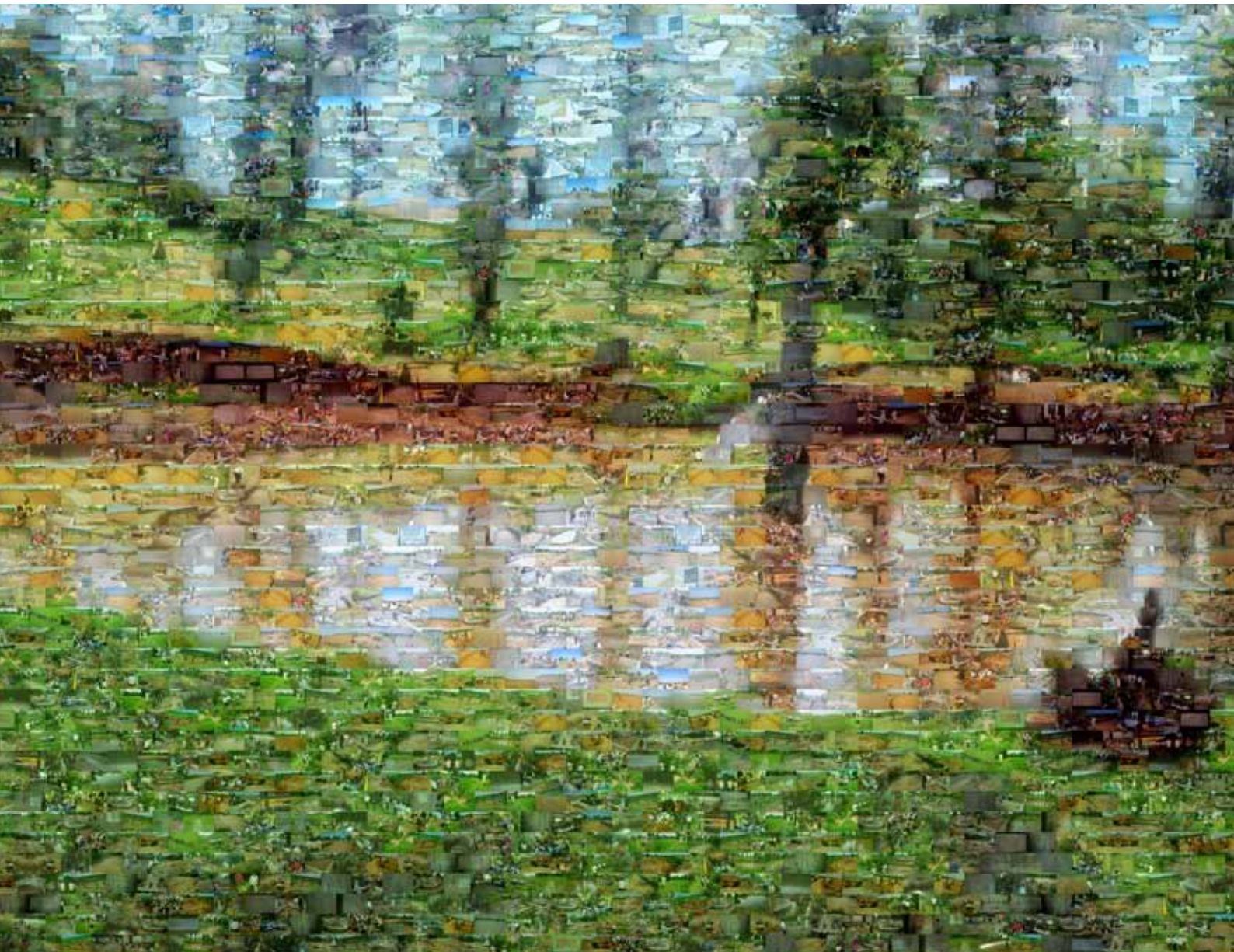


# **WATER FOR LIFE**

Collaborations for the Public Good



Hindustan Unilever Foundation

## “A ROBUST, HOLISTIC APPROACH”



On every count, water is special. Economically, aesthetically, functionally, spiritually, personally: there's not much in life that matters more.

As a resource, it's both renewable (assuming climatic conditions are not radically disrupted) and finite, with both its availability and quality

heavily dependent on how human societies make use of it.

Given the continuing growth in both human numbers and economic activity, it's hardly surprising that the lives of more and more people are hurt by the limited availability of water and the poor quality of available supplies.

In India, the lives of hundreds of millions of people, both in cities and in rural areas, are diminished by not being able to rely on water in the way that most people in OECD countries have long since taken for granted.

This is now a massive headache for the Government in Delhi and for the majority of state governments. It's also a huge challenge for big companies, whose continuing success depends on reliable access to water in sufficient quantity and of the right quality.

This is where Hindustan Unilever and its Foundation come into the picture. The company is a big user of water in its principal manufacturing facilities, and a significant percentage of its products depend on consumers having access to water – for basic hygiene, laundry, showering, cooking and so on. Thanks to the

company's tried and tested Sustainable Living Plan, huge progress has already been made in reducing direct water consumption in manufacturing. But the 'consumer use challenge' remains pretty daunting!

The focus of this report is on the work of the Hindustan Unilever Foundation, and its 'collaborations on water for public good' in rural India. By any standards, this is an ambitious programme, directly benefiting tens of thousands of people and with a huge potential to generate hard-edged learning that will inspire millions more.

On my last visit to India, I had the privilege of visiting one of the Foundation's water projects near Bangalore, seeing for myself both the complexity of getting a big project off the ground, and the massive opportunity that it offers the communities involved.

The case studies in this report prioritise different aspects of water management, given the very different circumstances of the areas involved. But some things are common to all: a clear focus on governance issues; a determination to have every scheme 'owned' by local people to ensure durable outcomes; and a robust, holistic approach to environmental, social and economic priorities.

There are still huge water deficits across the whole of India. But significant collaborations of this kind are now starting to make a big difference in addressing those deficits.

**Jonathon Porritt**  
Founder-Director, Forum for the Future

## “COLLECTIVE ENDEAVOUR IS THE KEY”

At the 2002 World Summit on Sustainable Development, Nelson Mandela compared the water security situation to the geopolitics of oil, asking whether “the mid-decades of the 21st century world system [could] see an emergence of the water 'haves' and 'have-nots' nations, similar to the 20th century geopolitics

of oil”. He emphasised that countries which are not water secure will find the future difficult: unlike financial resources, water is not obtainable from the world market through bail-outs to pay off accumulated hydro debts.

The global demand for freshwater is rising at an exponential rate, while supply is increasingly uncertain. Today, one in six people — more than a billion globally — lack adequate access to safe water. And in the next few decades, demand for will increase significantly as populations, economies, and consumption rates grow. In India alone, we are told, the supply of water could amount to just half its demand. This is a crisis that has major repercussions for the health and livelihoods of millions of people across the country. It will severely impact social development and could derail the economy as well. The need to achieve water security is immense; food, energy, the environment and economy are all interlinked with it. Farmers – faced with the need to increase production to feed a growing populace – are already placing an unsustainable demand on water supplies, and India as a whole is extracting groundwater faster than it can be replenished.

At Hindustan Unilever we recognise this crisis. It is a recognition which lies at the heart of the Unilever Sustainable Living Plan. This aims to grow our business whilst reducing our environmental footprint and increasing our positive social impact. Our direct control of water issues – by way of our own production process – is small, but we can contribute to a major impact within the extended value chain.

