

ANNUAL REPORT 1999-2000
WHO ARE WE ?

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- | | |
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I. Introduction: 1984-85 to 1999-2000

SPARC, the Society for Promotion of Area Resource Centers, was established in Bombay in December 1984. It was created by a group of people with experience in such diverse fields as counseling, community organization, social research and the biological sciences. What brought these people together was a shared belief that non-formal education, participation and conscientization of the poorest people was a more effective means of real development than traditional welfare services, which only create & perpetuate dependency. We identified the poorest in the urban context as pavement dwellers, who, unlike those living in the city's slums, had remained outside the ambit of development efforts, whether voluntary or governmental. Among pavement dwellers, our experience had taught us that the women were the most oppressed and isolated. Therefore, we decided to focus our initial work on women living in pavement slums. We believe that any basic change in women invariably impacts on the women themselves, their family and community as well.

The Area Resource Centre :

SPARC chose its very name on the concept of the Area Resource Centre, which is the mainstay of our approach. It is the framework within which the process of conscientization and participation is initiated, sustained and strengthened. The "ARC", as we call it, is simply a place where people come for information about and analysis of the resources available in their environment; where discussion of individual and collective problems is initiated, new methods of problem solving begin to get explored, and sharing of experiences takes place. The ARC provides an unpressured environment where this process can take place at a pace set by people and around the issues identified by them. SPARC's staff and volunteers play the role of partners, resource people, coordinators, and, when necessary, of catalysts.

Women's Groups

The second level of our approach is to facilitate the formation of woman's groups throughout the community, so that women can emerge from their isolation in the family or other traditional social groups where the opportunities for new learning and change are more limited. In the women's groups, issues and problems affecting women's lives are raised and dealt with in a new perspective. We are convinced that women's growing empowerment is the inevitable outcome of this process. In our experience, the new sets of alternatives and attitudes acquired thus by women transforms not only themselves but their families and community. We are aware, however, that such long term, in-depth change is not necessarily immediate, visible, or easily defined and measured. A significant part of our task, therefore, is to develop with women their own indicators of change and growth through collective reflection.

BOX addressing issues of violence: In 1985, there was a general belief that women who face domestic violence should be able to leave home and move into a shelter set up to assist women and her children make a transition from the home to a new life. When SPARC staff asked community collectives of women about this option, their response after some consideration was that such a solution would not work for them for many reasons. Firstly too many women get beaten by their husbands for a "shelter" to provide them with a space. Secondly, for most very poor women, the husband (even a husband who beats them is a last resort for support and protection and linkages into community and kinship support, and it cannot be rejected as the first option. Thirdly, with so education and no social welfare its hard to find a post shelter option. So the women decided, to explore on a long term basis to examine ways by which their collective activities could create a changing environment in their homes and communities. This is now actually evident. Women from Mahila Milan assist each other when facing violence, intervene and assist the couple change relationships within a community and federation environment where such a behavior is not acceptable.

Working with the poorest 30% in informal settlements... No trickledown for us

When we began our work the major driving force for our activities was the need to begin with the poorest communities... which is why we choose the pavement dwellers in Bombay and within those communities we focused on the women's collectives who were taking care of the basic logistics of survival in impossible conditions. The logic for this process was simple, NOTHING TRICKLES DOWN in development. Instead if we begin with the worst off and begin to look at solutions for their concerns and priorities, then regardless of how long we took to find that solution, it would be a robust solution which would be easier to adapt for the better off. Over time, linkages with better off other slum communities would be easier to develop and the process could easily be adapted to work for better off communities. Our goal was to work in partnerships with poor communities and innovate solutions addressing issues of inequity and social justice in cities. Both in 1984 when we started and up to present times, the poor in cities are subjected to hostility, violence and rejection by the city and state administration and other better off citizens who want the services of the

poor but wish they would just remain invisible the rest of the time. Government policies are not acknowledging that urbanization could never be reversed however much you invested in rural communities in a world, which is economically, and globally propelling itself towards urbanization. The reality is that we in India can't cope with 30 % of India's 1 billion + being urban in which between 30% to 50% live in slums. What will we do when the urban population moves to 50% in the next two decades? When will we begin to examine strategies to accommodate that reality? SPARC locates its explorations, experimentation and innovations within this context.

SPARC sees itself as a exploration of creating systems and strategies by which organizations of the urban poor can be created, and strengthened to begin to develop their own strategies and processes to address issues of surviving in cities. We hope that the activities that we undertake help cities and state institutions develop proactive and positive relationships with the poor so that basic resources needed to create equity in cities is part of municipal polices and the new decentralization and devolution process. We believe that the present hostility and rejections that the informal sector face by the private sector and civil society institutions and the formal city can be transformed into acknowledging the interdependency that communities and groups can build and flourish with.

Organization and Mobilization of the Urban Poor

Between 1984 when we began to work with women and their communities in Byculla in Mumbai, and today in 199-2000, this process has grown and developed in many ways. Instead of working directly with women's collectives on the pavements, we now have two partners organizations. NSDF and Mahila Milan.

