



ALC India

Annual Report

2006 - 2007

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Access Livelihoods Consulting (ALC) India

Legal Status

Access Livelihoods Consulting India Private Limited (ALC India) is registered on September 19, 2005, under the Companies Act, with the Registrar of Companies at Hyderabad.

Our Mission

To fulfill the need for affordable, timely and quality professional consulting services to individuals, business, government, non government and community based organisations in order to promote sustainable livelihoods thereby creating equitable share and control over growing economy for the poor.

Our Vision

To become the most valued organization in the country for providing professional consulting services to enable sustainable livelihoods for the poor by 2010, with a service base of at least 100 institutions.

Our Values

- **Excellence:** To become cost competitive and deliver quality services
- **Inclusion:** To ensure rightful place for the poor
- **Integrity:** To honour commitments and to maintain honesty in all transactions for generating trust
- **Learning Organisation:** To tackle the dynamic environment while ensuring diversity in the skills, scale, themes and functions so as to become relevant with time
- **Significance:** To achieve impact in consequence and magnitude
- **Sustainable benefits for poor:** To develop and support long lasting solutions
- **Teamwork:** To ensure sharing of competencies for achieving overarching mission
- **Transparency:** To be accountable among stakeholders

Our Services

- **Livelihood Services:** Promotion of livelihoods, implementation services, livelihood studies and technical support services
- **Development Services:** Capacity building services, institution building services, impact assessments, developmental audits and effectiveness analysis, development advocacy, publications, documentation and communication material
- **Management Service:** Strategic planning services, project and operation management services, management information systems development, human resource management systems development, organisation development, financial management services, marketing services

Our Target Clients

- **Core Agencies** – NGOs, MFIs, Funding Agencies, Government Projects, Departments, CBOs, PRIs, Networks
- **Supporting Agencies** – News agencies, Government Services, Politicians and Policy support.
- **Corporate Agencies** – Working or associated in the areas of livelihoods, rural markets and urban-rural markets, services and non-farm sectors

I. BACKGROUND

The year 2006-07 in context of Indian economy is marked by GDP touching growth rate of 9.4%, thus continuing the trend of accelerating economic growth. Its economy achieved the whopping size of \$643.36 billion and is considered to have outlook of "brightest compared to all the emerging economies". Contradicting the doubts of critics that Indian economic growth is jobless growth, it is creating 11.3 million net new jobs per year as against 7 million by China, its biggest competitor.

Since the 93% of workforce in India is engaged in 'unorganised' or 'informal' economy (which contributes 60% of GDP) the effect of this increase in employment growth rate should benefit the 'unorganised' sector. However this is not entirely true. In economics, the term informal economy refers to the general market income category (or *sector*) wherein certain types of income and the means of their generation are "unregulated by the institutions of society, in a legal and social environment in which similar activities are regulated". Thus the 'informal' nature of these jobs do not provide such benefits as provident fund, minimum wages and weekly holidays, and often involve long hours of work. Thus it implies that the increase in employment growth rate will surely ensure opportunity but not the security, as should be offered by a sustainable livelihood option.

This is however only one dimension of exclusive nature of growth, in context of India. The other dimension deals with the problem of lack of skilled workforce faced by organized sector. In India, there is large number of institutes for higher studies but number of institutes for imparting technical skills and polytechnics is very low. With the efforts of government and civil societies, the literacy level has increased but the level of employable skills is very low. According to a report by Ministry of Labour and Employment, in the urban area, only about 19.6% of male and 11.2% of female workers possess marketable skills. In the rural areas, the percentage of workforce with marketable skills was even lower: about 10% for male and 6.3% for female.

If the contribution by civil societies is considered, the past effort has always been on improving primary services to the poor. Though the credit of the primary services in improving livelihood of the poor can not be denied, there is absence of direct or indirect intervention having substantial impact on improving the livelihoods of the poor. Microfinance has ensured availability of capital, but its application to ensure sustainable livelihood is very much dependant on skills and business acumen of people.

Sustainability and equitable distribution of wealth are two main criteria of assessing economic growth. These two factors enable any economy to make meaningful change in the lives of the stakeholders and strengthen economic development in true sense of the word.

1. *OECD Report-2007*

2. *Conditions of Work and Promotions of Livelihood in the Unorganised Sector Report by National Commission for Enterprises in the Unorganised Sector (NCEUS).*

II. OPERATIONS IN 2006-07

In the second year of operations of Access Livelihoods Consulting (ALC) India, we have put more emphasis and have taken up variety of consulting assignments which are in line with our mission. Compared to our first year of operations, this year there was distinct increase in the number, value and geographical coverage of assignments and clients. The following Table gives the comparative analysis of our services in this year to that of last year:

Table 1: Comparative analysis: Client & Service Portfolio *

Themes → Clients ↓	Livelihood Practice				Development Practice				Management Practice			
	Number		Project Value		Number		Project Value		Number		Project Value	
	06-07	05-06	06-07	05-06	06-07	05-06	06-07	05-06	06-07	05-06	06-07	05-06
NGOs	2	1	0.52	1.00	7	2	2.97	0.45	2	1	1.97	0.10
MFIs	1	0	0.24	0.00	1	0	0.12	0.00	0	1	0.00	0.15
Funding agencies	2	0	19.23	0.00	2	0	1.10	0.00	0	1	0.00	0.40
Consulting Org.	0	0	0.00	0.00	3	0	5.01	0.00	2	0	4.27	0.00
Govt. projects /depts.	0	0	0.00	0.00	2	0	2.01	0.00	1	1	0.72	0.30
CBOs	1	1	0.24	0.30	0	0	0.00	0.00	1	0	0.83	0.00
PRIs	0	0	0.00	0.00	0	0	0.00	0.00	0	0	0.00	0.00
Policy support agencies	2	0	7.44	0.00	0	3	0.00	0.22	0	0	0.00	0.00
TOTAL	8	2	27.67	1.30	15	3	11.47	0.67	7	4	7.80	0.95

*The project value is in Rs Lakhs.

