



Exploring Auroville's Capacity to Flourish

Final project report - September 2021

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BACKGROUND

What was the purpose of the project?

The project was a short term research study to explore what is needed for Auroville's learnings and best practices to become more broadly accessible to the wider world and create positive change.

Specifically it considered:

- what solutions Auroville has to offer to global problems and what best practices of Auroville can be replicated/scaled up to have a positive impact on the world at large
- whether there are any Auroville projects (units/activities) that are ready to grow and scale up/have a bigger reach, and bring their unique learnings and best practices to the wider world
- what is currently holding projects back and how these barriers can be overcome; and
- what a model to support the flourishing of Auroville's projects might look like.

Who is the research for and how will the results be used?

The research was funded through AVI USA by a donor who is interested to develop a model to help Auroville projects flourish and have a positive impact on the world.

The donor is interested in understanding if there are projects in Auroville that have potential to address global issues (especially but not limited to environmental sustainability and social development fields).

Through this research the potential funder hopes to understand how a model could be designed to support projects in Auroville to flourish and also to map potential Auroville projects which have the capacity and ability to scale up and create positive change in the world.

The results are intended to be shared with the project funder and also with Auroville. It is hoped that the results will provide useful information for Auroville's projects and those supporting them to better understand the potential and capacity for scaling and the type of support needed to make this happen.

Who undertook the research?

The research was conducted through SAIER's Research Platform, by Helen Eveleigh and Manjula Arumugam.

Helen Eveleigh moved to Auroville in 2018 having worked in the UK and Australia as a researcher, policy advisor, project manager, and trainer. Her work focused on the development of sustainable communities, climate change and well-being (at both individual and societal levels). A key project she led for the UK government explored the financial

mechanisms, capacity building support and policies needed to help local communities reduce carbon emissions in a way that maximises social, economic and environmental benefits at a neighbourhood level.

Helen holds a masters degree in Urban Regeneration from University of Westminster (London), a bachelor's degree in Social Policy from Goldsmiths' College (University of London) and is a qualified trainer.

As a new and curious Aurovilian Helen was interested to undertake this work to gain a deep insight into the challenges being faced by Auroville's projects, the learnings from previous work and what is needed to support Auroville going forward.

Manjula Arumugam is an ecologist, researcher and project manager who holds a master's degree (in human ecology) from Vrije Universiteit Brussels (VUB), Belgium. She grew up in Auroville and has experience working in many of its units/services (Pitchandikulam Forest Consultants, Auroville Consulting, Last school, EcoPro). Her past works involved her researching and managing projects focused on applied eco-restoration and conservation in Auroville, Tamil Nadu (Siruseri, Chennai) and outside India (i.e Senegal, Malaysia).

As a youth who grew up in Auroville, Manjula was always inspired and driven by the positive impact Auroville was creating through its work and experimentation and how it has potential to create a bigger/wider positive impact and be a good example for the world. She was keen to explore through this project how this could be better enabled.

The research team was supported by the wider AVI USA project team (Matthew and Binah) and an advisory group of Aurovilians who provided input throughout.

Suryamayi Clarence-Smith provided valuable mentoring support to the research team on behalf of SAIER's research platform.

In addition, Lakshmi Venugopal provided support on questionnaire design, Aditi Rosegger provided support on ethics, Sara Sponza provided administration support and Bhakti Mills supported the team with logo design.

WHAT DID WE DO?

Phase 1 - Understanding the context & parameters

Understanding Auroville's potential

To understand the issues facing humanity we reviewed global indicators (including Sustainable Development Goals and Gross National Happiness). From this we developed a set of indicators/criteria we could use for this project - to determine which projects (units/activities) would be within the scope of this study. We also considered what attributes projects would need to have potential to scale. The set of criteria/indicators used can be found in **annex A**.

We then undertook a desk based review of Auroville projects to understand which were contributing to one or more of these indicators. This utilised information in the public domain, such as SAVI website, Auroville.org and individual project websites.

We also reviewed statements made by notable individuals and institutions on Auroville (Ratan Tata, Modi, Unesco etc) and included a few questions in the interview to help understand what made Auroville and Auroville projects different, and to identify where Auroville's learnings and best practices are already flowing into the world.

Learning from the past

During this phase we met with 16 Aurovillians to gain background on the general issues surrounding Auroville's economy. This helped us to identify and reflect on previous research undertaken, previous initiatives and current issues that may be of interest for this research project.

Designing the survey/interview questionnaire

Toward the end of this phase, the questionnaire for the detailed interviews was drafted and reviewed by the wider advisory group. Inputs were also sought on how best to capture/record the data and ensure it aligned with research ethics.

Phase 2 - Exploring what's needed (data capture & initial analysis)

In Phase 1 we identified over 50 projects which contributed to one or more of the identified criteria. **Note that throughout this report the term 'project' is used to refer to either a 'unit' or 'activity', both of which are terms for official entities established under the Auroville Foundation.**

We chose to reduce the number of project interviews slightly to ensure that we would be able to fit the interviews into the project timeframe. We did this by taking a representative sample set of some common project types (i.e farms/ hospitality). As a result we undertook detailed interviews with 44 projects.

Most of the 44 projects we identified were income generating projects. This means they generate income for the city through sales of goods or services to those within and beyond Auroville. However, Auroville also has a number of 'service units' which have developed

models to primarily serve the needs of Auroville. We additionally met with a few of these whom we felt have potential to be replicated at scale beyond Auroville and the bio-region, creating a bigger positive impact through wider application of their learnings and best practices.

And finally, we also undertook shorter interviews with a few additional projects to check for consistency in the themes. This included wider samples sets of common project types (hospitality, handicrafts etc) and some Auroville projects who do not have clearly stated social/environmental goals. The intention was to help us understand the extent to which they face similar approaches and issues regarding scaling and growth¹.

All in all we spoke to 55 projects in this phase.

Basic analysis of the responses was undertaken to identify key themes, gaps and next steps. A summary of this analysis can be found in **annex B**.

Phase 3 - In depth analysis and ideation

The purpose of this phase was to undertake thorough review and analysis of the data captured, identify key themes and undertake follow up research as needed to ensure we had full understanding to be able to make recommendations of how Auroville's projects could be supported to scale and flourish.

There were a number of specific issues arising from the research, such as investment models that had been explored in Auroville previously, the potential for multiple Auroville PANs² and previous/current capacity building support. We explored these issues in several ways:

Desk Based Research

- Analysis of existing global social impact investment models and technical assistance/capacity building programs provided.
- Research on global approaches to retention & succession planning to build understanding within the team.

Follow up with projects

We reviewed projects surveyed to shortlist those with the motivation and potential to scale and have a positive impact in the near future if they receive funds and/or capacity building.

We then undertook follow up interviews with 7 projects to explore in more detail the type of support that is needed for these to scale up to provide solutions to global social and environmental issues.

¹ To note that the term scaling in this report refers to a range of approaches which could include (but is not limited to) increasing production, exploring new projects, training others to deliver, setting up partnerships to increase reach, and franchising their model. We also often use the term 'growth' to cover more generic growth of units, which is potentially - but not always - smaller and more gradual.

² PAN is the Permanent Account Number issued to organisations and individuals by the Government of India's Income Tax Department.

Follow up meetings with individuals or groups

We also undertook several meetings with individuals/groups during this phase. These included those who have relevant experience to discuss specific issues identified in previous phases and those who have an understanding of the support currently available to projects and individuals in Auroville.

We also presented the interim research findings to Auroville's Funds and Assets Management Committee (FAMC) along with ideas for next steps.

Focus group discussions

We scheduled 4 focus group discussions to explore critical issues of funding and technical support/capacity building with those in Auroville and beyond who have experience and knowledge in these areas. Whilst two of these went ahead as planned it was decided to have smaller groups (or in some cases individual discussions) with two of the focus groups due to diary commitments.

Phase 4 - Program Design

During this phase we reviewed the outputs from the focus groups and developed a potential model of what support would be possible given the legal and fiscal constraints and on-ground realities.

We then shared the potential model - or elements of this - with several of the individuals who had participated in the focus groups for their feedback. This feedback was then used to develop and incorporate the final recommendations into an ideal model.

We also continued to map and meet with potential collaborators who could assist in the implementation.

Phase 5 & 6 - Close out and community learning

Six films were completed - a documentary detailing the research process and individual films for 5 projects (Aureka, Eco Femme, Hemplanet, MGEcoduties and Tree Care). These were intended to celebrate the hard work of the projects and showcase Auroville's potential to create positive social/environmental change in the world.

A community showing of the films with a presentation on the project was held on 23rd September 2021 at Unity Pavilion.

To note that over the course of the project we spoke with over 100 people (many of them several times) - through meetings, interviews and focus group discussions. The list of those we spoke with can be found in **annex C**.

We would like to thank all those we spoke with in the course of undertaking this research for their time, energies, insights and support. All inputs have been deeply appreciated.

WHAT DID WE FIND?

What solutions does Auroville have to offer to global problems and what best practices of Auroville can be replicated/scaled up to have a positive impact on the world at large?

What is different about Auroville's approach? Why does it have potential to create positive change in the world?

At the outset it should be noted that Auroville is a small collection of people from across the world with a massive vision - to become the city the world needs. It aims to inspire a change in consciousness by demonstrating what is possible. It aspires to be a hub for the emergence of new approaches, embodying new ways of living which will help to shift the consciousness of humanity as a whole. This is an immense task for a 'city' of just over 3,000 people.

Whilst Auroville is first and foremostly an experiment in human unity, the needs of building a city and the physical, social, cultural and economic structures to support its inhabitants have led to many practical experiments. Many of these experiments were guided by the Mother's Dream and Auroville's Charter³ which set out Auroville's role to create a new way of living. Over the years these experiments have led to local solutions in diverse fields, some of which have the potential to be applied, adapted or replicated anywhere in the world.

Whilst the scale of the city remains small, people around the world continue to look to Auroville as a live laboratory for humanity, as a site for material and spiritual research. They hope it can serve as a platform for finding solutions or good practices that have potential to benefit the entire world and help bring a change in global consciousness.

Below are a few of the perspectives on Auroville's potential which we identified in our desk-based research. More perspectives (and full references for the quotes below) are included in **Annex D**.

The Mother

"I want to insist on the fact that this [Auroville] will be a place for making experiments. It is for making experiments, researches, studies...."

Auroville Foundation

'Today, Auroville is recognised as an international living experiment in Human Unity, endorsed by the UNESCO and supported by the Government of India. It is also a centre for applied research in environmentally sustainable living practices, experimenting new system of education, social research and cultural activities'

³ 'The Mother' refers to Mirra Alfassa, who was the founder of Auroville. She created the Auroville Charter consisting of four main ideas which underpinned her vision for Auroville (<https://auroville.org/contents/1>). This followed from her earlier description of an ideal society in The Dream (<https://auroville.org/contents/197>).

PM Narendra Modi

“Over the last five decades, [Auroville] has emerged as a hub of social, cultural, educational, economic and spiritual innovation...

The progress of humanity calls for continuous thinking and re-thinking, so that the human mind does not become frozen into one idea. Be it unending education, environment regeneration, renewable energy, organic agriculture, appropriate building technologies, water management, or waste management. Auroville has been a pioneer...

May Auroville continue to come up with ideas to empower the ordinary citizens of this country. May people from far and wide bring with them new ideas. May Auroville become the centre where these ideas are synthesized. May Auroville serve as a beacon to the world.”

J.R.D Tata

“In this rampaging world, Auroville could be a sort of model, a hope, as you are pioneering a new way of organisation, a new way of life... Auroville is not just an idea. It is the future, the future of the world”.

What are the perspectives from within Auroville?

In our survey we also asked the project holders ‘*What is different about Auroville’s approach and why this has the potential to create positive change in the world?*’ Their responses are summarised below:

- Many of those we spoke with saw that Auroville has strong potential to be a testing ground for new ideas - especially those which are complex and require an integral, multiperspective, systems based approach. Whilst Auroville is not unique, its size and diversity mean it is possible to easily connect many different spheres (energy, economy, built form etc.) and test and prototype ideas. It is also seen as welcoming of new, innovative, radical ideas.
- The synthesis of different cultures and nationalities means that it is easier for global ideas to land and synthesize in Auroville. These new/global ideas can then be explored in detail to understand the relevance and application for the Tamil/Indian context. Many projects bring together global ideas with local craftspeople to create new forms. With so many different nationalities residing in Auroville it can also be easier to understand the potential for wider application. Input from non-Indians can also bring a wider perspective and international contacts.
- Many felt that the Auroville philosophy, values and ethics were the main difference they offered to the world - and that these are demonstrated in the way they (both as individuals and projects) interact with clients, partners and customers on a daily basis. Some felt this had inspired positive change in others, especially where they work closely with long-term, strategic partners.
- Several projects are strongly driven by the Mother’s words - to create human unity, food and products which do not pollute the earth, and the need to find new forms (such as music) to manifest the new consciousness. They also look to apply

consciousness to every aspect of their work (from relations with suppliers, through staff/team to their customers/clients).

- Some also felt that Auroville's structure of non-ownership creates a different relationship to work from the outside world where there is space to look deeper into the work itself and what is needed by the world (rather than by shareholders).
- Auroville was also seen as having the potential to inspire others that another way of working is possible. That it is possible to work on something you are passionate about, from a place of creativity and joy - having fun whilst working to serve the divine.

What are the key environmental and social issues in the world?

The research project was tasked to identify potential solutions to global challenges (environmental and social). Given the complex and interrelated nature of many of the challenges facing the world it can be hard to break these down into categories. However we felt this would be necessary to identify the issues in order to understand where Auroville can have real impact. **Annex A** details how we arrived at the following criteria:

- Climate change - adaptation and mitigation
- Food security & sustainable agriculture
- Water security
- Health - physical and mental
- Education
- Protection & renewal of ecosystems
- Responsible production & consumption
- Reduced inequalities - gender, racism, poverty etc
- Human unity, collaboration & peace

Where can Auroville offer solutions for these? And where are Auroville's learnings already flowing into the world?

Auroville's journey over its first 50 years to survive, progress and discover new approaches to living have led the community to experiment in many areas of life. These discoveries were often driven by the immediate needs of the community, coupled with a curiosity to explore new approaches which 'bridge between the past and the future'.

The land on which Auroville sits was once deemed 'unfit for human habitation' by research undertaken for UNESCO in 1960, so the first priority of the pioneers was to find ways to bring life back to the barren plateau in order to get protection from the scorching sun and access to water.

This rejuvenation/restoration work involved reforesting the land to create shade. Alongside this rainwater harvesting ponds, dams and other structures were formed to capture and store rainwater on land and control the top soil erosion (running off into the ocean). Over the years this work enabled Auroville to achieve an ecological balance in its environment. Through their trials and errors this real life practice also led to many pioneers becoming "experts" in environmental restoration works.

However it is not just land reclamation and reforestation work that Auroville has gained national and international acclaim for. Other areas in which Auroville has experimented include appropriate technology, renewable energy, water management, waste management, seed banks, alternative education, environmental education, low-cost environmental housing, traditional medicine, alternative healing practices and sustainable fashion.

Some of this work has been truly innovative and Auroville has been a pioneer in many diverse fields in India - from organic farming and probiotics to the effects of vibrations on consciousness and matter (through both Aquadyn's work on water and Svaram's work on sound).

Many of the markets in which Auroville was a pioneer have since scaled massively beyond Auroville's early experiments. An example of this is solar. Auroville's solar experiments began in the 1970s and included development of one of the largest solar collectors in the world (in Solar Kitchen), and at one point Auroville's Matrimandir had India's largest solar installation. Whilst Auroville continues to be active and influential in this field through projects such as Sunlit Future, Auroville Energy Products and Auroville Consulting (who use their expertise to advise policy makers across India on solar) they have since been eclipsed by the emergence of major, multi-national players in the Indian and global market.

Likewise Auroville was an early pioneer in the computing field, with Aurelec developing one of India's earliest micro-computers and bringing Local Area Network to India. Again whilst these early technologies have long since been eclipsed, Auroville remains active in this field, undertaking experiments and exploring new approaches through projects such as Cynergy, Aurinoco, C3Stream/Stemland and Talam.

Over its lifetime Auroville projects have won many national and international awards in a range of areas⁴. Auroville's Earth Institute alone has won 15 awards and is the representative and resource centre for Asia of the UNESCO Chair Earthen Architecture, Constructive Cultures and Sustainable Development.

But Auroville is not just about creating alternative products - it is as much about how work is undertaken as a service and how these values are communicated. This conscious approach to business is of growing interest globally, and case studies of Auroville projects have been produced by Harvard Business Review and others⁵ to help people learn from their approach.

From our survey we found that there are many ways in which Auroville's learnings and best practices are currently flowing into the world. These include:

- Projects who have formed strategic partnerships, enabling them to have a much bigger reach (i.e. MGEcoduties and Botanical Gardens).
- Projects who have created partner networks to cascade their work to a much wider audience (i.e. Eco Femme, Wasteless)
- Projects who have replicated their model, providing training and support to other teams in India and globally to enable them to recreate their operations (i.e. Sadhana Forest, Treehouse Community, Wellpaper)

⁴ <https://auroville.org/contents/884>

⁵ <https://hbsp.harvard.edu/product/W20917-PDF-ENG> and <https://www.thecasecentre.org/products/view?id=171826>

- Projects who are undertaking research and sharing their learnings through training programs and networks (i.e. Auroville Earth Institute, Svaram, MeDiclown, Tree Care).
- Projects providing consultation on projects outside of Auroville (i.e Auroville Centre for Scientific Research, Pitchandikulam Forest Consultants, Auroville Consulting)

Despite this good work it is clear that there is much potential to do more. We were therefore keen to discover whether any of Auroville's projects are interested to scale up and, if so, what is needed to support and enable this.

Are there any Auroville projects (units/activities) that are ready to scale up/ have a bigger reach, and bring their unique learnings to the wider world?

Our survey found that in terms of motivation most of the projects we spoke to (68.1%) are looking to scale (albeit that of this, 2 projects are 'tentative'). Generally even those who are already having a positive impact beyond Auroville and the bio-region have potential and appetite to do more.

A few projects were not interested to scale up, which was largely due to health/energy/age of the executive team or an organic approach to their operations.