Our wider commitment to invest for the good of India has also led us to focus on water. As a direct result, we decided in 2010 to set up the Hindustan Unilever Foundation (HUF).

The Foundation has initiated various projects that go beyond our business value chain. At the heart of these projects lies the principle of collaboration. They are the result of collective endeavour, through active community involvement and the participation of co-funders, including the National Bank for Agriculture and Rural Development (NABARD) and State Governments, along with our NGO partners who are making things happen on the ground.

I would encourage readers of this report to have a look at the small steps that we have taken, and more importantly, ask themselves how they can participate in this journey. I am sure that Ravi Puranik, the CEO of HUF, would be happy to continue this engagement with you.

**Nitin Paranjpe**  
CEO and MD Hindustan Unilever Limited  
Director Hindustan Unilever Foundation

# SHARED FUTURE

On the plains outside Bhopal, crops are sprouting from the fields. Nothing unusual there – but strikingly, they’re doing so during the dry season, thanks to a new network of small dams, installed by local people, which have captured and held rainfall for slow release as needed.

High on the slopes of the Western Ghats, a group of farmers are celebrating the restoration of a traditional village tank – freeing them from the drudgery of clambering uphill to fetch drinking water. Earlier, they completed work on a simple check dam, with the result that they are branching into growing potatoes for the first time – a relatively lucrative crop.

In over 20 villages scattered across Karnataka, farmers are implementing a series of low-cost, efficient conservation techniques which, together, are easing water shortages and so improving livelihoods of everyone from the well-off to the landless.

And in Tamil Nadu, groups of villagers are introducing innovations such as the neerkatti system, where a trusted individual ensures that available water supplies are shared out as needed across the village lands.

These are just some examples from a striking new approach to tackling India’s water crisis, turning it into an opportunity for long lasting improvements in livelihoods, and environmental and economic security, for the country’s people.

They are the early products of Hindustan Unilever Foundation’s work on water solutions. At its core is ‘Water for Public Good’: a pioneering programme of collaboration between villagers, local NGOs, government, experts, service providers and funders, which could transform the prospects for the country’s farmers – and all who depend on the food they grow.

It is deliberately wide ranging, to reflect the variety and scale of the challenge. So it focuses on projects in diverse hydrological areas, ranging from tanks to watersheds to command area management. It measures itself against ‘triple bottom line’ performance indicators: ones which create social, environmental and economic capital for communities. And each project is carefully designed to match the particular circumstances of the local community, and to fit with their priorities.

Our work is based around three core principles: Governance of Water; Quantity of Water; and finally, Benefits to Community. We have a clear set of goals which we aim to achieve by 2020:

- Enable knowledge and action to democratise water management and involve communities and other stakeholders in both policy and decision-making
- Build water conservation and storage potential
- Promote community involvement and ownership of projects and initiatives
- Enhance agricultural production in the project areas.

We are working in seven Indian States, in partnership with the following implementing agencies:

- Society for Promotion of Eco-friendly Sustainable Development (SPESD) in Madhya Pradesh
- Maharashtra Institute of Technology Transfer for Rural Areas (MITTRA) in Maharashtra
- Development Support Centre (DSC) in Gujarat
- MYRADA in Karnataka
- Development of Human Action (DHAN) Foundation in Tamil Nadu
- Foundation for Ecological Security (FES) in Rajasthan, Maharashtra, Andhra Pradesh, Madhya Pradesh and Karnataka.

We place great value on measuring the impact of our projects, and learning from them. Besides the quantitative impacts, we aim to use a Social Return on Investment (SROI) methodology to understand and track the wider benefits to communities, and we are working with Deloitte to build our capacity, review our approach and methodology, and assess our reports to identify areas for further improvement.

This apart, HUF has also requested Deloitte to carry out a limited assurance engagement and provide an independent assurance statement on the collective outcomes of all five projects.



## HINDUSTAN UNILEVER FOUNDATION (HUF)

HUF was established in 2010, as a Section 25 not-for-profit company, to further the community development initiatives of Hindustan Unilever Limited. HUF supports national priorities for socio-economic development, through its Water for Public Good programme. Each of our projects also complies with the requirements of the National Voluntary Guidelines and the Companies Bill 2013.

# HINDUSTAN UNILEVER FOUNDATION

## MISSION

Water for Public Good

## GOALS

- Enable knowledge and action to democratise water management and involve communities and other stakeholders in both policy and decision making
- Build water conservation and storage potential
- Promote community involvement and ownership of projects and initiatives
- Enhanced agricultural production in project areas

## PRINCIPLES

Governance for water

Quality of water

Benefits to community

## PUBLIC PRIVATE PARTNERSHIPS

Projects in watersheds, rain-fed and irrigated areas that show:

- Functional diversity – addressing different parts of the challenge
- Geographical spread – a good mix of factors e.g. irrigated, river basin
- Convergence with other stakeholders – adding and supporting others work

Triple bottom line measurements, SROI and learning

## WHY IT IS TIME FOR A FRESH APPROACH

Finding lasting solutions to the Indian water challenge requires some fresh thinking. We need to see water in its social context, and find solutions that work for communities. Water is the central resource around which villages and rural livelihoods revolve. This means that the community is crucial to the management and maintenance of water sources and reserves at the local level. So we bring people together in community-led partnerships, to encourage collective action for water at the village level.

And this work goes much further than the simple – but essential – goals of improving the availability of and access to water. It touches issues such as labour, health, sanitation and the wider empowerment and wellbeing of communities. These provide a tangible social return on investment. As such HUF can be said to use its work on water as a lever for achieving more extensive, lasting progress for rural India.



## THE ROOTS OF THE HUF APPROACH

Our approach is based on the following observations:

1. Resource management is linked to its principal end use. Water in India will continue to be mainly applied in agriculture, and so the downstream aspect of food security is crucial.
2. Water is associated with a range of social, environmental and economic issues, and so public trust needs to be at the heart of any solution.
3. Resource management recognises the public nature of water. Both in its availability and its ownership, water is often part of the 'commons'. So its long term sustainability lies in communities working together to manage water on private lands as well as ensure the upkeep of the 'water commons'.
4. Companies have a vital role to play in water security. So they should look beyond taking responsibility for the water in their value chains, and invest as well in the societies in which they operate and on which they depend. It is in their own interests to do so: development issues have long-term business relevance.
5. The success of such social investments depend on specific local responses, so they will have the most impact if they are co-created through partnerships with local communities, and respect small, individual contributions at that level.
6. It is important to be able to demonstrate success, and to show stakeholders our progress. So we need to have thorough measurement of our impact, backed up an independent third party assessment.
7. The concept of 'Water for Public Good' can have diverse interpretations, and our projects should be flexible in order to recognise this. This understanding is continuously evolving as we work with different partners in diverse contexts. We will demonstrate these thoughts in action through the nature of projects that we support.

## WHY UNILEVER?

The water programme springs from the same source as the Unilever Sustainable Living Plan (USLP). Launched in November 2010 – well before the establishment of the National Voluntary Guidelines – this commits the company worldwide to a ten-year journey towards sustainable growth. By 2020, the Plan aims to:

- Help more than a billion people improve their health and well-being
- Halve the environmental footprint of HUL's products
- Source 100% of our agricultural raw materials sustainably.

