

**“NGO CAPACITY BUILDING PROGRAMME  
OF RASHTRIYA GRAMIN VIKAS NIDHI” -  
A REVIEW**

*Sponsored by*

**North Eastern Development Finance Corporation Ltd.  
Guwahati**

*Submitted by*

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# **EXECUTIVE SUMMARY**

## **TITLE OF THE STUDY**

### **EVALUATION STUDY OF NGOS ASSISTED BY RGVN**

1. Rashtriya Gramin Vikas Nidhi (RGVN) is a pioneering institution that provides funds as grants and returnable grants to NGOs for livelihood promotion of poor people. RGVN, with its Head Office in Guwahati, is working in the North East States, Sikkim, Bihar, Jharkhand, East UP, Orissa, Chattisgarh and north AP.
2. It received assistance from Ford Foundation (FF) for capacity building of NGOs and RGVN's own institutional development to enhance livelihoods of poor people. A review was carried out of the FF grant to draw lessons for the future.
3. RGVN has done exceptionally in spawning and parenting new NGOs for development. It has worked with over a thousand NGOs since 1990. There is tremendous outpouring of goodwill for RGVN in NGO gatherings. The Ford Foundation assistance was intended to move RGVN from the role of parenting to that of demanding teacher and taskmaster. This required RGVN staffs to retool themselves to the new challenges. RGVN is in the process of this transformation.
4. RGVN focuses on livelihood promotion. As part of this policy it provided returnable grants rather than outright grants to its partner NGOs to introduce business orientation in their working. However, the policy of 'returnable grants' has gradually nudged the NGOs into providing credit to the poor, invariably to women formed into self-help groups. Retailing credit is also in favour with number of agencies supporting micro credit. It is one of the easier development interventions for the newly spawned NGOs. Finally, credit is indeed needed by the poor as one of the important inputs for livelihood enhancement. To that extent partners providing credit meet RGVN's objectives. This aspect is well recognized by RGVN and it has given lot of inputs on the SHG formation. What is required, simultaneously, is similar focus in developing the capabilities of NGOs as financial intermediaries, with proper systems and processes. It should also demand exacting performance as required of micro-finance intermediaries.
5. Ford Foundation support was used for conducting NGO meets, peer learning workshops, sectoral trainings, sponsorship to external training programs, and provide fellowships to promising individuals.
6. NGO meets were useful for new NGOs joining the RGVN network. They learnt from other older partners and gained larger identity. NGOs also benefited from the interface with other development institutions. To make the NGO meets even more effective they need to be conducted in segmented manner by grouping NGOs facing similar issues and concerns. The design of NGO meets has to be continuously revised to reflect the changing challenges of the NGOs.

7. Peer learning workshops were very useful in introducing organization development concepts. The sectoral trainings focused a lot on SHG formation and animal husbandry. These events should be of longer duration for achieving depth than the two days generally devoted to multifaceted topics like organization development, accounts, group formation, etc. Topic like NGO accounts are dealt more effectively by designing more intense phased training modules based on an 'accounts manual' followed by hand holding support by RGVN staff on their visits. Workshops even if held repeatedly on same topics do not achieve qualitative depth of converting learning into practice.
8. Sponsorship to external trainings was utilized very well by number of sponsored candidates. They were able to develop higher vision for their organizations and were also successful in moving it into higher orbit. These organizations are becoming role models to others in their areas.
9. Fellowships were very successful in helping social entrepreneurs launch new initiative. Field assignments during fellowship period helped them in exploring and creating base for launching their organizations. Of the 20 fellows seven have initiated their separate organization either for direct field implementation (5 fellows) or for development support (2 fellows). This is indeed a very good record. Other persons provided fellowships continue to remain in development and are operating at higher levels of responsibility and competency.
10. The context of capacity building activities has to be the RGVN operational strategy. The CB strategy should clearly specify and indicate the linkage with the operations and how it is going to further the goals and objectives of RGVN in that region. In absence of this congruous fit, capacity building would become synonymous with series of events with little synergy and impact.
11. A typical RGVN partner is an NGO promoted by a socially motivated person in the local area who has had some exposure to development activities by virtue of working in another NGO and one that takes up women SHG formation and on-lending as its dominant activity. These NGOs require in depth training in accounts and statutory matters, micro finance and livelihood promotion in that order. These are very technical competencies and need to be imparted in the form of series of training modules that build on each other rather than in the workshop format that is in vogue. Workshops are useful only in the initial stages of perspective building and sharing information or experiences. They do not build hardcore technical competencies that should be demanded of NGOs for greater effectiveness.
12. Appropriate computerized systems should be installed in organizations reaching Rs 10 lakh portfolio on priority. However, the system setting should be done as part of capacity building package and should come as grant as it is not possible for small NGOs to finance this investment from internal accruals.

13. RGVN staff should be equally versed in the technicalities of the subjects so that they are able to provide hand holding support in the field. Their training should ideally precede that of NGOs and they should be part of designing the modules and carrying out trainings of partners. As trainers they would refresh their knowledge.
14. RGVN staffs also need inputs on softer areas of competencies like facilitation, process sensitivity, self reflection and development, adult training techniques, leadership and team building, organization behavior and development, entrepreneurship development, documentation skills, etc. These competencies have to be provided over a period of time and each would need to be internalized through practice before a new one is provided.
15. Capacity building remains an enormous need in the regions where RGVN is present. It is well placed to take up this challenge of CB by virtue of its past experience and relationship with its partner NGOs. It has a network of offices and dedicated staffs that can respond to the challenge of capacity building.