



Water for Life

**Dilasa Sanstha: Securing the livelihoods
of poor farmers in India**

CSR Knowledge Centre, Tata Institute of Social Sciences

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DILASA SANSTHA: SECURING THE LIVELIHOODS OF POOR FARMERS IN INDIA

By CSR Knowledge Centre, Tata Institute of Social Sciences

By adapting indigenous irrigation techniques and empowering farming communities to generate alternative income streams, Dilasa Sanstha has changed the lives of impoverished rural farmers in Maharashtra State. Its partnership with the Axis Bank Foundation has allowed it to scale its rural interventions to new heights.

*“Isn't it strange
that it is easier
for their products to reach me
than for my money to reach them
and yet we need to find a way
so that it isn't they who pay?”*

In his 2015 poem, “Farmer’s Crisis, Our Crisis,” Indian poet Ravi Kuchimanchi captures the plight of the poor farmer, caught in a vicious cycle of poverty and debt. Of late, India’s agricultural productivity challenge has been compounded by the growing number of debt-ridden farmers taking their own lives. The crisis is acute in the western state of Maharashtra, which accounted for 2,658 of the 5,650 farmer deaths across India in 2014. While the government



A woman farmer tending to her crops. (TISS)

of India had initiated numerous programs to address the farmer suicide pandemic, these were not always tailored to the local context.

Cotton was introduced to the Vidarbha and Marathwada regions of Maharashtra State in the 1960s, when the majority of farmers switched to growing what they called “white gold.” This move was initially profitable, but the water- and nutrient-intensive cultivation methods created problems for farmers in a region notorious for erratic rainfall and drought-like conditions. High investment costs and incidences of crop failure could set a farmer back for many years, causing great economic hardship. Against this backdrop, a pioneering non-governmental organization (NGO) called Dilasa Sanstha — also known as Dilasa, which translates to “solace” in English—has helped to change the lives of impoverished farmers in Maharashtra State. Years of dedication, hard work, and focus on finding “local solutions to local problems” has helped Dilasa to reach 110,000 beneficiary farmers, of which not a single one has committed suicide.

One beneficiary is Laxman Kenure, a 37-year-old farmer from the Vidarbha region. Dilasa has supported Kenure and other local farmers to reintroduce *phad*, an indigenous irrigation practice, alongside other low-cost watershed management techniques, allowing them to harvest their crops with an adequate supply of water. Kenure can now cultivate crops across multiple seasons and grows cotton, soybean, and pulses on his farm. He said that the interventions led by Dilasa have translated into profits for local farmers such as himself, and a visible economic transformation in the community.

SOCIAL ENGINEER MEETS A CIVIL ENGINEER

Based in Maharashtra State, Dilasa has been working with farming communities in Vidarbha from the mid-1990s. Today, the NGO works across 1,170 villages spanning ten districts in Vidarbha, Marathwada and South Maharashtra. The organization began life as the brainchild of individuals who shared a common goal: to bring relief to suffering



The *phad* irrigation system in practice. (ABF)

farmers. From there, Dilasa has emerged as a pillar of the rural communities it serves, now helping farmers to access alternative sources of income and credit options. In this evolution it was supported by a strategic partner, the Axis Bank Foundation, which has encouraged Dilasa to operate at a scale and reach beyond what its founders could have imagined when it was founded as a seven-person organization.

Madhukar Dhas conceived of Dilasa as a grassroots organization focused on solving the problems that were driving farmers to take their own lives. During a stint at a Pune-based advocacy group that worked on behalf of small farming communities, Dhas realized that advocacy alone would not bring down suicide rates. He saw an urgent need for practical solutions to address the problems faced by agriculturists in the region. “I focused mainly on water and agriculture, because I have witnessed first-hand the adversities arising from water scarcity,” said Dhas, who has experienced a farmer suicide in his own family. “My upbringing in the Marathwada Region prepared me to face the challenges and made me determined to work toward solutions.”