USLP focuses on six areas that are fundamental to sustainable development in India. These are: health and hygiene, nutrition, greenhouse gases, sustainable sourcing, enhancing livelihoods and – last but not least – water.

In each case, HUL addresses these challenges through a combination of social impact programmes and business policies. Within India, HUL has reduced water usage in manufacturing operations by 10.1%, when compared with 2010, and by 21.5% compared to our 2008 baseline. Rainwater harvesting has been implemented in more than 50% of our own units. More than 75% of our manufacturing sites are zero-discharge. HUL has also been working for more than a decade on water conservation in locations which face acute shortages. By 2015, we expect one hundred billion litres of water to be harvested through the projects we have undertaken. We hope that one million people in 180 villages across India will benefit. Furthermore, we expect most projects to see a 50% rise in crop production.

At the heart of the Sustainable Living plan is collaboration – essential for addressing challenges in the wider value chain. Unilever's key role in the Roundtable on Sustainable Palm Oil is one just example of the way the company works with others to raise standards of production of a key ingredient for their mutual products. It is this collaborative approach that HUL wants to foster through the Hindustan Unilever Foundation (HUF) – looking beyond the value chain to address the root causes of water stress, working directly with the people to whom it matters.

## OUR PRINCIPLES

The projects that HUF supports under its programme 'Water for Public Good' are based on three principles: Governance for Water, Quantity of Water and Benefits to Community.

| THE PRINCIPLE   | WHAT IT COMPRISES  | HOW HUF ADDRESSES IT   |
|---|--|--|
| <p><b>Governance</b><br/>Governance relates to institutional issues that enable water to be managed by communities where...</p>   | <ul style="list-style-type: none"> <li>• Traditional community institutions that manage this resource preserve and further their customary rights</li> <li>• New institutions evolve with a view to managing water and engaging with various entities including Government</li> <li>• Knowledge systems that further interdisciplinary understanding and skills to manage water are maintained</li> <li>• Social equity is promoted</li> </ul> | <ul style="list-style-type: none"> <li>• We support actions, processes and systems that further the understanding of institutions for water management, and if need be, create new ones</li> <li>• We facilitate working arrangements that address institutional issues, enabling government and community institutions to deliberate within and across hydrological boundaries. Such arrangements include, for example, the Watershed User groups or Tank Associations</li> <li>• We support the creation of knowledge-management systems, working with professionals across disciplines. For example, to explore the feasibility of a standard for "community stewardship", we brought together Development Support Centre (our implementing partner on Participator Irrigation Management), Deloitte (our Assurance Partner) and the Alliance for Water Stewardship.</li> <li>• We enable community participation in public policy by supporting locals to express their views on what works best in practice.</li> </ul> |
| <p><b>Quantity</b><br/>Quantity refers to the provision of additional water potential which is contributed by our projects. It has a supply and demand aspect to it, as saving water during crop application is as important as saving run off from rainfall.</p> | <p>This potential can be realised by:</p> <ul style="list-style-type: none"> <li>• making maximum use of rainfall, particularly those days where the rain is sufficient to generate run off from the land.</li> <li>• community institutions working to harvest that potential, and deploying and maintaining technologies for reducing water application in crops.</li> </ul>   | <ul style="list-style-type: none"> <li>• We support measures to increase the quantity of water available by building harvesting and storage structures, and conserving moisture in the soil.</li> <li>• We support measures to conserve water and enhance efficiency by introducing better practices for water management and efficient use of the supply, especially in agriculture.</li> <li>• Over time, we seek to increase understanding of the correlation between water availability and water use. Greater awareness of the volume of water withdrawn, consumed, diverted and returned to the site, will be matched by greater awareness of availability in the catchment areas, which depends upon the the amount of renewable water supplies, the aquifer levels and the maintenance of natural water flow cycles.</li> </ul>  |
| <p><b>Benefits to Community</b><br/>This principle addresses the various direct and indirect benefits for the communities with whom we work</p>   | <p>The overarching goal is to achieve socio-economic wellbeing by generating employment, enhancing agricultural production and managing the village lands to allow for water's productive use. To do this, it is crucial to understand how the multi-functionality of the water infrastructures can best be used to meet water demand for multiple and varied end uses.</p>  | <ul style="list-style-type: none"> <li>• We encourage communities to work together to improve agricultural production</li> <li>• We generate income for the locals from the project work and from downstream (livelihood) opportunities</li> <li>• We support measures towards treating and stabilising the land, to improve long-term sustainability</li> <li>• We encourage measures to enhance multi- functionality of water infrastructure for multiple end uses</li> <li>• Our community institutions benefit the people in other tangential ways, due to the social capital created.</li> </ul>  |

## SO HOW DOES THIS WORK IN PRACTICE?



At the heart of HUF's approach is partnership, grouping together everyone from the villagers themselves through to government bodies, as follows:

- Project Implementing Agencies (PIAs) – our network of rigorously chosen NGOs - who have an excellent track record among the communities with whom they work. They take responsibility for technical and managerial roles, including accountability to HUF as a funding partner, act as recipients of funds from various sources, and serve as a bridge between the community and other partners
- Community institutions like Village Watershed Committees and Tank Associations – which have responsibility for the work on the ground, and help draw up success criteria
- Government and other organisations that accord permissions, such as the various departments at district and state level
- Co-funders, who provide funding to PIAs; in the spirit of collaboration, we also support partners on projects that are funded by institutions such as NABARD, local or state government bodies, and Land Development Corporations.
- Other input and service providers, including the Alliance for Water Stewardship, bringing a 'community stewardship' perspective to participatory irrigation management.

When it comes to the PIAs, we recognise that NGOs have diverse perspectives and can face capacity challenges in complying with our rigorous application process. In such cases, we assist them in drafting the project contours and deliverables. We expect the process of generating information, both quantitative and qualitative, will overcome initial challenges and gradually become robust. At the moment, this is a learning process for both HUF and the implementing partners: the spirit of enquiry and improvement underlies our project working arrangements.

HUF's work is focused on a carefully selected mix of watersheds and other hydrological systems (such as tank cascades) in a range of geographies, including both rain-fed and irrigated areas, across a diversity of river basins.

So we work across 10 river basins depicting different characteristics. We have classified these according to Catchment Area and Potentially Utilisable Water Resource, borrowing data and the river basin map from an International Water Management Institute report. This 'utilisability per unit catchment area' is also an important consideration in selecting a range of sites for our work.

Our choice of sites also reflects the functional diversity of water – the different uses to which it is put in different places.

We hope that this deliberately diverse mix will help make our experience rich and varied.

As we take our projects to scale, we also propose to work in areas with high Scheduled Tribe concentrations, in those identified by the Planning Commission as 'backward', and in those under the National Initiative for Climate Resistant Agriculture.

### RAIN OR IRRIGATION?

Rain-fed and irrigated areas each provide different challenges. Rain plays a pivotal role in India's food security. According to the Working Group on Minor Irrigation and Watershed Management of the 12th Five year plan, about 55% of India's gross cropped area is rain-fed, and more than half of the agro-climatic zones defined under the National Agriculture Research Project are dependent on the monsoon. Rainwater supports 60% of the cattle and 40% of the human population.

