

Empowering Communities with Eco-entrepreneurship for Sustainable Livelihoods and Biodiversity Conservation

Manual for Community Facilitators



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Preface

The Project on “Development of Sustainable Asian Communities based on Conservation and Appropriate Use of Biological Diversity” was implemented by the Japan Council on Education for Sustainable Development (ESD-J) together with the Centre for Environment Education (CEE), India and other ESD-related Asian NGOs from January 2014 for two years, funded by the TOYOTA Environmental Activities Grant Program. The project aimed at developing a manual for community facilitators to (i) provide a brief overview of the Gram Nidhi project in India as an excellent case-study on eco-entrepreneurship for sustainable livelihoods and biodiversity conservation, (ii) share the experiences on how to infuse/integrate ‘eco’ concept in micro-enterprises using micro-finance strategies, and (iii) discuss how to adapt the experiences of Gram Nidhi in other Asian countries.

The Gram Nidhi project was selected among the 34 Asian Good ESD Practice Projects (AGEPP), as it showcases an innovative model of using the micro-credit to develop local biodiversity-based eco-enterprises and empowering women as eco-entrepreneurs.

The manual for community facilitators - Empowering communities with eco-entrepreneurship for sustainable livelihoods and biodiversity conservation is developed as the major outcomes of this project. We hope that the manual could be effectively used by community facilitators to enhance sustainable livelihoods of local communities while conserving biodiversity as the fundamental local resources, and develop locally adequate eco-enterprises to sustain their livelihoods and alleviate poverty.

February 2016

Katsunori Suzuki

Board Director of ESD-J in charge of international affairs



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Introduction

This manual is developed as one of the collaborative projects among Asian NGOs working on Education for Sustainable Development (ESD). The project 'Gram Nidhi' is selected among the 34 Asian Good ESD Practice Projects (AGEPP), as it showcases an innovative model of using the micro-finance to develop local biodiversity based eco-enterprises and empowering women as eco-entrepreneurs.

The specific objectives of this manual are:

- (1) to provide a brief overview of the Gram Nidhi as a case-study,
- (2) to share the experiences on how to infuse/integrate “eco” concept in micro-enterprises using micro-finance strategies; and
- (3) to discuss how to adapt the experiences of Gram Nidhi for developing eco-enterprises for strengthening rural livelihoods and conserving local biodiversity and other natural resources, in other Asian countries and elsewhere.

This manual focuses on how to harness the innovative potential of environmentally conscious entrepreneurs, called eco-entrepreneurs, to encourage more start-ups that would enhance the environmental sustainability and promote livelihoods of rural community. The manual also emphasis the role of ESD in promoting eco-entrepreneurs behaviour and presents an outline for possible eco-entrepreneurship ESD programmes that could be integrated into micro-finance based micro-enterprise development programmes.



Sale of wild fruits: A profitable eco-enterprise for landless.

Traditions turned to trade: Making of buttermilk and butter







Chapter 1

Eco-enterprise – An Innovative Approach
Towards Biodiversity Conservation and
Strengthening Rural Livelihood

Most Asian developing nations have significant number of their population living in rural areas. Biodiversity and other natural resources are backbone of rural livelihood. Poverty alleviation through biodiversity conservation-based livelihoods promotion is increasingly becoming important in international, societal and political agenda.

International policy environment for biodiversity conservation:

Convention on Biological Diversity

The preamble of the Convention on Biological Diversity (CBD) recognises that “economic and social development and poverty eradication are the first and overriding priorities of developing countries”. In 2002, CBD adopted a target “to achieve by 2010 a significant reduction of the current rate of biodiversity loss at the global, regional and national level as a contribution to poverty alleviation and to the benefit of all life on earth”.



Journey from MDG to SDG: Biodiversity Conservation

The Millennium Development Goals (MDGs) addressed the biodiversity conservation through Goal 7 where in 'the area of land under protection for biodiversity' was accepted as an indicator to target 'to reverse loss of environmental resources' while target 2 specifically focussed on halving the rate of biodiversity loss by 2010.

The Synthesis Report of the Millennium Ecosystem Assessment (MA) published in 2005, emphasises link between biodiversity conservation and poverty reduction. The MA report further notes that “many aspects of biodiversity decline have a disproportionate impact on poor people”.