There are however a number of barriers which are preventing these projects from scaling, which range from smaller issues that could be addressed fairly easily, to larger strategic, structural or entrenched issues. Lack of skills and business acumen seemed to hinder some teams but in many cases we felt there was good potential to strengthen existing teams by developing team members or bringing in additional support.

Very few projects were interested in scaling up production **onsite**. Reasons for this included not wanting to spend all their time/energy managing staff and not wanting to take on the liabilities associated with becoming a large mass producing unit. However most were happy to outsource production to the bioregion.

How has growth of Auroville's projects been supported/ enabled in the past? What has worked? What has been problematic?

In general Auroville's projects have not received much formal support or guidance to help them establish and grow. Key sources of support were:

- **Trusts** - Trusts provide legal umbrellas for Auroville's commercial and service units. They are responsible for proper management of funds of Auroville units and for ensuring that units comply with legal and fiscal requirements. From our research we found that whilst some units noted that their Trusts provide effective support and handholding, others noted that theirs provided minimal support.
- **Auroville Board of Commerce (ABC)** - The ABC is composed of all commercial unit executives and trustees of all commercial trusts. It was set up to represent, promote, develop and assist all Auroville commercial units/activities. It was intended to deal with issues affecting Auroville's income-generating units and to help take administrative decisions and formulate policies to aid commercial units and support Auroville's economy. Whilst several projects noted that it had been helpful for them previously, it was noted that its functions have changed over the recent years and it seems it is currently limited in operations (mainly providing advice for new projects on which Trust to set up under and processing loans).
- **Integral Entrepreneurship Lab (IEL)** - this group emerged following the Auroville Retreat. They have provided projects with support on succession planning and strategic business support. They also worked with YouthLink to develop a guidance pack for new projects, however it is not widely known/circulated.

- **Unltd Tamil Nadu** - this organisation was run from Auroville in partnership with Unltd India for several years and focused on supporting start-ups. A few projects had received initial support on ideas/business planning etc during incubation, however it is no longer in operation.
- **Informal advice/support from other Aurovilians** - this often took the form of informal mentoring from those (usually within their social circle) who have experience of running a project.
- **Structured advice/support from other Aurovilians** - a few projects had gained input from other Aurovilians through more structured support, such as ongoing business coaching or strategic/planning workshops to address specific issues.
- **External strategic support** - one project had received significant strategic support from an external NGO which has enabled them to develop globally recognised business models.

In addition it was noted that some of those offering skills/programs (both externally and within Auroville) failed to understand the different needs and values of Auroville and its aspiration to create a different economic paradigm. It was also felt that some programs had relied too much on standard models and practices, without taking time to explore the needs and values of the individual projects and their teams.

What are the existing routes for financing growth that are open to Auroville's projects? What are the issues with these?

Options to finance growth are limited in Auroville due to the inability of Auroville projects to accept external investment (and due to lack of internally set up sustainable funding /investment models). This prevents projects from seeking traditional forms of investment (ie Joint Venture capital) which normally play a large role in funding start-ups and accelerating growth/scaling of mature organisations. This lack of flexible funding impacts the potential of mature businesses to expand as well as limiting options for start-ups.

Existing finance routes for Auroville projects include:

- **Self-funding (personal funds)** - many of the projects we spoke with had used their own funds to establish the project and many continue to loan their projects funds from their personal finance.
- **Self-funding (from project reserves)** - some more established projects have built up sufficient reserves to fund growth/scaling. However a couple of these noted that they do not have the skills/experience to manage the risk and they also did not feel they had a safety net in Auroville. Because of this they would probably play it safe rather than risk losing these funds.

It should also be noted that many of the projects we spoke with who had reserves in early 2021 saw them shrink significantly with the ongoing impact of Covid.

- **Personal loans** - some projects had taken loans from friends, family, Aurovilians or other Auroville projects.

- **Auroville loan** - whilst Auroville offers a loan fund to existing projects (through ABC) this was not seen as an attractive option for most projects as they felt it was unethical for Auroville to charge interest when the projects were owned by Auroville, so they would benefit from the investment too.

Some projects also felt that they would be refused due to personal issues with those making decisions. Others had experience of being turned down because they did not have a track record of making surplus (as they had intentionally used any surplus to support Auroville) or a track record of having repaid a loan (as they had not needed a loan before).

- **Project/ grant funding** (this is often accessed through Auroville's Project Coordination Group who disburse funds from Stichting de Zaaier and the Foundation for World Education) - whilst this may enable an idea/product to be developed the funds are usually clearly tied to specific, short-term outputs. It therefore does not provide flexibility to invest in team/people development. Only one of the projects we spoke with had received an 'unspecified' grant which had enabled them to utilise the funds as needed (growing their team and investing in infrastructure) in order to help them meet the goals agreed with their funder.
- **Donations** - this was seen as the favoured route for many to fund significant projects (such as buildings). It was however noted that it takes substantial efforts to source funds, so there was often interest to explore more sustainable funding options.
- **Advance funding from distributor/partner** - some projects had received substantial advances from external distribution partners against future sales which has enabled them to undertake research and development and expand their team.

It is important where this is the case that contracts clearly identify the roles/deliverables of all parties, what advances are to be utilized for and manage/minimise risk to Auroville. It is also important to note that some partners may require security against an advance which can be difficult for Auroville's projects to provide given that they do not own any assets. One project we spoke with had utilized Auroville's patent for a specific technology as collateral.

- **Purchase of equipment by external partners** - some projects had been 'donated' equipment by partner organisations, the cost of which was expected to be repaid at a future date (potentially with interest).

We learnt that a previous experiment had been undertaken to establish a revolving fund to support the growth of units. This had partnered donated funds together with a technical support team to help the growth of an identified project.

The initial loan and support was effective (allowing the project to grow and the funds to be repaid). However, the intention to establish this as a revolving fund, with the repaid amount supporting the growth of Auroville's projects going forward, was not fully successful. It seems this was because the structure to manage this on an ongoing basis (with fund managers, support team, technical assistance etc) was not established. This meant that the repaid funds were simply used to provide small-scale, interest bearing loans to Auroville projects, with repayments maintaining and growing the original pot. As detailed above, whilst useful to

purchase small-scale equipment and overcome cash flow issues this fund was not structured in a way to really support and enable the growth/scaling of Auroville's projects.

We also learnt that several Auroville projects could be interested to participate in an internal investment fund (as investors or recipients). We heard this would need to provide flexible options on returns (as 'investors' have different needs), flexible timing of repayments (as some recipient projects may not be able to repay for several years) and potentially create investment portfolios so that risk could be balanced.

A major barrier for potential investors seems to be that there is no clear process to do this i.e. no support to identify projects and manage risks and lack of clarity in how this would be accounted for within Auroville. The other barrier seems to be that few projects have well-developed business plans which set out clear investment options.

Are projects willing to collaborate within Auroville for better impact? Does this already happen? Why might they not? What would motivate collaboration?

From our survey we found that all projects we spoke with had some experience of collaborating with other projects in Auroville. This varied from 4 projects who had extensive experience to 6 who collaborated mainly as suppliers/contractors.

Whilst many (38.6%) indicated that ego/personal issues can prevent collaboration none were opposed to future collaboration. Most felt that where there was a specific project/need then collaboration worked well. Collaboration also worked well when partners had similar values/work ethics and that there was clarity on roles. Whilst one project drew up MoUs for internal collaborations to ensure this clarity was there throughout, most collaborations were more informal.

Several suggested that the key barrier preventing collaboration was the fact that they do not know what other projects do (and vice versa). This lack of understanding means that collaboration opportunities may often be missed.

Most projects (82.9%) would like to see more sharing between projects but noted that time was often a barrier, as most project teams are busy with their own work. Suggestions for how this could be addressed included an online platform for information sharing, regular face-to-face forums and social forums.

Are projects working with external partners/ networks/collaborators? Where is this working well? What have issues been?

From our survey we found 86% of projects had collaborated with external partners in some way, however the types of collaboration/partnership varied greatly.

For several projects this was purely a supplier/distributor or donor/recipient relationship. For others whilst it may take the 'supplier/distributor' (or 'donor/recipient') form, there is very close working. In one case the distributor has advanced several crores of funds to the project to enable significant research and development and investment to build and strengthen the team. In this case the distributor has needed some security against this advance, so (with permission of Auroville Foundation) the project's patent has been used as a guarantee so that any financial damages to Auroville can be minimised.

In terms of what is working well, many projects saw external partnerships as an effective way for two way sharing of knowledge and practices. It gives Auroville's projects an opportunity to learn from those working on similar products globally - and also to see wider applications of their ideas than they had previously considered. At the same time through their interactions they are able to demonstrate the values and philosophy of Auroville, which they hope inspires others to reflect on their business ethics.

A key factor in the success of the partnership was the ethics/values of the partner organisation. Several of the organisations Auroville projects have partnered with have a long-term connection with Auroville (Tata, Mahindra, Ramco etc). This understanding and support for Auroville's goals was seen as important to good working relationships. Likewise others choose to work with those who seem committed (i.e. those who choose to approach them rather than seeking out potential partners).

In terms of what is not working well, many projects shared that they face ongoing challenges because of Auroville's complex structural set-up - with responsibilities split between Auroville Foundation, Trusts and Units. For example, the fact there are names of different organisations on the PAN account, GST number and bank account is often deemed 'non-compliant' by partners. It often takes many hours (or days) to explain the set-up to partners in a satisfactory way. In a few cases partners, contracts or payments have been lost due to this issue. Several executives suggested that this could be helped by having clear documentation approved by the Auroville Foundation - or a single point of contact who was viewed as legitimate - to help explain Auroville's situation to external bodies.

Another common challenge was the bureaucracy within Auroville, this covered a few areas:

- The speed at which responses were provided by the working groups. Often projects require a quick decision (or provision of documentation) so that they are able to secure contracts/partnerships. However, many found that it could take many weeks to get responses from the working groups. Several suggested that as the working groups provide a service to Auroville there should be agreed timings within which responses will be provided.
- The lack of consultation/ information provided to projects when major changes are implemented. For example when the GST numbers were changed this caused significant issues for many projects - especially those who had goods in transition from other countries (as their paperwork was no longer valid). It also cost one project a dealership as the contract (which cost several lakh rupees) was tied to the GST number.
- Need to respect confidentiality - one project reported that they almost lost a multi-crore partner because their details were published by the working group at a time when the partner had been assured confidentiality.

The inability to take on investment (as external companies can) was also seen as an issue. This appears to be limited by the PAN/income tax issue and Auroville's status. One project explored setting up a separate entity (external to Auroville but with Aurovilians on the board) to enable investment. However, it was not progressed as the individual left Auroville.

This restriction means that there can be no real risk sharing between Auroville and those it works with. Whilst some projects have found legitimate ways in which funds can be brought into projects it was felt that this would require a deeply committed partner, especially due to the issues with Auroville bureaucracy.

What is currently holding projects back? And how can these barriers be overcome?

Projects we spoke with identified the following structural barriers (social, cultural, economic, human resources, psychological) in Auroville limiting their ability to scale:

- **Lack of funds (generally)** was the key barrier (noted by 43.2% of those surveyed). When asked specifically about funding 12 stated they had the funds they would need to scale but the rest did not. Many were unclear where the funds would come from - donations or grants were the top 'potential' answers provided.
- **Lack of skills in the team** was the second highest barrier (noted by 34.1%). Often this was a lack of management/marketing skills, however it was not always felt these were full-time roles. Often existing team members were filling these gaps - but as they don't have strong skills in this area it meant there was potential for improvement in the work and also that team members' time could be better used elsewhere. Lack of funding was also cited as an underlying cause of this by many, so it was often felt that if/when funds are available the gaps in the team could be addressed.
- **Hard to find/retain Aurovilians to work full-time** (31.8%). Many of the projects shared that they find it hard to find and retain Aurovilians who are willing/committed to work full-time. Whilst many felt there were skilled people in Auroville it was felt that many of those who have a strong work ethic are already running their own projects - or that once Aurovilians are fully trained (after several years of investment by the project) they then leave to set up their own project (sometimes duplicating the work of the previous one). It was noted that the current structures (maintenance system etc.) do not provide any incentive/support for Aurovilians to stay in their roles - and in some projects where they work alongside 'professional' non-Auroville workers they may be paid significantly less, reducing their motivation. Alongside this there was recognition that many people 'did not come to have a 9-5 pm work schedule' and that Auroville is supposed to be about something else (balancing external and internal work). So it was seen that there is a need to explore how an integral work/life balance can be achieved in a way that also supports the needs of the projects.
- **Auroville bureaucracy** (29.5%). As noted above it was felt that the existing structures often hinder (rather than support) the work of the Auroville projects. It was also pointed out that the lack of information on issues faced by all projects means each has to spend time navigating their own way through. Several also noted that the single PAN number for Auroville meant that small projects were having to comply with accounting procedures meant for large multi-crore businesses, which was taking a lot of their time and resources. It was also raised that due to Auroville preventing activities from having their own bank account, these start-ups were precluded from some of the main on-line sales channels (such as amazon and flipkart).
- **Hard to get investment to enable substantial growth** (22.7%). The projects we spoke with were all past the initial ideas phase (in that they had obtained initial seed funding). However many - at both start-up and mature stages - were hindered because they were unable to obtain investment that was flexible enough to support substantial growth/scaling. Whilst donations sometimes enabled funding of critical

infrastructure, its sporadic nature (and the effort involved in procuring it) meant that it could not be relied upon to expand/build a team. Likewise grants were usually tied to specific project outcomes so also did not allow flexibility for investment in people or new ideas.

- **Lack of support for projects** (noted by 22.7%). Many projects shared that they did not have sufficient support from Auroville (FAMC, ABC, Trusts) to help them grow or scale. We heard that key areas where guidance was lacking included how to mitigate risks/liabilities, enter contracts, manage staff and market their goods/services. Several have been negatively impacted by poorly worded contracts or lack of understanding of workers' liabilities. Some shared that they were reluctant to expand because they felt they would be on their own if they failed, with no practical (or moral) support. Many also feel that the community questions any project making a large surplus and sees them as "anti-social," "dirty", "against Auroville's values." At the same time there is pressure on these projects to continue to support Auroville financially.
- **Lack of personal interest/energy** (22.7%). Most of those projects who expressed they were not interested to scale at the current time attributed this to a lack of personal interest or energy. In some cases the executives noted that this is a personal issue and that they were not averse to others in the team putting their energies into expansion (or that they would find the energy again if they have more support from Auroville). Others felt that their project did not need to expand and they were happy to continue operations at an organic pace (often 'guided by the Mother').

Other key themes that arose were:

- **Lack of people/time (generally)** - again often due to funds and inability to find committed people. It was generally felt that if funds were available people could be found. (18.2%)
- **Hard to attract skilled workers (non-Aurovilian)** - this was largely attributed to the need to balance their salary with Auroville maintenance, making it hard to retain skilled professionals. It was suggested that 'HR initiative' could expand its services to include non-Auroville workers too. (13.6%)
- **Lack of workspace/land** - several projects had struggled with Auroville's processes & bureaucracy to find workspace/land suitable to their needs - especially for growing/scaling businesses which may require flexibility. (13.6%)
- **Culture of fear (too risk averse)** - several projects suggested Auroville's structures/decisions are being driven by fear of misuse/making mistakes, rather than supporting experimentation. Experimentation means making - and learning from - mistakes so there needs to be space for this to happen. Some feel this is because those who are accountable (Trusts/FAMC) do not have the skills/time to fully assess the potential risks and minimise the impact for Auroville, so simply say 'no'. (11.4%)
- **COVID** - projects who rely on in-person interactions (mainly face-to-face training or sales through shops/airports in India) have been significantly impacted by COVID.

However many of those projects with a strong on-line presence and/or international sales actually experienced increased sales over the last year. (11.4%)

- **Hard to get the right partners** - some of the projects noted that they do not have the right networks to meet those who would be interested in funding their projects. Likewise others noted that given Auroville's bureaucracy (and the lack of normal investment routes) projects often need partners who are patient and deeply committed to Auroville's goals/values. (6.8%)
- **Auroville's systems not supportive of social enterprise model** - several projects noted that the existing Auroville policies (especially around contributions) do not reflect the realities of operating as a social enterprise (prioritising social development or bringing social change over profit generation). It was suggested the policies should be reviewed as they were developed predominantly to support cottage industries, not social enterprises or projects providing consultancy, training, education etc. (6.8%)
- **Auroville not operating as a Higher Education provider** - several projects who are providing in-depth training courses noted that they could have a far greater impact if they are able to certify those who attend. It was noted that the Indian higher education system recently shifted to a more vocational/practical model and that there would be significant opportunity for Auroville to attract students (and also use those students to help research/build/support Auroville - potentially with faculties for product design, ethical business studies, architecture etc). Whilst the Auroville Foundation is an Institute of Higher Education under the Ministry of Education⁶ it is not utilizing this opportunity. (6.8%)

In addition the following barriers were raised by one or two projects:

- Not wanting to be a big employer
- Hard to develop a sustainable business model
- Legal issues
- Auroville is not open to new ideas anymore.

The projects also provided the following **suggestions to enable growth/scaling of Auroville's projects**:

Financial

- **Start investing in ourselves (internal investment)** - creation of an internal investment fund which supports Auroville's projects to start, and helps mature units to scale. This could potentially draw on funds held by Auroville's projects, donors or a microfinance scheme between Aurovillians (or a mix of these). Repayment terms should be flexible - through interest free loans, arrangements such as paying increased % of profits for x years (instead of 33% as per the existing contribution guidelines) or the in-kind provision of services to Auroville.

⁶ <https://www.education.gov.in/en/unesco>

- **Explore structures outside Auroville** - creation of an external organisation/Trust to enable outside investment. This organisation would be linked to Auroville (through its board of directors etc) and would donate its surplus to Auroville. It could employ Aurovilians (through Auroville projects) and external staff, and render services to Auroville as needed.
- **Explore the benefits of separate PANs** - to increase clarity, removing the administrative burden on small projects and creating potential for larger projects to pay income tax but also have more flexibility in terms of receiving investments.