Irrigated areas present other challenges. Irrigation facilities must be managed and maintained, which takes time and money, and used in ways which encourage maximum efficiency. Irrigation services depend on an agreed fee and collection process, and state irrigation agencies need incentives to promote participatory irrigation management. Water needs to be priced according to volume and delivered to water user associations. These challenges combine to provide a key focus for HUF.



## CASE STUDY

### MAHARASHTRA: CREATING COMMON INTEREST GROUPS

The Western Ghats cut through the Nasik District of Maharashtra, with steep slopes rising to 1,400 metres above sea level, and deep ravines. This undulating topography is very tough to cultivate. Soil depth can be as little as 10cm on steep slopes. Widespread deforestation and land degradation has led to high water run-off. This severely affects crop production – particularly in an area where the agriculture is largely traditional.

In 2010, HUL entered into a partnership with Maharashtra Institute of Technology Transfer for Rural Areas (MITTRA). The two organisations seek to work with the local population, which is largely tribal. Their aim is to improve water harvesting and its efficient use, and also to conserve soil and water in areas where run-off is high. They are working with five watershed committees in five villages, with a combined population of 5,000. They do so by bringing villagers together across the watersheds to develop a shared approach to managing a limited supply, forming Common Interest Groups. Prime activities for these groups include limiting surface runoff through check dams, developing springs, and maximising the efficiency of water use in both farming and the home. One group were even able to successfully grow potatoes, thanks to better water management.

#### COMMUNITY FEEDBACK

The project has improved agriculture practices and generated additional income through soil and moisture conservation work. For example, in the village of Konkanwadi, both men and women were putting much time and energy into bringing drinking water down from the hills. With the support of the project, the Kalsubai Water User Group built a common village tank and a gravity-based system to collect and store the water. This system now benefits over 100 families, saving them one hour a day. Dilip, who owns a general store in the village, has noticed an increase in cash payment and rise in customers, and says that his margins have increased.

#### PIA FEEDBACK

A strong rapport was built with the community, and efforts were made to create awareness of water and soil conservation and landscape management for sustainable livelihoods through community participation. - V B Dyasa, Chief Program Coordinator, MITTRA



**MITTRA** is an organisation promoted by BAIF Development Research Foundation, Pune, to implement Rural Development programmes in Maharashtra state. It began working with HUF in September 2010, with an emphasis on water harvesting and agricultural use, along with soil and water conservation in high-runoff watershed areas.

## CASE STUDY

### MADHYA PRADESH: DEMOCRATISING WATER MANAGEMENT

In the Tikamgarh district of Bhopal, a total of 24 villages are involved in an ambitious Integrated Water Resource Management scheme (IWRM). This takes a holistic approach to supply and demand, taking into account the various different uses – agriculture, animal husbandry, industry and domestic purposes – and the impact each of these has on the other. It promotes conservation along with technologies such as micro-irrigation systems and drought-tolerant crop varieties, while also building water harvesting and storage capacity. The programme's led by the Society for Promotion of Eco-friendly Sustainable Development, in partnership with the Rajiv Gandhi Mission for Watershed Development, with the support of the Government of Madhya Pradesh.

In each village, members of the community took account of the baseline situation on water and assessed its use for all their needs, forming village watershed committees, which worked with other user groups (known as Samitis) throughout the villages, involving both men and women.

Members of the community show a sense of ownership of the structures in the village (such as rainwater harvesters and storage tanks), and are motivated to carry out maintenance work. Women report that they are saving time in fetching water, and that more is now available for drinking, bathing, washing clothes and carrying out puja. Agricultural productivity has also increased: farmers are now growing wheat, sarson and peas during the Rabi season, which would previously have been too dry. With more work in the fields, villagers are staying at home in the summer, as opposed to travelling in search of new livelihoods, and income levels are up, too.

#### PIA FEEDBACK

Confidence building among the community was the main issue. Hence it was decided that community members and influential local people both be involved actively from the beginning and in every stage of the project. - Chief Program Co-ordinator Pandey.

#### COMMUNITY FEEDBACK

Community members are particularly pleased with new income earning opportunities. Ms Phulla from Garoli village and Ms Phullabhai from Kudila village each earned a month's wage for their work in the construction of stop dams.



**SPESD** is a non-profit development organisation with its headquarters in Bhopal. It's a sister organisation of Bharatiya Agro Industries Foundation. Its vision is to build a self-reliant rural society, assured of food security, safe drinking water, good health, gender equity, low child mortality, literacy, high moral values and a clean environment.

## CASE STUDY

### GUJARAT: PARTICIPATORY IRRIGATION MANAGEMENT

Almost 67% of the total land area of Gujarat is rain-fed. Groundwater provides 60-70% of irrigation and 80% of domestic water supply in the state. With erratic rainfall and decreasing water tables, farming is becoming an increasingly risky occupation. Over the last five years, a bumper level of cotton production has led to a high growth rate for agriculture in the region, but it remains to be seen how sustainable it is: if irrigation is not well managed, cotton can consume a lot of water.

The Development Support Centre (DSC) is working with farmers in the Sabarkantha and Mehsana districts of North Gujarat – a declared ‘dark zone’ – to improve crop yield through integrated water resource management, with a focus on irrigation. Agriculture and animal husbandry are a major source of rural livelihoods in these districts, and together, these occupations account for 60-70% of the total water consumption. Scarce rainfall means surface irrigation schemes only have adequate water once every three to five years, and so farmers depend on groundwater. But supplies are finite. A recent study indicates that livelihoods are under threat from the depletion of groundwater reserves.

The project is being implemented in 24 villages which draw on three major irrigation schemes across the districts of Dharoi in Mehsana, and Mazum and Guhai in Sabarkantha. DSC is supported by HUF, Government of Gujarat and the local community-based funding agencies. Its approach is people-centred, and the values it seeks to promote are: participation, equity, efficiency, cost-effectiveness, sustainability, transparency and honesty. DSC works through the formation of Sujal Samitis (councils representing different hamlets and socio-economic groups), as well as through physical interventions for soil and moisture conservation and water harvesting.

The Samitis meet regularly to plan and implement these interventions. Beneficiaries – including women and landless people – are invited to propose activities, and decisions are made in a transparent manner, with cost-effectiveness at the fore. They also aim to build awareness amongst farmers about appropriate use of water through the adoption of practices such as vermicompost and drip irrigation.



HUF collaborates with the Alliance for Water Stewardship (AWS) to explore the feasibility of applying the Beta AWS standard in the command areas of three irrigation systems in Gujarat. The AWS Standard, launched in March 2013 at the Working Conference of UN Global Compact’s CEO Water Mandate, is based on four Principles of Water Stewardship:

- equitable and transparent water governance for all water users within the defined area of influence;
- a sustainable water balance, with adequate availability for all users at all times, within the defined area of influence;
- the maintenance of good water quality status in terms of chemical, physical and biological characteristics to maintain ecosystems and ensure adequate water quality for all users;
- a commitment to identify important Water Areas and strive to protect, manage and restore them.

AWS, HUF and DSC aim to understand how the standard can boost the development of suitable local stewardship mechanisms like village water governance committees, and how successful outcomes can be replicated and incorporated into policy-making. In addition, it is expected that lessons from the project will inform the development of supplementary guidance material for the Standard, for example on its application in India or in any irrigated agriculture setting. Deloitte has joined this project to provide the perspective of an assurance provider. Adrian Sym, the Executive Director of AWS, has welcomed the partnership, saying it is “pleased to be collaborating with HUF to understand the applicability of the AWS Standard in the context of participatory irrigation management.”

