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JHARKHAND TRIBAL EMPOWERMENT AND LIVELIHOODS PROJECT

DESIGN COMPLETION REPORT

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Asia and the Pacific Division
Programme Management Department

REPORT No. 2734-IN

July 2012

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INDIA

JHARKHAND TRIBAL EMPOWERMENT AND LIVELIHOODS PROJECT

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WORKING PAPERS

- Working paper 1: Issues in Tribal Development
- Working paper 2: Poverty and Gender Analysis
- Working paper 3: Natural Resources and Agriculture
- Working paper 4: Community Institutions Development
- Working paper 5: Integrated Natural Resource Management
- Working paper 6: Livelihood Support
- Working paper 7: Monitoring and Evaluation
- Working paper 8: Knowledge Management
- Working paper 9: Project Costs and Financing
- Working paper 10: Financial and Economic Analysis
- Working paper 11: Environmental and Social Review Note
- Working paper 12: SHG and Financial Services

FISCAL YEAR

1 April to 30 March

CURRENCY AND EQUIVALENTS

Currency Unit	Indian Rupee (INR)
USD 1.00	= INR 50.00 Jan 2012
	= INR 55.00 June 2012

UNITS AND CONVERSIONS

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 quintal	=	100 kg
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m ²)	=	10.76 square feet (ft ²)
1 acre (ac)	=	0.405 hectare (ha)
1 hectare (ha)	=	2.47 acres
1 Lakh	=	100,000
10 Lakh	=	1 million

ABBREVIATIONS, ACRONYMS AND GLOSSARY

AIBP	Accelerated Irrigation Benefit Programme
APD	Additional Project Director
AWP&B	Annual Work Plan and Budget
BCR	Benefit-cost ratio
BPCC	Block Project Coordination Committee
BPL	Below Poverty Line
CRP	Community Resource Person
DC	Deputy Commissioner
DFAO	District Finance and Administration Officer
DPCC	District Project Coordination Committee
DPMU	District Project Management Unit
FAM	Finance and Administration Manager
FNGO	Facilitating NGO
FRA	Forests Rights Act of 2006
FSC	Farmer Service Centre
GOI	Government of India
GS-PEC	Gram Sabha Project Execution Committee
GSRMLP	Gram Sabha Resource Management and Livelihood Plan
HH	Households
ICO	India Country Office of IFAD
IFAD	International Fund for Agricultural Development
IGA	Income Generating Activity
ILRI	International Livestock Research Institute
INRM	Integrated Natural Resource Management
IRR	Internal Rate of Return
ITDA	Integrated Tribal Development Agency
IWMP	Integrated Watershed Management Programme
JTDP	Jharkhand Tribal Development Programme, IFAD-supported

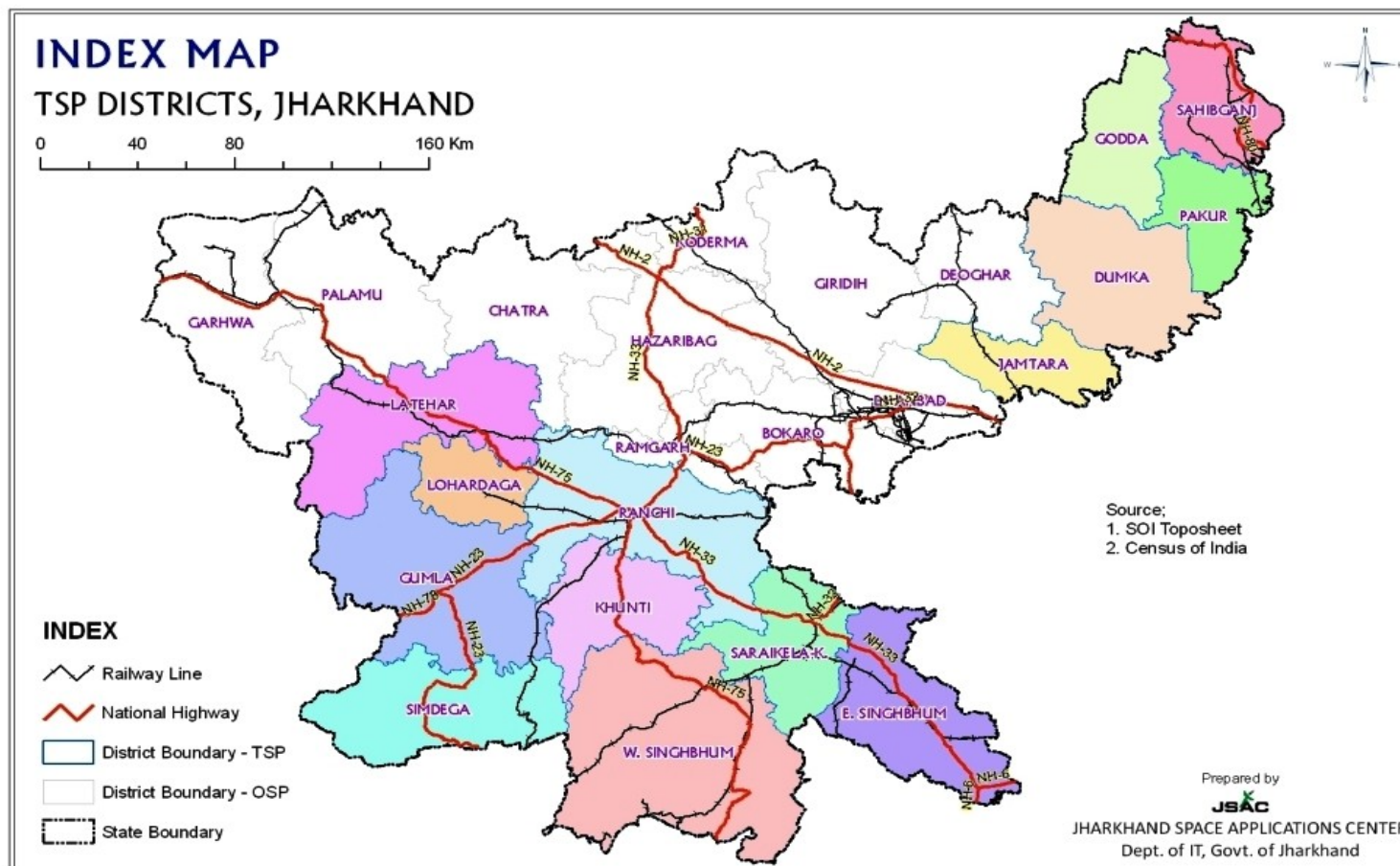
JTDS	Jharkhand Tribal Development Society
JTELP	Jharkhand Tribal Empowerment and Livelihood Project
KAP	Knowledge Attitude Practice Survey
KM	Knowledge Management
M&E	Monitoring and Evaluation
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MIS	Management Information System
MOU	Memorandum of Understanding
MTR	Mid-Term Review
NGO	Non-Governmental Organisation
NHM	National Horticulture Mission
NPV	Net Present Value
NRHM	National Rural Health Mission
NRLM	National Rural Livelihoods Mission
NRM	Natural Resource Management
NTFP	Non-timber Forest Produce
OBC	Other backward class
PESA	Panchayat (Extension to Scheduled Areas) Act
PIM	Project Implementation Manual
PMC	Project Management Committee
PRI	Panchayat Raj Institutions
PTGs	Particularly vulnerable Tribal Groups
RFP	Request for Proposal
RIMS	Results and Impact Management System
RKVY	Rashtriya Krishi Vikas Yojana (National Agriculture Development Project)
SCA to TSP	Special Central Assistance to Tribal Sub-Plans
SCs	Scheduled Castes
SHG	Self-help Group
SOE	Statement of Expenditures
PSC	Project Coordination Committee
SPD	State Project Director
SPMU	State Project Management Unit
SPSC	State Project Steering Committee
STs	Scheduled Tribes
TSA	Technical Support Agency
TSP	Tribal Sub-Plan
VDF	Village Development Fund
WA	Withdrawal Applications
WFP	World Food Programme
YG	Youth Group