Skills

- **Building leadership, management and business skills** in Auroville's potential leaders and young entrepreneurs.
- **Legal advice** (potentially centralised or within Trusts) to help Auroville projects draft/review contracts to ensure they are fair to all parties and minimise risks for Auroville.
- **Investment in professional quality marketing/social media** - either by individual projects or through resources that can be shared across projects.
- **Team/on-line platform to connect projects** - sharing information/calls for help/good practice between projects in a friendly, helpful, soft way.

Structural

- **Create a long-term vision for Auroville's economy** which can guide projects and their operations, so they do not have to adapt their way of operating with each new group.
- **Utilize/formalize Auroville's status as a provider of Higher Education**
- **Review the contribution policy**
 - to ensure it supports start-ups
 - to recognise the stage a project is at (i.e. with flexibility to seek less contribution when projects are growing/saving for premises, but more when they are in a mature stage with reserves); and
 - to recognise the diversity of business models (especially social enterprise and educational) in Auroville.

Cultural

- **Celebrate/acknowledge the hard work** put in by executives and their teams to generate income for Auroville and more generally for the work they have done so far.
- **Explore ways to support experimentation/less fear.**

From our subsequent discussions with focus group members and individuals we understood that many of the issues raised in the report have been explored by Auroville's groups previously. These include the potential for a separate PAN, operation/recognition of Auroville as a Higher Education provider, the creation of a revolving fund to support the growth/scaling of Auroville projects and a review of the contributions policy.

Several of them have larger barriers to overcome, which means that whilst they may pose real barriers to scaling they are currently beyond the scope of our project.

How do these findings compare with other studies?

These findings from the research are consistent with other studies in this field over the past 10-15 years.

2009 Study on “the socio economic development of auroville” by Harini, Vikram and Martin (for L’Avenir). Relevant findings include:

- Need for better support from existing groups (FAMC/ABC etc) - potentially through an advisory/support board for projects
- Missing skill sets - management, accounting & administration, marketing & communication, Indian law (labor, sales tax etc), farming, food technology & computer technology
- Youth are most interested in technology, communication and business related activities
- Need for collective services (especially in marketing, purchasing, legal advice & accounting), business hubs and interest free loans

Suhasini - Draft report of study to identify Auroville’s Development Priorities for 2021.

Relevant findings include:

- Lack of access to capital, limited developed sites, no financial aid for supported skill development and a lack of legal and administrative support to meet the required regulatory conditions
- Need to investigate effective use of existing assets along with additional sources of financing/funding for start-ups and expansion and encourage economic development with (a) skill development & capacity building (b) access to capital & (c) shared working spaces for start-ups

The draft recommendations include:

- Regulation to set up a venture capital fund (unit fixed deposits /external equity).
- External equity participation to generate capital
- Creation of Investment board/group to manage cross-unit investments
- Creation of a Management and Skill development institute with internships for youth (Av, local area & volunteers)
- Succession planning

In addition, participants of the Economy Group at Auroville’s Retreat (2015) discussed many related issues. Relevant insights include the need for a creation of a seed fund corpus for Auroville enterprises.

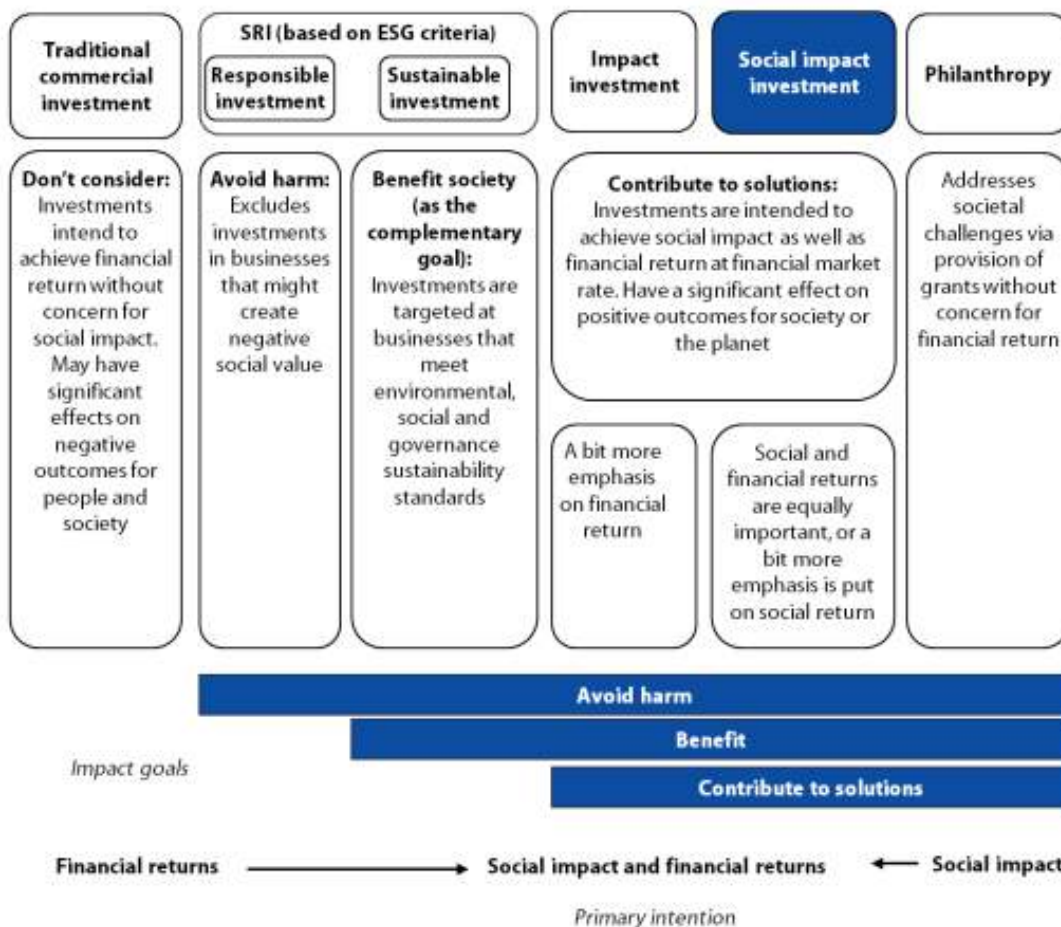
What are the key routes for accelerating growth/scaling of social enterprises outside Auroville to maximise their impact?

As part of the research we undertook desk based research to explore how social enterprises are supported outside of Auroville. This found that most accelerator programs provide support at two levels - with investment accompanied by capacity building/technical support.

What type of investment, why and how is this structured?

Social enterprises often rely on external funds to help them start-up or accelerate. Funds can be provided either as

- **Impact investment** - which seeks to generate social/environmental impact but requires market rate of financial return (often through profit share agreements or market rate loans)
- **Social impact investment** - which seeks some level of financial return but prioritises social/environmental impact (often through no/low interest loans, patient capital or pay for success schemes).
- **Traditional philanthropy** - which maximises social/environmental impact without concern for financial return (usually through grants/donations).



Source: [https://www.europarl.europa.eu/RegData/etudes/STUD/2020/658185/IPOL_STU\(2020\)658185_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2020/658185/IPOL_STU(2020)658185_EN.pdf)

The type of funding would be determined by the intention of the investor/donor; whether they are seeking to maximise their profits, to maximise social/environmental impact or whether they have other criteria such as the need for the fund to be sustained in the long-term.

The type of funding needed by a project is also dependent on a range of factors (such as the amount of time needed to get the product to market, need for upfront capital investment, profitability of the product and market maturity). It may be that hybrid funding is needed by many projects - with some less profitable aspects requiring a donation alongside a loan/investment for the aspects which can generate profit over time.

Globally there are many social impact funds which channel funds from investors to projects, establishing processes to review potential projects, creating a portfolio to minimise investor risk and a mechanism through which funds can potentially be revolved to future projects.

As with the type of funding these impact funds vary substantially dependent on a range of factors. Key factors are whether the fund prioritises financial returns over impact, whether the fund has regular donors to top up the fund and cover running costs, the types of projects funded and their strategic approach to supporting organisations (i.e. building capacity, providing seed funding to meet a market gap, or funding projects that do not provide financial return).

Examples are:

- **Acumen**⁷ - which focuses on 'patient capital' to alleviate poverty (investing funds to bridge the gap between the efficiency and scale of market-based approaches and the social impact of pure philanthropy).
- **LGT Venture Philanthropy**⁸ - which tailors the financial support package according to the needs of the organisation, providing grants, investments (equity, debt), blended finance and innovative financial instruments.
- **Dasra**⁹ - which encourages philanthropists to offer support in ways that build the capacity and impact of social enterprises.

What type of capacity building/ technical support, why and how is this structured?

The Global Impact Investment Network (GIIN) report¹⁰ found that 73% of impact investors provide some form of Technical Assistance support alongside access to capital.

GIIN's Research Director Abhilash Mudaliar explains "*Through capacity-building support, investors, service providers, and funders can strengthen the impact of impact investing, grow vibrant markets with thriving communities, conserve and enhance our environment, and improve the lives of the people who need it most.*"

What type of support is given?

- Investors often set up a Technical Assistance (TA) and capacity building team - which coordinates a resource pool dedicated to capacity building and technical support.

⁷ <https://acumen.org/>

⁸ https://www.lgtvp.com/en/what-we-do/approach/#responsiveTab_21

⁹ <https://www.dasra.org/>

¹⁰ Global Impact Investment Network - The Power of Capacity Building Support
https://thejiin.org/assets/GIIN_issuebrief_capacitybuilding_finalwebfile_101217.pdf

- There is no 'one-size fits all' approach for capacity building so the TA team usually designs and structures the support needed for each investee and then monitors its implementation and effectiveness. This helps investors to build in-house expertise by aggregating and reviewing lessons learnt from previous projects.
- To prevent conflict of interest the TA team usually works closely with, but is separate from those making the final decision on which projects receive funding.
- TA services can sometimes precede the investment by providing market intelligence and support to develop business plans.
- Training can be provided at individual or group level. Where group training is provided it is important to ensure that these address common issues, target recipients at a similar stage of development and allow for peer-to-peer learning.
- External support is often required for very technical issues (such as legal aspects for a certain industry). If there is a specific ongoing technical need it may be appropriate to contract an external consultant into the team for a specified time period to resolve this or to develop a mentoring relationship.

Areas commonly funded include:

- **Strategic planning** - business plans, partnering approaches, mission/values
- **Financial management and analysis** - Managing cash, structuring funds
- **Human resources, leadership, recruitment, retention, training** - executive coaching, management/leadership training, group training, HR law/knowledge
- **Sales/marketing/communications** - customer analysis/segmentation, developing communication and marketing strategies
- **Product development** - market analysis, IP advice, product specific law/knowledge, helping businesses understand/test product profitability
- **Governance and organisational structure** - developing supportive, accountable structures
- **IT/Technology** - exploring how processes and systems (customer management, inventory, payment etc) can be improved
- **Impact targeting, measurement & reporting** - support for recipients to understand how they can enhance and extend their impact.

Some funders will provide capacity building for partners as well as their own organisation.

What could a model to support the flourishing of Auroville's projects look like?

What are the key elements of an ideal model?

From the research we identified two key areas which we felt will be critical if Auroville's projects are to flourish and realise their potential:

Support for projects to grow/scale and develop - such as capacity building, skill building, mentoring, technical support teams etc

There was unanimous agreement from those we spoke with that the immediate, pressing need is for capacity building and technical support. As we found in our survey most executives initially lacked the key skills needed to run projects and have not received any significant training since (other than 'learning by doing').

As we found from the conversations and research this lack of support for projects has been an issue in Auroville for decades. It needs to be addressed as a matter of urgency if existing projects are to scale up and the next generation of leaders is to emerge.

We also found that whilst there are a number of skills/services available in Auroville which could be utilised to support projects these skills/services are not coordinated or widely understood.

We understood that the type of support needed is likely to vary between different projects. For example marketing can cover many different aspects - from help designing a communications strategy or web-design, to daily support with social media posts. In addition, it is important to ensure there is a good match between projects and those who are providing support services - in terms of approach, understanding of needs etc.

These factors therefore make it difficult for Auroville projects (many of whom have very limited time) to find the right skills/support within Auroville, even where they do exist.

Access to patient, flexible funding sources which can be utilised to support the growth/scaling of Auroville's projects

As noted above Auroville's projects are currently very limited in the ways in which they can access capital for growth/scaling. The current funding routes rarely provide flexibility for substantial growth/scaling. Due to the organisational structure, projects are unable to receive external investments and too often well-intentioned grants and donations tie recipients to specific outcomes, with little leeway to invest in development of the team or the project. Likewise loan options tend to be limited, conservative and rigid in their repayment terms, which does not suit the needs of the projects or enable sufficient room for growth/scaling.

If they are to flourish it is critical that Auroville's projects have access to funding options which are flexible enough to support growth/scaling of their teams and operations.

Options could include:

- Establishment of a revolving fund - with flexible terms to meet needs of recipients and investors (such as repayment gaps, minimal interest rates and potential to 'repay' through in-kind contributions).

- Provision of unrestricted grants/donations - to enable projects to fund development of team/infrastructure which may not have clear financial returns or be justified against a single project grant.
- Creation of structures to allow Auroville projects to receive external investment - within and beyond Auroville.
- Clear models illustrating the ways in which projects can scale and work with partners/distributors to access upfront funding needed for growth/scaling.

How can the model be structured to ensure it is financially sustainable in the long term and beneficial to projects?

From discussions with those in Auroville and review of wider models it is clear that if funds are to be financially sustainable in the long-term then some type of revolving fund would be required. This would need to recoup monies from projects that have been successfully supported and channel these back to support future projects.

What is a revolving fund and how could it work?

Revolving funds can be most effectively used when there is clear understanding of the potential and timing for payback. For example, with installation of solar panels, analysis of electricity usage makes it possible to easily calculate how repayments can be structured to deliver savings. Solar installations also deliver immediate financial benefits so repayments can begin straight away.

It is however harder to calculate the timing and repayment structure when funds are utilised to support the growth/scaling of projects. Many would require a repayment suspension for several years whilst capacity is built and/or products are developed and brought to the market. It may often be several years before funds can be repaid. For this reason funds often balance projects with short term payback with those requiring longer repayment terms.

Revolving funds require management teams to support applicants, review applications and then monitor fund utilisation and ensure repayment. The costs of this team need to be covered if the model is to be sustainable in the long-term. Alongside this additional costs are required to cover failed ventures and inflation.

If these costs are simply added to the repayment amount it would be likely to result in a similar market 'interest rate' to the current ABC loan, which we found does not meet the needs of many projects. So if this model is to be adopted there would be a need to explore wider options which could include:

- increased contribution from the project's surplus (for an agreed time period or until investment amount is met) rather than - or in addition to - a more traditional loan
- a hybrid form of finance (which blends a grant/donation with a loan). Although this means the pot will slowly diminish over time, it will help maximise impact by providing funds for critical aspects which do not provide a market return.
- costs of the management team provided by Budget coordination committee (BCC) given that the fund will increase financial return from the projects (similar to PCG)

- costs of the management team and top up for the loan provided through ongoing donations from individuals or projects who are interested to support the growth/scaling of Auroville's projects.
- a shift in perception to understand the role of the fund in supporting Auroville's growth/scaling and how additional costs are being utilised to support other projects (now and in future) to address global issues and build our collective economy.

If a revolving fund were to be established consideration would also need to be given to its financial return objective, impact objective, financial risk tolerance, impact risk tolerance, resource capacity and liquidity constraints.

How could capacity building and training be funded in a sustainable way?

The most common forms of funding capacity building/technical assistance work are:

- **Donor funding** - however this is reliant on ongoing funding (often from specific investors who wish to support this aspect of the program)
- **Whole or partial cost-share with investee organisations** - this can help to ensure commitment/buy-in and helps to align interests of investor/investee (as both have skin in the game). However it requires that costs are kept low.
- **Management fees and/or surplus from investment** - this may however increase the financial burden for investees. Where the model uses surplus from investment there is also a time lag, meaning it may be several years until the return is realised. It also risks that returns may not be realised at all.

It may be possible to create a mix of approaches - i.e. donor funding upfront, asking for affordable partial cost-share with organisations and increasing to whole cost-share if surplus is above a specified amount. It is also possible to ring-fence a % of repayments to fund future capacity building programs.

Where support is provided as free of charge to the recipient, they may be asked to repay the revolving fund at market rate interest to subsidise the capacity building/technical assistance.

Where individuals are trained within organisations there could also be a requirement for them to repay their training costs if they leave before a specified time period, so that recipient organisations are not left paying for training of individuals they no longer have access to.

There is also potential for the fund to provide training programs to for profit organisations to recoup some of the costs.

Costs of capacity building can be minimised through a number of measures including:

- Developing a network of pro-bono consultants who are happy to provide their services free of charge (for mentoring/short term issues) or at a reduced rate (for longer term engagements). This needs to be undertaken with care however, as external consultants do not always have a good understanding of the specifics for Auroville or the area/market etc. It can therefore be useful to build long-term

relationships with consultants/firms who do have this understanding (or are open to building it).

- Taking on a recent graduate specialist for a 6-12 month period for a reduced rate to provide them with experience and boost the team capacity.
- Exploring the potential to develop mutually beneficial partnerships, share resources and provide support and learning opportunities through these. This could include short-term exchange of team members.

How to ensure that training and capacity building deliver real benefits?

To ensure that training and capacity building delivers, effective support measures should be developed for each capacity building initiative at the outset (i.e. what shifts should happen as a result of the initiative), with a clear timeframe for measuring each. These should be aligned to the wider project.

Setting these milestones will help ensure that expectations are matched and regular reporting will help to build trust in the relationship and also provide an early indication if there are any issues.

Experienced organisations (such as Dasra) suggest that it is more effective to allow the recipient to tell you what it would like to prioritise and then to nudge the organisation to think strategically about capacity building. They find that when time is taken to align programs to the goals of the recipient (rather than being 'funder driven' solutions) then they are more likely to be effective.

Where possible recipients should have a leading role in decision making on the capacity building package, on both the program and the service providers.

Useful questions to explore together can therefore include:

- WHOSE capacity are we trying to build?
- Capacity to do WHAT and WHY?
- WHEN do we need to build these capacities?
- WHO should deliver the capacity building?
- HOW will we know if we have succeeded?