Sustainable Development Goals (SDGs) adopted in September 2015, have much higher focus on biodiversity conservation with Goal 14 and 15 specifically focussing on marine and terrestrial ecosystem. Goal 2 (End hunger) and Goal 13 (Climate action) also have strong emphasis on biodiversity conservation.

Biodiversity and livelihood – Close link for rural poor in developing nations

Sustainable development of a region is inherently linked to the ability of its communities to generate livelihoods on a sustainable basis. This is particularly true for those ecological areas that are fragile and are witnessing degradation or transformation due to human pressure and developmental process.

For most developing countries biodiversity is still backbone of rural economy. Biodiversity is also important as a risk coping mechanism especially for the poor and marginal. Further biodiversity is also crucial for maintaining ecosystem resilience and providing various ecosystem services and goods on which local communities depend.

Since it is the poor who depend most on ecosystem services for their livelihoods, it is even

Biodiversity: Back bone of rural economy





Value added products from prickly pear fruit: Win win situation for communities and biodiversity

argued that biodiversity conservation has important poverty alleviation effects. The literature on integrated conservation-development approaches suggests, however, that the linkages between nature conservation, income generation and poverty alleviation are not so simple, and that there might be important conservation-development trade-offs. Linkages between poverty, livelihoods and nature are grounded in the livelihood strategies.

Eco-enterprise: Creating win-win strategy for communities and biodiversity (people and planet)

In conventional livelihood strategies, sustainability agenda may take a back seat, which may resulting in resource exploitation eventually leading to resource degradation - degradation of land, water and biological resources - threatening the livelihood base of the rural poor and making them more vulnerable. Developing biodiversity-based eco-enterprises has the potential to lift individuals and communities out of poverty while conserving biodiversity.

So, eco-enterprise intervention seeks to:

- a) Improve the use and efficiency of existing resources (especially biological resources in case of Gram Nidhi);
- b) Develop alternative resources;
- c) Create systems for sustainable management and;
- d) Create awareness and abilities amongst partners (in this case local partners and communities both) to act for sustainability.

An Eco-enterprise produces goods and services that are economically efficient and viable, ecologically sustainable and socially acceptable, using local resources and appropriate technology. They derive maximum leverage from local cultural and natural environment, by drawing upon existing managerial and technical skills and developing a cadre with social sensitivity and environmental concern. Eco-enterprise options spring from indigenous creativity in response to local needs and possibilities aiming directly to improve the quality of their lives.



Eco-entrepreneurs reaching to urban market

While there is some literature available that gives 'what' and 'why' of eco-enterprise development, but there seems to exist a crucial gap in the 'How' part. The current manual aims at filling this gap by bringing forward 'How' through learnings from the Gram Nidhi case. The project 'Gram Nidhi' implemented by Centre for Environment Education (CEE) establishes an empirically tested model where eco-enterprise development is energising the rural economy of several project villages in Jasdan Block, in the State of Gujarat in India.

***Gram Nidhi* is a word from vernacular language of the region which literally means 'Rural Wealth' in English.**

Spice Crops : A potential Eco-enterprise





Chapter 2

Gram Nidhi: Building Rural Wealth
Through Eco-enterprise Approach to
Rural Livelihood

Biodiversity has an obvious importance to the economic life and livelihoods of the people living with them. There are obvious reasons why participation of local people in biodiversity conservation efforts seems to make sense. Quite apart from the view that local people have rights to how these biodiversity resources should be used, the essence of the justification is a practical requirement for local involvement if management is to be effective.

Project area: Context, concerns and challenges

Jasdan block comprises of 102 villages. It is located in the Rajkot district in the state of Gujarat in India. The Gram Nidhi project was initiated with 5 villages from the Jasdan and is currently covering 30 villages.

