

Intermediation in the replication of RUDI

Introduction

In 2004, SEWA in Gujarat established the Rural Urban Distribution Initiative (RUDI), one of its most successful enterprises. RUDI integrates the agricultural value chain, connecting local producers with local consumers to generate employment opportunities for women and retain wealth within rural communities. Women process agricultural raw materials at processing centres (PCs) to make pulses and spices, which other women known as RUDIbens promote and sell to consumers.

The promise of the RUDI model led to substantial collaboration for scale and interest in replication in new contexts. In 2014, IMAGO Global Grassroots partnered with SEWA to enhance the sustainability of RUDI and its pathway to scale within Gujarat. As of 2019, RUDI had reached 4,400 RUDIbens. In 2021, with support from 3ie's Swashakt programme, IMAGO extended its collaboration with SEWA to transfer and adapt the RUDI model for at-scale expansion, beyond Gujarat, via State Rural Livelihood Mission (NRLM) platforms.

IMAGO's adaptation of RUDI for SRLMs provides a unique case to study how intermediation can support the scale-up of a social enterprise model, through the medium of replication. In their paper titled "The Broken Part of the Business Model in Taking Development Outcomes to Scale," Larry Cooley and Isabel Guerrero define **intermediation** as *support provided to innovative social programmes to overcome obstacles to scale*. They describe how innovations in the social sector often lack access to intermediary support for scaling due to market incentives. They refer to this gap between the support needed and support usually received as the "missing middle."

IMAGO serves as the crucial link in expanding RUDI, filling the "missing middle." It acts as an intermediary for SRLMs, through both facilitation of strategic planning and development of a proof of concept for the adapted model. RUDI's pathway to expansion is an example of **replication**, which Cooley and Guerrero define as the *scaling of a particular process, technology, or approach via adoption by other entities, including public sector organisations*. Thus, the replication process necessitates that IMAGO's intermediary role promotes sustained ownership and effective implementation of the model by SRLM stakeholders.

To inform the pathway to scale, IMAGO and 3ie collaborated with IDinsight to conduct a process evaluation study of the two pilot centres in MP and UP. This evaluation aimed to guide operational enhancements and scale-up efforts for the adapted RUDI model. Through interviews with IMAGO staff, the evaluation also shed light on IMAGO's intermediation. In this document, the research team provides a synopsis of how IMAGO approached intermediation, the pivotal role of their intermediation in facilitating replication of the RUDI model, and forward-looking considerations on sustainability.

Strategic Planning and Coordination with Stakeholders

Cooley and Guerrero describe convening and coordinating stakeholders as a critical step to the scaling of a programme, as it facilitates the generation of a shared vision and plan among the key members involved. In the early stages of the program, IMAGO ensured convening of a wide range of stakeholders, ranging from PC teams and CLF members to SRLM officials at block, district, and state levels. This convening contributed to several enabling conditions for scale:

- **Alignment on objectives and programme buy-in:** Before the set-up phase, IMAGO and SEWA worked with SRLM officials to refine RUDI's goals in NRLM's context. The process required sourcing input from stakeholders at the block, district, and state levels. This early coordination ensured broad alignment on programme objectives and subsequently built buy-in for the programme. In interviews, SRLM officials expressed excitement about Unnat/i specifically because of the alignment with the economic and social aims of SRLM.
- **Efficiency of operations and strategic revision:** During and after the set-up phase, IMAGO has engaged regularly with an even wider range of stakeholders to ensure smooth operations and refine strategic plans. Regular consultation with PC teams has revealed how different team members need more support. Visits by CLF leaders have drawn more attention to the profit margins of Unnat/i Didis. Consultation with SRLM officials has spurred enterprise savings. For example, the programme managed to save a key expense at the Madhya Pradesh processing centre by capitalising on government-owned infrastructure, which required no rent payments. Moreover, through government linkages, the state's Ladoo-making unit seamlessly integrated with the enterprise and became a key consumer of Unnat/i's products. The government also raised awareness about Unnat/i, which may have contributed to sales.