He shared his vision with friends and well-wishers, laying the foundation for an organization that would come to be known as Dilasa Sanstha, established on October 2, 1994, in the Yavatmal District of Maharashtra State. Dhas was joined by Mansoor Khorasi, who remains Dilasa’s technical director. As a young civil engineer, Khorasi was inspired by Dhas whom he met by chance on a train journey 18 years prior. The duo jokingly describes their relationship as the “Dilasa Express,” which has been running nonstop since then.

In its initial two-and-a-half years, Dilasa worked primarily on the formation of self-help groups (SHGs); the village-based savings and loan committees that have mushroomed throughout rural India as a result of the microcredit movement. During this time, it became apparent to Dhas and Khorasi that improving availability of water was to be critical to the region’s development. They both remembered the day in 2005 when they observed

a farmer using the traditional *phad* system on his farm, and the solution became clear.

REVIVING VALUABLE INDIGENOUS PRACTICES

Phad is a Marathi word that means diversion, and it is a traditional irrigation technique from the early 16th century in northwestern Maharashtra. *Phad* was a way of life for the nomadic *Dhangar* (shepherd) tribe in Yavatmal that has gradually been phased out due to the uptake of modern agricultural techniques. But this simple system, which depends on the slope of the land and gravitational pull to divert water toward crops, remains suitable for hilly terrain.

In 2005, Dilasa began to look at reviving these traditional methods in Dhangarwadi Village. Inhabited by more than 100 *Dhangar* families, the village was formed in 1965 when six *Dhangar* families migrated to the area. Though sheep-rearing remained the primary occupation, Dhangarwadi’s families also relied on agriculture for income. With training from Dilasa and reintroduction of the *phad* system, the hamlet has experienced an “onion boom.” Reliable access to water has changed the lives of farmers in the community, who now grow cotton in 60 percent of the cultivable land, while the rest is used for soybean, pigeon pea, sorghum, onion, and other vegetable crops. Even accounting for the rising cost of fertilizer, seeds, and other agricultural inputs, Dhangarwadi’s farmers are able to save at least US\$450 dollars a year, allowing them to purchase material goods and invest savings back into their farms, according to a report commissioned by the Axis Bank Foundation.

Dilasa and another NGO, the Collectives for Integrated Livelihood Initiatives, came together in 2006 to work on reviving this traditional irrigation technique. Recognizing that the *phad* system was only effective in locations with favorable topography, Dilasa sought to make their interventions more inclusive. They worked with farmers to adapt other suitable irrigation methods, such as water recharge (*doha phad*) and water storage structures

(*bodi phad*). Though the *phad* systems seemed the most cost-effective solution to addressing water shortages, Dilasa faced resource constraints when it came to scaling up.

This required more staff with technical knowledge, but Khorasi understood the difficulty of convincing engineering graduates from the cities to come and work in remote locations, especially at the level of pay that Dilasa could offer. So he focused on building local capacity and technical know-how. Along with another engineer, Amol Sakharkar, Khorasi translated all technical surveys available in English into the Marathi language and developed a curriculum to train up 60 local youths as technical staff. Today, this team forms the backbone of technical expertise required by Dilasa to expand its water-related interventions. In creating local expertise and with buy-in from the younger generation, Dilasa has also enhanced the sustainability of its interventions.

Beyond Dilasa's work on agricultural productivity, it also engages with farmers to manage the risks associated with drought and crop failure. Such catastrophic events have driven farmers to borrow from traditional moneylenders, known as *sahukars*, who charge extortionate interest rates: some estimates are as high as 50–60 percent. This places farmers in a debt cycle that they are unable to break, forcing them to sell livestock or land, and driving some to the most drastic measure of taking their own lives. Dilasa looks to mitigate climatic risk by encouraging farming families to develop alternative income streams. The ongoing development of SHGs in rural communities is part of this strategy.