Glossary

<i>Bari/Badi</i>	Land around a homestead used for cultivation
<i>Dhaincha</i>	A nitrogen fixing plant used as green manure (<i>Sesbania bispinosa</i>)
<i>Goda dhaan</i>	A variety of rain-fed, drought resistant paddy, cultivated in uplands
<i>Gram sabha</i>	Generic name for a village assembly; also the statutory village assembly
<i>Jhum</i>	Shifting cultivation
<i>Kharif</i>	Monsoon (wet) farming season
<i>Kulthi</i>	Horse Gram (<i>Macrotyloma uniflorum</i>)
<i>Mate</i>	One who supervises a work unit in civil construction work under MGNREGS
<i>Murum</i>	Weathered and disintegrated rock, such as Laterites
<i>Rabi</i>	Winter farming season
<i>Taand or Taanr</i>	Upland or the upper reaches in a rolling landscape
<i>Tola</i>	A hamlet forming part of a large village

MAP OF JHARKHAND

(Project Area Districts are shown in colour)



PROJECT SUMMARY

COUNTRY: India
Project Title: Jharkhand Tribal Empowerment and Livelihoods Project
CPM: Nigel Brett
QA Reviewer:

Director: Nigel Brett OIC/ APR
Division: Asia Pacific Region
QE Lead Advisor: Tom Anyonge
QE Date: 18 April 2012
QE Panel rating: 4.5

Development objective: Empower and enable 136,000 tribal households to take up sustainable livelihoods opportunities and equitable use of natural resources in Jharkhand

Project Components & Costs:

Components	Component cost (US\$)	Percentage of total cost
1. Community Empowerment	11.74	10.16%
2. Integrated Natural Resource Management	58.03	50.20%
3. Livelihoods Support	16.29	14.10%
4. Project Management	13.06	11.29%
5. Contingencies	16.48	14.25%

Total Project Cost: US\$ 115.59 M

IFAD contribution: US\$ 51.0 M – loan: US\$ 51.0 M; grant: US\$ 0 M

Number of Beneficiaries: 136,000 households (direct)

Cost per Beneficiary: 850 US\$/ household (direct)

Sources of Financing and Amounts: IFAD (44.1%), TSP (10%), MGNREGS (38.2%), Govt (6.9%), Beneficiaries (0.8%)

Terms of Financing:

Highly concessional, interest-free loan and with 0.75% service charge
Maturity period of 40 years with a 10 year of grace period

Key Implementing Partners:

- (i) Welfare Department, Government of Jharkhand
- (ii) Jharkhand Tribal Development Society, Ranchi
- (iii) Participating FNGOs
- (iv) Participating Technical Support Agencies

Project Duration: 8 years

INDIA

JHARKHAND TRIBAL EMPOWERMENT AND LIVELIHOODS PROJECT EXECUTIVE SUMMARY

Background and rationale

1. Removing rural poverty, estimated at 41.8% is the key challenge before India. Poverty is highest among the Scheduled Tribes (STs). Building on the experience of the IFAD-supported Jharkhand Tribal Development Programme (JTDP), the proposed Jharkhand Tribal Empowerment and Livelihoods Project (JTELP) will strengthen community-based institutions, promote improved natural resource management, enhance productivity and up-scale proven market-oriented production models. JTELP will foster convergence with on-going Government of India (GoI) programmes for tribal and rural development.

2. The tribal and rural development policies and the Approach Paper to the 12th Five Year Plan of the GoI emphasize convergence through decentralized governance. With elected Panchayats in place to plan and implement village development projects, the environment to implement JTELP is conducive. JTELP's objective is aligned with COSOP's emphasis on tribal people, women, youth and small and marginal farmers, and the strategic objective of greater access to agricultural technologies and natural resources.