Is this even possible in Auroville? What are the financial and legal constraints?

Whilst there would be no major barriers for donors within India (or Auroville) from donating funds to support the growth of Auroville's income generating projects, India has strict regulations on how foreign donations can be utilised by recipients.

Under the Indian Government's Foreign Contribution (Regulation) Act (FCRA) it is not legally possible for recipients to utilise foreign donations to fund the growth of income generating projects. Whilst there is a clause in the FCRA legislation which allows funds to be utilised for 'self-sustaining' activities we understand this is intended for small-scale initiatives only. FCRA funds are primarily intended for purposes such as purchase of land or infrastructure to enable Auroville's growth, or grant funding of social and environmental projects.

We were advised that under Auroville's current structure foreign funds could not therefore be used to create a revolving fund to support growth/scaling of income generating projects. This would need to be funded through domestic donations and use of Auroville's own assets.

What does this mean for a potential donor? How can foreign funds be utilised to support growth/scaling of Auroville's projects to enable them to flourish and have a positive impact globally?

As noted at the outset, this study was funded by a potential donor who is interested to understand how funds could be utilised and sustained to support Auroville's projects to scale and flourish in order to provide solutions to the challenges currently facing humanity.

Through the research we identified that the ideal model to deliver these outcomes on a long-term basis would be to establish a revolving fund with flexible terms for recipients. Ideally this would be coupled with grant donations (to fund aspects of the projects which would be unable to provide a financial return) and capacity building and technical assistance. However, we also found that foreign donations cannot be utilised to establish such a fund if the fund's objective is to grow/scale projects to generate significant income.

So what is possible?

From our discussions with stakeholders there was clear agreement that there are several ways a foreign donor could help create an ecosystem in Auroville within which Auroville's projects could flourish and bring real benefit to the world.

There was clear agreement that the most urgent need is provision of training and capacity building for those working in - and supporting - Auroville's projects. This is a critical barrier preventing existing projects from realising their full potential. There are also very real concerns over how the next generation of leaders will emerge to take over the work of the pioneers and enable these projects to have increased impact and reach.

We also heard the need for investment in infrastructure to support the projects. This included both people - technical teams and support services and physical spaces - which could be used for training, housing of shared equipment (i.e. studios for recording on-line courses) and flexible office/production spaces for projects - and their teams - to grow.

From the discussions it also seems there are several options which have the potential to provide investment funds in the medium and long term (especially from domestic and internal Auroville sources). It was agreed that ongoing research is needed to help unlock these routes.

This would include research, design and creation of internal structures (i.e. revolving fund) which would enable better utilisation of existing funds. These could test processes and appetite so other funds (domestic donations or FCRA if/when that is possible) could plug in. Additionally, research is needed to explore the potential for creating external structures through which Auroville's projects could receive investments, and also to understand how projects can better utilise existing options (such as export advances and licensing intellectual property).

RECOMMENDATIONS

Following the research undertaken we can conclude that there is capacity and interest for projects in Auroville to scale and have a positive impact globally. The main barriers preventing this are lack of funds and skills/capacity issues in the teams.

We suggest the following next steps are taken:

- Creation of capacity building and technical assistance programs in Auroville to build capacity and skills for projects/organizations.
- Further research into how the projects can access flexible funding - from both foreign and domestic sources.

We suggest that this would be delivered most effectively through the creation of a new service unit within Auroville which works collaboratively with existing groups, projects and individuals to provide and coordinate capacity & skill building, training, development, technical and shared resources to support Auroville's projects. In addition, it should continue to undertake research into Auroville's economy.

We would suggest that the project would seek to function at two levels:

- **a focused level** - working closely with a few projects to understand what is needed to help projects grow/scale and helping them access support in various areas such as business development, financial management, business management, leadership, marketing and communications, team development etc.
- **a strategic level** - identifying common skills and resource gaps and working to develop solutions to address these at a wider level. It would also undertake research and help develop/implement processes to unlock some of the other wider barriers preventing projects from flourishing, especially around sustainable funding models for growth/scaling (such as revolving funds and other investment models).

In addition the unit should support, inform and seek to progress work to address wider systemic issues which impact on this area - such as the lack of physical space for projects to operate from, succession planning and the need for housing etc.



ANNEXES

ANNEX A

WHAT IS THE POTENTIAL FOR POSITIVE IMPACT?

The project was tasked to identify potential solutions to global challenges (environmental and social). Given the complex and interrelated nature of many of the challenges facing the world it can be hard to break these down into categories; however we felt this would be necessary to help understand where Auroville can have real impact.

So an initial task was to identify a range of criteria against which we could review the potential impact a project is likely to have. This involved initial analysis of the UN's 17 Social Development Goals (SDGs)¹ which were developed to 'provide a shared blueprint for peace and prosperity for people and the planet, now and into the future'.

It was however decided not to use these SDGs directly given that they approach global issues through the lens of the current capitalist/anthropocentric paradigm. Many of the SDGs are the symptoms of the current approach to the world - of greed and individualism - which Auroville is seeking to transcend².

What criteria did we identify?

We identified the following criteria, which a project needed to contribute to at least one of (and ideally more) to be included in the study:

Climate change	<ul style="list-style-type: none">● Clean, renewable energy (ie alternative, non-hydrocarbon energy, alternative transport)● Adaptation● Sustainable cities/ buildings● New building materials and methods
Food security/ sustainable agriculture	<ul style="list-style-type: none">● Ethical/sustainable food production and farming practices● Alternatives to petroleum based pesticides and herbicides for use in agriculture
Water security	<ul style="list-style-type: none">● Clean water● Water management● Wastewater treatment
Health	<ul style="list-style-type: none">● Well being,● Physical and mental health● Disease control and good practices.● Alternatives to antibiotics for use in food production● Alternative healing.
Education	<ul style="list-style-type: none">● Education that serves the soul/inner being● Communication, including internet access and increasing

¹ <https://sdgs.un.org/goals>

² For research on different perspectives see [The Sustainable Development Goals viewed through Gross National Happiness, Ubuntu, and Buen Vivir - International Environmental Agreements: Politics, Law and Economics](#)

ANNEX A

	multilingual education and cross-cultural appreciation and understanding.
Protection and renewal of ecosystems	<ul style="list-style-type: none"> ● Habitat and biodiversity loss ● Desertification ● Deforestation, afforestation, restoration, tree care ● Clean air, pollution
Responsible production and consumption	<ul style="list-style-type: none"> ● Rationalizing and localizing supply chains ● Production & distribution of earth-friendly products (clothing, food etc) ● Waste management - especially increasing use of biodegradable materials
Reduced inequalities	<ul style="list-style-type: none"> ● Gender equality and female empowerment ● Economic inequality/ poverty
Human unity, collaboration and peace	<ul style="list-style-type: none"> ● Conflict de-escalation and education about cooperative ways to address collective problems as an alternative to competition and violence/oppression. ● Development of inner being/ inner peace

We also identified key questions that need to be considered to understand the potential for projects to grow and scale and provide solutions to the challenges outlined above.

Key questions - Potential for project/unit to grow and scale

1. Is the project aspiring for bigger reach and impact?
2. Is the project replicable/adaptable? Will it work outside Auroville?
3. Is it innovative/unique? Does it provide something new - new ways of operating? new technology? new resources? new data?
4. Can it drive changes in existing markets/systems? Edge over already existing outside projects? Bigger reach/relative impact edge compared to other projects already existing globally
5. Is it scalable? - does it have capacity to share knowledge, train and grow in a self-sustaining way either as one unit (i.e. expansion model) or as multiple units/entities that can function in different parts (i.e. social franchise/ partnership model).
6. Have the team already grappled with the idea of growing/scaling up/having a bigger reach/impact? Have they identified what is needed to make this happen?
7. What is the capacity of the team to grow and scale? Are they already set up to do this?

ANNEX B

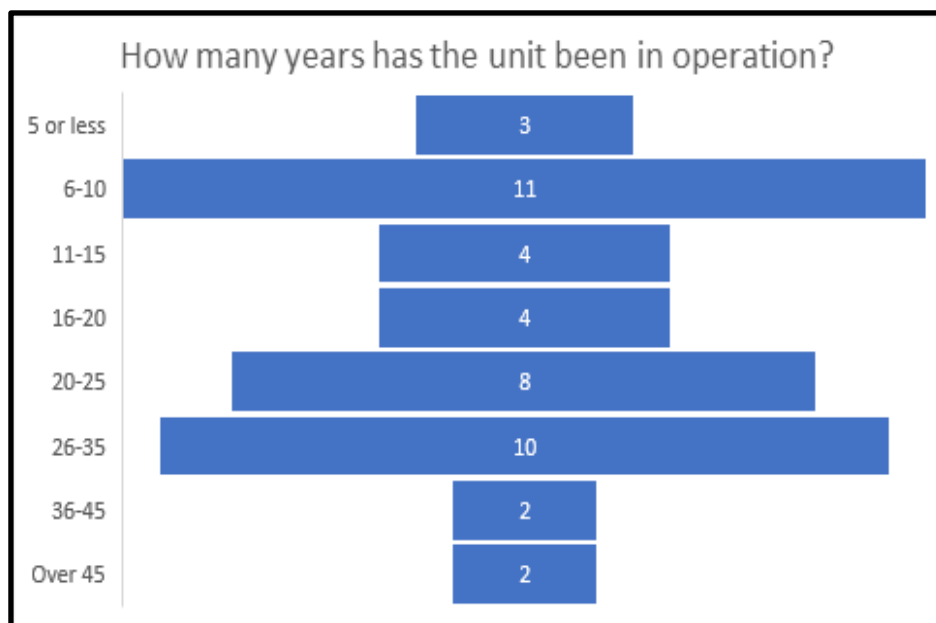
Exploring Auroville's Capacity to Flourish - summary of interview responses

This report provides a summary of the answers provided by 44 units in the interviews undertaken during February and March 2021 as part of the Exploring Auroville's Capacity to Flourish research project.

1. How many years has the unit/activity been in operation?

	Number	%
5 years or less	3	6.8
6-10 years	11	25
11-15 years	4	9.1
16-20 years	4	9.1
20-25 years	8	18.2
26-35 years	10	22.7
36-45 years	2	4.5
More than 45 years	2	4.5

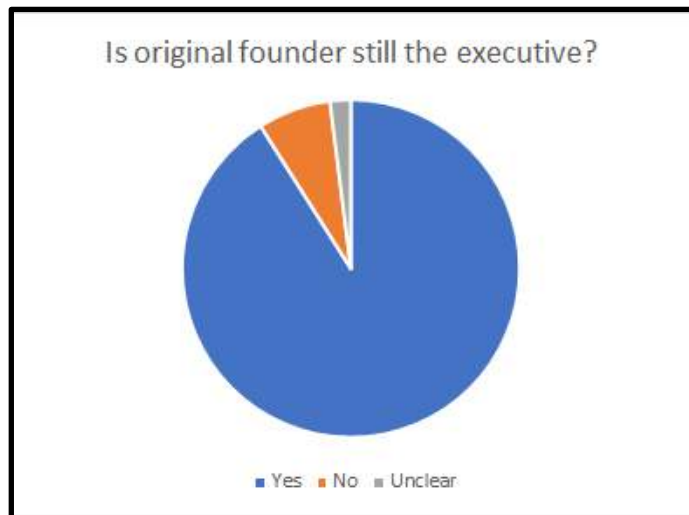
(average is 20 years)



ANNEX B

2. Is the original founder still the executive?

Yes	91%
No	7%
Unclear	2%



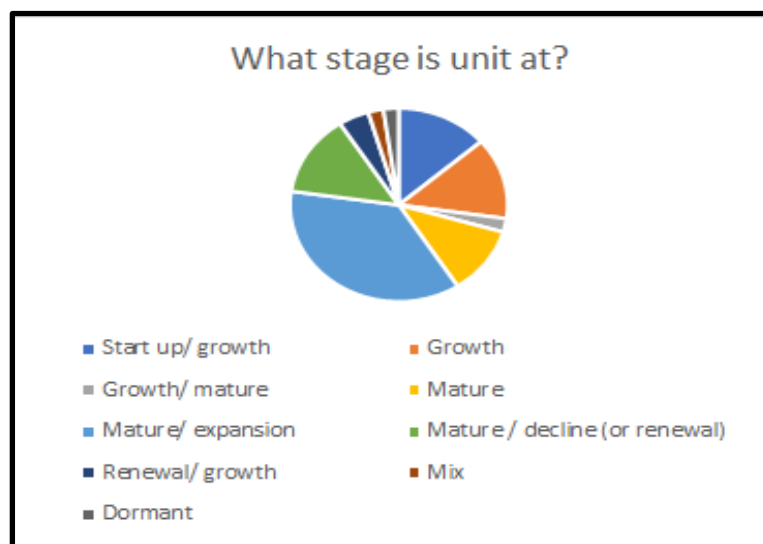
For 40 of the units/projects we spoke to, the original founders were not just executives in name but active members in managing the unit/project¹.

¹ In one case it was unclear if the executive was the original founder as it was unclear when the 'unit' was registered (but they had been there for more than 20 years). In two of the three cases where the original founder was not the executives these were units that had been established by Bhavana and then handed over to the current executive team soon after. Of all those we spoke with there was only one clear example where the original founder had left the unit to be replaced by a largely new management team.

ANNEX B

3. What stage is the unit at?

	Number	%
Start-up/ growth	6	13.6
Growth	6	13.6
Growth/ mature	1	2.3
Mature	5	11.4
Mature/ expansion	16	36.4
Mature/ decline (or renewal)	6	13.6
Renewal/ growth	2	4.5
Mix of stages	1	2.3
Dormant	1	2.3



70.4% of the units are at a stage where they are looking to grow or expand, which indicates that it is not just start-ups who are seeking funds for growth. Many established units also have interest in expanding their operations.

For reference we used the following definitions:

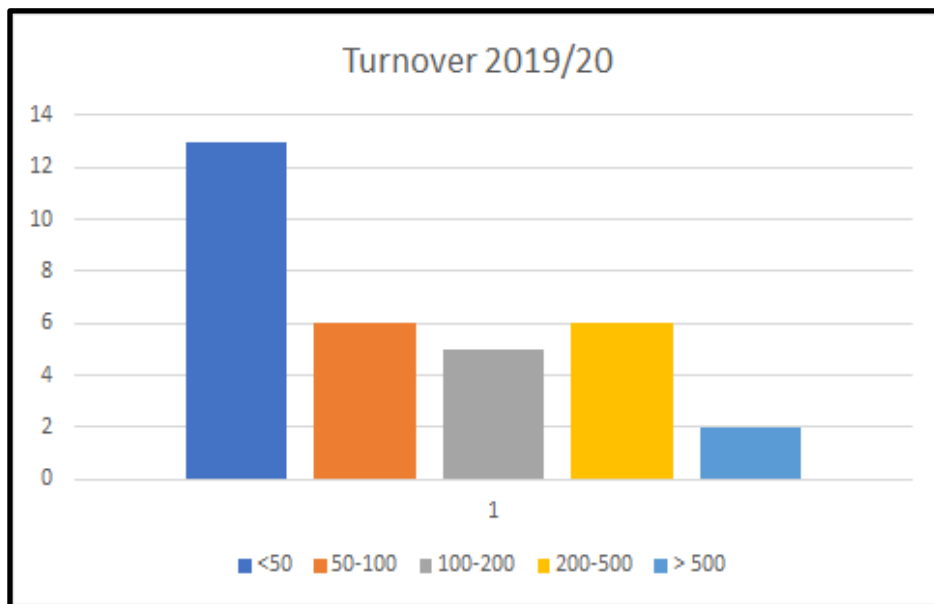
- **Start-up** - define/refine product/idea, create business model, raise capital
- **Growth** - gain repeat customers, train/grow team, increasing customers/ revenues
- **Mature** - proven business model, steady customers/ revenues
- **Expansion** - increasing reach/ product range whilst retaining existing markets/ customers
- **Decline/ renewal** - Revenue/customers start to decline (often due to changes in market, lack of investment in r&d or competitors with better products). Renewal is required for survival.

ANNEX B

4. What was the turnover (in lakhs) for financial year 2019/20?

Less than 50 lakhs	13
50-100 lakhs	6
100-200 lakhs	5
200-500 lakhs	6
Over 500 lakhs	2

Note - this data was only available for 34 of the units we spoke with.