Affiliation with an SHG, usually through the female head of household, means that farming families have access to affordable credit and can reduce their dependence on money lenders. In addition, a good repayment record means that banks are willing to lend 3–4 times the value of group savings. Dilasa works with ten local NGOs to connect SHGs to established banks and to date, 3,842 SHGs have access to bank credit at rates of 12–24 percent. SHGs helped by Dilasa have saved

INR88.5 million (approximately US\$1.38 million in 2015) and accessed credit to the sum of INR366.9 million (US\$5.7 million). Some SHG members also receive micro-enterprise skills training towards establishing alternative sources of income.

One such member is Priti Dhamankar, who lives in Umerkhed with her mother-in-law. Dhamankar is 42-years-old, and her two sons have left home to continue their education. In 2008, Dhamankar's SHG started up a business which supplies home-made spices to schools, hostels, and an orphanage in the community. Through her involvement, Dhamankar says that her economic status has improved, and she is able to provide for her children's education. Her SHG is now making plans to expand the business and market it as a brand. With the economic contribution they are making to the community, there is evidence that women such as Dhamankar have a greater voice in decision-making, and that there are higher levels of social inclusion. And as a result of higher household incomes, insurance agents now visit these rural villages, offering formal agricultural insurance products to farmers to mitigate the financial risks associated with crop failure.

The number and size of Dilasa's projects have increased exponentially as it has expanded to ten districts of Maharashtra State. The organization started with about seven employees, but today it employs 170 individuals. It is also involved in building the capacity of local NGOs to ensure that its programs can reach more farmers and their families. Dilasa's approach of working with farming communities, local-level capacity building, and the innovative application of low-cost indigenous technology has attracted national attention. In 2012, India's national development bank, the National Bank for Agriculture and Rural Development, recognized Dilasa's work on irrigation structures as one of 30 top rural innovations in the country. Under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) which was established by the central government in 2005, Dilasa was appointed as the lead agency to train 500 NGOs in Maharashtra State.

The story of Dilasa is incomplete without acknowledging its partners. Its first donation amounted to just US\$20 from Medha Patkar, a prominent social activist and reformer. Larger bestowments paved the way for Dilasa's growth: its first large project was financed by a Netherlands-based funding agency and amounted to US\$4,500. Another Netherlands-based organization, Cord Aid, allotted a five-acre parcel of land to Dilasa for its head office. Dilasa continues to be supported by a wide range of funding agencies of varying sizes. But the most significant of these to date has been the Axis Bank Foundation (ABF), the charitable arm of the Axis Bank Group that today contributes 70 percent of the funds received by Dilasa. But as important as financing has been the unique partnership that has developed between the two entities, which transcends the traditional funder-grantee relationship. Altogether, 51,367 families have benefited from the Dilasa-ABF engagement since October 2011, with 90 percent of the direct beneficiaries being women.

IDEAS UNDER THE ENTWINED TREE

In 2011, Dhas was on a field visit when he received an unexpected phone call. On the other end of the line was C. Babu Joseph, the former executive trustee and chief executive officer of ABF. Joseph had heard about Dilasa's work from Ramesh Kacholia, founder of Caring Friends, an informal group that connected NGOs with potential donors. Dhas disembarked from the vehicle on a rural road and took the call standing under a tree.

Neither man spoke Hindi as a first language, but they managed to communicate in broken Hindi in a conversation that lasted for one hour. By the time he hung up the phone, Joseph was convinced of the organization's potential, and had asked Dhas to prepare a proposal for what Dilasa could achieve over the next five years. Dhas approached the task apprehensively, as he had never prepared a grant proposal of this magnitude before. He went back to Joseph with a plan costed at around INR10 million (around US\$200,000 at the time). But such was

ABF's belief in Dilasa's vision and capabilities that it sanctioned a grant of INR90.4 million (around US\$1.8 million).