The total business generated was Rs 46,94,923, an increase of 317 % from last years' value of Rs 11,25,500. The business was generated through wide ranging assignments to 30 clients and from two training programmes directly offered by ALC India. The two training programmes were viz., National Level Foundation Programme for promotion of sustainable livelihoods and Micro Enterprise Development and Promotion. These were developed for enhancing the capacities of middle level managers engaged in development organisations. Compared to last year, clients have increased from 9 to 30, about one-third of them are funding agencies. Of all the service themes, the development services had about 50% of total clients but contributed only 24% of the total business. The livelihood services could generate 59% of total business from 8 clients. Started in the first year, we have continued to provide voluntary services to small NGOs (Development of Artisan Collectives for Chitrika, Artisan Support Organisation). The complete details of the services provided by us in this financial year are summarised below:

Table 2 : List of assignments handled under each service category in 2006-07

Livelihood Service			
#	Assignment name	Value (Rs)	Client
1	Enhancing Job Opportunities for Youth (EnJOY) is a project for imparting technical and life skills to unemployed youth in getting access to job opportunities in Pondicherry, Krishnagiri and Talavadi, Tamil Nadu	1,700,000	Christian Children Fund
2	Assessment of livelihood generation potential from waste water in urban areas in Hyderabad, AP	427,902	International Water Management Institute & BMZ Germany
3	Study on urban producer organizations and assessment of markets in Hyderabad, AP	316,328	International Water Management Institute & FAO
4	Integrated support for promotion of dairy collectives in Ananthapur, AP	23,998	Timbaktu Collectives
5	Feasibility study for dairy intervention and livelihood assessment study	43,774	World Vision India, Ballia
6	Study on capacity enhancement systems in microfinance sector for Rajasthan	24,343	Centre for Microfinance
7	Artisan sub-sector studies on handloom weavers	8,000	Chitrika
8	Network of Dynamic Labour Marts project of supporting migrant labour households through ICT applications in Hyderabad.	222,951	Global Knowledge Partnerships
Total		2,767,296	

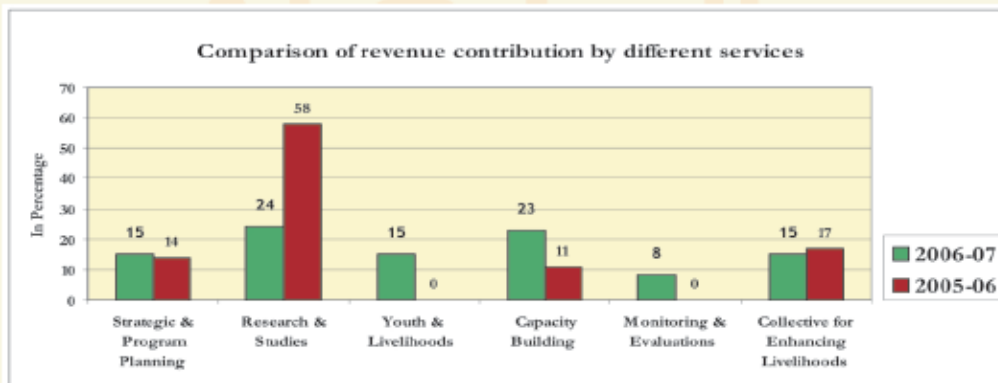
*Projects ongoing since 2005-06

Development service			
#	Assignment name	Value (Rs)	Client
1	Review and evaluation of grant extended by Sir Ratan Tata Trust and Sir Dorabji Tata Trust to Dhan Foundation, Madurai	66,298	Sir Ratan Tata Trust
2	Project completion report of IKP in Adilabad, AP	127,731	Society for Elimination of Rural Poverty
3	Case study on critical analysis of Mulkanoor Women's Mutually Aided Milk Producers Cooperative Limited	11,785	BASIX
4	Training on business planning for occupational youth in Srikakulam, AP	Voluntary	Chitrika
5	Training module on managerial skills for DLRC and CLRC level staff	63,194	A.P. Academy of Rural Development
6	Workshop on emerging challenges for institution development of people's collectives	285,000	Thinksoft /SRTT
7	Training programme on water and waste water management	186,357	GTZ
8	Enhancement of managerial skills for NGO staff of CHIP, Chirala and Sangamitra	30,000	Chetna CHIP
9	Documentation of process of social auditing and NREGA programme in Ananthpur district	43,521	Action Aid & NREGA
10	Training programme on Livelihood Promotion and Business Development Services for the ADP staff participated from the states of West Bengal, Assam, Meghalaya and Mizoram	84,585	World Vision Gowahati
11	Training programme on Livelihood Promotion and Business Development Services for the ADP staff participated from the states of Maharashtra, Madhya Pradesh, Uttar Pradesh and Gujarat	90,628	World Vision Lucknow
12	Training programme on Livelihood Promotion and Business Development Services for the ADP staff participated from the states of Kerala and Tamil Nadu	40,478	World Vision Kottayam
13	Training programme on Livelihood Promotion and Business Development Services for the ADP staff participated from the states of Andhra Pradesh and Karnataka	46,471	World Vision Hyderabad
14	Best practices in dairy value chain by community members	7,168	Society for Elimination of Rural Poverty
15	Training programme on Micro enterprise development and promotion - (ALC Initiative)	4,490	Rural Development Trust/Action Fraternity
16	Training manual on livelihoods promotion	30,060	WINGS
17	National level foundation programme on livelihood promotion (ALC Initiative)	30,000	DWMA, Mehbubnagar & BAIF
	Total	1,147,766	