NSDF:

NSDF or the National Slum Dwellers' Federation is a national membership organization of the urban poor which has community groups as a group who are its members. These members are federated either on the basis of the city in which they are or by the land owner of the slum in which they reside. So for instance in Mumbai, all those who live on pavements form a Pavement Slum Dwellers federation. This is a useful basis for establishing dialogue with the land owning authority. In other cities all slums will be members of the city federation. Those on Railway land form the RSDF or the Railway slum dwellers federation and so on. Today the federation has a membership of about 350 000 households and operates in 38 cities in 6 states and one union territory. To be a member of the federation, communities have to agree to:

- a. **Undertake self educational activities**, participate in knowledge creation about their own settlements, learn about how cities work and agree to explore ways to engage in obtaining entitlements which they are due to but in the past did not know how to obtain. E.g. ration cards, election cards etc.
- b. **Participate in seeking to experiment** and develop new ways to obtain resources that communities need... either by initiating activities to do so, or agreeing to participate in exchanges which will allow them to learn from others who undertake such activities,
- c. **Undertake savings and credit activities** and beginning to develop good mechanisms to assist and support each other in managing money.

Mahila Milan

Mahila Milan which in Hindi means women together is a network of women's collectives from these informal settlements who are supported to formally participate in the very activities that they were working on in some invisible way. Women get trained to manage savings and credit, undertake surveys and dialogue and negotiate with municipality, police, banks and other institutions that poor communities lacked confidence to dialogue with or which informally restrict their access to these institutions. This process fulfils a dual function. It increases formal recognition of the role that women play in settlement management in slums, and also builds capacities of women to participate in leadership roles initially in their settlements but later also in the NSDF. Women therefore get dual membership in Mahila Milan and NSDF. Often capacity built as leaders in Mahila Milan provide women to seek membership and leadership role in NSDF, which seeks to work at city and state level to change policies affecting the urban poor.

SPARC plays to support role in this alliance of three organizations. From a time when SPARC staff did community capacity building and negotiations with municipalities and other institutions these roles are now taken over by community leadership. Now, the legitimacy of the peoples organizations has grown to a level that SPARC's role has moved to providing back up administrative and management support for those activities that the communities begin explorations on or to build increasing quality and depth to processes which are scaling up. NSDF and Mahila Milan do not want to register as organizations yet. Instead they work for the creating of Housing Cooperatives, which are registered, and in the longer run will form a federation of those societies.

A secure place to stay and basic amenities are the two most important things that poor people cannot organize by themselves either as individuals or as micro communities. They form the main goals of the alliance of SPARC Mahila Milan and NSDF's activities. The alliance seeks to develop ways by which communities obtain some security of tenure so that they can begin to make investments in their housing, obtain loans etc. In partnership with Municipalities the communities hope to develop amenities and services and participate in the design and maintenance of these investments.

Clearly there has not been much of a tradition for this kind of work, and the alliance of SPARC Mahila Milan and NSDF see their role as path beaters.... Creating mechanisms by which communities of the poor organize build their internal capacities to design and manage projects to improve their lives and seek partnerships with the city and state and private sector (where possible) to undertake these activities..... Not as beneficiaries..... Or objects of charity but as citizens in pursuit of their entitlements to equity. For this to happen the alliance has worked out a step by step strategy. Much of these resources raised by the organization are spent in strengthening the capacities of the poor communities to undertake these activities and to demonstrate what is possible so that this process can be enacted as policies and programs.

Our Junior Partner: Sadaak Chaap.

In 1989 through a series of events the alliance undertook a survey of street children (see Waiting for Tomorrow (1991)). Through this survey the volunteers of NSDF and Mahila Milan met over 10000 children, and set up a mela or a three day and night camp for the children who live alone by themselves in cities to meet each other and ourselves to discuss the outcomes of the study. This led to an organized formation of a organization of the street children called Sadaak Chaap. The street children asked for an alternative between being in state provided remand homes and living on the street, they wanted help in dealing with hospitals and police, and they wanted to explore options for occupations as they grew up.

Based on this over the last ten years the alliance supports over 500 children with a place to stay and is connected with about 2500 other young people who live on the street and who link up for various needs. The purpose of providing shelter is as much to support and protect as many young people from living rough on the street and assisting them in their quest to adulthood in a safe environment. But more important it is also to explore the development of an alternative which does not have the restrictions of state managed institutions which force these young people to run away from them, nor the problems of living rough in the street and its dangers. This path has been a very difficult one on various fronts. The senior officials in both central and state government and the police acknowledge the contradictions faced in providing care for children who have run away from home. Yet the state system for caring for juveniles away from their homes has to change a lot to accommodate this process.

Almost all resources to experiment in this manner come from national and international or local private giving, and almost all organizations working in this area have not been able to utilize the state grants for a range of reasons. Most vital is the chicken and egg situation. No money comes for the year before the 10th month of the year, and then if the money is not spent or utilized there is no funds given. Yet each year the organization has to provide reasons how it found money to spend it in the first place! Secondly, inspection of shelters creates a huge conflict between the Ngos running it and the inspectors. They are used to inspections in remand home, while most night shelters for street children have to be run informally with very relaxed rules to make sure children don't run away yet again. The time taken for each of these activities far exceeds the money that NGOs can hope to get from the state. Yet most of us continue to dialogue with city and state institutions for hope of bringing change.