Rural context, geographic area of intervention and target groups

3. Jharkhand has an area of 79,714 Km² and a population of 32.97 million (Census 2011), of whom 26% are STs and 78% rural. This fifth poorest Indian State has 51.6% rural people below the poverty line (BPL). Agriculture is the main rural occupation, yet over half of the cultivable land remains fallow, only 11% of sown area is irrigated and over 70% farms are under 1 ha. Low productivity of subsistence farming, forest degradation and lack of non-farm livelihoods are key drivers of poverty. In spite of many affirmative national and State laws and tribal development programmes, STs are poorest nationally and in Jharkhand and have suffered most in terms of displacement due to development projects.

4. Target Group: JTELP will work with approximately 136,000 families in about 1,350 villages of 30 Blocks (sub-districts) in the 14 Tribal Sub-Plan districts, targeting STs, PTGs, women-headed families, rural youth and BPL families. Choosing Panchayats with ST concentration will ensure ST targeting.

Key Project Objectives

5. JTELP will foster community-based institutions to empower village communities, especially women, introduce sustainable natural resource management systems and enhance food security and cash incomes by introducing improved farming practices and proven production technologies. The overall project goal is to *"improve the living conditions of tribal people in general and PTGs in particular"*. This is sought to be achieved by organising and enabling communities to adopt sustainable and productive natural resource management regimes, adopt market-oriented production systems and learn the skills and gain the experience of planning and implementing development plans relevant to their villages.

Components

6. Component 1 - Community Empowerment: To reduce dependence on high cost consumption loans, improve women's participation in local governance and enhance access to entitlements. The three sub-components will be: (i) Promotion of 5,500 SHGs and 328 Youth Groups (YGs) and support to 1500 existing SHGs; (ii) Capacity building of Community Resource Persons (CRPs), Gram Sabha Project Execution Committees (GS-PECs) and staff of FNGOs and JTDS; and (iii) Special support to PTGs to access their entitlements. NRLM processes will be followed to form SHGs to facilitate their integration with NRLM.

7. Component 2 - Integrated Natural Resource Management: To improve productivity of rain-fed farming, the three sub-components will be: (i) Community Mobilization; (ii) Land and Water Resources Development; and (iii) Productivity Enhancement and Crop Diversification. Building on the SHG base, Gram Sabhas will be organized and GS-PECs formed to facilitate GSRMLP preparation, get government approvals, manage funds and supervise plan implementation under MGNREGA. Productivity enhancement and crop diversification will also be taken up besides land and water resource development.

8. **Component 3 – Livelihood Support:** To enhance incomes and minimise distress migration and youth unemployment, the four sub-components will be: (i) Support for Income Generating Activities to PTGs and the poorest; (ii) Promoting market-linked production clusters for vegetable production, mango orchards, tasar silk rearing, lac rearing and goat rearing; (iii) Vocational training and placement in urban and rural trades; and (iv) Innovative interventions such as (a) setting up community forests by providing Community Pattas; (b) lac rearing on *semialata*; and (c) PTG habitat planning.

9. **Component 4 - Project Management:** JTELP will be implemented by JTDS, a Society set up by GoJ. With a State Project Director (SPD) and a State Project Management Unit (SPMU), the State level organisation will consolidate plans and budget and manage funds flow, M&E and KM. Each district will have a DPMU within the Deputy Commissioner's office to facilitate convergence.

Gender

10. JTELP will include a gender mainstreaming process across all components. Gender concerns will be integrated in selecting staff, FNGOs and TSAs and in project management. Stakeholder capacity to address gender concerns will be enhanced. Women will be recruited as Community Resource Persons. Gender-specific monitoring indicators, such as impact on gender relations will be developed.

Benefits

- Some 7,000 SHGs and 328 Youth Groups from 66,000 households organised and trained;
- About 136,000 households (including 10,000 PTG) benefited by village development funds (VDF), land and water development, irrigation and crop demonstrations;
- Some 43,070 households benefited by IGA, market-linked production and vocational training; and
- Some 1,000 households benefited by *semialata* lac production, 10 PTG villages by habitat development and 50 villages by land use titles through community forestry.

Implementation arrangements

11. **Implementation arrangements:** The Department of Economic Affairs in the Ministry of Finance of GoI will be the nodal agency to review and monitor the Project. JTDS, promoted by the Welfare Department of GoJ as Lead Project Agency will be responsible for planning, funds flow, M&E and KM at the State level. A State Project Steering Committee headed by the GoJ Chief Secretary, district coordination committees headed by Deputy Commissioners and Block Committees under Block Development Officers (BDOs) will provide coordination and policy support. Planning and implementation in the field will be done by community-based institutions, fostered and trained by FNGOs. Technical Support Agencies (TSAs) will mentor FNGOs and the two together will provide the implementation support to community-based institutions. Approval of village plans will be decentralized and a mechanism will be instituted for convergence of programmes in districts.

Links with other initiatives

12. JTELP will mobilise finances through convergence with government programmes, especially Grants under RKVY and GoI schemes for PTGs. Project promoted SHGs will be integrated with NRLM.

Costs and financing

13. The cost for eight years is estimated at USD 115.59 million to be financed through an IFAD loan of USD 51 million, GoJ contribution of USD 7.93 million, USD 11.56 from GoJ budget under Art 275(1) and SCA to TSP, USD 44.18 million through MGNREGS and USD 0.93 million as beneficiary contribution.

Risks

14. Left-wing extremist violence could be disruptive in some districts though JTDP remained unaffected and the absence of contractors minimises the risk. The risk of uncertain rainfall affecting project-aided farm based livelihoods will be mitigated by natural resource development. Mining may be disruptive in some districts though mining will need Panchayat concurrence once PESA is implemented. Potential conflicts between traditional tribal leaders and elected Panchayat and GS-PEC leaders could be handled through negotiation and persuasion. Better remuneration, larger

project clusters and use of FNGOs and TSAs will mitigate the potential risk from scarcity of quality human resources.

Environment

15. JTELP will have beneficial environmental impacts through conservation of rainwater, reduction in soil erosion, community forestry, etc. However, it is by requirement classified as “**Category B**” as it will operate in fragile areas with poor quality soils.