Management Service			
#	Assignment name	Value (Rs)	Client
1	Designing livelihood component for Gujarat Forestry Development Project	284,665	Natural Resource Management Consultants
2	Designing livelihood component for Tripura Forestry Development Project	142,706	Natural Resource Management Consultants
3	Proposal on organic farming	23,448	Federation of Farmers' Association
4	Strategic planning support 'Livelihood Advancement Centre' for tsunami victims	32,190	BLESS
5	Development of Commodity Collectives	60,000	Center for Collective Development*
6	Development of strategic plan for livelihoods interventions and building capacities of World Vision staff	75,762	World Vision, India*
7	APMAS – AKF SCALE Project	72,447	APMAS *
8	Plan India – Urmul Setu Micro Finance Initiative	88,643	Urmul Setu*
	Total	779,861	

* Projects ongoing since 2005-06

In terms of revenue contribution made by different services under different themes, compared to last year, contribution from research and studies decreased from 58% to 24%. The new service based on youth and livelihoods and monitoring and evaluation services, which were not provided last year contributed 15% and 8% respectively.



a) **Details of important assignments**

■ **Enhancing Job Opportunities for Youth (EnJOY)**

EnJOY is an initiative developed and launched by ALC India in 2006 for Christian Child Fund. It is an attempt to ensure unemployed youth access emerging opportunities in the job market. The objective is to identify youth from poor and underprivileged families and to create access to employment opportunities or promote entrepreneurial skills.



ToT workshop for Faculty under EnJOY project



Managing Director Pointec Pen Co. Addressing the youth under EnJOY project

EnJOY strives to ensure this by imparting skills and knowledge required in the market, business planning skills, basic life and managerial skills for enhancing the individual career and personal prospects. It consists of training programmes of different course content and time duration targeting at youth of different skill level and education background.

■ **Designing livelihood component for Gujarat and Tripura Forestry Development Project**

The livelihood component design assignments were undertaken in two states viz Gujarat and Tripura for Gujarat and Tripura Forestry Development Projects respectively. The main objectives of the projects were:

- Strengthening forest conservation efforts for Gujarat government and Tripura government
- Develop strong participatory processes in JFM, SFM and Eco Development
- Enhancing the livelihoods of forest dependent households

ALC India was responsible for the development of design for livelihoods component, with project value of Rs 1200 million for Gujarat and Rs 300 Million for Tripura. It involved conducting initial assessment studies for Gujarat and Tripura states to prepare status reports on micro finance, / micro enterprises and livelihoods of forest dependent communities, development of strategic & implementation plan, capacity building plan, work flow and financial budget planning. ALC India's contribution to design are in developing a clear institutional structure supporting livelihoods independent of the current JFM societies, instituting business processes, and ensuring development of forest dependent households collectives. The model is simple it involves development of plan with the target group, assessed and advised by a group of relevant experts and financed jointly by public-private-target group-financial institutions collaborations.

- **Review and evaluation of grant extended by SRTT and SDTT to Dhan Foundation**

DHAN Foundation had received grants from SRTT and SDTT for their community banking programme conducted by Kalanjiam Foundation (KF) in 2001 for a total period of 10 years. The programme dealt with promotion of 4,500 savings and credit groups, covering 300 thousand women in 38 blocks across three states

ALC India was part of the team which reviewed the progress made by KF and to make recommendations to the Trust and KF on aspects related with programme performance. ALC India gave recommendations regarding development of new services, improving process efficiencies, organisation growth, capacity building and development of institutions.

- **Workshop on emerging challenges for institution development of people's collectives**

Collectives provide an equitable institution form for the poor to access resources and services. The changing economic, social and political structures are presenting both opportunities and challenges for the collectives. The workshop, funded by SRTT, was organised to understand the emerging challenges and issues in institution building of people's collectives, to develop a strategy for addressing the needs of collective based on lifecycle and identify scope of OD and change



facilitation services. Finally it was an attempt to map the transition within CBOs design and develop institutional development services for the people's collectives.