It is now ten years since we began this activity and clearly there are many ups and downs to be addressed. Over 150 young men have stayed on with us over the ten years and now have found jobs, got married and many of them work with NSDF or assist Mahila Milan groups all around the cities. Most night shelters in Mumbai have been given space by the state and the Mumbai Municipal Corporation after the demand for such space made by the alliance. The Mumbai police have regular dialogue with NSDF and Mahila Milan to work out ways to link the police and community to work together for the street children and many police men volunteer to work with street children through sadaak chaap. NSDF and Mahila Milan provide street children adopted aunts and uncles through whom they begin to network in the informal settlements in which they will eventually locate places to stay, partners to marry and people to work with.

II. The processes and strategies of the alliance:

- a. Creating Statistics about your federation.
- b. Demonstrating new and affordable ways to build houses and obtain amenities and services like toilets and water in cities.
- c. Creating a community financial management facility through establishment of savings and credit.
- d. Peer learning about things that work through exchanges between communities of the poor across cities, states and internationally.
- e. Advocacy to transform the way the world at large sees the urban poor.

Creating Statistics about your federation.

Starting from "We the Invisible" a census of pavement dwellers in Mumbai in 1985, SPARC NSDF and Mahila Milan have since helped thousands of communities count and analyze their own statistics and use them to dialogue with the Municipality and the state to obtain land security, amenities and services. This year as well in 1996-98 the Government of Maharashtra commissioned SPARC to undertake surveys of households who needed to be rehabilitated by the project (Mumbai Urban Transport project II) to expand railway services to the City. The communities residing the railway track (RSDF Railway Slum Dwellers" Federation) with the help of the alliance undertook this survey and were paid for this activity. This information now forms the basis for the rehabilitation of 14000 households on the railway track.

Surveys initially (and in other parts of the country still get grant support to create these data sets because in many instances the state and municipalities do not commission the NGOs or communities to generate this data). It is then computerized and stored by SPARC while all data collection, data entry and most of the initial analysis is done by the federation leadership which is now trained to undertake this activity. Based on a survey of all pavement slums in Mumbai, this year the alliance has begun a dialogue with the Mumbai Municipal Corporation to set up a three year plan to relocate all pavement slums. Similar city level surveys in Pune, Bangalore and other cities has lead to dialogue with municipalities about addressing the issue of land security and amenities for the slum dwellers.

Initially SPARC staff did this work. Now over the last 15 years the NSDF and Mahila Milan have a pool of about 150 people across all cities who can design and execute the data collection, collate manually the information about these settlements and begin a dialogue with the city about the data that they have. Most information is shared in meetings and workshops, in which slum dwellers who have actually used this information in the past with other cities also come for the meetings from other cities and together they seek to convince their municipality to work with them. SPARC role now is to collate this data on a computerized database and support the use of this information for long term planning and monitoring.

Demonstrating new and affordable ways to build houses and obtain amenities and services like toilets and water in cities.

For the last 50years the state has assumed the role of providing housing in cities to the poor. It produces too few houses which often go to the better off, these houses are far too expensive, badly designed and constructed and each year there is a explosion of units needed. Further the cities continue to be planned in some strange way so that the real numbers residing in slums never get acknowledged, nor are projections of growth in households actually mirrored in the development plan. This leads to less and less land being earmarked for housing and increasing squatting of households on lands that belong to someone else, leading to the creation of explosive confrontations. Ironically instead of calculating the investments that poor people make in creating their own habitat and surveying in cities where they ear a wage, cities constantly break their homes and focus all the negative aspects of the process.

In a changing world, communities of the poor want to bring to the attention of the state that it is not good a delivery of services. If these investments have to be made, then engaging communities in this process is vital and non negotiable and the fact that there are few examples of such projects in the past is not a reflection of inability of poor people to do this work but lack of opportunity. What poor people do in managing their own survival is to be seen as a asset and is part of national asset creation, not a liability. The need for the day is to examine ways by which peoples' investments in these sectors are seen as a legitimate investment rather than a breach of rules. Given the sheer neglect of working on issues of urban poverty, there are few NGOs working on this in cities, and very few people within municipalities and urban development departments who can think within such a paradigm. Yet this remains the main area of addressing issues of poverty in cities where a home, a stable community with amenities and services forms

the foundation for asset creation, and improving life for the poor. It is also the most essential basis for a safe and non violent city.

Over the years the strategies of the federations have lead to a range of options related to housing which range from self built housing, to multi story housing. Although the federation members prefer to have a ground floor self built unit which they can now build themselves, they are aware of the crisis of densities and the need to design solutions which although differ from their preferred choice, but which, through dialogue with the city they can still manage and control. For this communities save money to be able to make down payments for their homes, and to be able to pay installments on loans. They work with SPARC to dialogue with housing Finance institutions to ensure they have access to housing loans when they do get the land. Initially in Mumbai and now in many other cities like Pune, Bangalore, Bhubhaneshwar, Hyderabad and Sholapur there has been breakthrough and communities have obtained land tenure. Here projects for housing constrictio have begun. Since Housing Finance institutions fear lending to the poor directly, these loans have been made through SPARC. Our endeavor is to demonstrate that after some experience of managing these projects communities municipalities and housing finance institutions can work together without an intermediary NGO.