Knowledge management, innovation and scaling up

16. JTELP will develop a KM strategy consonant with IFAD policies, spelling out proposed outputs, such as newsletters, training materials, technology manuals and dissemination plans. An M&E unit at SPMU will collect data via DPMUs, analyse it to measure progress vis-à-vis the logframe and report to the government and IFAD. Monitoring will include project activities, outputs, processes, outcomes and impact.

17. The project initiated innovations include community forestry with community titles under Section 3 (1) of FRA, lac rearing on *semialata* and habitat development in selected PTG villages. These have potential for up-scaling. The project for the first time has successfully forged financial convergence with SCA-TSP and Article 275 funds. The GoJ also considers the project as creating replicable models to develop tribal villages.

LOGICAL FRAMEWORK MATRIX AT APPRAISAL

Objective hierarchy	Indicators	Means of verification	Assumptions & risks
Goal: Improve living conditions of the Tribal communities and in particular, particularly vulnerable tribal groups (PTGs) in the Tribal Scheduled Area districts in Jharkhand.	-At least 75% of households with improvement in household asset ownership index. -Reduction in the prevalence of child malnutrition by gender. -At least 75% of households that have improved food security and incomes. - Reduction in IMR from 67 and increases in % of child immunisation from 34. % .	RIMS+ impact surveys at baseline, mid-terms and completion	Relative stability in the price of food and in general economic conditions are conducive to poverty reduction
Development Objective: Empower and enable 136,000 tribal households including 10,000 PTGs households to take up livelihood opportunities based on sustainable and equitable use of natural resources in 164 village Panchayats falling in 30 Blocks of 14 TSP districts.	-122,400 households report income increases from rainfed agriculture from INR 483 to INR 2035; -136,000 households report increases in total incomes; -average household food production increases from 644 kg to 813 kg/year; -84,000 women SHGs report improvement in decision making, assets, mobility etc -4,920 youth groups report benefits from the projects; -10,000 PTG households report increases in incomes from livelihood activities averaging INR 13,749. -164 gram sabha PECs report effective functioning	RIMS + impact surveys Annual outcome surveys Participatory gender and community evaluations	Policies of Tribal development, political stability and security situation allow communities access to economic opportunities and natural resources
Outcomes:			
122,400 tribal households from highland benefit from increased food production, greater participation and returns from improved rainfed farming practices.	-122,400 highland and upland farmers adopt improved technology and in situ water-harvesting measures; -income increase from INR 483 to INR 2075/household year; -average yield increases from 1,624 kg/ha to 2,070 kg/ha -average cropping intensity increase of 75% to 105%	Annual outcome surveys KAP surveys Case studies Reports from FNGOs	Weather patterns do not change to the extent that seriously affects farming; Prices do not fall to the extent that makes local production uneconomic; Markets for vegetables and other produce are not affected by external completion;
26,640 households in lowland benefit from improved village irrigation facilities	-26,640 lowland households adopt irrigated agriculture and improved farming practices each with average area of 0.2 ha; -farmers report increased farm yields ranging between 25% and 40% and increases in cropping intensity from 84% to 123% and income increases from INR 13,955 to INR 36,091.	Annual outcome surveys KAP surveys Case studies Reports from FNGOs	As above plus Irrigation systems are not damaged by erosion and these are under good maintenance by the beneficiaries;
42,650 households benefit from market-linked, commercial production and livelihoods activities	-25,150 households benefit from cluster-based commercial production of vegetables, mango, tasar cocoons, lac and goat and reporting net incomes of INR 11,000 and 31,000 a year; -income from vegetable cultivation from INR 21,693 to INR 35,063 per year per household; -income from mango cultivation at INR 85,769 per household per year from 2.3 ton of mango -income from Tasar cocoon production at INR 21,688 per household per year (from sale of 12,500 cocoon per hh) -income from lac production at INR 10,966 per household per year (55 kg of lac per hh) -income from goat keeping at INR 41,125 per household/year from sale of 22 goats -17,500 households benefit household-based income generating activities and getting an average net income of INR 13,749 a year	Annual outcome surveys KAP surveys Case studies Reports from FNGOs	As above plus Quality seeds and other inputs available on schedule and as per crop calendar; Cluster and collective cooperation continues without hindrances; Good communication exists.

Outputs:			
Increased community awareness, strengthened Gram sabha PECs, women's groups, youth's groups and PTGs households.	<ul style="list-style-type: none"> -5000 new women SHGs formed, trained and capacitated and 328 youth groups organised, trained and capacitated -1000 community facilitators and 328 CRPs trained; -Exposure visit organised for 164 Panchayat groups; -For PTG villages 68 CRPs, VHWs and VAHWs and 55 TBAs trained; -10,126 solar lanterns and medicated mosquito nets distributed to PTG households 	Project progress reports	Communities are interested and willing to take active participation in the project interventions
Land and water resources conserved and used sustainably for the benefit of tribal communities.	<ul style="list-style-type: none"> -164 CRPs trained in INRM and exposure visits for 164 PECs; -1350 new and old villages covered under INRM; -1230 mates trained in record-keeping; -VDF provided to 1,000 villages; -1,330 village irrigation infrastructure is constructed; -164 farmer service centres designed and constructed; -17,200 crop demonstrations conducted; 	Project progress reports	Adequate funds are available for the implementation of land-based activities under MGNREGS; completed works are under proper maintenance by beneficiaries; effective functioning of GS-PECs and FSCs
Improved food security and increased incomes from use of natural resources and off-farm employment	<ul style="list-style-type: none"> -17,500 hh provided training in IGA activities; - 5,000 hh supported in setting up of backyard poultry units, 1000 hh in pig-rearing units; 5500 hh in goat-rearing units; and 6000 hh in rural artisan; - 14 vegetable growers clusters, 7 tasar clusters, 14 mango clusters, 60 goat clusters and 110 lac clusters supported; -420 rural youth received long-term vocational training; -under innovative interventions 200 ha covered under community forestry, ten PTG villages selected for habitat improvement and 10 clusters for lac rearing on Semialata; 	Project progress reports	Communities are willing to form into clusters and adopt the better farming technology; adequate quality seeds and other inputs available on time; market-linkages established for all produce; availability of TSA services for mentoring
Components/activities:			
Community empowerment: Promotion of SHGs and Youth Groups, service providers contracts for FNGOs, Capacity building and special support to PTG households;			
Integrated Natural Resources Management: community mobilisation, services of TSAs for training and mentoring, land and water resources management, productivity enhancement and crop diversification;			
Livelihoods support: support to IGA, vocational training, innovative interventions such as community forestry, PTG village habitat improvement, lac rearing on semialata plants etc;			
Project management: state PMU and DPMUs established, staff recruited, MOUs with partner agencies, project coordination, monitoring and evaluation, knowledge management;			