From the beginning of the partnership, ABF has played a proactive role in program design, developing the organization's internal capacity and, importantly, in convincing Dhas and his team of their potential to scale to new heights. Before the final agreement was signed, program manager Wilfred Barboza visited the field as part of ABF's due diligence process and to deepen his own understanding of Dilasa's work. Barboza was impressed by how Dilasa had adapted the *phad* system to change lives, and for its potential to be scaled up across Maharashtra State. "Dilasa's diversion-based irrigation technology was so cost-effective that [I saw how] we could expand the projects widely," he said. Barboza observed first-hand how Dilasa's solutions were changing the lives of farmers in the arid conditions of Maharashtra State. "Once water is assured, the chances of a second crop are high, and automatically there will be an increase in income."

At this stage, Dilasa had already helped farmers to reduce their dependence on money lenders by encouraging the formation of SHGs in rural communities. But external credit is not easy to come by, and many SHG simply pooled members' own savings and rotated credit among themselves. ABF saw that formal linkages with banks would be of utmost importance to optimizing the impact of SHGs, increasing the size of a loan to members by up to four times. In their conversations with Dilasa, ABF stressed the importance of access to bank credit for SHGs at reasonable rates, in the belief that this would improve financial conditions for borrowers over time. Together, Dilasa and ABF decided that the establishment of formal credit linkages between SHGs and banks would be a key deliverable in their programs.

ALTRUISTIC OUTCOMES

In collaboration with ABF, Dilasa has thrived. The organization has surpassing its annual targets and serves as an example of passionate leadership, team



The *phad* is also a source of drinking water for livestock. (ABF)

work, and professionalism to its funders, partner NGOs, and other stakeholders. With support from ABF, Dilasa's impact has grown exponentially. Between 2011 and 2015, the Dilasa-ABF engagement has helped 8,149 farmers to access irrigation systems, and more than 43,000 beneficiaries have gained access to affordable credit through the 3,842 SHG-bank linkages established. In addition, 1,300 SHG members from farming households have received skills training to help them develop alternative sources of income. For K. Anil Kumar, current executive trustee and chief executive officer of ABF, the partnership's success is reflected in how beneficiaries have flourished in the drought-prone region. "In 2015, both Vidarbha and Marathwada regions received only 300 millimeters (11.8 inches) of rain throughout the entire season [compared to a national average of around 1,000 millimeters (39.4 inches) per year]," said Kumar. "Despite adversities like these, none of our beneficiaries have committed suicide."

Achieving this scale and depth of operations has not been easy for either organization. With the size of its initial grant, ABF realized that the game had changed for Dilasa. "We kept very modest goals in the beginning, because we found that the organization was very small and [still] doing good ground

work; even without a hierarchy or structure at the workplace, and with limited knowledge of book keeping," said Barboza. ABF helped Dilasa to develop the infrastructure it would need to manage this new volume of funds, encouraging them to strengthen internal systems through an annual process of financial budgeting.

ABF also supported the creation of a monitoring and evaluation system to collect data on critical social-impact indicators from beneficiaries, such as; income, household assets, migration flows, education attainment, nutrition, investment plans, and access to insurance policies amongst others. Mastery of time management has been critical for Dhas and his team as Dilasa's programs have expanded, with new obligations for projects to be tracked and progress on deliverables reported to funders. But within two years of the partnership, Dilasa had turned around its organizational management to meet the audit and financial compliance standards required by ABF.

This transformation was possible because it was treated as a process of shared learning on both sides. "ABF's managers are very cooperative," said Dhas. "They see our work, interact with beneficiaries, and share positive or negative feedback with us. It is a mutual learning experience for us." ABF concurs. "We tried our best to nurture them, and

in the process we have also learned,” said Barboza. Dilasa is now well-placed to measure the social impact of its work, and to leverage relationships with local partners to continue scaling up. Beenoxi Arora, head of programs at ABF, acknowledged Dilasa’s unique skills in this area. “Usually it is very difficult to work in partnerships, as NGOs have differing perspectives,” she said. “But Dhas has linked up with ten NGOs and created a shared vision among them. The partners are in sync, and this leads to more impact.”