Creating a community financial management facility through establishment of savings and credit.

Most poor communities, especially those in cities have had many experiences of participating in collective ventures to improve their lives where someone has run away with the money or sold them an impossible dream. Much of that process occurs because they operate in a passive un-empowered manner and don't know what is happening. When NSDF and Mahila Milan begin to work in any community they begin to develop capacities of the poorest women in that neighborhood to start a daily savings scheme. In these processes they collect left overs from their daily purchases in the form of small change to begin with. They locate a person to keep the money and document the transactions and gradually begin to borrow small amounts from that collection for small but vital needs... they make rules for the borrowing and manage the repayments. This is how they begin to understand how to manage money collectively. At this stage the older and experiences women's collectives of Mahila Milan are their teachers, and women travel within cities, and across many cities to teach each other these skills. Gradually this process also takes charge of self-monitoring and guidance to address problems that groups may face.

For the alliance the savings and credit process is mainly a MEANS TO many other ends. It seeks to build capacities of women to manage all settlement funds in a horizontal decentralized way so that what begins with modest and humble leftovers of daily expenses creates a system to manage whatever money communities need for financing development. By building women's skills in this process they maintain control over the process. Loans for economic activities for larger amounts are given to groups once they demonstrate that they can manage funds. SPARC seeks credit lines from Rahstriya Mahila Kosh and other Financial Organizations to develop these capacities. In some instances grants to set up revolving funds within SPARC have been made by the Ford Foundation, Citibank. These are run along the same lines as the credit we obtain from outside.

In many ways communities begin to save more and manage their money collectively more effectively once the system is seen to work. As a result money for housing and infrastructure also begins to come to the poor communities using this credit management process as their credit history. This year 25% of the membership of NSDF and Mahila Milan save, and 5% participate in obtaining external credit. Loans from RMK and other sources are provided to 8 cities.

All aspects of managing this activity is undertaken by Mahila Milan and NSDF and SPARC remains the official organization through which the transactions take place. However all loans are sanctioned by local leaders who give loans from their local savings pool which then gets refinanced by the SPARC accounts once documentation is provided. SPARC retains central documentation that is computerized of all transactions and provides statements to all groups. It also undertakes documentation needed to maintain linkages with formal institutions.

The most important and essential signature of this process is its collective nature. The alliance resists individualization of credit because this process always leaves the poorest 30% out of the activities and breaks down the capacity of whole communities to work together. Instead the NSDF and Mahila Milan seek to demonstrate the relative advantage of bringing the whole community together to build some form of subsidy and safety net internally. Articulating that and creating a vocabulary to examine this process and defend it remains a major challenge for the alliance today.

Peer learning about things that work through exchanges between communities of the poor across cities, states and internationally.

Most community groups at their most local and micro level can never hope to achieve a sense of self-sufficiency either in the area of resources, knowledge or power of choices. Their very poverty and constantly depleting resources due to demolitions (or insecurity) they face of their structures, poor health and inadequate incomes creates life which operates at survival level. This reduces capacities to be innovative, to seek new options and to try new entrepreneurial behavior to move out of the poverty cycle. If you have led a life at survival levels, you don't allow anything to disturb it because it is extremely vulnerable.

NSDF and Mahila Milan have over the last 15 years worked out a way to create a path between such a situation to communities becoming innovative ingenious and entrepreneurial. By bringing people facing similar problems and locating them within this federating structure they encourage face to face¹ peer exchanges. As people meet more and more communities they begin to feel less isolated and gain confidence that many face the problems they face. This interaction often leads to extended conversations and discussions between community groups (of the same city, state or nationally and now increasingly internationally) and out of this emerges new possibilities to explore options hitherto unconsidered.

This remains the most prioritized investments that the SPARC , NSDF and Mahila Milan make programmatically. Local leadership and the federation central leadership begin each year with certain goals they wish to achieve and linkages between groups to strengthen learning, increasing insight and exploring new options are based on this process. So for instance, when the Railway Slum Dwellers federation in Bombay began working towards designing and construction of transit housing for slums along the railway track to demonstrate to the state how they would like to proceed with resettlement, groups from all over India and international networks began to visit these projects to see for themselves what was going on. Most of the process is driven by the groups, who decide when they will travel and what they would like to see. The alliance sets only the basic process in place, so for instance it will have to have equal numbers of men and women; They should be able to defend at both the local and national level that this is a peer exchange for teaching and learning and so on....

Such a process serves educational organizational and advocacy functions. Seeing is believing and poor communities and their leadership especially those who are women, need to believe exchange is possible. Seeing changes values, projects based on such ideas and the fact that poor communities drive these processes are essential for other poor communities to see. The best teacher is another empowered person, and when large numbers of people begin to believe change is possible, then the advocacy process has already begun. Also people see the "real" pace at which sustainable change occurs Often communities begin with great momentum and excitement but quickly this energy gets drained as the time that real change takes, defeats the enthusiasm and people begin to doubt. But when communities get to meet people who have sustained their organizational process despite these problems, a new way of coping with change and impediments begins to get transferred as well.