#### PIA FEEDBACK

During this first year of the project, we have focused on awareness creation, community mobilisation and formation of Sujal Samitis. - Sachin Oza, Executive Director, DSC.



**DSC** is an NGO based in Gujarat. It was initiated in 1994 and provides knowledge-based support to institutions involved in promoting sustainable livelihoods. It works with more than 100,000 farmers in Gujarat and Madhya Pradesh on watershed and participatory irrigation management, and with other NGOs and development agencies.



## CASE STUDY

### KARNATAKA: BUILDING SUSTAINABLE LIVELIHOODS

HUF is working with the Mysore Rehabilitation and Development Agency Foundation (MYRADA), on a four-year community-led water management project.

It is focused on 21 vulnerable villages in the Bellary, Bidar, Gulbarga, Chitradurga and Kolar districts of Karnataka, in an area where erratic rainfall and increased surface water run-off is leading to loss of topsoil, severely affecting the region's traditional rain-fed agriculture. Insufficient or damaged water collection and conservation structures, and excessive dependence on and depletion of ground water resources, further aggravate water scarcity. This is threatening the livelihoods of these largely agrarian communities.

In response, this programme will set up, train and finance community-based organisations so that they can plan and manage both their own water resources and the conservation structures at the watershed level.

It project is a collaborative venture with the National Bank for Agriculture and Rural Development (NABARD). The Bank supports the institutional framework of implementation and other livelihood activities, while HUF supports the soil and water conservation aspects. The scheme takes care to bring benefits across the community. It involves land-holding families in watershed development works, and the landless families in livelihood development. And it is designed for the maximum participation of women, since they will make up a significant proportion of direct beneficiaries.

MYRADA promotes participatory planning by giving people control over the budget and also by ensuring they contribute to the investment and management costs. It opens opportunities for landless workers to assume roles in watershed development committees, by facilitating loans and training for income-generating activities. It works in partnership with local NGOs and Government programmes, and builds on existing resource centres, training facilities, social know-how, community relationships and expertise.

An illustration of its success comes from the tiny village of Nehru Colony, Chitradurga district, where the community decided to plant an avenue of trees. Nehru colony is home to 138 families, living 1km from the main road near Holalkere. Its main challenge is a lack of opportunities for employment, aside from farming. The Community Managed Resource Centre team worked with staff of MYRADA, and the local Gram Panchayat (community leaders). They decided to plant an avenue to provide vegetation cover for people who have to walk to their village, to improve its aesthetic value, and to generate income. They planted over 200 seedlings, including neem, simaruba, jatropha, soap nut, tamarind and mango, all of which offer additional sources of livelihood. The villagers and members of the Self-help Affinity Group planted these all along the roadside and in the school premises, with a 'tree guard' to protect every sapling. While the project sponsored the costs of planting the saplings, the community pooled their own resources to build the guards. Today the village is proud to show that all plants have survived and are growing well.

### COMMUNITY FEEDBACK

In the village of Chikli, the lives of women have been transformed thanks to loans. Kasturi, a married woman, used to migrate to Hyderabad in search of work, with a toll on the health and education of her children. Thanks to a loan of Rs.10,000 from the local community groups under this project, and an additional loan of Rs.15,000 from Sanghamitra Rural Financial Services, Kasturi was able to purchase a buffalo, which gives her four litres of milk per day which she can use and sell, earning Rs.50 a day. In addition to this regular income, she now has a calf, which promises a further source of income in the future. Other women in the village have similar stories to tell.

### PIA FEEDBACK

The three components of the project include designing appropriate civil structures in the watersheds to increase the quantity of water available and to retain the quality of soil; identifying appropriate livelihood options for the landless families of the watersheds; and most importantly, to set up and strengthen community level institutions which actually implement the two components in a participatory and transparent manner. During the first two years of the project, the MRADA staff has completed the massive task of involving the community in five districts, reaching over 5,000 families. - Arvind Risbud, Executive Director, MYRADA.



**MYRADA Foundation** is a professional development organisation with its headquarters in Bangalore, Karnataka. It is a registered Society since 1968 and has 45 years of grassroots experience in building peoples' organisations, nurturing the technical and managerial skills in local communities and engaging in poverty reduction and improved natural resource management.

# MEASURING OUR IMPACT

Key to the success of the Water for Public Good programme is finding out how effective it is at achieving the desired impacts. We are keen to find out how well our interventions are working, and learn lessons for the future.

To this end, we have encouraged each of the PIAs to develop a triple bottom line scorecard, outlining social, economic and environmental indicators aligned with HUF's three principles.

Deloitte has issued an independent assurance statement on the performance of the HUF-funded projects to 31 March 2013, in line with the International Standard on Assurance Engagement (ISAE) 3000, issued by the International Federation of Accountants (IFAC) and AccountAbility's AA1000AS Standard. Deloitte confirms that the performance indicators that support the underlying principles of governance for water, quantity of water and benefits to communities have not been materially mis-stated. It also confirms that processes are in place to strengthen the assessment and reporting of outputs.

## A SOCIAL RETURN ON INVESTMENT

Beyond this, we are carrying out a Social Return on Investment (SROI). This is an important social evaluation technique, which can help us understand the full impacts of community-based water projects for the health and wellbeing, economic and social situation of project beneficiaries. An SROI review will enable HUF to determine how best to maximise the value and impacts of projects in the coming years. The objective is to identify tangible and non-tangible

benefits, and explore their possible monetisation, which can be important to funding agencies. SROI analysis can help prioritise between social projects, and help us get a better 'bang for our buck'.

Clearly the most important element in an SROI is to engage with the local communities who are benefiting from our work. So we carried out stakeholder meetings with tailor-made forms, formats and questionnaires. Some SROIs are obviously more tangible, and quantifiable, than others.

When it came to preparation of the SROI Reports, we used the most widely accepted global SROI Impact Evaluation standards and guidelines, detailed in the SROI Network Guide (January 2012) and the Practical Guide for the Development Co-operation Sector. We also took advice from Deloitte.

The next step is to explore monetising the benefits: we have already made some progress here, using the information gathered from the stakeholder consultations. Among the specific 'monetisations' we are recording are:

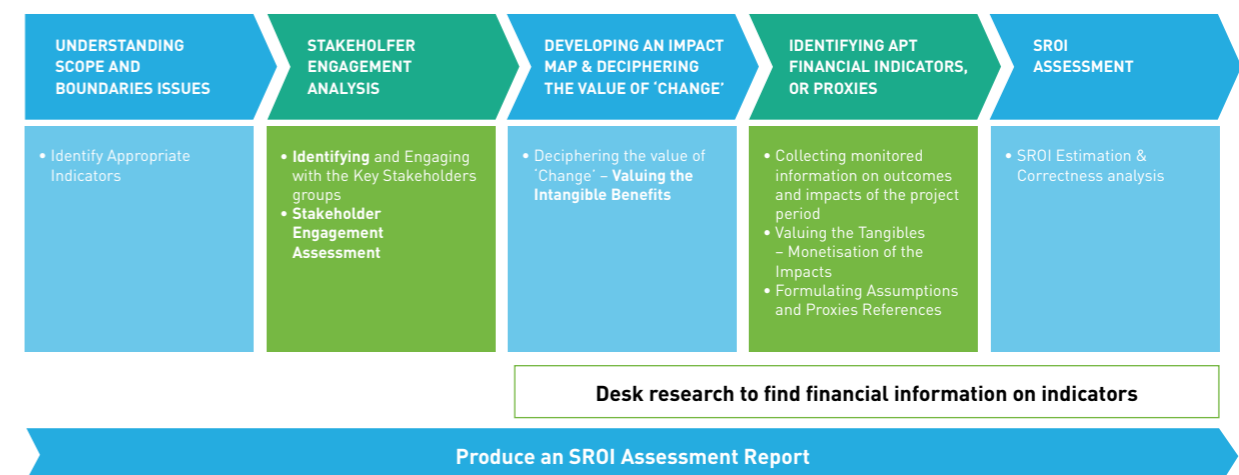
- Total man-days income resulting from project-related works (eg, dam building, tank restoration)
- Overall opportunity cost reduction due to avoided need to fetch water from remote areas
- Additional annual income from selling specific cash crops
- Avoided medication costs during migration, as a result of improved water supplies reducing the need to migrate in search of work
- Potential savings in diesel motor / electricity costs, as a result of improved availability of water nearby.

## TOWARDS A THEORY OF CHANGE

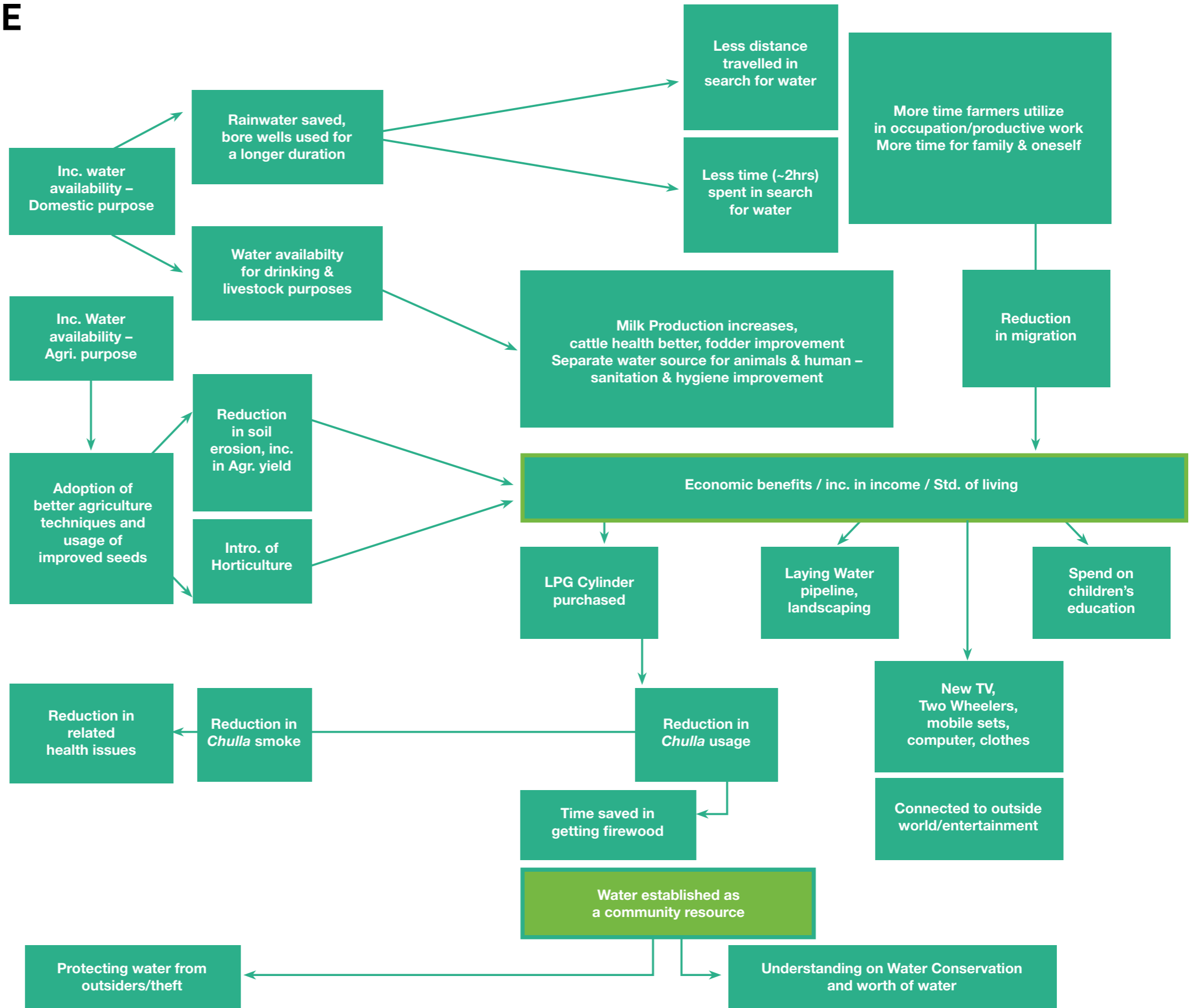
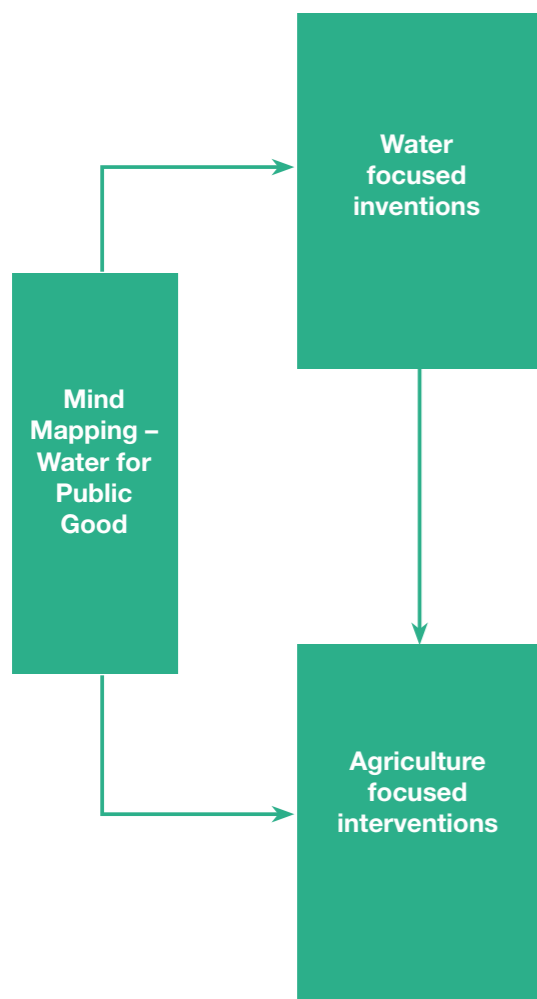
The information gained from the impacted stakeholders helped articulate a Theory of Change (ToC). This is one of the most important steps within the SROI framework, as it illustrates how stakeholders are involved in the project and delves into their perception and belief of how their lives have changed or will change.