Developing Proof-of-Concept of Adapted Model

To ensure the success of RUDI's replication within the NRLM infrastructure, IMAGO supported initiating two pilot processing centres – one in MP and one in UP. These pilot centres provided IMAGO the opportunity to learn about the unique SRLM contexts actively, support early operations, and make modifications to the RUDI programme design as required. Major examples of these modifications include the following:

- **Drafting strategic criteria for selection of blocks, CLFs, and processing centre locations for Unnat/i:** IMAGO framed the block selection criteria on the sufficiency of SRLM staff and level of business acumen among SHG women, indicated by the status of women-run enterprises in that block. IMAGO limited CLF selection to model CLFs, given their financial stability and likely adherence to compliance rules. IMAGO, SEWA, and SRLM officials selected the processing centre locations based on their proximity to main roads and markets. The stakeholders also considered operational feasibility and government priorities.
- **Hiring of SHG members as programme beneficiaries:** Unlike RUDI, which does not restrict hiring exclusively from SHG members, Unnat/i strategically narrows its recruitment scope to SHG members to meet SRLM's goals. Unnat/i's recruitment process relies on the SHG network and Community Resource Persons (CRPs) to mobilise SHG women for the Unnat/i Didi recruitment.
- **Assigning programme ownership to Cluster-level Federations:** In the Unnat/i model, members of CLFs own Unnat/i, not members of district associations within SEWA. CLFs serve as the apex community-led institutions within NRLM, encompassing all village-level organizations and self-help groups within the cluster. Hence, IMAGO focuses heavily on equipping the CLFs – and, less intensively, SRLM officials – to govern the programme effectively.
- **Redefining the role of master trainers and Unnat/i Didi recruitment process:** An IMAGO/SEWA respondent from Unnat/i process evaluation's data collection shared that the RUDI programme hires master trainers from the broader community who recruit and train RUDIBens – the counterparts to Unnat/i Didis who serve as sales representatives for the enterprise. In Unnat/i, Unnat/i Didis with the highest sales become master

trainers, and master trainers focus solely on providing ongoing support rather than training. While RUDI assigns a master trainer to train and oversee the progress of 40 RUDIbens, Unnat/i assigns a master trainer to support 5-15 Unnat/i Didis. The payment structure also differs, as master trainers in RUDI receive a fixed salary. Master trainers in Unnat/i receive 300-325 INR per day for up to five days of work and a 10% commission on sales by Unnat/i Didis.

- **Redistribution of Unnat/i Didis across potential consumers:** An IMAGO/SEWA respondent during Unnat/i's process evaluation shared that in RUDI, the programme leadership distributes RUDIbens across a designated number of households, complemented by efficient mapping of sales routes to reach these households. They added that, in contrast, Unnat/i's programme leadership focuses on deploying one Unnat/i Didi per village to optimise market size.
- **Developing specialised training modules for the PC team:** In addition to adapting RUDI's technical and soft skills training modules, IMAGO and SEWA developed specialised training based on the observed skill gaps in the PC teams. The modified training package from RUDI contains 8-9 modules covering costing, pricing, procurement, Enterprise Resource Planning (ERP) portal, customer feedback, and soft skills such as communication, conflict resolution and interpersonal skills. According to a few PC team members, IMAGO and SEWA frequently hired specialised trainers to provide additional training. A Chartered Accountant also did frequent quality checks on the MIS data to identify errors.

Ensuring Sustainability at Scale

The Process Evaluation findings highlight the strong operational performance of the pilot centres. Factors such as clearly defined responsibilities within the PC teams, intensive and customised training, responsiveness to market factors, and support from SRLM stakeholders, have enabled the smooth functioning of Unnat/i centres. Along with smooth functioning, stakeholders across all groups expressed excitement about the programme in interviews. Unnat/i Didis reported positive social experiences, and SRLM officials signalled their eagerness to take the programme forward.

From adapting the RUDI model to preparing for expansion, IMAGO's active involvement in the processing centres has contributed directly to these conditions for scale. At the same time, the findings highlight the need to build the sustainability of the model, both with regards to **financial viability** – in terms of enterprise profitability and income gain to Unnat/i Didis – and the **capacity of CLF leaders and PC team members** to independently manage Unnat/i after the pilot phase.

Since the process evaluation, IMAGO has secured a commitment from MPSRLM to invest in developing additional processing centres, and officials in Jharkhand have expressed similar interest. These developments validate the strategic importance of early investment in planning for scale. They also highlight the need for IMAGO to revisit their intermediation strategy, as the model expands to more units across geographies. IMAGO may need to explore how to codify the learnings of pilot centres for easy replication in new centres; how to facilitate efficiencies and cross-learning across multiple units; and how to empower greater independence.

Note: This document is by no means a comprehensive testament to IMAGO's intermediation. The process evaluation primarily focused operational fidelity and sustainability, rather than an in-depth exploration of how intermediation specifically contributed to scale-up. From discussions in interviews, we assembled a broad

commentary of IMAGO's role, sharing high-level insights. For a thorough and precise analysis of the pathways to scale and the impact of IMAGO, a dedicated research design with a more comprehensive scope would have been required.