On an average within cities over 20 sets of community groups will visit each other. About 2-3 sets of groups will visits another city each month, and as the process develops internationally, at least three groups from other countries visits Indian cities each month, and one group travels outside the country each year. SPARC annual accounts reflect this travel expense which remains a constant source of query. It remains the most important investment we make to develop a strong base of interconnected leadership for the poor of the country. It also forms the foundation of how NSDF and Mahila Milan can operate nationally when SPARC 's office is only in Bombay.

Advocacy to transform the way in which the world at large sees the urban poor.

For the alliance which SPARC has with NSDF and Mahila Milan all activities that we undertake Be they capacity building of poor communities and their organizations, or attempting to undertake projects which will change the way services are delivered to the poor, the larger objective against this activity is measured is the impact it will ultimately have on how the poor get treated in cities.... Their claim to equality and citizenship is the main goal we pursue. Our strategy to explore that process operates out of a rationale that has emerged from the working together with poor communities on the one hand and with the observational that we have made on impact of past policy changes(on issues of concern to the poor) on the poor themselves. What we have found is that even the most sensitively designed policies to improve the quality of life of the poor have often not got benefits to the poorest simply because they (as a sub group in civil

¹ Please see *FACE TO FACE* a publication by ACHR which has been published in Jan 2000 which documents 10 years of community experiences of this kind of work. It is also available on the web-site: www.ACHR.net.

society) lack institutional arrangements which will draw those resources in their favor. Other better off groups are able to siphon off these benefits leaving them as they were.

The Strategy that the communities and their federations use is ESTABLISHING PRECEDENTS. What does that mean? It means using the critical mass of the federations membership to support micro communities initiating projects which make total and complete sense to the poor as a means to solve their problems, and then testing the extent to which it either conforms or breeches the present rules and regulations governing that activity. This is essential because by and large most strategies that work for the poor are presently not permissible under the law. However the rational of how to change them to make them work for the poor is also not apparent to the law makers. Further communities have never in the past actually undertaken to manage projects so their own experience at managing projects or supervising them is very weak. In precedent setting activities, all these issues get addresses, and while the communities get involved in making the process work, everyone in the federations and SPARC work to help translate this process for the state and city administration, and creating financial and technical assistance available to the communities.

The investments for most precedent setting activities come from grants and donations as the state can hardly be asked to give money to change its polices! However the goal of such activity is to develop demonstrable options which then with changes in policy can be scaled up using government and other local funds. What makes this strategy workable is that along with the idea capacities also get built. Through the peer exchange large numbers of people get involved in the process. The ideas move across cities and regions and precedents set in one city often lead to scaling up in another city or state. In 1998-99 through a grant from the Dorabjee Tata Trust, 10 toilet blocks were repaired (retrofitted is the technical term) in Dindoshi in Bombay to demonstrate that community women can design manage and execute such projects. In 1999-2000 Pune Municipal Corporation gave contracts for retrofitting toilets and Mahila Milan got a contract for 1.5 crores of Rupees. Over 18 months which will be completed in 2000-2001. Similar dialogue is occurring in about 8 other cities.

Many similar examples occur across the various strategies of the federations. For instance, the federations have house model exhibitions in which houses made from real brick and motor or just with cloth and cardboard and wood are prepared in life sizes for both communities and government officials to come and view. They display technology and systems to allow prices to be reduced in constructions when communities manage these projects.² As a result of the preparation within communities to design and manage their own housing, and the increasing acceptance by the state it cannot deliver housing to the poor, communities are beginning to get land tenure either on their present location or new sites. Through this activity, changes in state polices have begun to occur. Interventions in one city or ne state begin to help other communities federations in other cities and state recommend this to their coty, and gradually more and more cities have begun to explore this partnership option at a very modest way.

In. Sholpaur, the government of Maharashtra has promised Bidi workers subsidies for housing for several decades. Through the alliance now a scheme has been developed for 1500 households where communities will seek state and central subsidy form government, top it with a loan and build houses for 60,000Rs per house. This project began in 1993, and will be completed only in 2002. But once it is completed it will provide thousands of Bidi workers (mainly women) with a new option to obtain subsidies which are presently lying unused because the state cannot build houses within that subsidy amount.

Initially when communities undertook their own census these were treated as causal information not recognized by the state. There used to be constant conflict over the different sets of statistics this information provided. Over the years however there is a change and more and more cities are asking the alliance to undertake the census. Not only do cities accept that the statistics are definitely more accurate than their own information, but more important they provide the cities with organized federations with whom to dialogue instead of talking to 100s of slums individually. Gradually the state has even begun to explore how it can devise methods to pay the alliance for its work.