The most important task was to test whether the intended outcomes have been achieved, and to attach a value to the social impact generated. All cascading impacts need to be mapped. Such an in-depth analysis of the 'change' helps to make the logic behind involving the beneficiaries at

every stage of the project's development explicit. It represents the belief about causal relationships between certain actions and desired outcomes: an action is done 'so that' an impact will be felt. The diagram below is an example of such a map that has emerged from discussions with communities in the projects.



# WATER: MAPPING THE VALUE OF 'CHANGE'



# STAKEHOLDER IDENTIFIED BENEFITS FROM THE HUF PROJECTS

The SROI captured 21 different benefits from the projects as part of the stakeholder interviews. Some of them are relatively intangible and indirect but they were all mentioned as part of the Deloitte site visit process. The following table gives a range of examples of benefits captured from the various projects.

|   |  |
|---|--|
| <b>Women's Empowerment</b>                  | In the SPESD project in Madhya Pradesh, there's been a clear evolution of Women Self Help Groups. The women get together and discuss family plans, health and hygiene, children's education, and other concerns. The women recognise the positive impacts of the group and say that their awareness levels of the issues discussed has grown significantly.  |
| <b>Education Levels</b>                     | On the MITTRA project in Maharashtra, stakeholders told of children being more motivated to go to school. Among other reasons, the provision of a decent water supply to the school washrooms and toilets.   |
| <b>Impact on Social Life</b>                | Fostering camaraderie is one of the indirect impacts from the formation of village Community Interest Groups. This has meant it is been easier for farmers to find spouses for their children, medical treatment for a family member, or travel a distance to meet relatives. The value of these positive impacts is hard to express in money terms, but of undoubted benefit.   |
| <b>Behavioural Change Value</b>             | In Barsinghve, part of the MITTRA project, the spring development work is done on private land, which indicates that the farmers understand the importance of such water structures and have allowed development on their own land for the benefit of the community at large.  |
| <b>Recreation Value</b>                     | On the SPESD project, children now enjoy spending leisure time at nearby ponds and water bodies in the evenings.   |
| <b>Serenity Value</b>                       | As a result of discussions with the villagers in MYRADA project in Karnataka, they decided to keep greenery intact to reduce soil erosion. This also had the welcome result of enriching the attractiveness and serenity of the village – something the villagers clearly valued.  |
| <b>Ground water level</b>                   | Villagers involved in the MITTRA project recorded a 50% increase in the groundwater level following the construction of check-dams, spring development and other soil and moisture conservation measures. As a result, local wells which once ran dry in February now hold water until May.  |
| <b>Fodder availability</b>                  | The MITTRA project has led to a marked increase in the fodder availability for the livestock.  |
| <b>Improvement in health and hygiene</b>    | A combination of improved water supplies (both in terms of quality and quantity), and training and awareness-raising work, has meant villagers in the MITTRA project have experienced real improvements in their health and hygiene.<br><br>For example, a number of villagers in Sonushi have shifted from cooking on traditional, smoky chulla woodstoves to using LPG, now that their economic situation has improved. In doing so, they free up as much as six hours every day – time that was spent collecting wood, and which can now be used more productively. |
| <b>Increased well-being and healthiness</b> | The MITTRA project has allowed for the introduction of a range of new crops and more effective agricultural practices. That has meant the farmers have started producing enough yield to allow them to increase their own consumption. Families used to consume only around 0.5-1 kg of Niger seed oil; now, thanks to increased production, they have started to consume close to 5kg.  |

|  |  |
|--|--|
| <b>Electricity / power situation</b>                   | Thanks to receiving income from soil and moisture conservation works, some farmers in the MITTRA project have been able to afford to have mains electricity installed for the first time.  |
| <b>Agricultural productivity / yield</b>               | Thanks to the work of SPESD, agricultural productivity in the project area of Madhya Pradesh has increased by two-to-three times. In Garoli, the check dam has enabled the irrigation of around 125 acres of land, and the farmers have now started growing wheat, sarson, peas and other crops during Rabi season. Other villagers are confident that they too will experience similar benefits as time goes on, thanks to increased availability of water, improved seed varieties and better agricultural practices.                      |
| <b>Credibility Bank Loans</b>                          | Community members from the MITTRA project area used to take loans from local co-operative banks, but there were many defaulters. Now, though, as income from farming increases, their prospects of being able to repay loans on time are much improved.  |
| <b>Value of Time</b>                                   | Villagers involved in the MYRADA programme report that they now have more time available for income-generation, and so can see the benefits of it more clearly than before.  |
| <b>Increase in assets</b>                              | On the DSC project, villagers can see that the wider activities of the project will be able to generate other income. Creating bunds and levelling soil will allow additional land to be cultivated. An additional 1,200kg of cultivated kapas will lead to around 800INR in additional income/ household assets each season.  |
| <b>Cascading Impacts</b>                               | There have been lots of secondary benefits across the programme, from increased income for shopkeepers to improvements in housing and in general productivity. For example, in the SPESD project in Madhya Pradesh, there were three villages that were regularly cut off by water runoff. This has been dealt with by the Rupta Cum stop dam. This halts the runoff, conserves water, and has the added benefit of reducing possible road accidents.  |
| <b>Awareness on good agriculture/seeding practices</b> | When the DSC project began in Gujarat, many villagers had little awareness of best farming practices. Now that has changed. A mix of training and exposure visits has built competences in areas such as vermicomposting, drip irrigation, bunding and land leveling, and that in turn has improved cropping patterns and agricultural practices. Other HUF projects have organised farmer visits to learn about watershed models, wheat growing, horticulture, floriculture and poultry. MITTRA villages in particular are benefiting here. |
| <b>Soil Erosion</b>                                    | All the projects showed a reduction in soil erosion due to reduced runoff, and improvement in soil fertility thanks to induced microbial activity.   |
| <b>Drinking water</b>                                  | In the MITTRA project's area, villagers used to see their wells run dry around April, meaning they faced serious shortages in drinking water pre-monsoon. After the construction of check dams, spring development and other initiatives, water availability has now improved during these months, so the risk of going thirsty is much reduced. Some villagers have even been able to purchase water filter purifiers, thanks to income earned on the project work, or from improved harvests.  |
| <b>Cultural and Religious</b>                          | Improved water availability also impacts the cultural dimension. In the villages of Madhya Pradesh, for example, where SPESD is working, the month of Kartik is considered particularly holy, and women from the villages perform puja daily. Due to water shortages, they were having to travel increasing distances to do so. But now, thanks to the stop dam installed at Rampura, they can carry out their religious obligations much closer to home.  |

## CASE STUDY

### TAMIL NADU: CONSERVING AND STORING WATER

The traditional tank system of water storage can be a very effective means of conserving supplies. But in many areas it's fallen into disrepair. Now the Development of Humane Action Foundation (DHAN) is working in partnership with HUF and local communities to revive it, as part of a programme of improving water security and people's livelihoods in the drought-prone Gundar Basin of Tamil Nadu.

The three-year project targets the districts of Madurai, Ramnad, Sivgangai and Virudhunagar. It works in close collaboration with the Vayalagam Tank Association (VTA), and further funds come from NABARD and the communities themselves.

It has already led to a number of innovations, such as the provision of shutters to reduce leakage from sluices, saving water which can be used for crop irrigation, fish and livestock rearing, brick-making, or for domestic purposes. Another innovation is the neerkatti system for water management, in which one person is appointed to oversee the equal distribution of water, ensuring it reaches all the areas needed.