JHARKHAND TRIBAL EMPOWERMENT AND LIVELIHOODS PROJECT

I. STRATEGIC CONTEXT AND RATIONALE

A. Country and Rural Development and Poverty Context

1. Economic and Social Development

1 Despite remarkable economic growth, poverty remains a major issue for India, with 41.8% of the population living on less than USD1.25 per day. India has 33 per cent of the world's poor people, and nutritional levels are unacceptably low, with 42.5% of children underweight, one of the highest rates globally¹. Distribution of the benefits of growth to poor rural people has been limited by: inadequate physical and social infrastructure, poor access to services, low investment, a highly stratified and hierarchical social structure, characterized by inequalities in assets, status and power; and ineffective, inefficient implementation of pro-poor programmes, owing to governance failures. There is now a genuine and widespread recognition that, without inclusive growth, the social and political consequences of rising inequalities could be very adverse. About one third of Indian districts are affected by civil unrest and left-wing terrorism, which represent the main national security threats. A summary of related issues is in Key File Table 1.

2 Agricultural wage earners, smallholder farmers and casual workers in the non-farm sector constitute the bulk of poor rural people. Within these categories, women and tribal communities are the most deprived. In terms of gender deficit, India is ranked 113 as per Global Gender Gap Index² with overall score of 0.6190. Finally, about 300 million young people aged between 13 and 35 live in rural areas, most of them being forced to migrate seasonally or permanently, without the skills and competencies required by the modern economy. More information is in Annex 1.

2. Policies and Programmes

3 Removing widespread rural poverty remains an abiding challenge before India. Despite sustained high economic growth for over a decade, 41.8% of the rural population lives on less than PPP\$ 1.25 per day. Over half of the pre-school children in India's villages are underweight. Benefits of growth have not adequately reached the rural poor due to ineffective implementation of pro-poor programmes, lack of participation of local communities in planning and implementation of social and economic development programmes, traditional social hierarchies that institutionalise exclusion and inequalities in physical assets and power, and lack of physical and institutional infrastructure.

4 Rural poverty in India has sharp social and occupational etchings and a distinct regional and ecological signature. The Scheduled Tribes (STs) are among the poorest, followed by the Scheduled Castes (SCs). Occupationally, farm workers, marginal and small farmers and artisans are poorest. Rural poverty is highest in the central and eastern plateau States and in the rain-fed undulating, hilly and mountainous parts of the country. Given a patriarchal social structure, women and girls across these categories bear a disproportionate burden of poverty as they are most likely to go hungry when there is not enough food to go around.

5 About one third of Indian districts are affected by left-wing extremism, which the government acknowledges as the main national security threat. There is now a genuine and widespread recognition that, without inclusive growth, the social and political consequences of rising inequalities could be very adverse: 'inclusive growth' was the theme of the 11th Five Year Plan and 'Faster, Sustainable and More Inclusive Growth' is the title of the Approach Paper to the 12th Plan.

6 Among national poverty reduction initiatives, the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is most relevant for this project. MGNREGS entitles 100 days' guaranteed wage labour on demand to every rural household, has an implementation architecture that calls for planning at the village level and implementation by the elected Panchayats, privileges development of land and water resources and permits development of land and water resources owned by families below the poverty line, ST and SC communities and smallholder farmers. Resources from the Special Central Assistance (SCA) to Tribal Sub-Plan (TSP) available for tribal development and grants under Article 275(1) of the Indian Constitution. The Rashtriya Krishi Vikas

¹ Integrated Livelihood Support Project Design Report – Appraisal, Main Report, p.1.

² The Global Gender Gap Report 2011. World Economic Forum, Geneva, Switzerland, p.10-11.

Yojana (RKVY), the National Horticulture Mission (NHM), the Integrated Watershed Management Programme (IWMP), the Accelerated Irrigation Benefit Programme (AIBP), the Repair Renovation and Restoration of Water Bodies and the National Rural Livelihood Mission (NRLM) are other relevant programmes.

7 The new project, JTELP, will be fully aligned with IFAD's country strategy for India (COSOP) and with its strategic objectives of increased access to agricultural technologies and natural resources. The proposed project directly responds to COSOP's emphasis on tribal people, women, youth and smallholders. A table showing this alignment and the contribution of JTELP to COSOP targets and milestones is in Working Paper 7, Monitoring and Evaluation.

3. Poverty in Jharkhand

8 A leafy, rolling landscape gives Jharkhand its unique tribal name. Known as 'the land of forests', the state is rich in natural resources and native history. About three quarters of the state's 27 million people live in rural areas, many in traditional tribal groups, planting crops and foraging from nature like their ancestors, who were likely among the earliest inhabitants of India. Lying beneath the forests of one of the poorest states in India, with one of the country's highest child mortality and malnourishment rates, is some of the greatest mineral wealth in the country. Sophisticated steel and power plants also flourish here.