Similarly in the area of relocation of informal settlements. Often settlements are located in areas which are needed for public development activities essential for the whole city, or they are located in dangerous places (next to the railway track or on the sea shore) or in locations communities themselves want to move out of. In such instances the alliance now has a well devised method of engaging the state in a dialogue where the communities and cities can plan this relocation in a win win manner. Although this generates great hostility from some part s of the city which is very hostile to all slum dwellers, it is seen as a part of poverty

² A video DREAM COME TRUE showing the evolution of this strategy and what it has obtained for communities is available with SPARC.

alleviation in cities by the alliance and it offers its services to communities and cities seeking this option and hopes to create a policy for relocation that works for both the city and the communities. Today in at least 5 cities such projects are underway in Mumbai, Bangalore, Pune and Hyderabad:

III. Activities and projects and their financing:

SPARC began with the aspiration to become an innovation in NGO functioning where its processes resources and activities reflected its partnership with communities of the urban poor. Since the founders of SPARC had worked in other NGOs working in cities, there was a very clear understanding right from the beginning that Ngos which provide services to the poor have a internal architecture and systems which are very different from the design and structure of those organizations working to change roles and relationships of the poor and the cities they live in. This is neither to reduce the role or contributions of those who deliver the much needed services to the urban poor. Instead it is to bring out the need for a whole new kinds of NGOs to begin to operate in cities to addresses the changing nature and scope of poverty in cities. SPARC has been set up with an assumption that despite all its problems and difficulties India is a democracy in which there still remains space to lobby the state to change its role and relationship with the poor. Therefore much of the work of SPARC and its alliance partners has been to innovate new and creative ways to assist communities to develop skills and capacities to demonstrate alternatives to the manner in which they engage the state and the rest of civil society. And to explore negotiations which help that changing relationship to occur without violence.

This framework has lead to some characteristic outcomes. Many of the activities that SPARC took up and continues to take up do not fit into the traditional project or grant making structures of both state and private philanthropy. Secondly most Indian philanthropy has a strong rural focus as a result of which a major part of their resources go to rural development, and so whatever is for urban projects goes for service delivery so that SPARC does not fit into either. Informally both corporate institutions and grant many private organizations in cities have a string hostility to the urban poor. Often the first question SPARC gets asked is "will you help them go back to the village? " This reflects more than any other phrase the paradigm within which most grant makers in India operate. As a result Private donations and support has been very meager for SPARC's work. The same goes for state and other government grants. Most schemes have a strong rural bias, and most government departments have schemes for rural areas. All urban schemes are directed to be managed by Municipal Corporation which often prefer to ignore the schemes and claim they cannot find "poor" people in cities rather than allocate resources for the poor in cities. AS a result the evolution of SPARC 's financing emerges from these realities.

Historical evolution:

When SPARC started it had no idea of which areas it was going to work in. Most agencies providing Ngos with funds knew of the founders and their work prior to SPARC and wanted to support this activity. However it was hard to give money to just explore what the poor wanted to do on Mumbai's pavement settlements. As a result the resources that finally came to SPARC were from those sources which sought to explore new possibilities. This in a way set the trend of how SPARC began to dialogue and negotiate for financial and other assistance. Clearly there would be no "product" to show at the end of a two to three year cycle as the areas for intervention were very difficult ones. So only those organizations which had the flexibility to explore these new options began to associate with SPARC. In a very and rare instances through the first ten years we had some government officials who saw the value of such works and extended their department's Ngos grant providing schemes to support the work we did. However when they got transferred, these schemes were not renewed as their predecessor did not see the work with the same perspective.

Over the last 15 years most of the funds come from organizations Indian and International who have worked with SPARC over a decade. Even new proposals and new sources of funds are viewed from the lens of their durability to stay with the process, and their aspirations to explore option sin working on issues of urban poverty. As a result most of the grants for activities to build capacities of the communities come from bilateral and multilateral sources either with state acceptance or through northern NGOS. It has only been since the last two years that the alliance has begun to engage with Municipalities and State governments so that gradually we have been given contracts to undertake activities which would have been given to private contractors. Now the state and cities see value in working with SPARC and linking to communities of the poor to undertake projects jointly.

Recent division of activities into Core activities; Projects and Designing credit delivery to the poor.

For a very long time SPARC had a great difficulty articulating its financing strategy. However the last three years have begun to demonstrate the logic of the investments made so far and gradually our articulation is not only more succinct but can be demonstrated with activities and financial processes as well. We see our core competence to be in the area of building strengthening and advocating the organizations of the poor as a solution to addressing poverty in cities. For the first ten years between 1984 and 1994 most of our

resources sent in undertaking that activity. SPARC has maintained a staff of less than 15-20 people and invested in building the capacity of NSDF and Mahila Milan to build a cadre of leadership at national state and local level. This remains our mechanism to establish sustainable scale to our activities that aspire to operate in more and more cities all over India. So SPARC staff which began by working in communities now abdicates more and more of its routines function to federation leadership. Each year almost 50% of all SPARC managed tasks get moved to the communities while new roles and activities get explored jointly by the NSDF and Mahila Milan leadership along with SPARC. That too is a recent innovation that SPARC alone does not explore new roles and functions, but does it collectively with its partners. The credit activities and project activities had just begun and the ratio of core activities to projects and credit was 3:1:1

Between 1994 and 2000 the number of precedent setting projects have increased. In 1993-94 the ratio of resources for core activities and project activities and credit activities was 1:1:1. What this demonstrated was that the scale of projects which were being taken on by communities had begun to develop. Most of the projects and credit activities still remained financed by grants since both Indian banks and financing institutions and the state were still waiting and watching.