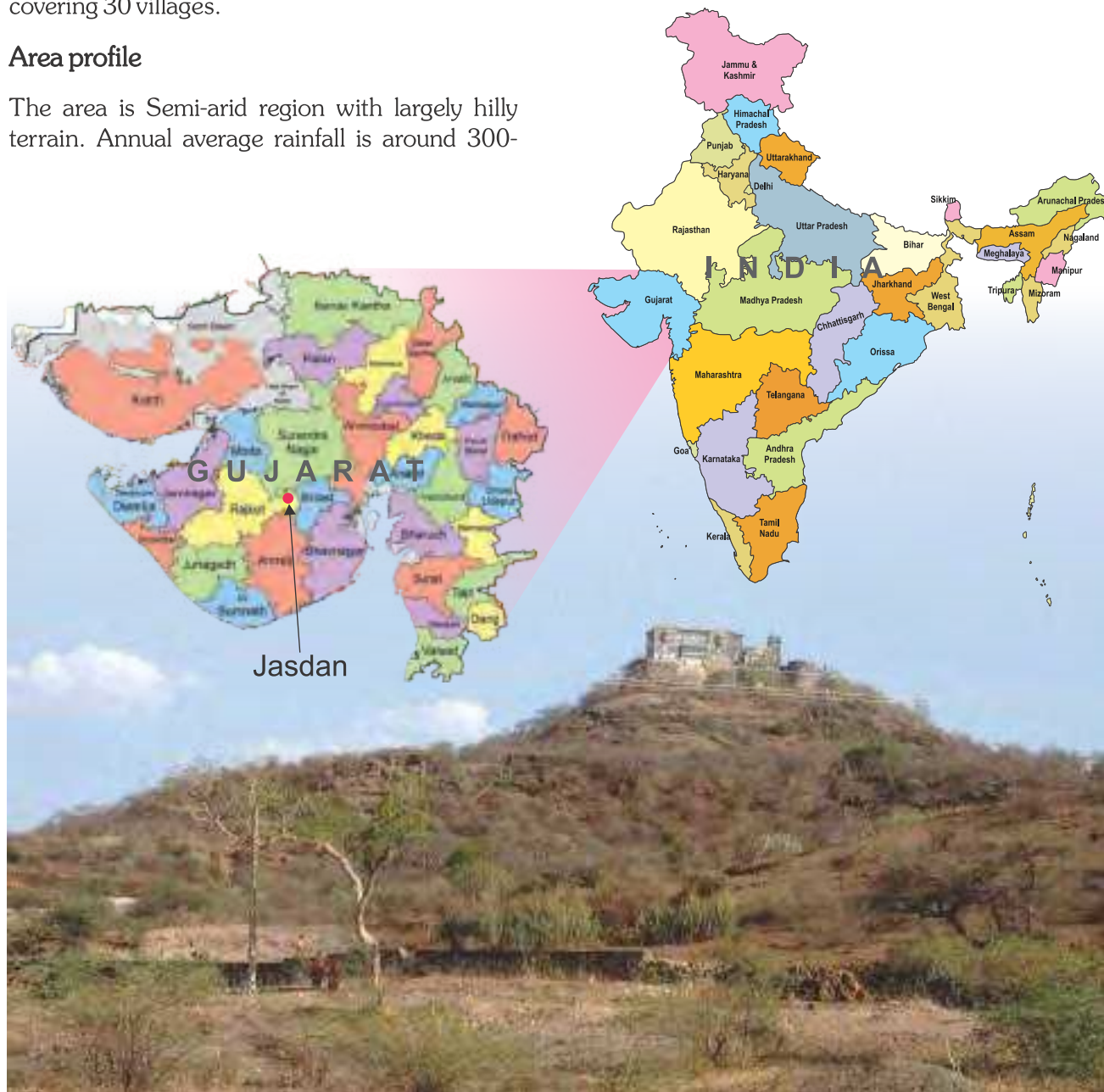
Area profile

The area is Semi-arid region with largely hilly terrain. Annual average rainfall is around 300-

400 mm. Monsoon or rainy season is mainly from June to September wherein about 93% of the season's rainfall occurs, spread across about 30 rainy days. Rainfall is highly irregular. The region is drought prone region with no perennial river.

The large population in the area, mainly from marginal communities, are much poorer compared to other regions of Gujarat facing extreme shortage of all types of resources and poor endowment of fixed and working capital for inputs in the livelihoods.

The drought prone nature and lack of holistic landscape management has resulted in mining of underground water, overall degradation of natural resources like degrading forest area, pasture lands and soil erosion.



Farming is the major occupation in the area. In 2004 when Gram Nidhi project was introduced, livelihood patterns, once dependent upon the agricultural biodiversity, had shifted to monoculture of cash crops requiring high inputs of chemical fertilizers and pesticides under the pressure of modern agriculture and market demand.