9 Jharkhand, with an area of 79,714 sq. km, 24 districts and 32,620 revenue villages, accounts for 2.4 per cent of the total geographical area of the country. With a population of 32.97 million, the state accounts for 2.6 per cent of India's population. The rural and urban population of the state accounts for 77.7 per cent and 22.3 per cent, respectively of the total population. In spite of rich mineral and natural resources as well as many government schemes and programmes including the on-going Tribal Sub-Plan and Watershed Mission, the challenges remain and thus, the large proportion of the population are still poor, particularly the STs. The poverty ratio among STs and SCs in rural areas is, in fact 54% and 57.5% respectively, and is higher than all India level.³

10 STs are among the poorest in Jharkhand, a State carved out in response to the popular demand from the tribal communities. On a number of development indicators such as poverty reduction, literacy, nutrition and health and vulnerability to climate shock, the STs fare poorly. For example, incidence of poverty was 53% among the ST compared to 25% among others (non-ST, non-SC), 85% of ST women were reported anaemic in 2005-6 compared to 57.6% others, 80.5% ST children were anaemic compared to 56.7% others, Infant Mortality Rate among ST was 93 compared to 75.5 among others and the under-five mortality among ST was 138.5 compared to 92.7 among others⁴. STs are increasingly migrating as seasonal labour. The Particularly vulnerable Tribal Groups (PTGs)⁵ with a population of about 0.193 million (Census 2001) living in 2,648 villages in relatively small settlements are the poorest even among the STs.

11 Tribal communities are highly dependent on the natural resource base for their survival and their livelihood systems revolve around forests, agriculture, livestock and wage labour. The contribution of these activities to the overall food basket varies depending upon the location of tribal settlement. The majority of agricultural production, however, is rain-fed, rudimentary and predominantly centred on rice cultivation. Depending on the location between 20% and 60% of food requirements are met from their own production while the rest is met through food rations distributed by the government and purchases from income generated through NTFPs and labour. Food shortfall is generally less in the lowlands than the uplands. Declining fertility of soils, increasing incidences of drought and seasonal shifts in rainfall patterns are affecting traditional cropping patterns and limiting harvests. Degradation of forestlands due to uncontrolled grazing, illegal logging and misapplication of forest policies are reducing the availability of NTFPs to the tribal communities.

12 Although a number of specific State and National Acts, Policies and Programmes⁶ have been in place for some time, these are yet to make any perceptible impact on the conditions of tribal people

³ Source: http://unicef.org/india/state_profiles_4362.htm; Jharkhand State Livelihood Promotion Society, <http://www.jslps.in/about.htm>

⁴ Also see India's Undernourished Children: A Call for Reform and Action, World Bank, Washington DC, 2006.

⁵ The term originally used by GoI was Primitive Tribal Groups and has now been replaced by Particularly Vulnerable Tribal Groups, with the same abbreviation. So notified by GoI, PTGs have low rate of population growth or declining population, pre-agricultural level of technology and extremely low literacy rates. There are 75 PTGs across 17 States and UTs. There are approximately 0.2 million PTGs in Jharkhand.

in Jharkhand. The Panchayat Raj (Extension to Scheduled Area) Act (PESA) was approved in 1996 but implementation modalities to establish and empower the necessary institutions have been rather slow. It was only in 2010 that the Government of Jharkhand (GoJ) conducted Panchayat elections. Empowerment of these institutions by devolving finances and executive powers is yet to begin in the right earnest. The barriers to development can be partly explained due to the paternalistic approach adopted by many of the programmes, where little effort is made to contextualize the programmes with tribal customs and norms, strengthen self-reliance and support local decision-making capacity, which will enable tribal people to advocate effectively for government support that is more responsive to their needs and priorities.

13 Furthermore, issues relating to a deficit in governance, leakage and malpractices, hindrance to productively develop forests and enjoy traditional usufruct rights with control and supervision by the Gram Sabha as against the current system of overriding powers of the Forest Department, high tribal youth dropout rates prior to completing 10-12 years of schooling and lack of meaningful labour opportunities are feeding the discontent of tribal people. This situation is exacerbated by left wing extremism which, on the one hand, mobilizes the discontent amongst tribal people to its cause, and on the other hand, prevents the government to deliver services to improve their quality of life and living conditions.

14 With shallow and poor soils crop yields are often low. There is little use of better varieties of seed, mineral fertilisers and other inputs. No more than 10% of net sown area is only irrigated. To a large extent livestock rely on grazing or fodder from the forests. Land use data shows that there is almost 40% land classified as cultivatable wastes and fallow. Agriculture is highly dependent on weather, with most rainfall occurring in a three to four month monsoon season. While crops often suffer from moisture stress, monsoon storms cause much damage, including soil erosion, water-logging etc. In addition, limited use of manure and shortage of labour are also the factors responsible for low crop yields.

15 Although almost all crops and livestock products are consumed at home, and little is sold, very few households are able to produce enough to last for more than three or four months in a year. Tribal communities rely on non-farm earnings, and using the Public Distribution System shops to purchase food at subsidised prices.

16 In Jharkhand, half the people live below the poverty line, and about half the children younger than three are considered malnourished⁷. The state also has one of India's highest mortality rates for children under five. Child mortality rate of 69 per 1,000 is much higher than the national average. Infant mortality rate is 67 as against all India average of 57. Percentage of child immunisation is 34.2% as against India's average of 49.7%. Four out of every 10 women in Jharkhand are undernourished. Half of children under age of 5 are stunted and one-third of children are wasted or too thin for their height. About 57% are underweight due to both chronic under nutrition, worse nutritional status than children in most other states in India.

17 Migration of tribal population is a historical phenomenon. There exists distress migration of rural people from many pockets of Jharkhand. Lack of productive employment, low agricultural productivity, erosion of natural resource base together with improper functioning of government welfare schemes and programmes have forced the tribal men and women to migrate to other areas in search of wage employment. Common occupations are seasonal agricultural labour and works in brick kilns and industrial areas.

18 PTGs remain the most isolated and disadvantaged indigenous tribal groups with noticeable reduction in their population. Malnutrition, Malaria and dysentery are rampant in PTGs villages and the access of these communities to the social welfare programmes remains limited. In addition, indebtedness is also high due their proneness to enter into exploitative relationships with middle men. This situation is mainly on account of the inaccessibility, reluctance on the part of the government

⁶ For example, Birsa Munda Awas Yojna for PTGs (provision of homes to the families of PTGs); Ayurvedic Health Centre Scheme for Schedule Tribes (provision of free Ayurvedic medical facilities to STs); Health Centres for Pahariya PTGs; Ashram/Eklavya schools for ST students; Chief Ministers Special Food Security Scheme for PTGs; Vocational training scheme for Paharia PTGs; Lac Development Scheme for STs; Mid-day Meal Scheme for students of Paharia PTG; Pre-Matric Scholarship for Students of SC, ST and Other Backward Classes category; and Janshree Bima Yojna of special life insurance scheme for the member of PTGs.