The project has already recorded some striking successes. One such is the village of Marunthur, whose 432 people largely on rain-fed agriculture. The local Kankanendal tank plays a vital role in providing water for people and livestock, as well as crops, but after years of neglect it was leaking and full of silt. So the DHAN Foundation project team worked with the farmers and other users to form a tank restoration association involving 48 villagers. Their work was supported by a grant from HUL, which covered 75% of the cost, and the tank association contributed the remaining 25%. The repair works took just under one month, and the villagers were delighted with the outcome. As one farmer commented: "We have never seen this type of quality work before in my lifetime in our village". As a result, villagers are now able to use the water for washing needs as well as irrigating the fields.

The programme's activities are based on the six values of DHAN: grassroots action, collaboration, enabling, innovation, excellence, and self-regulation. So VTA, for instance,



works with small and marginal farmers to plan and develop water storage facilities. The project involves collaborations between DHAN and various funding and implementation partners, such as the Revenue Department, the Horticulture & Agriculture Department, District Rural Development Agencies, agriculture research institutes, and commercial banks. After a period of three years, the project has restored a number of tanks, increasing water storage capacity, and has also recharged drinking water wells, open wells and bore wells. BHABHA Atomic Research Centre and DHAN Foundation are now undertaking a joint study to explore ground water recharge, and how it relates to tank renovation work. The scope of this project also extends beyond infrastructure and management. They are looking to ensure a sustainable future for the communities through crop insurance and life insurance schemes, by enabling micro credit lines for the farmers, and training for agricultural and livestock development.

#### COMMUNITY FEEDBACK

Thanks to the tank restoration, farmers have more water for irrigation, so many have moved from single cropping to double cropping, and have brought fallow land into cultivation. This was the experience of Mr Ayyadurai, a 51-year-old farmer working with the VTA: "I am happy because I got 60 bags of paddy in my 2.5 acres land in this year. In the last 10 years, due to insufficient water in the tank, I had cultivated the paddy in 1.5 acres only; the remaining acre was occupied by jungle."

#### PIA FEEDBACK

The completed tanks have provided an additional 21.42 million cubic metres of water storage capacity. The project has also helped generate employment and reduced migration in Ramanathapuram and Virudhunagar districts. It has appointed water managers to ensure efficient and equitable use of this scarce resource, and it has brought back wasteland into cultivation. It also succeeded in reclaiming vital water bodies like supply channels and tank beds from unauthorised occupation. This was achieved through a careful, systematic process with the support and cooperation of the government's revenue administration. - M P Vasimalai, Executive Director, DHAN Foundation.



**DHAN Foundation** is a professional development organisation with its headquarters in Madurai, Tamil Nadu.

# LESSONS FOR THE FUTURE

HUF is on a journey to create positive change. While we are proud of our efforts, we recognise that these are still early days. We want to learn from our work in water, to inform our future strategies and action. Here are some of the lessons we are reflecting upon:

- 1. Demand is as important as supply.** Water in India will continue to be mainly applied in agriculture, with obvious implications for food security. It's clear that the successful management of any resource, including water, is critically linked to its principal end use. So we found that it is vital to address the demand for water, as well as the supply.
- 2. Democratisation of water is key.** We have not yet been able to establish whether our work to build water availability and community-led structures for management have led to its democratic and sustainable use.
- 3. Water 'commons' are a vital part of the picture.** Resource management recognizes the public nature of water, as a 'commons' in both its availability and ownership. Our work to date has shown that we need to pay greater attention to water commons: in most rain-fed areas, this is a crucial piece of the hydrological cycle. We have now initiated a project with Foundation for Ecological Security with this focus.
- 4. Investing in wider society is crucial.** Beyond taking responsibility for water in their value chains, companies must explore how best to invest in communities with a long-term relevance to their business. So for instance, we need to develop a better understanding of water and its relationship with supply crops such as sugarcane.
- 5. Local response to investment is key – and that demands patience.** This begins with the creation of partnerships, and the cultivation of respect for the small actions they can take. Because we believe that governance is crucial to water management, we work with PIAs that promote community-led action. However, this can lead to delays in agreed outcomes and outputs, and challenges in managing our funds.
- 6. We need to ensure value for money – and for communities.** As a fully owned subsidiary of HUL, there is a strong focus on communicating our results to stakeholders and keeping overheads under check. We would also like to be assured that the communities, for whom the investments are made, see value in the projects. This is why we have sought independent third party assurance from Deloitte, and adopted the Social Return on Investment methodology, which captures community views and voices.
- 7. We need to create a body of knowledge which will be of widespread practical use.** One of the reasons for us working in partnership with multiple funders and NGOs is that our projects should represent the plurality of water demand and supply issues across a range of different croplands and associated livelihoods. Throughout, we look for opportunities to 'plug in' where the potential clearly exists for water use to be improved. In so doing, we hope to build a body of knowledge that will be useful in policy processes.

# REFLECTIONS FROM A CRITICAL FRIEND



Hindustan Unilever Foundation has sought critical feedback on its approach from the international sustainability non-profit, Forum for the Future. Here are some reflections from Stephanie Draper, Deputy Chief Executive and an expert on system innovation.

By working in partnership they are able to involve all the key stakeholders and also generate local solutions to these challenges that are more effective. At Forum we have seen that such collaborations generate deeper solutions – partly because they bring in the human dimension – so real needs are met and people see the value of managing their water catchments. There are challenges of course: partnerships take time and it is important to get the alignment right. But the resulting outputs are richer than any produced in haste.

So the partnerships create the solutions that can be taken to scale. HUF have three key tools at their disposal to accelerate this. Firstly, the direct learning from the partnership pilots provides insights that can help to replicate the work in other places. Secondly, the impressive SROI process, which can be used to make the case for wider investment in community-led watershed development across India – and so increase the reach of HUF's work. As this model evolves there is potential to promote it as a focus for new interventions, either by HUF or independent bodies, and as a way to demonstrate the value of the work being done – something that is always challenging on big transformational projects. HUF can also capitalise on the networks and communications they are create to promote their work.

In the future, we at Forum are keen to see HUF make more of the systemic approach they are taking. They need to make sure that all the work they are doing adds up to more than the sum of its parts, they also need to ensure they are really learning from their approaches and adapting accordingly. It would also be good to ensure that the work of HUF links back to the wider business interests of Hindustan Unilever as a whole. Which is, of course, where water consumption by consumers comes in. By engaging its customers in this goal, Unilever can help create a complete cycle of change: an apt conclusion for any water initiative!

At Forum for the Future we bring together business, governments and foundations to generate smart, effective solutions to intractable problems that are too difficult for one organisation to tackle on their own: a process we call system innovation. We focus our work on interventions in two key areas: energy and food, in both of which – water availability and use plays a vital role.

Water in India is one of those intractable problems that clearly needs a systemic solution. This means assessing the situation in each locality and working out where the change is needed. It means working in partnership with others to innovate new solutions, and it requires a multi-faceted approach which combines and learns from different activities to reach scale.

In this report, HUF is outlining just such a strategy. Water for Public Good is about reframing the water system so that it enables equitable and resilient communities, which is a big shift from the status quo. Firstly, HUF have identified four areas for action – democratisation of water management, conservation and storage, community involvement and ownership and a link to enhanced agricultural production. Their diagnosis is that by addressing these areas together, they can unlock wider change in the system.