- **Proposal on organic farming**

Agriculture in India is currently facing problem of increasing cost of cultivation due to high input costs especially chemical fertilizers and pesticides. There is also a bigger problem of soil pollution and decreased soil fertility. The proposal on organic farming deals with finding a long term solution to majority of these problems in the form of development of organic farming techniques. The proposal was designed for farmers' cooperative in Nizamabad district of Andhra Pradesh benefitting 300 farmers growing oilseeds, which is highly price sensitive crop.

b) Details of ALC Initiatives

- **Network of Dynamic Labour Mart Associations**

Due to lack of sufficient opportunities and wage earning days at the village level there is large scale migration from rural to urban areas. Migrants are engaged as labourers, especially construction labourers. Labour are unorganized and face many problems related to wages, access to basic services (shelter, drinking water, sanitation, and health care), lack of skill upgradation opportunities and social security. All these factors marginalize them and their quality of life is poor.

The e-labour associations Dynamic Labour Mart is aimed at development of labour collectives which are networked with each other and their clients. By institutionalizing the transactions, through provision of basic services and expansion of opportunities the program hopes to improve the livelihoods of migrant labour.

■ Capacity building programmes

ALC India's capacity building programmes aim to address the present and future challenges in the sector. The programs are intended to develop the right skill, knowledge and attitude in the professionals working towards development of sustainable and equitable economic growth. The primary focus is in imparting business skills and building economic competencies in various stakeholders without compromising on the development processes. It is also important to realize that the competencies have to be built keeping in view the changing contexts in economic, social, political and technological fronts.

Within the broad principles of capacity building, flexible participatory methods are adopted to customize programmes to suit the varying working environments, philosophies, strategies and ideologies of different development agencies. This is facilitated by presence of able, multi-disciplined professionals with a wide ranging national and international exposures and learning. The details of our in-house capacity building programmes developed this year are as follows:

Table 3 : List of capacity building programmes

#	Name of the programme	Objective
1	Collective action for sustainable livelihood enhancement	<ul style="list-style-type: none"> ■ Basics of promoting and developing collectives of poor ■ Relevance of collective action in enhancing livelihoods and changing economy ■ Design aspects of collectives and community based organizations ■ Sensitize on issues of institutional development in current collectives being promoted under large projects like – SHGs – SHG Federations, Social and/or Joint Forestry, and Water Users Associations. ■ Critical factors for success of cooperatives
2	Basics of promoting sustainable livelihoods	<ul style="list-style-type: none"> ■ Design aspects for promotion of sustainable livelihoods. ■ Skill enhancement w.r.t. preparation of business plan for livelihood promotion. ■ Sensitize on issues related to macro-environment affecting the livelihoods of the poor. ■ Critical factors for the sustainable livelihood promotion
3	Enterprise promotion and development	<ul style="list-style-type: none"> ■ To understand the basics of promoting and developing enterprises for poor ■ To develop clear understanding on the design aspects of enterprises ■ To obtain the skill of preparing business plan for enterprise ■ To get sensitized on issues related to macro-environment affecting the enterprises ■ To understand the critical factors for the success of enterprises.

c) Organisations Served

During the financial year 2006-07 we have serviced 30 organisations against 9 organisations in the last year. The details of the organisations serviced are given below.

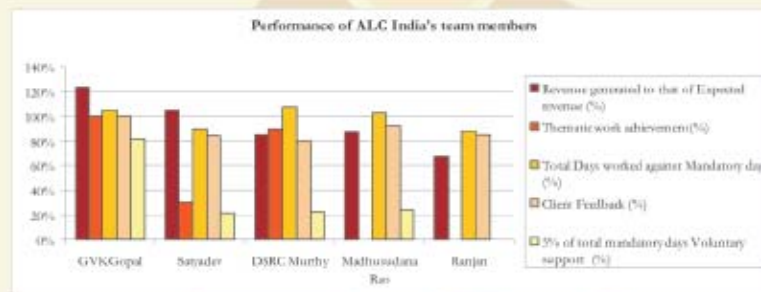
#	Type of Organisation	2006-07	2005-06
1	Non Government Organisations	BLESS, Urmul Setu, Rural Development Trust/Action Fraternity, Chetna, CHIP, Chitrika, Centre for Collectives Development, World Vision India, World Vision Gowahati, World Vision Lucknow, World Vision Kottayam, World Vision Hyderabad, World Vision Ballia, APMAS and Federation of Farmers Association	Chitrika, Urmul Setu, Centre for Collectives Development, Akshara Network for Development Support Services, APMAS, Federation of Farmers Association, World Vision, India
2	Micro Finance Institutions	Centre for Microfinance, BASIX	
3	Funding agencies	Christian Children Fund, Global Knowledge Partnership, Sir Ratan Tata Trust, Action Aid International, GTZ	
4	Consulting Organisation	Natural Resource Management Consultants, Thinksoft, WINGS	
5	Govt. projects and departments	Society for Elimination of Rural Poverty A.P. Academy of Rural Development	Jala Samvardhane Yojana Sangha
6	Community based organisations	Women's Thrift Federations – Mahashakti MACS Federation – Timbuktu Collectives	
7	Policy support agencies	International Water Management Institute, BMZ Germany	International Water Management Institute
	TOTAL	30	9

d) Human Resource Management

The performance of the team in 2006-07, as compared to 2005-06 is as follows:



The performance of the team members across parameters in the year 2006-07 is as given in graph.