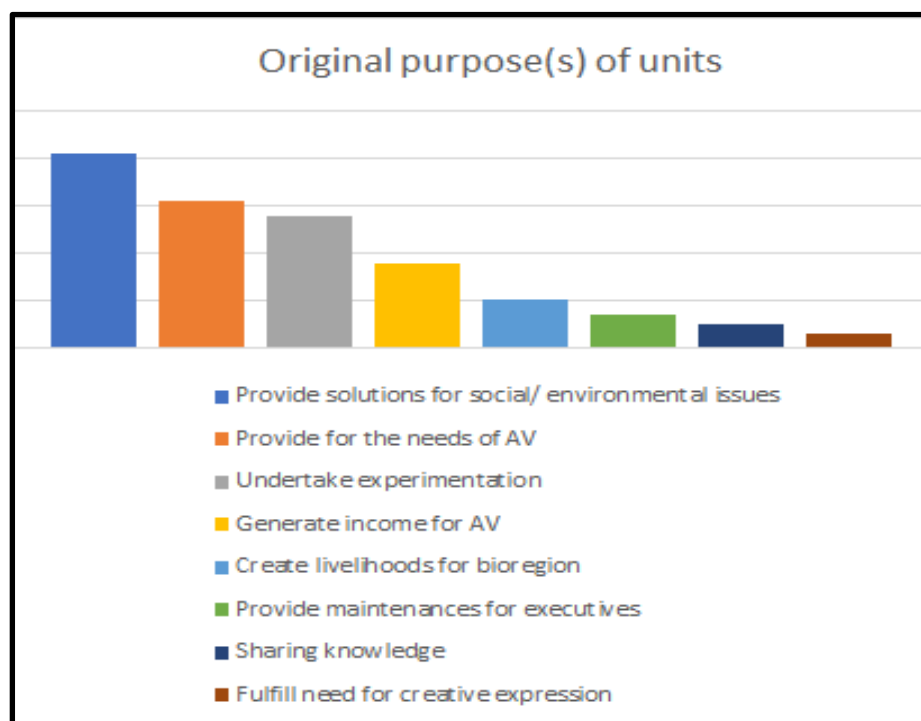
ANNEX B

PURPOSE & IMPACT

5. What was the original purpose(s) of your unit?

	Number	%
Provide solutions for social/ environmental issues	41	93.2
Provide for the needs of AV	31	70.5
Undertake experimentation	28	63.6
Generate income for AV	18	40.9
Create livelihoods for bioregion*	10	22.7
Provide maintenances for executives	7	15.9
Sharing knowledge*	5	11.4
Fulfil need for creative expression*	3	6.8

**These answers were not in the list suggested to interviewees but were common additional responses offered.*



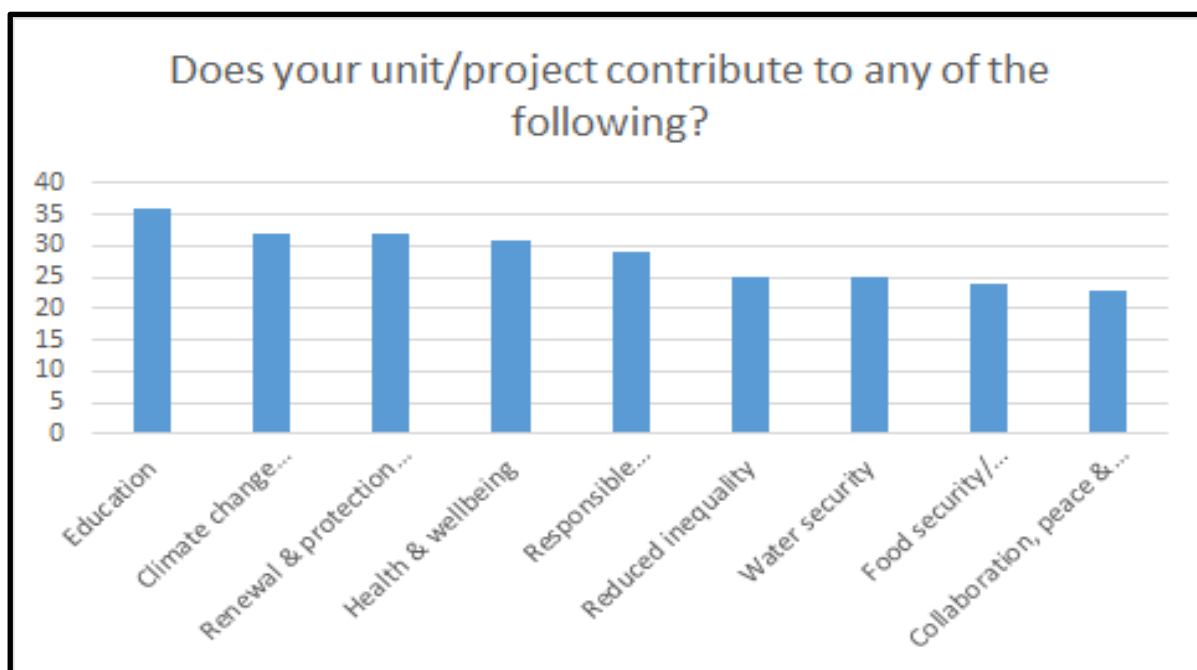
No units we spoke with were established solely to generate income for the executives. Most were driven by the desire to solve global issues and/or provide for the needs of AV.

Some units offered purposes which were not included on the list. For those which were suggested multiple times (creating livelihoods, sharing knowledge and fulfilling need for creative expression) we have included them in the results. However, it is important to note that if we had suggested these options to all interviewees, they may have had a higher response than current.

ANNEX B

6. Does your unit/activity contribute positively to any of the following?

	Directly	Indirectly	Number (direct & indirect)	%
Education	36	0	36	81.8
Mitigation/adaptation on climate change	29	3	32	72.7
Renewal & protection of ecosystems	28	4	32	72.7
Health & wellbeing	28	3	31	70.5
Responsible production & consumption	26	3	29	65.9
Reduced inequality (economic, gender, race etc)	24	1	25	56.8
Water security	23	2	25	56.8
Food security / sustainable agriculture	22	2	24	54.5
Collaboration, peace & human unity	21	2	23	52.3



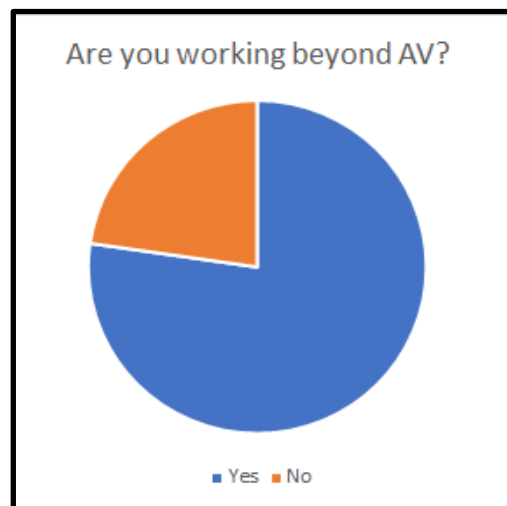
There was a spread across all the indicators, with many projects contributing to multiple issues.

ANNEX B

7. Are you working beyond AV?

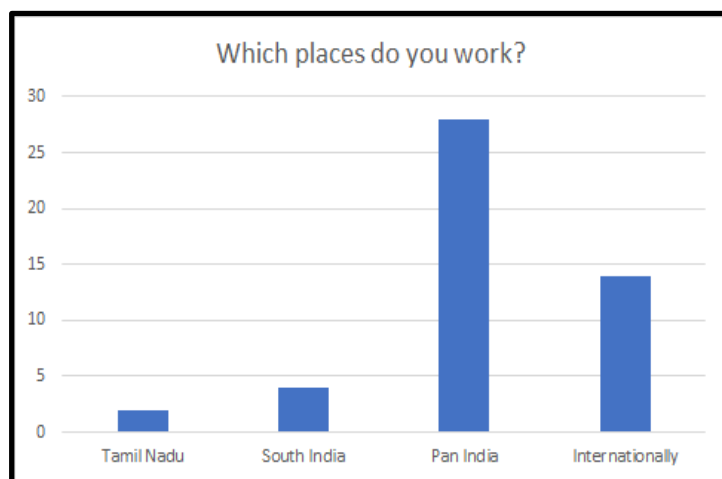
	Number	%
Yes	34	77.3
No	10	22.7

Most units worked beyond AV in some capacity. This ranged from sales of goods in external outlets to delivering projects based outside of AV.



8. Which places (beyond AV) do you work?

India (Tamil Nadu only)	2
India (South India only)	4
Pan India	28
Internationally	14



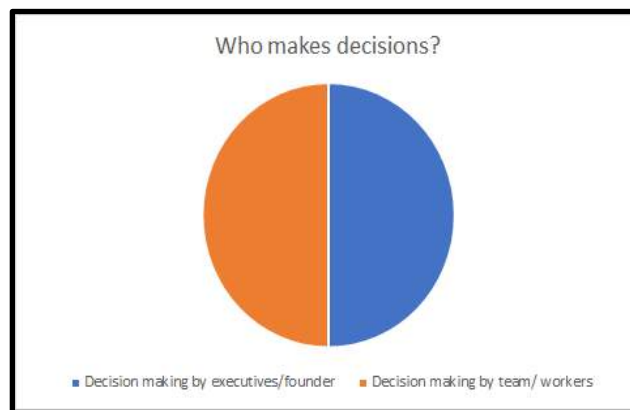
Whilst some of the units working beyond AV focused primarily in Tamil Nadu or Southern India many work across India and 14 of the projects we spoke with also worked internationally. Again, this ranged from supplier only to project delivery.

ANNEX B

OPERATIONS & MANAGEMENT

9. Who makes strategic decisions in your unit?

	Number	%
Usually by founder/ executives (1-2 people)	22	50%
Usually by team/ workers (3 or more people)	22	50%



Most units involved the team/workers in day-to-day decision making, often through project teams.

Half of the units we spoke to also involved a wider group (either a 'core team' or all the team/workers) in strategic decision making. A few of these units have developed replicable/scalable models for devolved decision making.

It was found that most of the units making key decisions as a team, are units which have been in operation for 15 years or less, with a few exceptions.

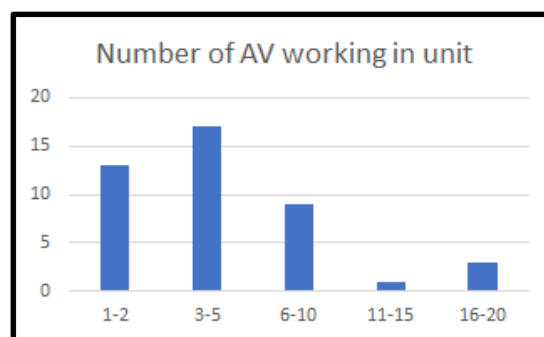
ANNEX B

10. Roughly who works in your unit?

Many units have experienced significant changes in their workforce numbers over the last year (especially the number of volunteers) due to COVID, however the figures below give a rough estimate of the current situation.

10.1 Number of Aurovilians

No of AV working in unit	Number	%
1-2	13	29.5
3-5	17	38.6
6-10	9	20.5
11-15	1	2.3
16-20	3	6.8

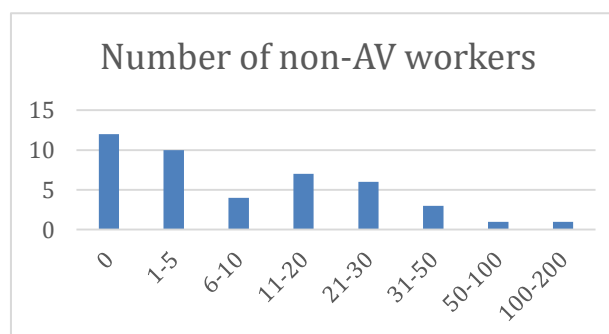


Total number of AV working in these units – 234.

Average number of AV working in a unit - 5.3

10.2 Number of non-AV workers

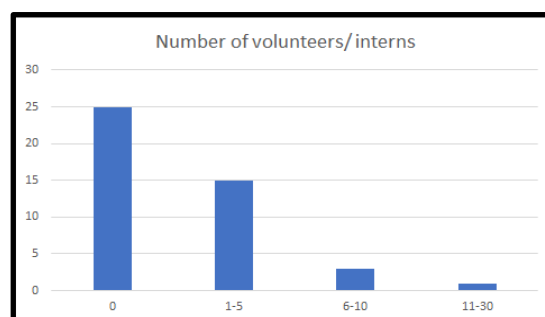
No of non-AV workers	Number	%
0	12	27.3
1-5	10	22.7
6-10	4	9.1
11-20	7	15.9
21-30	6	13.6
31-50	3	6.8
51-100	1	2.3
101-200	1	2.3



Total number of non-AV workers in these units - 683. Average number of workers in a unit - 15.5

10.3 Number of volunteers/interns

No of volunteers/interns	Number	%
0	25	56.8
1-5	15	34.1
6-10	3	6.8
11-30	1	15.9



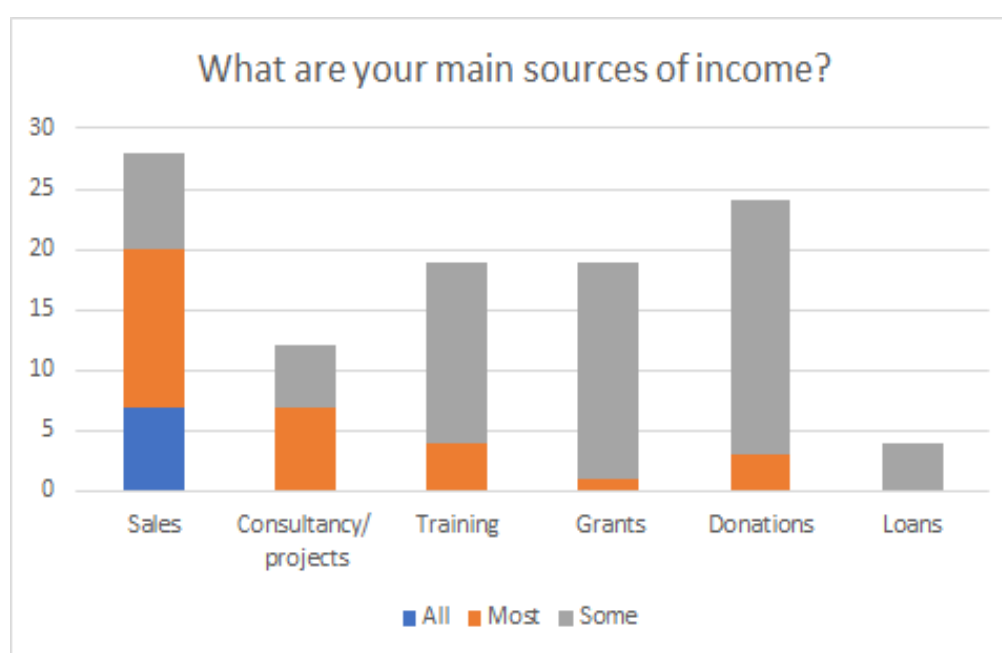
Total number of volunteers/interns - 98. Average number of volunteers/ interns - 2.2

ANNEX B

11. What are your main sources of income?

	All	Most	Some
Sales (of goods)	7 (15.9%*)	13 (29.5%)	8 (18.2%)
Consultancy / projects (ie services)	0	7 (15.9%)	5 (11.4%)
Training courses	0	4 (9.1%)	15 (34.1%)
Grants	0	1 (2.3%)	18 (40.9%)
Donations	0	3 (6.8%)	21 (47.7%)
Loans	0	0	4 (9.1%)

* of all units surveyed



Whilst 15.9% of the units receive all their funds from sales of goods/products for others their income came from a range of sources.

- 45.4% of the units received most or some of their income from sales of products.
- 15.9% received most of their income from consultancy (projects or services)
- 9.1% received most of their income from training programs
- 6.8% received most of their income from donations
- 2.3% received most of their income from grants

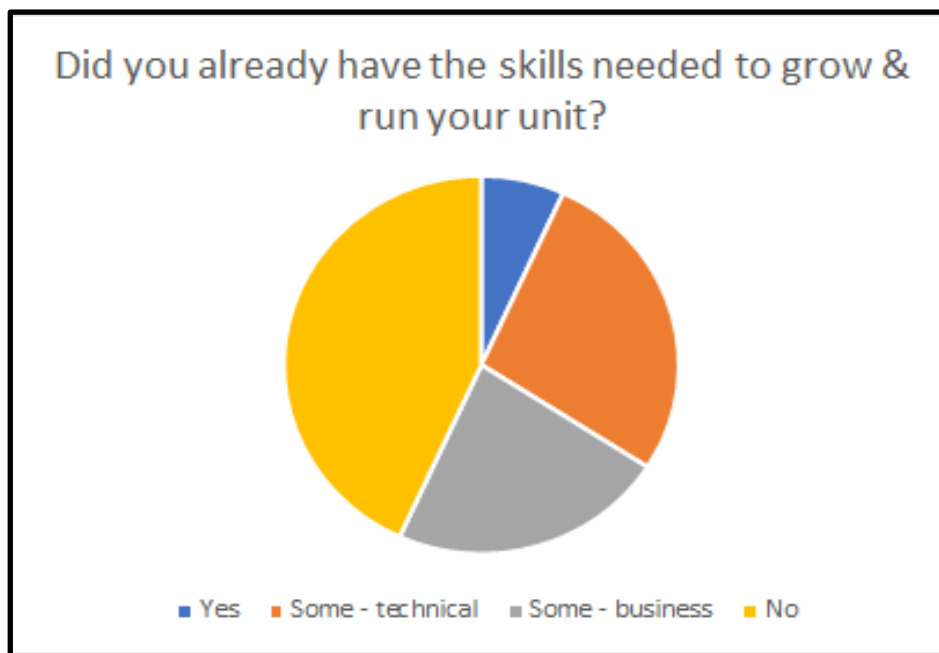
Although it was not a direct question in the interview many units shared the source of initial funding for their unit. The most common source was self-funding. Other common sources were loans from other Aurovilians or grant funding for a small project which then grew into a unit.

ANNEX B

CAPACITY

12. Did you already have the skills you needed to start and grow your unit?

	Number	%
Yes	3	6.8
Some - technical (ie farming/ planting, fashion)	12	27.3
Some - business (ie run business/unit or economic/finance training).	10	22.7
No	19	43.2

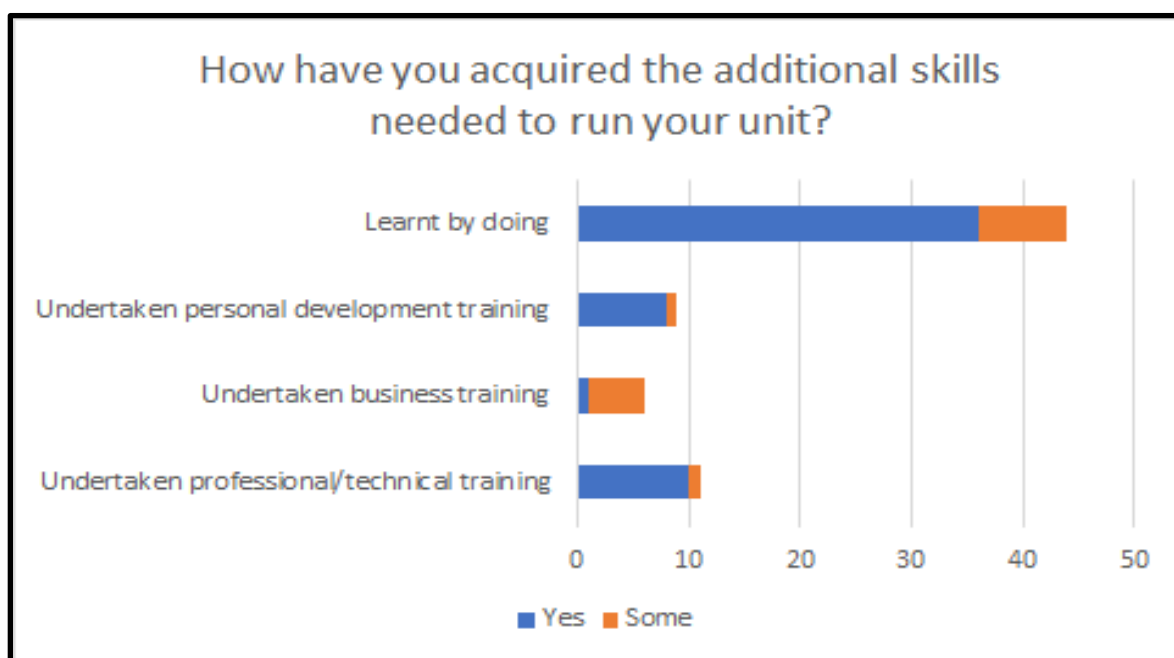


Only 6.8% of those we spoke with already had the skills (technical and business) that were required to start and grow their unit. Many (43.2%) had neither of these aspects.