Gradually since 1995-96 to date the ratio has begun to move to 1 (core) : 2 (projects) : 3 (Credit) This shows that the changing process whereby the investments made in designing solutions which are pro poor and community centered are being explored by the Municipal Corporation and state government on the one hand and by financial institutions on the other. It is the projection of the alliance that in the next three years the ratio will move to 1: core: 3 (projects) : 6 (credit) . and will grow in that way over time. When that happens more and more of the increases in core budget will be financed from the project and credit funds. This is the manner in which we see long term sustainability. We also hope that as these projects demonstrate that the middle class and poor need to find a relationship that works for both in cities, we will get greater support for our work in cities from communities and corporations in cities. We also hope to be able to help change the manner in which the state supports such activities and get greater support from development schemes of the state for urban poverty programs.

In this new millennium it will much harder to deny the need to address urban poverty and governance issues. As a result the work that SPARC has done in the last 15 years can initiate a new way of looking at how cities and the elite look at urban poverty issue. We hope to establish dialogue with International development trend setters, with national and state governments in India and with Municipal Corporations. We also hope to be able to inspire a new generation of urban NGOs to explore this way of working in cities.

The logic of transforming ratios and looking at growth.

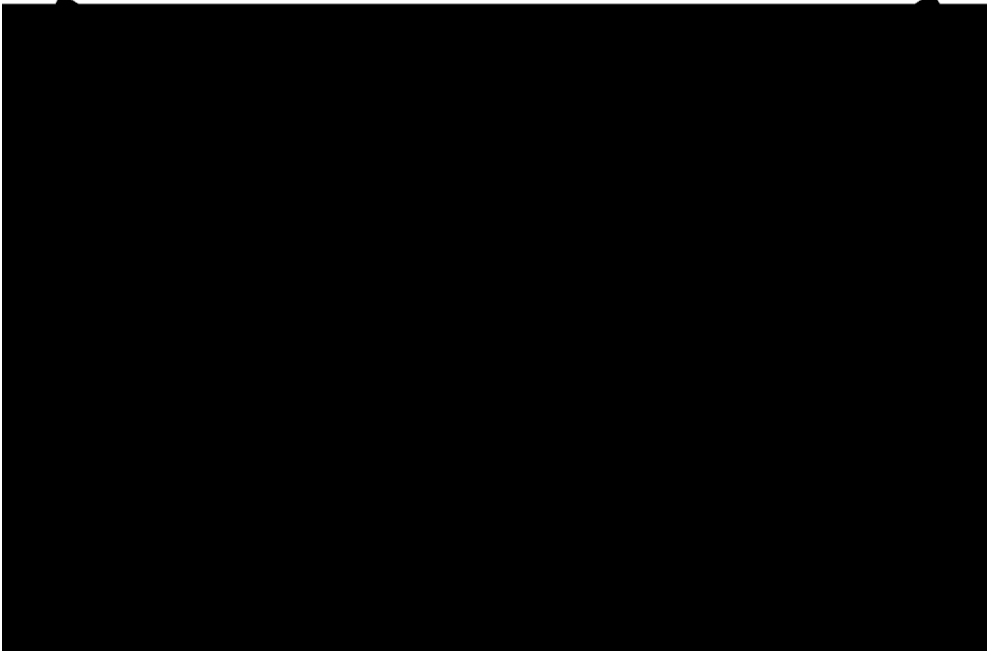
For many years we are aware that the critical mass of informal settlements in cities has to be utilized to create strength among the urban poor to initiate capacity to design new and innovative solutions. Such a process requires time and investment to establish this base. It means that as an NGO working with communities new roles new strategies and new risk taking behavior is necessary to make this transformation happen. While it occurs it is often hard to see patterns and systems that we struggle to develop. However once some projects emerge, it becomes easier to demonstrate the rationale of what was being evolved. The kind of investment needed to scale up professional NGO functioning and make it sustainable seems increasingly un-viable, both in terms of costs and retaining of professionals. Instead we have chosen to use those resources to build capacities of community leadership. In turn we build their capacities to train others so that trained leaders are retained for the growth and development of the federations and they become increasingly capable of working with which ever professional group they need. Given the scope of urbanization and projected populations of the urban poor in cities, our goal is to be in the area of innovating strategies which cities and the urban poor can take on... a sort of Research and development cell for addressing practical solution for the urban poor.

Formation of SSNS (NIRMAN)

In 1998-99, SPARC NSDF and Mahila Milan established a sister non-profit company called SSNS (SPARC Samudhaya Nirman Sahayak) which we also call "Nirman". The company as the name suggests is a vehicle to assist communities taking on construction contract. As more and more construction projects come to SPARC and the alliance, the need to build both institutional capacity and framework to manage these projects will have to be developed by SPARC . At the same time, it is vital that SPARC's own core competence to assist the alliance to forge new areas of work are not swallowed in the need to manage these new projects. Since SPARC was not created to address the issue of construction, credit management and related issues, it was strategic to develop this vehicle. Like all new institutions, this one which is a section 25 company registered in the company's act will take some time to build its credibility and complete all documentation formalities to obtain its own standing. Until then it will work very closely with SPARC. Until

then all SPARC board and members of the National Slum Dwellers' Federation and Mahila Milan will be its board of directors.