⁷ UNICEF India – State Profile – Jharkhand (http://www.unicef.org/india/state_profiles_4362.htm accessed on 11/06/2012)

machinery to reach out to these villages, lack of knowledge of their entitlements, inability to demand their rightful entitlements and chronic household budget deficit due to limited livelihood options.

19 The major drivers of rural poverty are the low level of literacy along with low level of knowledge about their rights and entitlements; political marginalisation, disempowerment and social discrimination; indebtedness leading to land alienation and forced labour etc. Although vast majority of the tribal households have land, their landholdings are very small, averaging 0.8 ha and fragmented into over 15 parcels. With considerable male-out migration, most agricultural work, other than ploughing is performed by women.

20 GoJ is committed to extend the outreach of poverty alleviation programs to the poorest of the poor. In its pursuit to pass benefits of the programme by enhancing the quality of implementation a definite intervention in the shape of capacity building, monitoring, evaluation of poverty alleviation schemes is envisaged. In line with the policies of GoJ, the JTELP will emphasise on empowering tribal communities to implement relevant government policies, access government programmes and realize the development benefits due to them. Concurrently, interventions to reduce food insecurity and migration will be pursued by promoting an integrated natural resource management which is essential for improving the overall productive capacity of the land and for reducing the vulnerability of the communities to climate shocks.

21 Other than the UNDP and World Food Programme (WFP) there are no international development cooperation partners working in the JTELP target districts. IFAD will thus be playing a vital role in addressing the development needs of marginalized groups. The project area districts have a fair number of Non-governmental Organizations (NGOs) who have demonstrated successful examples of empowerment, livelihood improvement and natural resource management. The newly elected Panchayati Raj functionaries are beginning to show good promise with relation to undertaking Panchayat level development activities.

22 The project goal and objective is in alignment with India's 12th Five-Year Plan (20012-2017), which *inter alia* aims to achieve faster, equitable and more sustainable growth, reduce poverty, increase food production through higher land productivity, achieve agricultural growth of at least 4%, rejuvenate soil and restore soil health, pay particular attention to the needs of the SC, ST and Other Backward Class (OBC) population, ensure involvement of PRIs in MGNREGA, involve NGOs to support Gram Panchayats in planning and implementing MGNREGA and dovetail MGNREGA with land and water conservation⁸.

B. Rationale

1. Constraints and opportunities

23 About 92% of the STs of Jharkhand inhabit rural areas. The STs in general and the PTGs⁹ in particular, remain the most disadvantaged. They fare poorly on all development indicators such as food and nutrition security, literacy and health. Focused engagement to promote and nurture community-based institutions of Tribal communities is necessary to enhance their self-confidence and reduce their vulnerability.

24 The livelihoods of STs are overwhelmingly dependent on natural resources. STs derive their livelihood from rain-fed agriculture and NTFP. With rain-fed paddy being the main crop, settled farming is relatively new to them and their farming practices are poor. Declining resource base drives the STs to migrate in search of wage labour, often to the neglect of their own farming systems. Urgent efforts are therefore needed to reverse this downward spiral of low productivity and declining resource base.

25 Though several government programmes have been initiated in the past, their impact on the livelihoods of the tribal communities has not been proportionate to the investments made for want of investments in capacity building. There are therefore opportunities of enhancing investments in

⁸ *Faster, Sustainable and More Inclusive Growth: An Approach to the Twelfth Five Year Plan*. Planning Commission, GoI, New Delhi, October 2011.

⁹ These Particularly Vulnerable Tribal Groups live in the hills of Jharkhand. There are nine groups amongst PTGs. They include: Asur, Birhor, Birjia, Khorwa, Hill Kharia, Sauria Pahariya, Mal Pahariya, Kumarbhag Paharia and Savar/Sabar. Most of these groups live on the ridges and on the top of the hills undertaking shifting cultivation and pursuing forest based livelihoods. The Mal Paharis live mostly in the plains and their socio-economic condition is similar to that of other tribal.

capacity building, engaging the tribal communities in planning and implementation and ensuring better prices for their produce and supply of quality inputs.

26 Tribal communities inhabit the ecologically complex terrains. They lack the resources and know-how to develop sustainable natural resource management systems suited to their habitat. There are thus opportunities of enhancing their livelihoods, apart from enhancing their farm productivity through: (i) production activities to tap demand in local village *haats*; (ii) up-scaling market oriented farm production activities; and (iii) introducing skill-based rural and urban vocations, especially for the youth. Scaling up of livelihood options requires a cluster approach to achieve economies of scale and handholding for the entire development cycle covering input – production – output marketing.

27 The ongoing, IFAD-funded Jharkhand Tribal Development Programme (JTDP) has successfully demonstrated the feasibility of planning and implementation of various development initiatives, especially the development of natural resources, by Gram Sabhas. This experience can now be scaled up to other areas in the Tribal Sub-Plan (TSP) districts. The design of this project is based on the successful interventions in natural resources management, agriculture productivity enhancement and livelihoods that have been implemented by NGOs and JTDP with financial support provided by GoJ, IFAD and other donors.

2. Priorities of Tribal Communities

28 In the focused group discussions held during project design, tribal communities from 14 sample villages put forward their priority needs. These are summarised and presented in Table 1. Overall, lack of employment opportunities and job requirements are listed as a priority both by tribal and PTG households. This was followed by health facilities in 7 villages out of 10, irrigation in 6 villages, electricity, then drinking water and primary schools. One of 10 villages also listed need for extension services. Lack of job and employment opportunities is a key factor for their poverty. Although health services are not an area in which IFAD undertakes investments, JTELP plans to support grassroots level health initiatives such as health camps.