CEE's past interventions in the area: Stepping stone for Gram Nidhi.

The Centre for Environment Education (CEE) started its work in Jasdan in 1987 to develop model rural development programmes that demonstrate approaches to Education for Sustainable Development (ESD) in ecologically fragile and stressed rural areas.

Since inception, CEE's interventions focussed on creating a cadre of local communities who actively participate in sustainable development of the village. This has created several village level institutions such as Paryavaran Vikas Mandals (PVMs) (means Environment and Development Groups), Self Help Groups (SHGs), Farmers Field Schools, Village Milk Cooperatives, Farmer's Producer Company, etc. SHGs have been engaged in savings and credit activities, with some financial management skills. Similarly PVMs were provided opportunities and exposure to enhance their understanding about 'sustainability' aspects in rural development and especially natural resource use and management.



Learning sustainability by seeing

Some of the PVMs have matured as registered Community Based Organisations (CBOs) and became community based institutions for local development especially of natural resources.

These institutions were somewhat engaged in sustainable development of respective sectors and therefore could be further strengthened and given new directions in form of eco-enterprise building for sustainable livelihood and biodiversity conservation.

Genesis of Gram Nidhi

The Gram Nidhi approach rests on an innovative financing scheme wherein the Eco-Enterprise Fund (EEF) generates the means to start-up capital investments for eco-enterprises channelled through local partner SHGs. In addition, the Technical Assistance Fund (TAF) that provided means to dovetail capacity building and information servicing support to promote sustainable livelihoods in form of eco-enterprises among the rural communities.

Degrading natural resources, increasing cost of farming input, climatic uncertainties, topped with globalization and liberalization is demanding innovative livelihood strategies for rural communities in India and elsewhere. This requires them to take benefit of the new opportunities from market. This means the farmer has to change his/her mind set from just producers to entrepreneurs. Majority of rural community have never perceived themselves as

Empowering SHGs for enterprise management





Rural community at biodiversity dialogue

the owner of a potential profitable and sustainable enterprise. Instead many of them, especially the marginal farmers, are trapped in a debt-cycle to be able to procure the necessary chemical inputs for farming. To change this mind-set means to empower people to start planning their livelihood as an enterprise and create new perspectives.

Looking at the global concerns and issues, entrepreneurship without environmental concerns will lead to more sustainability issues rather than solving them. So, one has to develop a model of entrepreneurship with environmental concern: that is eco-entrepreneurship.

Effective entrepreneurial activity and diversification however necessitates an external awareness and the capability to diversify. There are significant barriers to entrepreneurial activity of rural community in India. These can be classified as internal organisational difficulties on the one hand, and a lack of access to external resources on the other.

Through existing SHGs, other micro-finance institutes and private agents, micro-finance (MF) was already being made available to the rural communities which generally fulfilled the critical need for consumption support or social expenses. But its' use in productive activities as strengthening livelihood or setting up new enterprises, was not as wide-spread as it should and could be.

The Gram Nidhi model has taken these challenges of evolving an innovative MF system that would contribute to natural resource management through providing start-up capital as micro-finance to such eco-enterprises and creating a more entrepreneurial mind-set with environmental awareness in the rural community.

An Eco-entrepreneur is the one who starts an enterprise based on the principle of sustainability and that constantly adopts environment-friendly practices and technologies that reduces resource use and impacts. They supply environmental friendly products and services and enter in the eco-friendly markets, not only to make profits, but also put emphasis on underlying, green values. They try to combine the environmental, economic and social values of sustainability with an entrepreneurial mind-set.

The Gram Nidhi concept was selected as one of the 20 winners among 1500 nationwide entries in the first ever India Country Level Development Marketplace organized by the World Bank in 2004. The initiative was initially undertaken in five villages. It aimed to promote sustainable livelihoods for marginal rural communities in semi arid areas using micro-finance as a tool and through sustainable biological resource management.

The key focus areas of the Gram Nidhi are:

1. Enhance sustainability awareness among local community members.
2. Develop and disseminate environment friendly technologies, relevant skills and knowledge.
3. Strengthen management capacity to adopt and manage 'eco' approach towards entrepreneurship.
4. Establish eco-enterprises in rural areas using micro-finance as a tool.