IV. Summary of Balance sheet:



ADM IN EXPENSES

.-Salary
and



Financial 18 %
Professional 2 % -T r a v e and conveyance 27 %

Is n
-S a l a r y and ' benefit
M.-o f f i c e

1:3.-R e n t and

m a i n t e n a n c e

O.-T r a v e l s a n d conveyance
= .-P r o f s s i o n a l

-F i n a n c i a l

Abridged Balance Sheet as on 31st march 2000							
Liabilities	1998-99		1999-2000		Assets	1999-2000	
	Rs	%	Rs	%		Rs	%
Endowment fund			18.85	2	Fixed assets	6.93	1
Revolving fund			491.74	54	Current Assets	660.84	72
Other payable			407.68	44	Investment	250.5	27
Total			918.27		Total	918.27	

Abridged Income and Expenditure statement as on 31st march 2000							
Income	1998-99		1999-2000		Expenditure	1999-2000	
	Rs	%	Rs	%		Rs	%
Self Generated					Program Expenses		
.-Consultancy fees					.-Project cost	22.37	5
.-Training fees					Adult literacy	17.9	4
.-Sale of books					community dev	90.09	21
.-Corn contribution					SSP	5.99	1
-Interest			88.75	12			
					Fundraising Expenses		
Indian Sources			332.85	44			
.-Govt. grant					Admin exp.		
.-Indian grant			14.69	2	.-Salary and benefit	78.55	19
.-Corporate grants					.-office	21.43	5
.-Individual Donation			5.43	1	.-Rent and maintenance	20.05	5
					.-Travels and conveyance	61.94	15
International Sources			311.89	41	.-Professional	3.92	1
-Watershed Project					.-Financial	41.54	10
.-Community dev			0.82	0	Surplus	57.82	14
			753.61				
						421.6	
Explanation							

Fixed assets includes land and building ,furniture vehicles equipment etc
Current assets includes loan deposit program advance etc
Investment are fund placed with bank and companies .
Endowment fund is raised and placed for specific and general propose of running the organization.
Revolving fund is create for specific disbursement like saving and credit activity
Other payable are out standing obligations.

V. Some retrospection - looking back and forward

1999-2000 has been a huge milestone year for the alliance. It is the year when we have begun to work more directly with International institutions to promote the manner in which urban poverty issues need to be addressed, and also to look at new partnerships. It has been a year when our dialogue with state institutions have expanded over many states and cities and community groups in many cities have developed the confidence to work with cities to explore a range of projects. We see many areas for new development in the coming year, and many changes which we have worked for taking place in the coming years.

If you read this report what can you do to help this process?

1. As a citizen:

- a. Begin to learn more about urbanization. There are so many myths related to urbanization and these need to be dispelled before any change can happen.
- b. Begin to look at informal settlements and understand them as a part of your life and cities, and begin to understand the interdependency your life has with the poor who live there.
- c. Invite those who work with the urban poor to come and share what they do with you so that you are aware of the activities happening in your city.
- d. Check where the people you employ live and why they live in informal settlements.
- e. Check what amenities and services the poor in your area have and how much it costs them as compared to you.

2. As a civil society organization with non poor interest:

- a. Examine whether your organization has a strong sense of support or hostility and where that view point comes from
- b. Explore whether there is another way of working together with organizations of the poor without hostility and for mutual interest.
- c. Examine the present city development plans and see if there are other options of the poor other than to squat on others lands to survive.

3. As an NGO working on issues of urban poor:

- a. Can you actually make what you do for people sustainable without addressing land tenure and basic amenities issues.
- b. If you wish to make a transition to exploring new ways what kinds of changes you need to make.
- c. Is there a way by which we can help you other than raise money for you.

4. As a professional:

- a. Do you see a need to participate in assisting the poor and if you do can your professional services
- b. Examine the biases you have against the poor and where they come from.
- c. How can you build a communication link with communities of the poor and use linkages with NGOS to do that.

5. As a politician :

- a. Why do you feel antipathy about these kinds of arrangements and how can these be discussed to create partnerships instead of lack of trust.
- b. Studying these innovations can give you a range of strategies to introduce as policies in your city and state. Especially since.
- c. increasing members of your constituency are the poor.
- d. Which are the areas in which you can play a leadership role in arbitrating the interests of the poor and other classes of urban society and make it win win?

6. As a bureaucrat:

- a. How much of what you do as a city manager helps the poor, and how can this be increased?
- b. Can Ngos and community organizations work with you to address issues of poverty?
- c. How can you create space for demonstration projects so that your targets for development get achieved and communities develop new ways to engage with cities.
- d. Which are the areas in which you can play a leadership role in arbitrating the interests of the poor and other classes of urban society and make it win win?

7. As a philanthropist:

- a. Are you or your organization clear about what needs to be done about urban poverty?
 - b. Have you got a mechanism to study about urban poverty issues, and if you don't do you know who to get in touch with?
 - c. Have you analyzed how much of your money helps the urban poor and in which sectors does it go?
8. **As a corporate leaders:**
- a. What are you and your organization doing about the your responsibility as a corporate citizen?
 - b. What is the basis on which you choose an area of work?
 - c. Do you need assistance to explore strategies to link to the concerns of the urban poor?

If you want to know more about what we do or wish to interact with us:

- a. Visit our web-sites.
- b. Contact us for meetings and discussions
- c. Visit area resource centers
- d. Make a donation
- e. Take on a project
- f. Volunteer your professional expertise to us.
- g. Write about the innovations that poor communities have undertaken.