The overall bonus amount distributed among team members was Rs 50,000. Half of the bonus amount was distributed as per the annualized performance among all the employees and rest of the half was distributed among top three performers. The calculation and distribution of the bonus based on the performance ranking was as follows:

Table 4 : Performance based bonus distribution

Rank	Name	Annualized performance% for Bonus	Bonus %	Bonus Amount (Rs.)	Additional bonus	Additional bonus amount	Total Bonus (Rs)
1	GV Krishnagopal	105.60%	31.33%	7832	25.00%	12500	20332
2	DSRC Murthy	75.44%	22.38%	5595	16.67%	8333	13929
3	V. Madhusudana Rao	66.60%	19.76%	4940	8.33%	4167	9107
4	G. Satya Deva Prasad	58.67%	17.41%	4352			4352
5	Ranjan Kumar Baral	30.75%	9.12%	2281			2281
	TOTAL	337.06 %	100.00%	25000		25,000	50000

e) Service Fee Generation

In our second year of operations, we generated service fee of value Rs 4,694,923. The revenue realised was Rs 2,673,774.8, thus accounting for almost 57% of commitment. Our net profit was Rs 167,235 amounting to 6.2% of realised revenue. The following table summarizes our progress over last year:

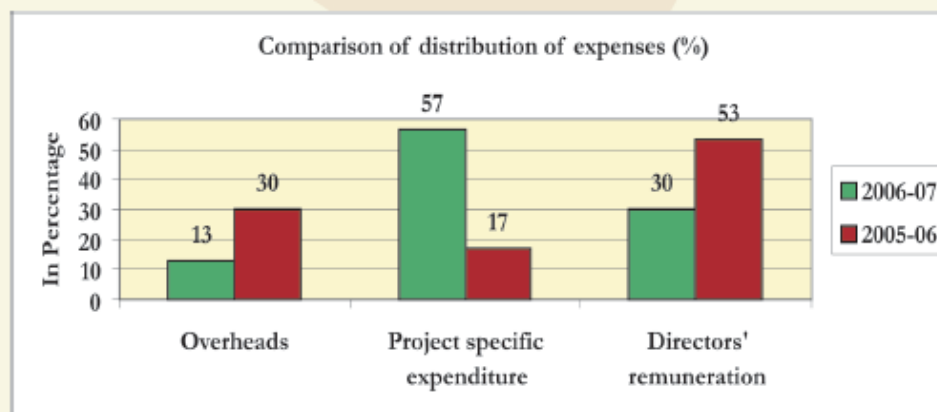
Table 5: Comparison of financial performance

Parameters	2006-07	2005-06	Change (%)
Business generated*	46.94	11.26	317
Revenue realised*	26.74	3.50	664
Net profit*	1.67	0.52	223
Expenses*	29.60	2.97	896
Overheads*	3.90	0.88	335
Net profit as % of revenue	6.25	14.79	
Expenses as % of revenue	110.70	84.92	

* All figures are in Rs Lakhs

As evident from the table, there is increase in the total value of fee generated and all other related aspects in this year compared to the previous year. However there is marked decline in net profit as percentage of realised revenue in this year when compared with last year. The increased expenses are due to the projects where cost has been incurred however revenue has not been realized during the year.

With increase in services in 2006-07, there is marked increase in project specific expenditure vis-à-vis last financial year. Rest of the expenses has declined as compared to last year



f) Financial Statements

i) The Profit & Loss Account for the financial year 2006-07 is given below:


PROFIT & LOSS ACCOUNT					
ACCESS LIVELIHOODS CONSULTING INDIA PRIVATE LIMITED					
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2007					
PARTICULARS	SUB TOTAL	31.03.2007 RS.	PARTICULARS	SUB TOTAL	31.03.2007 RS.
DIRECT EXPENSES		2,960,097.89	DIRECT INCOME		3,127,333.30
ADMINISTRATIVE EXPENSES	287,177.76		CONSULTANCY FEE	2,673,774.80	
HUMAN RESOURCE MANAGEMENT	53,684.00		OTHER INCOME	21,022.00	
PROJECT SPECIFIC EXPENDITURE	1,673,070.13		CONSULTANCY RELATED TRAVEL	432,536.50	
DEPRECIATION	34,551.00				
DIRECTORS REMUNERATION-GSDP	416,615.00				
DIRECTORS REMUNERATION-GVKG	480,000.00				
FRINGE BENEFIT TAX	15,000.00				
NET PROFIT		167,235.41			
TOTAL		3,127,333.30	TOTAL		3,127,333.30


VIDE OUR REPORT OF EVEN DATE

FOR MAHESH, VIRENDRA AND SRIRAM,
CHARTERED ACCOUNTANTS

FOR ACCESS LIVELIHOODS CONSULTING
INDIA PVT LTD.