The approach is an amalgamation of two functions below

- A financial function achieved through an Eco Enterprise Fund (EEF) which provides start-up micro-finance to SHGs members for investments in eco-enterprises.
- An institutional development function achieved through Technical Assistance Fund (TAF) that provides capacity building, knowledge management and information service support for the establishment and promotion of eco-enterprises.

Thus essentially the finance input to the project comes from two distinct mechanisms. While Eco-Enterprise Fund eventually is given as start-up micro-finance to the potential eco-entrepreneur, Technical Assistance Fund – TAF, is managed by CEE.

Project implementation structure: crucial elements for success

Realizing the challenges that have been discussed above, the implementation structure of Gram Nidhi was carefully crafted to address these challenges which actually played very crucial role in ensuring success of Gram Nidhi.

Some key elements of the implementation structure are presented below:

Implementation through multiple partners:

The institutional structure primarily consist of a three-tier system of the following organizations:

- CEE, the lead partner and facilitating agency in the project, having a field office in Jasdan that coordinated the entire initiative and managed the Technical Assistance Fund (TAF). It also provided all required capacity building, training and knowledge management and enterprise counselling support.
- CEE directly did not give funding to individual entrepreneurs. Rather it entered into agreement with Narmada Trust, a local CBO, who became field level implementation partner. CEE transferred the total fund allotted for eco-enterprise development support (also known as EEF: Eco-Enterprise Fund) to the local CBO Narmada Trust, through a separate bank account "Gram Nidhi – Narmada Trust" opened at a nationalized bank in Jasdan. Narmada Trust, a local partner based in village manages the EEF and disburses funds to SHGs.
- In the initial stage CEE identified 5 of the CEE formed already existing SHGs. Most of them were 6-7 years old. Thus they had a well-established rapport with CEE. Each SHG consisted of 11-20 members. SHGs manage the fund transferred to them by the local CBO, and further disbursed it to individual members as a start-up micro-finance for the proposed eco-enterprises based on sanctions from Eco-enterprise Investment Committee (EIC).

Figure 2.1 The Model

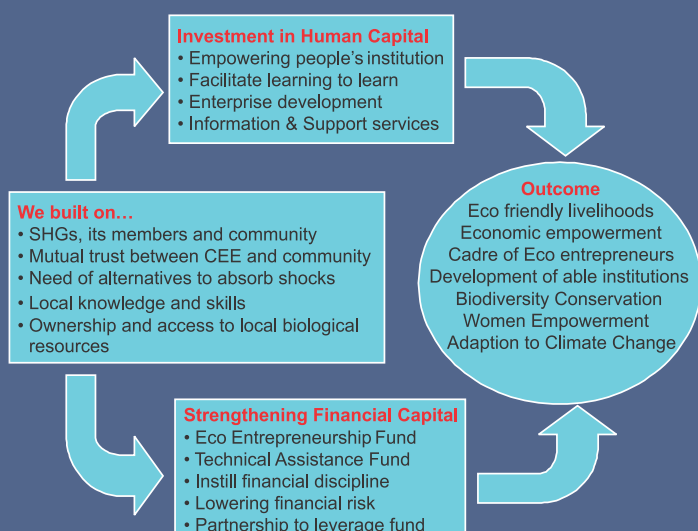
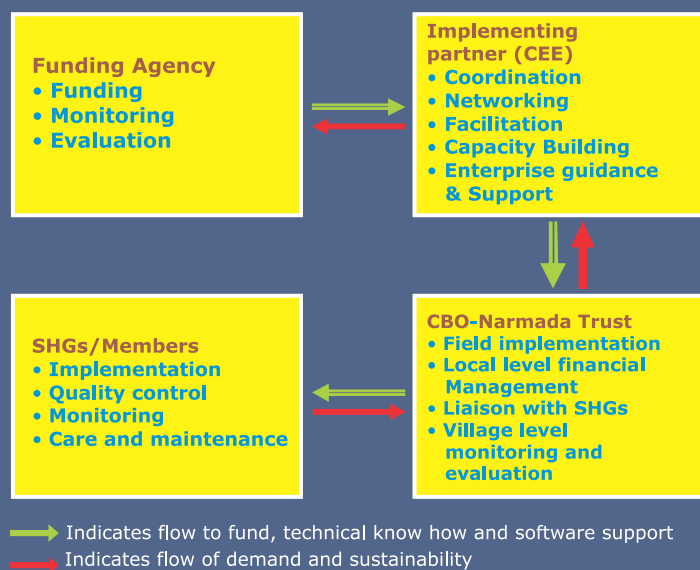


Figure 2.2 represent this structure and role of each agency. Box 2.2 discusses role of these three agencies.