ANNEX B

13. How have you acquired the additional skills needed to run your unit?

	Yes	Some	No
Undertaken professional/ technical training	10 (22.7%)	1 (2.7%)	33 (75%)
Undertaken business training	1 (2.7%)	5 (11.4%)	38 (86.4%)
Undertaken personal development training	8 (18.2%)	1 (2.3%)	35 (79.5%)
Learning by doing	36 (81.8%)	8 (18.2%)	0



Most of those we spoke (81.8%) with had gained most of the skills they needed 'learning by doing.' 22.7% had received formal professional/ technical training, 18.2% had received personal development training and one person (2.7%) had received formal business/leadership training.

To note:

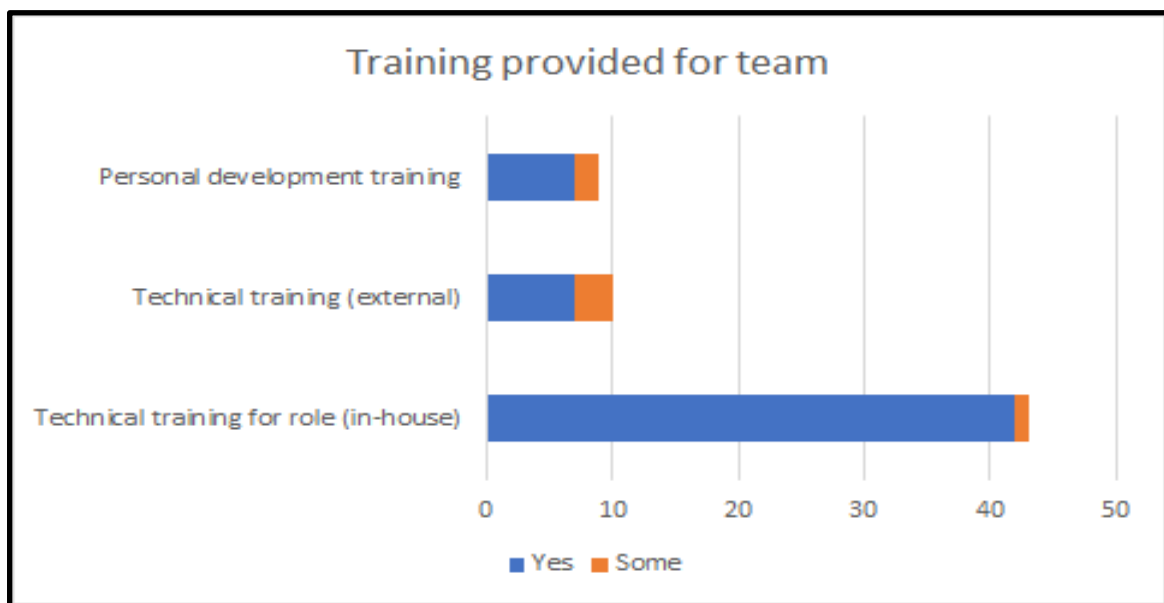
- In terms of the business training most of those who answered 'some' had received informal mentoring and/or incubation from AV units or individuals.
- For personal development training 5 had attended the Monica Sharma course², 1 had attended another leadership training and 1 had attended management training.
- For those who answered 'yes' to learning by doing 10 (22.7%) said they had learnt everything by doing and 14 (31.8%) said they had gained most of the skills and knowledge this way.

² Stewardship for a New Emergence – a 9-day course offering skills on leadership & personal development

ANNEX B

14. What training do you provide for your team/ workers?

	Yes	Some	No
Technical training for the role (in-house)	42 (97.7%)	1 (2.3%)	0
Technical training (external)	7 (16.3%)	3 (7%)	32 (74.4%)
Personal development training	7 (16.3%)	2 (4.7%)	33 (76.7%)



This question was answered by those who currently have a team of workers.

It should be noted that the 'in-house training' provided covers a wide range of situations.

- For approximately two-thirds of the units this is non-formal training - encouraging team members to learn on the job, but providing an outline of the basic tasks and offering guidance, support and mentoring as needed.
- For the other third more formal technical training is provided. This ranges from apprenticeships/masters programs to structured supervision/guidance/induction and typically spans 3-18 months.

In terms of personal development 3 of the units sent their teams to attend the Monica Sharma course annually. Other training provided includes language classes (English/Tamil), yoga, practical skills (opening bank accounts etc), conflict resolution, group dynamics, team management, values explorations etc.

ANNEX B

15. Are you actively training new leaders to ensure the continuation of the unit?

	Number	%
Yes	16	39
No	11	26.8
No - but would like to	10	24.4
Partially	4	9.8



Many units have considered the issue of succession planning, but few have developed clear plans.

Several units have trained people in the past only for them to leave. For many it is hard to find 'the right person' to continue their dream. One unit which faced these issues has now formed a collective management team which includes the current executives, but in a way which will enable them to gradually step back from their responsibilities. One unit that has set up a clear succession team was supported by Integral Entrepreneurship Lab (IEL) and a wider group of AV mentors in this process.

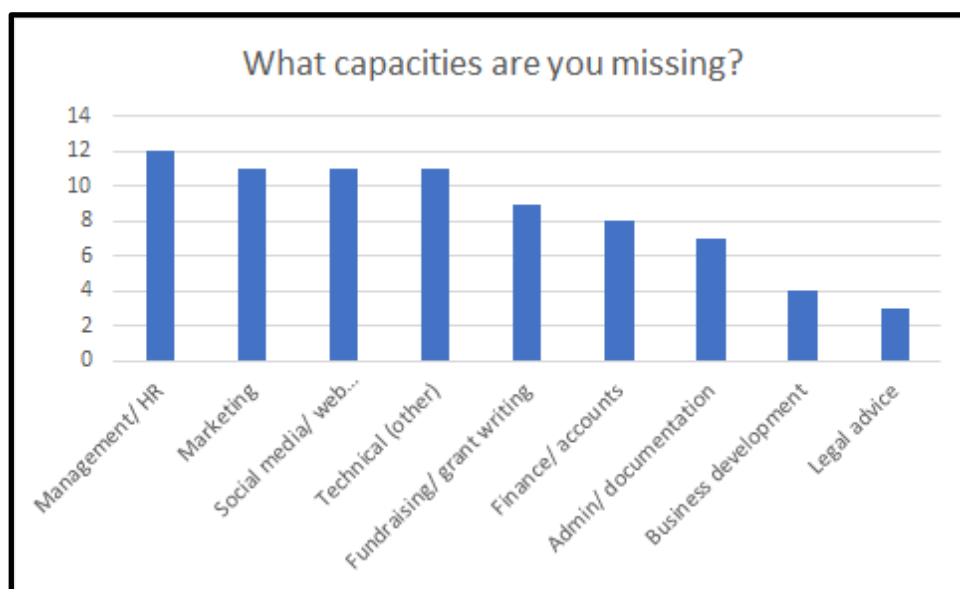
This lack of succession planning and the potential risks it poses for AV's economy was raised by several of the groups in the 'Growing Auroville's Economy Sustainably' initiative.

It is interesting to note that most of the units actively (or partially) training new leaders/youth in leadership roles, are those which have been in operations for 15 years or less.

ANNEX B

16. What capacities are you currently missing in your unit? Where do you need help?

	Number	%
Management/ HR	12	27.3
Marketing	11	25
Social media/ website	11	25
Technical (other)	11	25
Fundraising/ grant writing	9	20.5
Finance/ accounts	8	18.2
Admin/ documentation	7	15.9
Business development	4	9.1
Legal advice	3	6.8



Many of those who were lacking marketing and social media skills explained this was because they were too small to justify a full-time team member to undertake this role. There was strong interest in the potential for shared marketing/social media resources within AV.

It may be interesting to note that management and marketing were also the top 2 'missing skills' in the 2009 survey of AV units. The 2009 survey also suggested creation of a shared marketing resource to support AV units, however this has not yet materialised.

In addition, whilst some units were able to access capacity from their Trusts on finance/accounts and legal issues many units were not.

ANNEX B

COLLABORATION

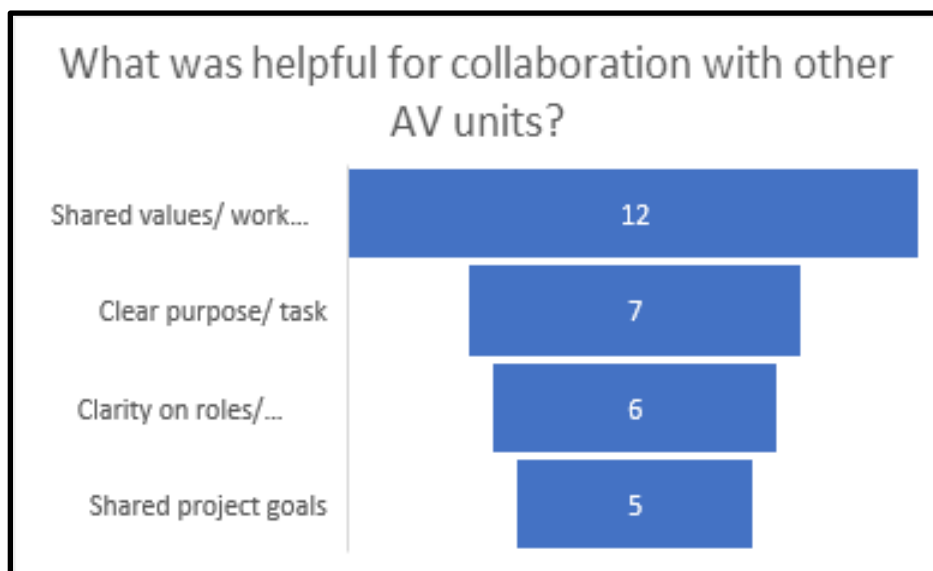
17. Have you collaborated with other AV units?

Of those we spoke with:

- all 44 units (100%) had experience collaborating with other AV units.
- 4 (9.1%) undertook extensive collaboration with other AV units.
- 8 (18.2%) had minimal experience of collaboration with other AV units.
- 6 (13.6%) had collaborated mainly as supplier/ contractor with other AV units.

18. What did you find helpful when collaborating with other AV units?

	Number	%
Shared values/ work ethic	12	27.3
Clear purpose/ task	7	15.9
Clarity of roles/ responsibilities	6	13.6
Shared project goals/ interests	5	11.4

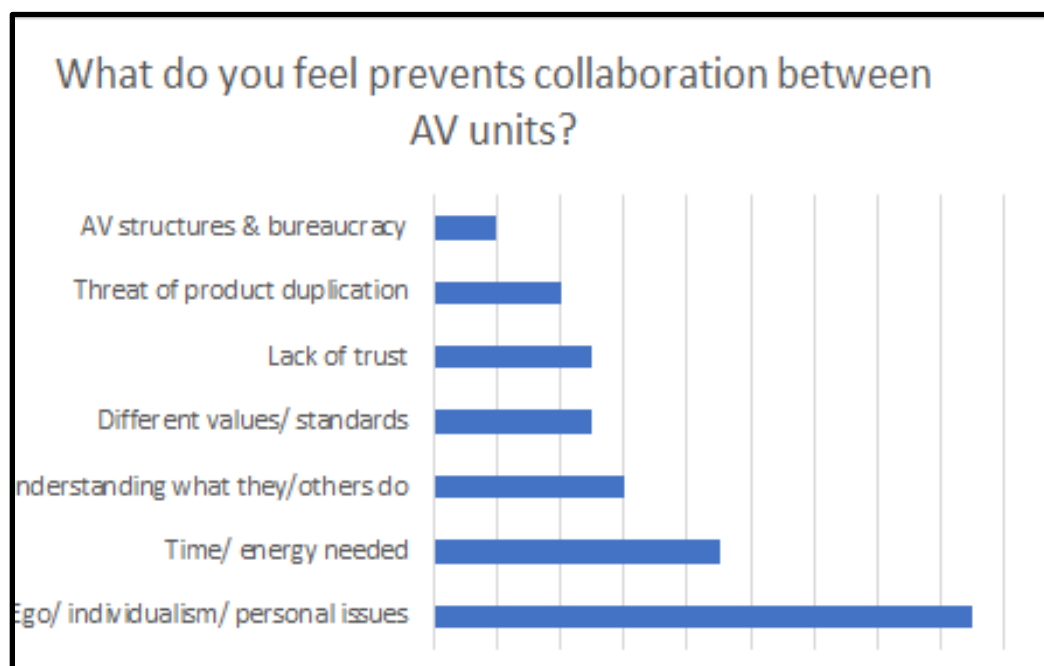


It was clear that units were willing to collaborate where there is a clear purpose or task and that this is helped when roles and responsibilities are clarified at the outset. This can help avoid situations where the work falls onto one of the partners, or where there is a mismatch in expectations around how the project will be delivered.

ANNEX B

19. What do you feel prevents collaboration between AV units?

	Number	%
Ego/ individualism/ personal issues	17	38.6
Time/ energy needed	9	20.5
Not understanding what they/others do in their unit	6	13.6
Different values/ standards	5	11.4
Lack of trust	5	11.4
Threat of product duplication	4	9.1
AV structures & bureaucracy	2	4.5



Whilst personal issues (ego/individualism) were seen as the main barrier to collaboration many felt this could be overcome when there was a clear objective and partners had shared values. However, finding the time/energy needed to support effective collaboration and not understanding what others do were seen as critical factors in why collaboration opportunities were missed.

There was a difference of opinion between units as to whether other units should be able to replicate products already offered in AV. Many would welcome this issue being addressed in a more collaborative way so that impact on existing units could be understood and minimised. Some felt that it was 'swimming in the same pool' where the pool was too small - so it would result in neither unit being profitable, others were concerned it would damage their brand (when the new brand was substantially lower quality). Others however saw it as an opportunity and impetus to evolve.

ANNEX B

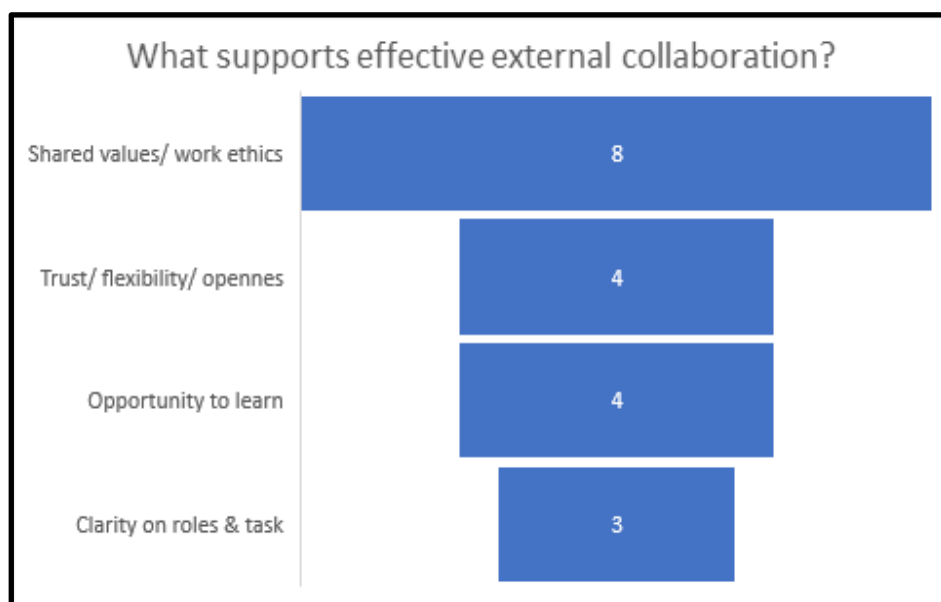
20. Have you collaborated outside AV?

Most of the units (86.3%) had collaborated with external partners or organisations in some way. Of these:

- 7 collaborate extensively with external partners/ organisations
- 5 collaborate mainly as supplier (to distributors)

21. What supports effective external collaboration?

	Number	%
Shared values/ work ethic	8	18.2
Trust/ flexibility/ openness	4	9.1
Opportunity to learn	4	9.1
Clarity of roles/ task	3	6.8



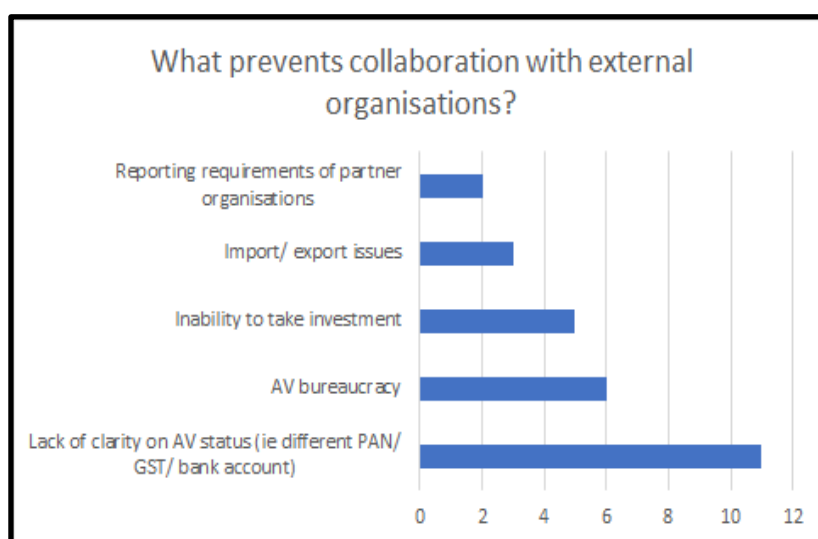
Whilst some of these issues were the same as for collaboration within AV several felt that external partners were more trusting and provided greater flexibility. They also appreciated the opportunity to learn from wider perspectives.