B.R. MAHESH
PARTNER
DATE: 26/06/07


G. SATYADEVA PRASAD
DIRECTOR
DATE: 26/06/07


G.V. KRISHNAGOPAL
DIRECTOR
DATE: 26/06/07

ii) The Balance Sheet for the financial year 2006-07 is given below:

BALANCE SHEET

ACCESS LIVELIHOODS CONSULTING INDIA PRIVATE LIMITED

BALANCE SHEET AS AT 31.03.2007


LIABILITIES	SUB TOTAL	31.03.2007 RS.	ASSETS	SUB TOTAL	31.03.2007 RS.
CAPITAL ACCOUNT		147,000.00	FIXED ASSETS		82,170.00
RESERVES & SURPLUS	12,000.00		COMPUTER & PRINTER	63,479.00	
SHARE APPLICATION MONEY	35,000.00		DIGITAL CAMERA	6,500.00	
SHARE CAPITAL	100,000.00		FURNITURE & FIXTURES	9,941.00	
			OTHER ARTICLES	2,250.00	
CURRENT LIABILITIES		541,772.50	CURRENT ASSETS		790,937.07
SUNDRY CREDITORS	1,262.00		DEPOSITS	27,200.00	
APRLP MODULE	33,334.00		ADVANCES	28,230.00	
AUDIT FEE PAYABLE	10,000.00		SUNDRY DEBTORS	138,647.86	
CCF-HYD-ADVANCE	391,489.50		CASH-IN-HAND	14,002.32	
GKP-NDLMA- ADVANCE	90,687.00		BANK ACCOUNTS	453,640.89	
PROVISION FOR FBT	15,000.00		ADVANCE TAX	11,220.00	
			WEB	9,950.00	
PROFIT & LOSS A/C		201,134.57	ADVANCE S.TAX	117.00	
OPENING BALANCE	33,899.16		TDS RECEIVABLE	107,929.00	
CURRENT PERIOD	167,235.41		PRELIMINARY EXPENSES		16,800.00
TOTAL		889,907.07	TOTAL		889,907.07

VIDE OUR REPORT OF EVEN DATE

FOR MAHESH, VIRENDRA AND SRIRAM,
CHARTERED ACCOUNTANTS

FOR ACCESS LIVELIHOODS CONSULTING,
INDIA PVT LTD

B.R. MAHESH
PARTNER
DATE: 26/06/07


G. SATYADEVA PRASAD
DIRECTOR
DATE: 26/06/07


G.V. KRISHNAGOPAL
DIRECTOR
DATE: 26/06/07

III. MISSION COMPLIANCE REPORT

ALC India believe that economic development has two components, wealth generation and its equitable distribution. These two components are interlinked and comprehensive and sustainable development is possible only when these two elements are integrated in the process of system design of any institution involved in development of poor. We understand the environment in which we are working, is marked by not just inequitable wealth distribution, but also wide gap in terms of knowledge, skills and capabilities. Based on this premise, ALC India is established with the mission to fulfill the need for affordable, timely and quality professional consulting services to individuals, business, government, non government and community based organisations in order to promote sustainable livelihoods thereby creating equitable share over growing economy for the poor. As an organisation, responsible to achieve our mission, we have adopted the following mechanisms:

- Cost Conscious Services
- Sector enhancement efforts
 - Addressing Latent Demands
 - Internal Initiatives
- Service Portfolio
- Collaborations
- Social Contribution

These strategies are designed after studying features and complexity of the environment in which development organisations operate. In the following section we will assess our achievement against each strategy.

a) Cost conscious services

In any consulting organisation, almost 60-70% of the cost is incurred in management of its knowledge/talent pool and close to 30-40% is spent on overheads. To make its services affordable to even smaller NGOs, ALC India is liable to keep its overhead costs minimal. In this regard, we have succeeded in keeping our overheads limited to 14% of total revenue. By keeping our operation cost low, we are able to offer our services at a price which is in the range of 25% to 30% of the prices offered by other organisations in the industry.

b) Sector enhancement efforts

Internal Initiatives

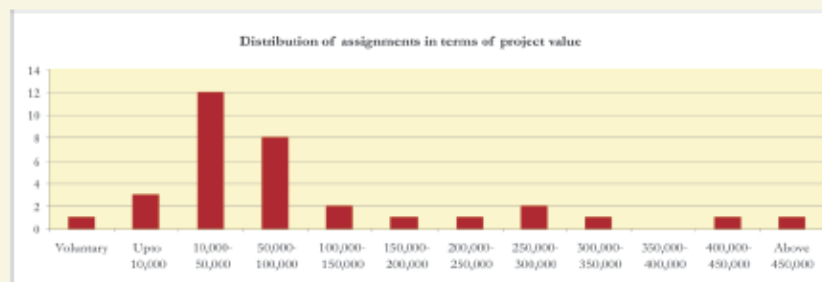
Compared to other streams of development, the level of professional management in livelihoods enhancement efforts is still in its nascent stage. To keep pace with continuous changes happening in market-based economy and socio - politico-legal structure and to enhance the livelihood sector, we have developed training modules for six capacity building programmes focusing on different themes in livelihoods.