ABF has meticulously documented Dilasa’s progress, commissioning a mid-term review of its funded programs in 2013. Based on the results of an independent assessment by the Tata Institute of Social Sciences, ABF’s funding to Dilasa was raised to INR360 million (about US\$5.5 million in 2015) for an engagement that will now extend until 2019. Of the 43 partners supported by ABF in 2014–15, Dilasa has emerged as the largest recipient of funds. “Because of their commitment to work, success, progress—whatever you name it—we were so comfortable, that we thought that we should scale up the program,” said Barboza.

LESSONS AND CHALLENGES

The relationship between ABF and Dilasa has been built on mutual respect, and a sensitivity to the pains associated with rapid growth. Dilasa was a very small organization in 2011, and has since grown exponentially in terms of beneficiary reach and the number of partnerships it must manage. This has been possible because of the leadership and strategic direction provided by senior management at both ABF and Dilasa, and investments made into organizational processes and training. Dilasa has demonstrated that it has the ability to plan and run projects professionally, automate processes, and to put in place strong governance and monitoring structures. It has done so with inputs and mentoring from ABF staff, who continue to make quarterly monitoring visits. These lessons have spread to local NGO partners, who are working with the help of Dilasa to digitize their own systems.

Dilasa has come a long way from its first budget of US\$230 in 1995 to managing a budget of US\$1.4 million in 2015. The organization’s day-to-day concerns have also changed significantly over the past two decades. Fundraising is less of a problem for Dhas today, but the new challenges associated with managing a fast-growing organization are front-of-mind. Though support from ABF has helped Dilasa to restructure and acquire management skills, the tripling of ABF’s financial contribution in the next three years will require great attention to grant management. The next phase of Dilasa’s story will necessitate the implementation of systems to manage funds and roll out programs at an entirely new scale.

Another upcoming challenge is related to capacity. Already, Dilasa has taken the initiative to train technical talent to address the shortfall in rural areas. The need for engineers to help scale *phad* systems will require Dilasa to ramp up its training efforts. Dilasa continues to educate local NGOs on these low-cost technologies to reach larger populations and maximize impact. But with ambitious targets, it will be a priority to train up the next



Dilasa Sanstha-ABF beneficiary Lakshman Kenure. (TISS)

generation of engineers, and to retain them to work with farming communities.

Part of Dilasa's early strategy was to keep a low profile and get on with the tasks at hand. "If we make our quantum of work public, then the politicians would start creating hurdles in our work," said Dhas. "Due to this issue, we have not concentrated in one district, but diffused our work to several districts." Dilasa's emergence as a major player for rural development in Maharashtra State means that it will be less nimble, and need to engage with the bureaucracy going forward. Its partnership with ABF has drawn attention from many entities seeking collaboration; including the government, which has appointed Dilasa as a strategic partner for its water sufficiency initiatives in the Vidarbha region.

OUTLOOK

In Dilasa, ABF has found a credible partner to achieve its mission of "contributing significantly to create the factors responsible for sustainable livelihoods." Sourcing the right partners is critical for the foundation to achieve its target of sustainable livelihood options for 1 million people in India by 2017. "ABF has gone to regions where there are livelihood challenges for large sections of the society, and where income levels are low," said chief executive officer and executive trustee Kumar. "Through our interventions, we are trying to increase income and prosperity for the target popu-



Dilasa Sanstha founder Madhukar Dhas, technical director Mansoor Khorasi, program coordinator Suhas Dhas, accountant Subhash Mankar and technical engineer Amol Sakharkar. (TISS)

lation— but at the right pace." To this end, ABF is focused on improving the scalability of projects it has underwritten and engaging with stakeholders such as local NGOs, local government, and vendors to achieve its aims while staying sensitive to the needs of local communities.