Figure 2.2 Role of different partners in Gram Nidhi



Box 2.1 Structure of EIC

CEE- Head Office	Lead Agency
CEE- Field Office	Lead Agency
NARMADA TRUST	Primary Partner
Six SHG representatives (one from each)	Local Partner
NGO representatives & Experts*	Advisory Role

*Includes Local NGOs, Government & Financial institutions representatives whether working or retired.

Technical Assistance Fund (TAF): An innovative funding to build human capital

Rural communities traditionally have no access to start-up micro-finance. Therefore there is a greater need for capacity building, counselling, hand holding and technical assistance, in order to be able to meet the needs of eco-enterprise and reduce the operating costs, increased revenue, reduce risks and organizational adaptation. For this purpose TAF was created. The main advisory services include sustainability education, enterprise planning, marketing, value addition, innovation, local R & D, training in technical subject areas, financial control and accounting, environmental indicators and monitoring programmes.

The Eco-enterprise Investment Committee (EIC)

EIC is the mechanism to ensure local accountability and participation. It is sanctioning body for providing start-up micro-finance to the potential eco-entrepreneurs from the EEF. It has mandatory representation from SHGs, NARMADA Trust and CEE; and representatives of local government officials, financial institutions, NGOs and technical experts. (Box 2.1 shows composition of EIC). With this broad representation, EIC is capable enough to judge

Small group consultative dialogues between eco-entrepreneurs, technical experts and CEE staff members.



Box 2.2 The responsibilities of the different institutions involved are given below

CEE: Facilitating Agency

Being the lead agency, CEE has the task of sustainability education, project management; which includes liaison with the partners, monitoring and documentation and exploring the possibilities for scaling up through partnership and convergence with government, financial institutions, etc.

To address existing environment and biodiversity concerns of the region through local biodiversity and associated traditional knowledge, CEE conducted a series of consultative meetings with various stakeholders – farmers, traditional healers, women, pastoralists, biodiversity experts, organic farmers-consumers groups and networks, agriculture experts and so on. This resulted in development of a series of standardised detailed eco-packages which proved quite helpful in ensuring success of newly coming up eco-enterprises.

CEE further provides technical assistance and guidance to the potential eco-entrepreneurs partners on technology and the market; innovation in products/enterprises, knowledge management, produces and supplies information support materials; organizes training and exposure tours, liaison and networking with various institutions and experts.

NARMADA Trust as a local implementing agency

50 % of the project fund was transferred as EEF into a separate bank account managed by the Trust.

Gram Nidhi appoints one person from the Narmada trust for coordination with local partners of the project - village level SHGs. This person is responsible for the following:

- Remain present in all SHG meetings, prepare meeting minutes and submit monthly progress reports.
- Disburse the funds required by the proposal received on the basis the regulations and criteria set in the project and as per the sanctions received from EIC.
- Monitor and manage financial transactions undertaken between the SHGs and their members.
- Help in acquiring the inputs needed for eco-enterprise and marketing of the produce.
- Publicize the initiative for support and scale up.

SHGs as a beneficiary and local partners of the project

- Manage and monitor funds received from EEF and its use according to criteria set under the project.
- Motivate members and village community to undertake eco-enterprises and facilitate marketing of eco-enterprise products.
- Appoint representatives to EIC who reports progress of eco-enterprises, share experiences and issues of SHGs to EIC.
- Recover funds with interest within time limit given under fund disbursement.
- Inform immediately EIC whenever there are disputes or issues.
- Maintain separate register to keep records of issues arise, solutions found, suggestions given by CEE/experts, consultation, investments, income and progress of the project.
- Adopt low cost and eco-friendly practice/ technology suitable to their enterprise. Follow the guidance given by CEE or invited experts regarding the same.