Wide Organization Service Base

As mentioned in our mission statement, ALC India's aims to promote sustainable livelihoods for poor through individuals, business, government, non government and community based organisations. Though compared to last year, there is increase in number of organizations we have serviced from last years' 9 to 30. We have not been able to cater to needs of Business Organisations and Panchayat Raj Institutes. The number of MFIs and CBOs serviced is also not more. In all these cases our role in contacting the target groups has not been proactive. In case of our approach towards business organisations, our performance has been abysmally low in terms of efforts in contacting and promoting our services. This has been one of the significant failures of our strategy. However, an indication of the quality of services we have rendered is reflected from the fact that nearly 70% of organizations have entrusted us with multiple assignments.

c) Service portfolio

ALC India has been able to provide both voluntary and affordable consulting services, through differentially priced package of services for high-end and low-end assignments. This strategy is useful in cross-subsidization of low cost services, meant for small NGOs and CBOs. Consulting time is divided into a ratio of 70:30, where 70% of the time is dedicated for low value projects and 30 % of time on high value projects. To institutionalize this principle, even the incentives for employees are dependent upon the time spent on low value projects. By following this strategy, we could provide voluntary support to small organisations (Chitrika) and low cost services to many other organisations. The project value range of our services varied from Rs 0 (Voluntary service) to Rs 1,700,000. If we exclude these two extreme values, the average project value of our assignments was Rs 96,610. The distribution of our assignments in different project value for the financial year 2006-07 is as follows:



Sustainable livelihoods entail long-term investment of time and resources, both on the part of grassroots level organisations and other supporting organisations. The objective of providing professional consulting, sometimes require long-term interaction with such organisations to achieve its complete scale, in terms of providing a stream of interrelated services.

d) Collaborations

To channelize the energy many stakeholders on economic development collaborations are very important. It is more important when the financial resources are scarce. To continuously learn and innovate there is a need to interact and exchange ideas with experts present in our field. We, however have not been able to develop formal partnerships and networks with experts and other consulting agencies.

e) Social contribution

ALC India believes that small organisations are also capable of producing high impact results. The small organisations, though fuelled by energies of social entrepreneurs generally lack required skills and capital to sustain their operations. To support such talented social entrepreneurs with potential, ALC India has laid out some specific strategies. In 2006-07 we made total social contribution of Rs 86,000 through various strategies, which is 3.2 % of revenue realised. The contribution is monetized value of time spent on support activities to small NGOs and identifying development entrepreneurs for fellowship. Our performance for each of the strategies is as follows:

- **Low cost training programme to grassroots NGOs:** To build the capacities of NGOs working at grassroots level, various training modules are being developed to be offered at low cost. In the year 2006-07, two such modules were launched. The trainings broadly dealt with collective action for enhancing livelihoods for poor and enterprise promotion and development. The average number of participants for the two trainings was 10. From next year efforts would be made to create awareness about these trainings to increase the participation.

- **Development advocacy on livelihood aspects:** Conducive legal environment is prime requirement for livelihood promotion for poor. As a consulting organisation working in the field of livelihoods, we understand our role in creating awareness and dissemination of information regarding important policy level issues affecting our clientele, however we have not been able to take any concrete step towards livelihood development related policy advocacy.
- **Fellowship for development entrepreneurs:** This fellowship is aimed at providing support to development entrepreneurs from reputed technical and management institutes. The fellowship will enable them to access monetary benefit upto Rs 12,000 per month, mentoring support from ALC India to undertake trainings and small assignments. In this year, we received 5 applications but none were granted scholarships.
- **Human resource contribution to small NGOs:** Though we were able to provide our services at lowest possible cost to the small NGOs, human resource contribution in monetary terms was even less than 1% of our total turnover.
- **Setting up Access Livelihood Foundation:** The idea behind establishing Access Livelihood Foundation is to create an institution which can support innovation and improvisations in livelihood interventions on a sustainable basis. The foundation would select interventions, which are innovative or are able to improve the efficiency and effectiveness of existing livelihood practices and which can be replicated on large scale. The foundation would support by providing financial and technical assistance required for the demonstration of the intervention on the pilot basis and further endorsement for replication of the model.

IV. CHALLENGES FOR FUTURE

In our one and a half years of operations, we have been able to identify certain failures in our system as evident in our mission compliance report. Besides that we are also facing difficulties in business generation model especially in terms of our clients' base and application of our services. The challenges posed in these three problem areas are as follows:

a) Service spectrum

Like any other sector, its development of livelihood sector is dependant on human, financial, social, physical and natural capital. As a consulting organisation working for enhancement of livelihood sector, we are expected to develop our expertise in providing services relating to all these resources. However our contribution has been limited by our experience and knowledge. We have this big challenge to develop ourselves as a responsible and capable organisation catering to all the dimensions of livelihood sector.

b) Service fee generation model

Currently our business generation model comprises two components: client based consulting and internal services. The contribution of business from internal services is minimal (less than 1% of total service fee generated in 2006-07). In case of client based consulting, our dependence is very high on few clients (65% of business received from 7 clients). The services to corporate organizations is nil in past years of working. Similarly the business from government has not been very satisfactory. Thus there is an urgent need to enhance our clients' base, proper marketing of our services finally based on our expertise discover new avenues of revenue generation.

c) Mission accomplishment

As a young organisation, we face this continuous challenge of maintaining a balance between our dependence on revenue for survival and our loyalty towards our mission. The tussle to maintain balance is present in every aspect of our operation, be it our recruitment process, our performance appraisal system, or assignment selection and implementation.