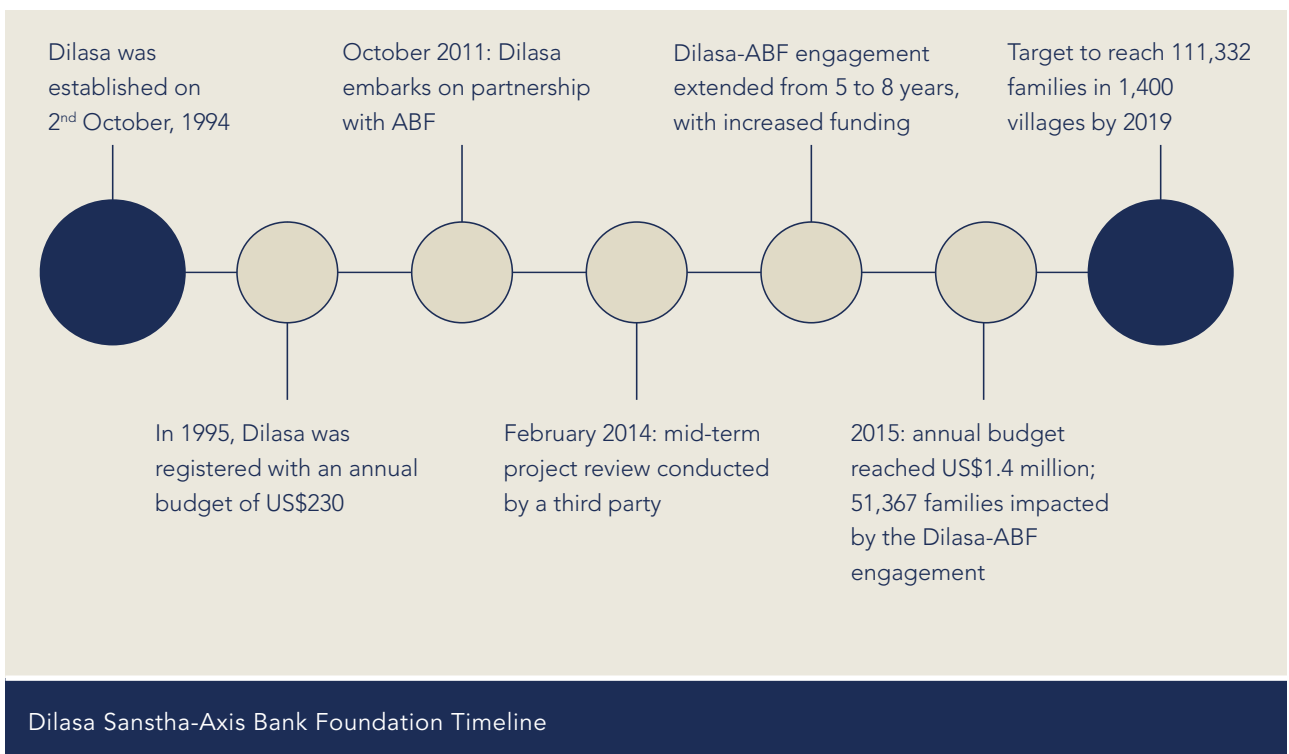
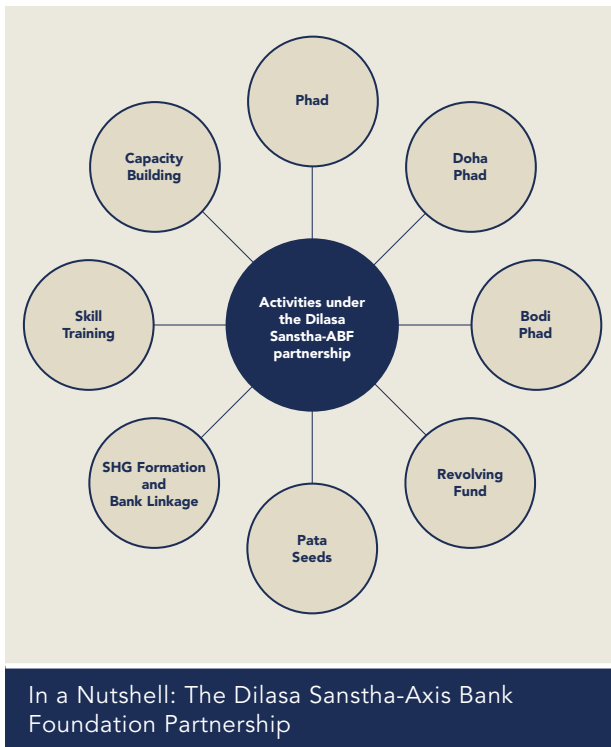
Another priority for ABF is to leverage its expertise as a corporate foundation to expand innovative models. When visiting some of Dilasa's projects in the height of summer, Kumar observed how *phad* systems and low-cost water storage techniques have changed the lives of farmers. But the former banker was even more impressed by the SHGs he encountered, and how they were improving the financial stability of communities by generating alternative income sources and promoting household savings. But Kumar thought that more still could be done to unleash the potential of SHGs in rural communities. "We have noticed that credit is very difficult to come by for SHGs," he said. "Not many bankers are willing to lend to them."