Several units also mentioned that working in close partnership with external bodies had the potential to bring about a deeper understanding about Auroville, its values, philosophy and practical application of integral yoga in their partners. They become 'ambassadors' or 'calling cards' for Auroville, embodying AV's values in their interactions and hope these partnerships inspire others to think and act in a more integral way too.

ANNEX B

22. What prevents external collaboration?

	Number	%
Lack of clarity on AV status (ie different PAN/ GST/ bank account)	11	25
AV bureaucracy	6	13.6
Inability to take investment	5	11.4
Import/ export issues	3	6.8
Reporting requirements of partner organisations	2	4.5



Several units had experienced significant difficulties due to the complex status of AV's structures (with different names and numbers on PAN/ GST/ bank account). This takes up much time for the units to navigate with external partners and some have lost partnerships, contracts or payments for work undertaken due to this issue. Several of these units suggested that clarity on this would be helpful (ie a single point of contact within AV who external bodies could speak with or an official document they could provide partners with).

Many units had also struggled with the AV bureaucracy - again with several losing partnerships or contracts due to the slow speed of decision making and lack of consultation on matters which have business implications. This was especially the case where GST numbers were changed without consultation, resulting in some units making significant losses.

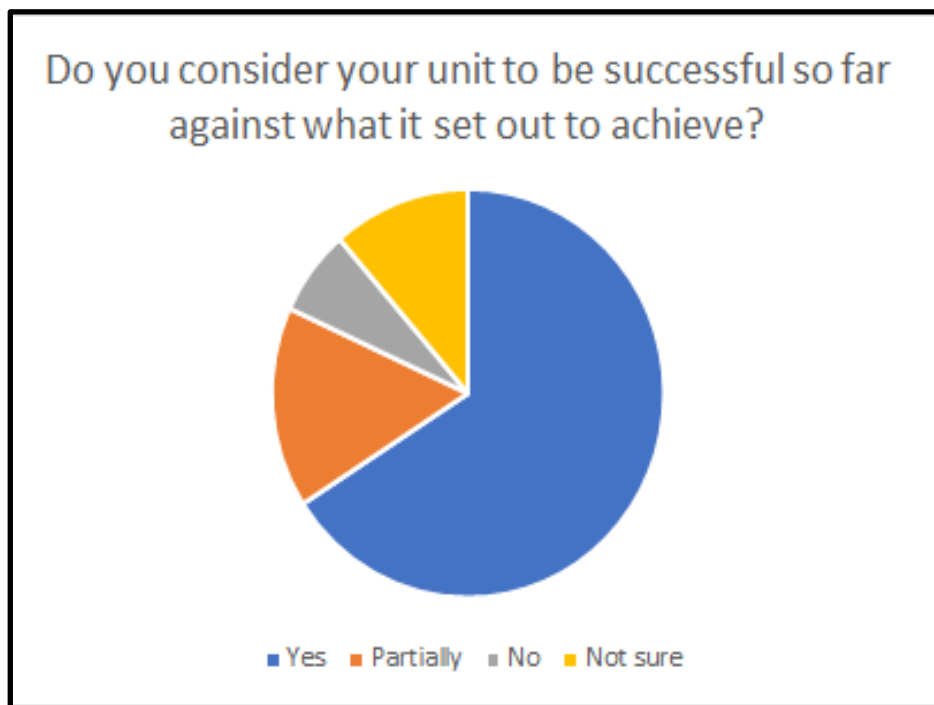
Other issues raised were time/energy needed to build partnerships, the need to adapt content/programs to meet others' requirements and intellectual property issues.

ANNEX B

EVALUATION

23. Do you consider your unit to be successful so far against what it set out to achieve?

	Number	%
Yes	29	65.9
Partially	7	15.9
No	3	6.8
Not sure	5	11.4

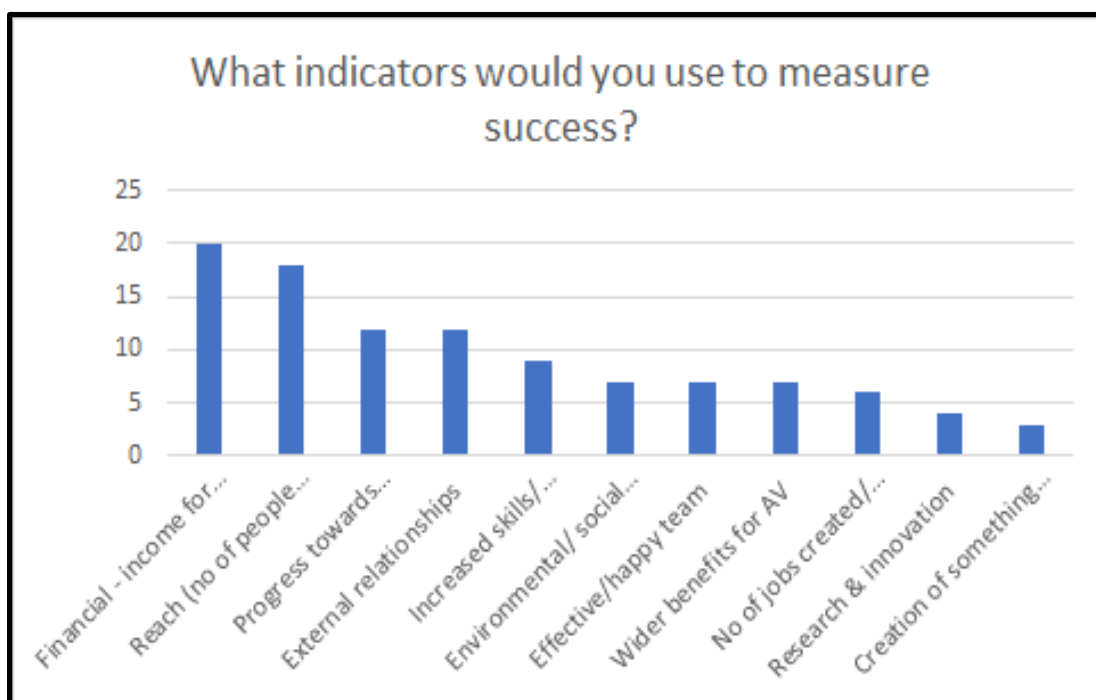


Most of the units considered themselves to be successful against their original goals. Of those who did not it was often due to the ambitious nature of their goals.

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24. What indicators would you use to evaluate/measure your success?

	Number	%
Financial - income for AV/ India etc	20	45.5
Reach - number of people benefitting/ production levels	18	15.9
Progress towards purpose/ vision	12	6.8
External relationships	12	11.4
Increased skills/ knowledge	9	20.5
Environmental/ social impact	7	15.9
Effective/ happy team	7	15.9
Wider benefits for AV	7	15.9
No of jobs created/ provided	6	13.6
Research and innovation	4	9.1
Creation of something beautiful	3	6.8

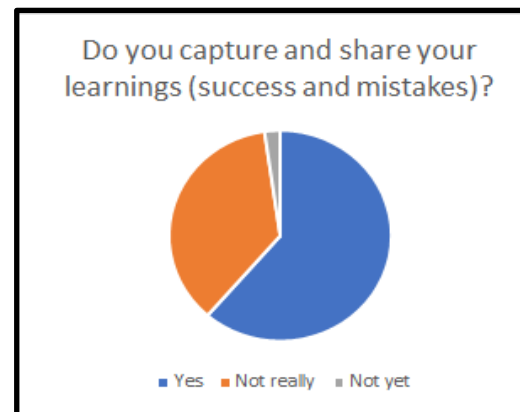


It should be noted that few units actively evaluate their success against indicators. These indicators are those they would measure their success by. Most units indicated that they would evaluate their success on non-financial terms (or include financial sustainability as one of a range of criteria), with several questioning why AV seems to judge the 'success' of a unit on financial terms only.

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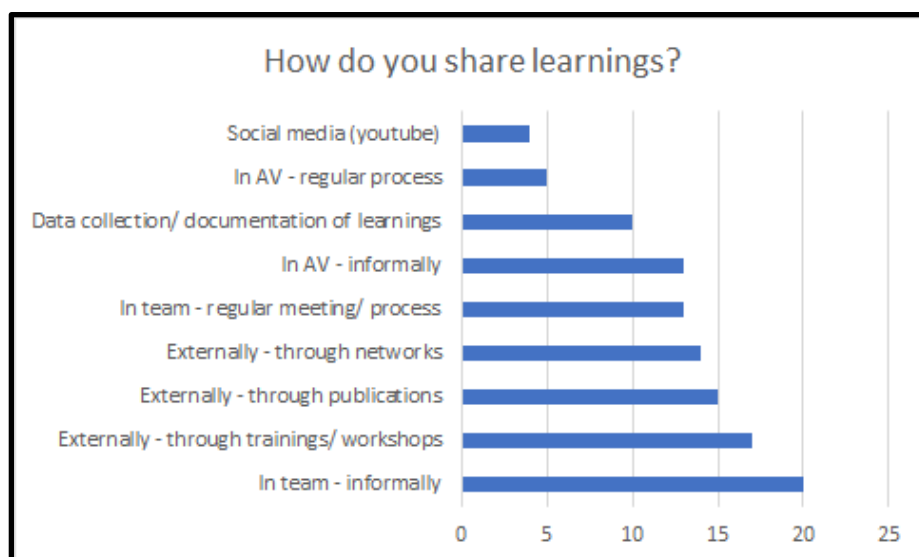
25. Do you capture and share your learnings (success and mistakes)?

	Number	%
Yes	27	61.4
Not really	16	36.4
Not yet	1	2.3



26. How do you share your learnings?

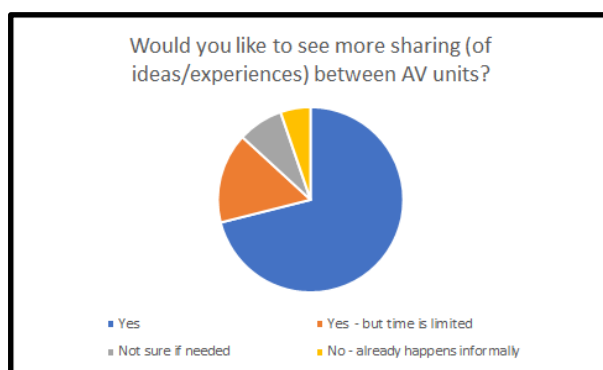
	Number	%
In team – informally	20	45.5
Externally - through trainings/ workshops	17	38.6
Externally - through publications	15	34.1
Externally - through networks	14	31.8
In team - regular meeting/ process	13	29.5
In AV – informally	13	29.5
Data collection/ documentation of learnings	10	22.7
In AV - regular process	5	11.4
Social media (ie youtube)	4	9.1



ANNEX B

27. Would you like to see more sharing between units in AV?

	Number	%
Yes	27	67.1
Yes - but time is limited	6	15.8
Not sure if needed	3	7.9
No - already happens informally	2	5.3



A few units shared their thoughts on the type of sharing they were interested in and/or suggestions on how this could happen. Common responses/suggestions were:

- To build appreciation, understanding and celebration (potentially through 'social' events, annual celebration of units' work, visits to other units etc) - 8 units (18.2%)
- On AV administration topics (GST, FCRA, export etc) and management issues - 5 units (11.4%)
- General sharing of recent experiences/ learnings (potentially through a regular forum) - 4 units (9.1%)

Several units suggested more online sharing – potentially through a platform to share ideas, feedback on suppliers, details of current projects they are working on, calls for help etc. Others suggested a team to link the needs/ experiences/ learnings of units (although there were differences of opinion whether this should be undertaken by existing groups - or whether a new 'friendly, helpful' team was needed).

Again, it is interesting to note that many of the areas units would like more sharing/ support were similar to those identified in the 2009 survey³ as 'proposals to improve the functioning of the ABC'. Proposals from the 2009 report which were also suggested by those we spoke to included '*guidelines for new/existing units (on AV policies and Indian laws)*', '*guidance on how to set up and operate a unit*', '*info on labour law/minimum wages etc*', '*more networking among AV units/sharing information*' and '*legal advice*'.

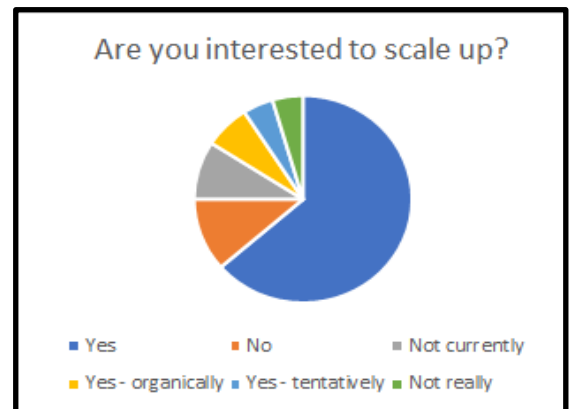
³ A survey of 12 units was undertaken by Martin, Harini & Vikram in 2009 for L'avenir

ANNEX B

SCALING UP - INTEREST & BARRIERS

28. Are you interested to scale up?

	Number	%
Yes	28	63.6
No	5	11.4
Not currently	4	9.1
Yes - but organically	3	6.8
Yes – tentatively	2	4.5
Not really	2	4.5



29. In which ways are you interested to scale?

	Number	%
Increase reach/ impact (new markets etc)	22	50
New projects	21	47.7
Increase production	12	27.3
New partnerships	10	22.7
Train others to deliver	8	18.2
Franchise model	3	6.8

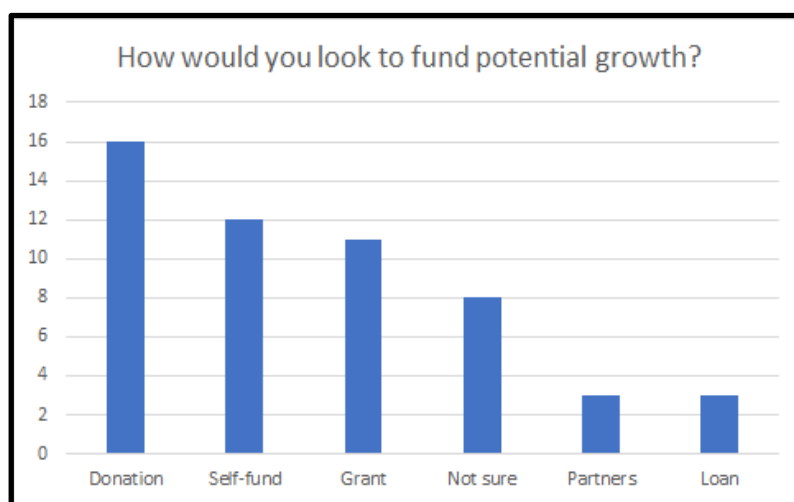


Of those looking to increase production three units specified additional production would need to be offsite, with one suggesting AV is well suited to establish a cluster of production units in the bioregion (or wider Tamil Nadu) to increase local job creation.

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30. How would you look to fund this growth?

	Number	%
Donation	16	36.4
Self-fund	12	27.3
Grant	11	25
Not sure	8	18.2
Partners	3	6.8
Loan	3	6.8



Most of the units saw donations as the main way in which they would be able to finance any future growth as it was more flexible than grant funding. Where units were able to self-fund⁴ this was however seen as the favoured option. Several units (18.2%) were not sure where they would get the funds for growth.

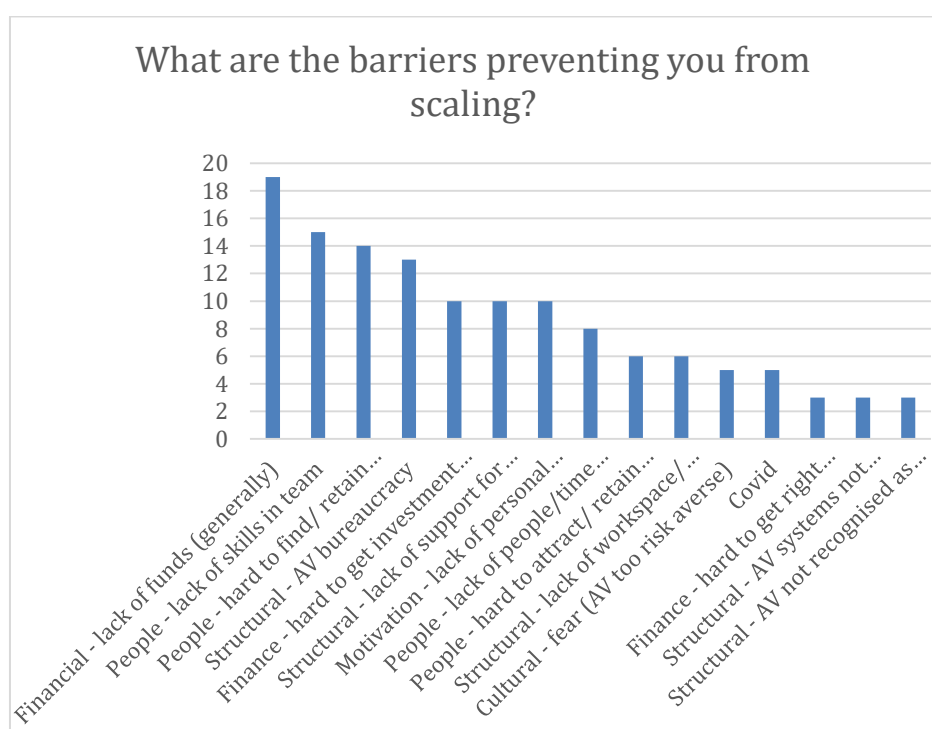
Few units were interested to get a loan from AV to fund their growth as they disagreed ethically with AV charging interest on its own units when AV would be the beneficiary of any growth through increased income. Some also felt they would be refused due to personal issues.

