in September 2013,

400 kms from her home and flour mill in Kirigiri village, Ranebennur, giving a speech in Kannada, aided by a translator, to students of Columbia University. She talked about her entrepreneurial journey and what worked for her. "I want to expand to starting a rava-mill this year and set up better infrastructure for electricity. Maybe even deliver to the urban doorstep!" she said. It is this flourishing of entrepreneurial spirit that VRDS seeks to retain as it looks to the future to scale.



"If it weren't for my goats and a loan of Rs. 20,000, I would not be alive today", says 30-year-old Nirmala. The ST caste woman from Ranibennur, Haveri owned no land, hardly came out of home, and was distraught when she lost her husband, had no job and two kids to look after a few years ago. Today, Nirmala runs a viable goat-rearing business with 10-12 goats, has both her children going to school and participates in the development of her taluk.

Two years ago, Malleshappa had to take his kids out of the school as he simply could not afford education. VRDS gave him 2 goats he has now expanded the activity and increased to 15 goats. His kids have joined back in school. He recently purchased a cow.



Durga Devi started a goat rearing practice with two goats which she has now expanded to 20. She recently opened a small grocery shop and supports her family financially.

Rudrappa spent his entire life in poverty and financial weakness. VRDS with help of Deshpande Foundation gave him grant of Rs.8,000 to purchase two goats. Now he has expanded the activity. his kids now go to a school, he lives in a pucca house and has also bought 1 ghunta of land in the village.



Chandrappa struggled earlier to keep his livestock healthy. Lack of proper medical facilities led to bad productivity and less money from his goats. A VRDS training acquainted him with the basic precautions he needs to take care of when it comes to the health of the animals. He has grown now to be a para-vet, keeping the animals in his area healthy.