V. PLAN FOR FINANCIAL YEAR 2007-08

Considering the challenges we are facing and loopholes in the strategies, we are designing new plans to ensure effective and efficient operations to accomplish our mission. With the help of our regular performance review, assessments and following discussions, we have been able to arrive at following targets and plans for coming years:

a) Service Spectrum

To enhance the sector we are planning to widen our range of internal services to cater to all the dimensions of livelihood. In this regard we aim to launch 11 new capacity building programmes covering five major resources (human, financial, social, physical and natural) affecting livelihood sector. We are also starting second round of fellowship programme for development entrepreneurs to identify the entrepreneurial talent working in development sector and provide support. To increase investment in livelihood sector, we intend to begin a business plan contest in livelihood sector. We expect that it will encourage generation of better ideas to promote livelihoods. As a step towards financing livelihood programmes, we are in the process of conducting a feasibility study for launching livelihood financing portal. The portal will change the process of financial transaction between financial institutions and the implementing organizations (CBOs and NGOs). Increasing awareness about livelihood sector is going to be one of our commitments in coming years. We intend to create awareness and sensitivity among general public about complexity involved in earning livelihoods. We propose to do it by organising film shows focusing on livelihood issues and launching a magazine which will target at readers from different spectrum.

b) Service Fee Generation

In order to decrease our dependence on organization based consulting for revenue generation; we are looking at different revenue sources in the form of advertising revenue from magazine, user service fees from livelihood portal and fees from film shows. To widen our client base we have kept target of increasing the number of large NGOs from 3 to 8 and number of small NGOs from 8 to 15. For government as an important client, we have kept target of having 4 long term projects. In perspective of achieving our vision, we have kept a target to generate business of Rs 1.2 crores. The annual target for the year 2007-08 for different service streams are as follows:

Table 6: Annual Target for different service streams

#	Service stream	Target value (Rs)
1	Business & Institutional Systems Development	1,500,000
2	Capacity Building Program	1,000,000
3	Collectives for Sustainable Livelihoods	2,500,000
4	ICT & Livelihoods	1,000,000
5	Urban Livelihoods	1,000,000
6	Youth and Livelihoods	5,000,000
	TOTAL	12,000,000

c) Voluntary support services for small NGO's

To holistically facilitate mission, as an organisation we have kept target of 10% of HR contribution towards voluntary support to small NGOs. To ensure our commitment, we are incorporating the norm of including employee time in voluntary support for small NGOs in performance appraisal. In case of recruitment also, care will be taken to select a candidate, who irrespective of his /her expertise is committed to share our mission and values.

VI. OUR ASSOCIATES

With increase in assignments, our collaboration with other consultants also increased. We take this opportunity to thank all the people who helped us in successful implementation of following assignments:

#	Name	Assignment	Client
1	■ S.N. Arjun Kumar	Assessment of livelihood generation potential of waste water in urban areas in Hyderabad, AP	International Water Management Institute & BMZ Germany
2	■ N. Himajyothi		
3	■ Shaju V. Joseph	Project completion report of IKP in Adilabad, AP	Society for Elimination of Rural Poverty
4	■ G.V. Sarat Kumar *		
5	■ V. Vivekanandan	Lead Discussions Papers for Workshop on emerging challenges for institution development of people's collectives	Thinksoft
6	■ K.V. Raju		
7	■ Nikhil Mathur	Network of Dynamic Labour Marts.	Global Knowledge Partnership
8	■ Dandu Ramanjaneyulu		
9	■ G. Santhosh Kiran		
10	■ R. Manjulatha		
11	■ B. Venkateshwar		
12	■ M. Varaprasad		
13	■ Rajesh		
14	■ L. Shivaprakash		

* GV Sarat Kumar initially worked as Associate Consultant for the assignment with Society for Elimination of Rural Poverty before becoming full time employee of the organization.

VII. OUR TEAM

In 2006-07, our team size has increased from 3 to 7. The team comprised of three senior consultants acting as directors, 3 consultants and one junior consultant. There were some changes in the board of directors. Ms. Taru Paliwal withdrew from the board and Mr. V Madhusudhana Rao joined the board.

ALC India

ALC Team members



GV Krishnagopal, Director

8 years of experience in commodity marketing, project management & designing, livelihoods planning, conducting sub sector studies and value chains, collective promotion and development, capacity building of livelihoods professionals and development of management systems.

G Satya Deva Prasad, Director

8 years of experience in development of capacity building programs and training modules in livelihoods and micro finance sector, management of micro-projects in livelihoods, livelihoods planning, conducting sub sector studies and value chains, development of business plans for micro finance institutions, coordinating a livelihoods school and its one year program in livelihoods management



V Madhusudhana Rao, Director

15 years of experience in promotion and development of agriculture collectives of poor, water and sanitation, managing micro projects, management of corpus and revolving funds for financing micro-livelihoods projects of poor, conducting sub sector and value chain studies in agriculture commodities

DSRC Murthy, Consultant

9 years of experience in implementation and monitoring, conduct trainings and capacity building programmes, financial management, micro-capital assistance, record keeping, stock inventory management.



Saikat Pal, Consultant

8 years of experience in livelihoods and natural resource management.

G.V. Sarat Kumar, Consultant

3 years of experience in developing community based institutions and management of large community based health projects.



Ranjan Kumar Baral, Junior Consultant

7 years of experience in social research (urban livelihoods, urban governance, urban planning & environment) and 3 years of experience in design and implementation of livelihoods enhancement programs especially in urban areas and)and capacity development.



ALC India

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