⁴ To note that self-fund usually refers to financing growth from the units' existing reserves, however in some cases it may also mean using the executive's personal funds. Of those we spoke with 12 indicated they would already have funds available to support their growth.

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31. What are the barriers preventing you from scaling up?

	Number	%
Financial - lack of funds (generally)	19	43.2
People - lack of skills in team	15	34.1
People – hard to find/ retain Aurovilians to work full-time	14	31.8
Structural - AV bureaucracy	13	29.5
Finance - hard to get investment to enable growth	10	22.7
Structural - lack of support for units	10	22.7
Motivation - lack of personal energy/ interest	10	22.7
People - lack of people/time (generally)	8	18.2
People - hard to attract/ retain skilled workers (non-AV)	6	13.6
Structural - lack of workspace/ land	6	13.6
Cultural - fear (AV too risk averse)	5	11.4
Covid	5	11.4
Finance - hard to get right partners/ investors	3	6.8
Structural - AV systems not supportive of social enterprise model	3	6.8
Structural - AV not recognised as Higher Education provider	3	6.8



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Other barriers (provided by 1 or 2 units) included:

- Motivation - not wanting to be a 'big' employee.
- Finance - hard to develop a sustainable business model.
- Structural - legal issues.
- Cultural - AV is not open to new ideas.

32. Do you feel there is anything unique you offer to the world as an AV unit?

- AV's size and set up make it perfect for experimenting and testing new ideas. The philosophy of non-ownership also allows time and space to explore more tangible outcomes to benefit humanity as a whole (social, environmental etc), develop quality products and challenge the existing economic paradigm. It also has a culture which enables and encourages experimentation.
- AV has an ability to develop holistic solutions which provide an 'integrated', 'multi-perspective', 'systems based' view given how easy it is to get input from many different perspectives (ecological, educational, environmental, cultural, product design etc). This was seen as having potential to help address complex global issues.
- The synthesis of different cultures and nationalities means that it is easier for global ideas to land and synthesize in AV. These new/global ideas can then be explored in detail to understand the relevance and application for the Tamil/Indian context. Many projects bring together global ideas with local craftspeople to create new forms. With many different nationalities residing in AV it can also be easier to understand the potential for wider application. Input from non-Indians can also bring wider perspective and international contacts.
- Many noted that AV has a high level of trust in the outside world, as it is known for beautiful, high quality products and honesty/transparency of the units in their dealings.
- Many units are deeply driven by the philosophy and ethics of AV and look to bring consciousness into every aspect of their business - caring for the welfare of their suppliers, staff and customers and their buildings, land and the earth we live on rather than seeing them as assets.
- AV was also seen as having the potential to inspire others that another way of working is possible. That it is possible to work on something you are passionate about, from a place of creativity and joy - having fun whilst serving the divine.

ANNEX C

List of units/people engaged in the process

Detailed interviews were conducted with the following units:

1. Aire
2. Annapurna Farm
3. Aquadyn
4. ATB
5. Aureka
6. Auro Orchard
7. Aurospiral
8. Auroville Campus Initiative (ACI)
9. Auroville Consulting (AVC)
10. Auroville Earth Institute (AVEI)
11. Auroville Energy Products (AEP)
12. Auroville Language Lab
13. Auroville Village Action Group (AVAG)
14. Bamboo Centre
15. Botanical Gardens
16. Buddha Garden farm
17. C3Stream (STEMland)
18. Colours of Nature
19. CSR
20. Cynergy
21. Earth&Us
22. Eco Femme
23. EcoPro
24. Hemplanet
25. Kinisi
26. KOFPU (Kottakarai Organic Food Processing Unit)
27. Martuvan Healing Forest
28. MeDiClown
29. MGEcoduties
30. Naturellement
31. OK Upcycling
32. Palmyra
33. Pebble Garden
34. Pitchandikulam Forest
35. Sadhana Forest
36. SEA (Social Entrepreneurship Association)
37. Solitude Farm
38. Sunlit Future
39. Svaram
40. TreeCare
41. Treehouse Community
42. Upasana
43. WasteLess
44. WELLpaper

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Short interviews were conducted with the following units/projects

45. Auromics
46. AV Arts Service
47. AV Dental Centre
48. AVision
49. Conscious Living
50. EcoService
51. LightFish
52. Marc's Coffee
53. Maroma
54. PTDC
55. Soundwizard

People/projects engaged (through individual interviews and/or group discussions)

1. Amy B*
2. Auralice
3. Auroville Consulting's Project Management Cell (Kshitij and Prabhakar)
4. Chali
5. Chandresh
6. Divya Kapoor*
7. Elvira Klein*
8. FAMC
9. Gijs
10. Harini
11. HR Hub (Stephanie & Joel)
12. Idoya
13. IEL (Torkil, Uma, Aurelio & Praveen)*
14. Kalyan
15. LuMa (Louise & Marianna)
16. Manoj
17. Manuel Thomas*
18. Michael Dieter Salvador Marco
19. MERA (Hemant, Stephan, Rathinam & Suryamayi)*
20. Min
21. Otto
22. PCG Group (Pala, Tineke and Vali)
23. Rajiv and Naveen
24. Ramanan
25. Rathinam*
26. Ribhu
27. SAVI (Shivakumar)
28. Stephan*
29. Sunaina Mandeem
30. Suhasini
31. Talam (Shankardevy)
32. Toine*

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33. Torkil*
34. Ulli Blass*
35. YouthLink (Lucrezia, Tenzin, Ankeeta & Anand)

Advisory group members

1. Dave Storey
2. Kathy Walkling
3. Lakshmi Venugopal*
4. Manas Chakrabarti*
5. Suryamayi Clarence-Smith

* denotes those involved in focus group discussions

ANNEX D

Perspectives on what is different about Auroville's approach and why this has potential to create positive change in the world.

Perspectives from the Mother

"I want to insist on the fact that this [Auroville] will be a place for making experiments. It is for making experiments, researches, studies...." <https://incarnateword.in/agenda/08/december-30-1967#p18>

A Dream

There should be somewhere on earth a place which no nation could claim as its own, where all human beings of goodwill who have a sincere aspiration could live freely as citizens of the world and obey one single authority, that of the supreme Truth; a place of peace, concord and harmony where all the fighting instincts of man would be used exclusively to conquer the causes of his sufferings and miseries, to surmount his weaknesses and ignorance, to triumph over his limitations and incapacities; a place where the needs of the spirit and the concern for progress would take precedence over the satisfaction of desires and passions, the search for pleasure and material enjoyment.

In short, it would be a place where human relationships, which are normally based almost exclusively on competition and strife, would be replaced by relationships of emulation in doing well, of collaboration and real brotherhood.

The earth is certainly not ready to realize such an ideal, for mankind does not yet possess the necessary knowledge to understand and accept it nor the indispensable conscious force to execute it. That is why I call it a dream. Yet, this dream is on the way of becoming a reality. That is exactly what we are doing on a small scale, in proportion to our modest means. The achievement is indeed far from being perfect, it is progressive; little by little we advance towards our goal, which, we hope, one day we shall be able to hold before the world as a practical and effective means of coming out of the present chaos in order to be born into a more true, more harmonious new life.

Auroville Charter

- *Auroville belongs to nobody in particular. Auroville belongs to humanity as a whole. But to live in Auroville, one must be the willing servitor of the Divine Consciousness.*
- *Auroville will be the place of unending education, of constant progress, and a youth that never ages.*
- *Auroville wants to be the bridge between the past and the future. Taking advantage of all discoveries from without and from within, Auroville will boldly spring towards future realisations.*
- *Auroville will be a site of material and spiritual researches for a living embodiment of an actual Human Unity.*

Perspectives from Auroville Foundation

Today, Auroville is recognised as an international living experiment in Human Unity, endorsed by the UNESCO and supported by the Government of India. It is also a centre for

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applied research in environmentally sustainable living practices, experimenting new system of education, social research and cultural activities. (from AV Foundation annual report 19/20 <http://aurovillefoundation.org.in/wp-content/uploads/2020/05/Annual-report-18-19-PRINT.pdf>)

Karan Singh (foreword to Auroville Foundation's Annual Report 2018/19)

In consonance with its Charter, Auroville's activities cover a wide range. Among other things, it includes education and culture, multiple forms of health services, integrating the surrounding rural communities through the outreach schools and learning centres, environmentally sustainable practices in farming, water harvesting and forestry, various innovations and appropriate renewable technologies. <http://aurovillefoundation.org.in/wp-content/uploads/2020/05/Annual-report-18-19-PRINT.pdf>

Perspectives from UNESCO

Office of the General Delegation UNESCO PARIS Paris, April 11, 2003, Office of the Spokeswoman, 35th anniversary of Auroville

Noting that UNESCO had supported the foundation of Auroville and, over the years, has continued to show interest in the unfolding development, the Director-General stressed the similarities between UNESCO's ideals, values and principles and those underpinning this unusual community. He pointed to the way in which key aspects of the Auroville experiment resonate strongly with some of UNESCO's major priorities and concerns such as dialogue among civilizations, cultures and religions; cultural diversity and culture as a factor for development, poverty eradication, quality education and life-long learning; and renewable energies.

Resolution on Auroville: August 2007 - for the 40 th anniversary of the establishment of Auroville, an international township

The Executive Board,

- 1. Recalling the foundation of the international township of Auroville, in South India, in February 1968, when the youth of 124 Member States participated in the ceremony by depositing the soil of their countries in the foundation urn to symbolize the coming together of the nations of the world.*
- 2. Noting that the Charter of Auroville, announced at the Foundation Ceremony, declares that Auroville belongs to nobody in particular but to humanity as a whole,*
- 3. Recognizing that the aims of Auroville are to promote international understanding, peace, innovative education, a learning society, and all-round material and spiritual development for harmonious individual and collective growth, and that such aims contribute to the advancement of the objectives of UNESCO, especially dialogue among civilizations, cultures and religions, cultural diversity, and cultural diversity, and culture as a factor for development,*
- 4. Recalling that in 1983 the General Conference adopted a resolution inviting Member States and international non-governmental organizations to participate in the development of Auroville as an international cultural township,*

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5. *Conscious therefore of the broad range of activities undertaken by governments, National Commissions for UNESCO, and international non-governmental organizations to promote the development of Auroville as an important international cultural programme,*
6. *Recognizing the value of such civilizing experiences as an invaluable and integral part of the commonly shared human experience,*
7. *Also recognizing that Auroville is a successful and unique model project, proving the capacity of an international community, after 40 year of existence, to continue to live up to its initial founding ideals of peace and international harmony and within the spirit of mutual respect and sustainable development which are also UNESCO's own values and principles, as well as some of its major priorities,*
8. *Noting that 28 February 2008 will mark the 40 th anniversary of the setting up of Auroville project,*
9. *Invites the Director-General to reinforce the association of UNESCO, and in particular its Culture Sector, with Auroville in the context to the commemorative activities for its 40th anniversary.*

UNESCO Director-General Koïchiro Matsuura at the opening of a Round Table to celebrate the fortieth anniversary of the Auroville township (2008)

Mr Matsuura recalled that 'forty years ago, the founders of Auroville set a most noble objective: to create a place where people from different cultural, educational and political backgrounds can meet and work together towards their common goal of sustainable living. Thus, Auroville stands out as an unparalleled human experiment in transforming these ideals into reality,' the Director-General continued, adding that 'in so doing, Aurovillians have worked closely with the inhabitants of the surrounding villages to help improve their living conditions. The outlying rural region, considered by the local government as among India's most underdeveloped areas, has benefited greatly from Auroville's presence. Some 5,000 people from local communities have found employment in the township, and a number of health and educational facilities have been created to serve them,'

UNESCO Resolution at 39th General Assembly 2017

UNESCO has supported the foundation of Auroville and, over the years, has continued to show interest in the unfolding development. The ideals of Auroville and UNESCO's have similarities in values and principles. The key aspects of the Auroville experiment resonate strongly with some of UNESCO's major priorities and concerns such as dialogue among civilizations, cultures and religions; cultural diversity and culture as a factor for development, poverty eradication, quality education and life-long learning; and renewable energies.

Several events, conferences have been organised over the years in collaboration with Auroville and UNESCO. The Auroville Earth Institute is the UNESCO chair of Earth Architecture established in Auroville.

Through the learning of Auroville's five decades journey of experiments for integral and unending education, compliments the larger goals of UNESCO of and critical goal of the

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new UN 2030 Agenda for Sustainable Development and ensure inclusive and quality education for all and promote lifelong learning.

<https://auroville.org/contents/538>

Perspectives from the Government of India

PM Narendra Modi (on his visit for Auroville's 50th birthday in 2018)

"I am happy to be here today on the occasion of the golden jubilee week of Auroville. Sri Aurobindo's vision of India's spiritual leadership continues to inspire us, even today.

Indeed, Auroville is a manifestation of that vision. Over the last five decades, it has emerged as a hub of social, cultural, educational, economic and spiritual innovation.

The first high principle of Auroville is that it belongs to all humanity. This is a reflection of our ancient credo of VasudhaivaKutumbakam -- the world is one family.

I am told that the inauguration ceremony of Auroville in 1968 was attended by delegates of 124 nations. I learnt that today, it has over two thousand, four hundred residents from forty-nine countries.

This leads us to the second high principle of Auroville. Anyone who is willingly in service of the Divine Consciousness is entitled to live in Auroville.

Maharishi Aurobindo's philosophy of Consciousness integrates not just humans, but the entire universe. This matches with the ancient saying in the Ishavasya Upanishad. This has been translated by Mahatma Gandhi to mean "everything down to the tiniest atom is divine".

The third founding principle of Auroville is that it will emerge as the bridge between the past and the future. If one looks at where the world and India were in 1968 when Auroville was founded, the world was living in compartments and in a state of cold war. The idea of Auroville saw the world getting integrated by trade, travel and communication.

Auroville was conceived with the vision of enveloping the whole of humanity in one small area. This would show that the future would see an integrated world. The fourth founding principle of Auroville is that it will connect the spiritual and material approaches of the contemporary world. As the world progresses materially through science and technology, it will increasingly long for and need spiritual orientation for social order and stability.

At Auroville, the material and the spiritual, co-exist in harmony.

The fifth basic principle of Auroville is that it will be a place of un-ending learning and constant progress, so that it never stagnates.

The progress of humanity calls for continuous thinking and re-thinking, so that the human mind does not become frozen into one idea.

Be it unending education, environment regeneration, renewable energy, organic agriculture, appropriate building technologies, water management, or waste management. Auroville has been a pioneer.

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You have done a lot to promote quality education in the country. On the occasion of 50 years of Auroville, I hope you can enhance your efforts in this direction. Serving young minds through education will be a big tribute to Sri Aurobindo and the Mother.

Many of you may not be aware, but I too, have been a follower of your efforts on education. Shri Kireet Bhai Joshi, an ardent disciple of Sri Aurobindo, and the Mother, was an eminent educationist.

May Auroville continue to come up with ideas to empower the ordinary citizens of this country. May people from far and wide bring with them new ideas. May Auroville become the centre where these ideas are synthesized. May Auroville serve as a beacon to the world.

May it be the guardian which calls for breaking down narrow walls of the mind. May it continue to invite everyone to celebrate the possibilities of humanity's one-ness."

<https://auroville.org/contents/4419>

Mr. S.K.Tripathy, then Secretary of State for Education, Govt. of India, at the function celebrating Auroville's 35th anniversary at UNESCO headquarters (2003)

"Auroville has already brought a transformation in the areas surrounding it by adopting people-friendly technologies, eco-friendly farms which do not destroy the Mother Earth, income generating industrial units which do not pollute the air, and many such innovations which point towards an India of the future which is prosperous, in tune with nature, does not sacrifice its collective goals, and which acts as an inspiration for the new generation. Towards this aim, WE ARE HERE TO SUPPORT AUROVILLE AS PARTNERS IN PROGRESS, AS FACILITATORS RATHER THAN AS MERE ADMINISTRATORS, and would like to contribute towards the progress of Auroville to serve as a beacon of hope, not only for the future of India, but also for humanity as a whole."

<https://auroville.org/contents/870>

Perspectives from Auroville International (AVI)

Auroville is the world's first and only internationally recognised experiment in human unity, also concerned with – and practically researching into – the future cultural, environmental, social and spiritual needs of mankind.

Thus, Auroville's work is not confined only to meeting the needs of the township, or to those of the wider bio-region. Auroville sees itself as a place of research and experimentation for humanity as a whole, not only into sustainable practices – such as in the fields of agriculture and energy generation – but more importantly into the establishment for the first time on earth of a practical human unity applicable to all people and all nations. As such it is a unique and important experiment, role-model and potential catalyst for changing global perceptions, lifestyles and practices for the benefit of all humanity – independently of political, religious or cultural influences. <http://auroville-international.org/auroville/why-auroville/>

Other perspectives

During his visit in 1986, Mr. J.R.D. Tata, Chairman Emeritus Tata & Sons, said:

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"In this rampaging world, Auroville could be a sort of model, a hope, as you are pioneering a new way of organisation, a new way of life. Perhaps in the future, other Aurovilles could be created in India.(...) Auroville is not just an idea. It is the future, the future of the world".

"I know that Auroville won't fail.... Perhaps there is nowhere in the world this kind of spirit and this kind of faith, a visible belief in oneself and in the goodness of people."
<https://auroville.org/contents/872>

Mrs. Hanna Strong, President of the Manitou Foundation, USA, and a (new) Member of the Second International Advisory Council, wrote in her message on the occasion of Auroville's 28th Anniversary on 28th February 1996:

"Auroville is an opportunity to do it right: to bring about solutions for an enlightened and sustainable world." <https://auroville.org/contents/1778>

Global Ecovillage Network

A vibrant community of Aurovillians, newcomers guests and volunteers are also involved in experiments in sustainable building practices and renewable energy technology and applications, land restoration, educational research, health care, community outreach, town planning, a variety of arts, music, dance and other cultural activities and community services.

As a meeting point of different cultures, and as a demonstration site and testing ground for social, environmental and technological experimentation, Auroville attracts support from many different organizations, communities and individuals across the world...

Whatever Auroville's material achievements, however, the main aim is inner change, for the Aurovillians understand that without a radical change in consciousness no permanent change can be effected. <https://ecovillage.org/project/auroville/>