Having prioritized bank credit linkages in Dilasa's SHG projects, ABF wanted to create an even more direct relationship between savings and income. Kumar observed that while the income of SHGs could increase two-to-five fold, savings rates remained static. He realized that incentives would be needed to encourage rural household savings. "For savings to have any meaning to an individual, you have to link it to banks, and a percentage of income has to be sterilized as savings," said Kumar. "To do this, you have to get savings linked with banks or insurance companies or post offices, and some kind of money instruments should be made available." ABF is experimenting with a new model to encourage savings in rural communities: extending formal banking services to the most remote regions of India. With ABF providing the platform, a three-month pilot project is underway where its NGO partners operate as correspondents for the Axis Bank Rural Banking team, making basic banking services available to SHG members. Dilasa is acting as one of three NGO partners in the national pilot.

Dhas gamely admits that Dilasa has its work cut out to achieve its ambitious 2019 targets. The organization will have to take lessons learned so far and ensure that they are sustained through what will be another period of rapid growth. But the enormity of the challenge is unlikely to deter Dilasa. “The organization has been able to complete whatever responsibility it has taken on its should-

ers till now.” said Dhas. “We believe in finishing tasks, and not leaving a problem mid-way. We believe in forging relationships, and we are happy when we see our farmers happy.” 🌱

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QUANTITATIVE INDICATORS

Financial

Planned budget or income versus actual expenditure for the fiscal year*	Budget: US\$1.41 million Expenditure: US\$1.38 million
Income composition by source: individuals, corporations, events, trusts, other (please specify)	Corporations (CSR), individuals, trusts, foreign donors, bank interest earned on savings, contribution from beneficiaries
Income composition: domestic versus international	Domestic: US\$1.34 million International: US\$70,000

Personnel

Staff retention rate	85% (106)
Turnover rate	15% (16)
What is the board composition?	The executive committee is comprised of seven members, including the chairman, vice-chairman, secretary, treasurer. It has a five-year tenure.
How many meetings does the board hold per year?	4
How many staff members are there?	170 (end 2015)
How many staff members have attended some non-profit or management training course?	80% of staff members have attended a management training course within or outside of the organization

*Quantitative Indicators Continued***Organizational**

Do you publish an annual report?	No
How many sites/locations do you currently operate in?	10 districts in Maharashtra State (1,170 villages across 62 blocks)
Do you measure results?	Yes, there are activity-specific indicators
What types of outreach?	Door-to-door visits, awareness meetings for establishing SHGs
Do you regularly meet with government representatives?	Yes
If yes, on a scale of 1-3 how close is the relationship with government? 1 = not close; 2 = somewhat close; 3 = very close	2 = Somewhat close

* Figures for 2014–15 fiscal year. (Exchange rate US\$1=INR65.9, as of November 2015)