Table-1: Priority Needs of Tribal Communities and PTGs (# of villages reporting out of 14)

Tribal group	Health	Drinking water	Electricity	jobs	Road access	Irrigation	Skill development	Crop protection	Schools
All Tribal groups villages	7	2	3	8	2	7		1	2
PTG villages	3	4	2	2	2	1	1	1	1
Total	10	6	5	10	4	8	1	2	3

Source: IHD Report, 2011. Survey carried out between June and November 2011 covering some 14 villages including 4 PTG villages.

29 Following health, job and employment priorities next was irrigation infrastructure. JTELP will address this by providing development funds at village level. The communities will be able to manage the need for drinking water while investing in irrigation facilities. Road access will be partly addressed through integrating with MGNREGS.

30 In separate focus group discussion, women put forward their own opinions about the reasons for their vulnerability and also the priority issues to be addressed in order to improve their conditions (Table 2). Their suggested priorities are: (i) expand women's ownership and control; (ii) involve them in all decision-making processes both at household and community level; (iii) provide them equal opportunities in sharing benefits; (iv) provide more access to education and development of skills; (v) adopt gender-sensitive policies and implement programmes for reducing their drudgery; and finally (vi) form more number of SHGs for their social and economic empowerment.

Table-2: Women's views on how to improve their situation (# of villages reporting out of 14)

Access	Expand women's ownership & control	Involve in decision-making role	Provide equal opportunities in benefits	Access to education and skills dev.	Setting up of more SHGs	Reducing drudgery	Gender-sensitive policies
Accessible villages	6	5	2	6	5	1	1
Remote villages	4	4	3	1	1	1	2
Total	10	9	5	7	6	2	3

Source: IHD Report, 2011. Note: there are 4 villages in PTG and 10 in other Tribal groups

3. Justification of the proposed approach

31 The project will upscale several of established approaches to poverty reduction. Grassroots institutional development of SHGs and GS-PECs in expanding the outreach and project implementation already tested and found successful under the ongoing JTDP; emphasising on empowering tribal communities to implement relevant government policies, access government programmes and realise the development benefits due to them. The project will decentralize activities related to both selection and prioritization of activities and implementation with requisite financial management powers to the grassroots institutions with a view to empower them as an answer to the left wing extremism propaganda of tribal neglect. The broad contours of these decentralization efforts are similar to the ones used in Peru during Sendero Luminoso years. Concurrently interventions to reduce food insecurity and migration are to be pursued by promoting integrated natural resource management and also to reduce the tribal households to cope with the vulnerability of the communities to climate shocks. The project also seeks to ensure both financial and physical convergence of national level programmes in augmenting the project's outreach but also in developing model and cost-effective implementation arrangements. IFAD will be playing a pivotal role in addressing needs of marginalised groups within India's context. Up-scaling alternate implementation model as successfully tried and tested under JTDP will be an essential feature of the JTELP. The proposed project directly responds to the 2010-2015 COSOP's emphasis on tribal people, women, youth, and small and marginal farmers, as well as, the strategic objectives of IFAD related to increased access to agricultural technologies and natural resources, and increased access to financial services. JTELP will also draw lessons from the experiences of on-going JTDP, which will close by December 31, 2012. The GoJ has shown keen interest in the proposed project.

4. Convergence with other programme

32 Convergence with ongoing government programmes will be a key development strategy of JTELP for mobilising financial resources. The programmes that are to be drawn upon are Central Subventions under Article 275(1), SCA to TSP, MGNREGS and other schemes of the GoI for PTGs. Other programmes relevant to JTELP are the Rashtriya Krishi Vikas Yojana (RKVY), National Horticulture Mission (NHM), special schemes under Minor Irrigation and National Rural Livelihoods Mission (NRLM). NRLM is slated to be implemented in phases over the next three Five Year Plans and facilities and support available under NRLM will be appropriately integrated with JTELP.

33 Besides addressing food security through improved management of natural resources and introducing improved farming systems, JTELP will also promote market-oriented livelihood streams by up-scaling successful livelihood modules promoted by JTDP and various NGOs, such as vegetable cultivation, mango cluster cultivation, tasar cocoon rearing, horticulture, lac rearing, goat-rearing and backyard poultry. These will be supported through convergence with SCA to TSP.

34 Since each government scheme has a specified planning, approval and implementation mechanism, the project will set up appropriate modalities and coordination arrangements to ensure effective convergence. The JTELP proposes financial convergence with activities related to Article 275(1) and SCA to TSP. This means the utilisation of Article 275(1) and SCA to TSP funds will be through JTDS. This will require a Government Order approving transfer of Article 275(1) and SCA to TSP funds to JTDS in proportion to Tribal population targeted under JTELP. Similarly, the success of the project hinges on the ability to converge at the district level for implementation of activities using MGNREGS funds. This will also require a Government Order advising the Deputy Commissioners of the JTELP districts to ensure flow of funds to the project villages from MGNREGS as per the approved Gram Sabha Resource Management and Livelihoods Plans (GSRMLPs). These issues

were discussed with GoJ and agreements were reached on operational convergence with MGNREGS. Information on other programmes is in Key File Table 3.

II. PROJECT DESCRIPTION

A. Project Area and Target Groups

1. Project Area and number of beneficiaries

35 The proposed Jharkhand Tribal Empowerment and Livelihoods Project (JTELP) will be implemented in Ranchi, Khunti, Gumla, Simdega and Lohardaga districts in Ranchi Division, West Singhbhum, East Singhbhum and Saraikela-Kharsawan districts in Kolhan Division, Latehar district in Palamau Division and Godda, Dumka, Pakur, Sahebganj and Jamtara districts in Santhal Pargana Division. All these are TSP districts. Within these districts the blocks (sub-districts) that have rural tribal population of more than 50% and population below poverty line (BPL) of at least 50% will be selected.

36 JTELP is expected to support 136,000 households (including 36,000 households covered under JTDP) in 1330 villages across 164 Panchayats, 30 blocks and 14 districts. See Table 3 below.

Table-3: Number of Panchayats, Villages and Target Group Households

Details	# of districts	# of Blocks	# of Panchayats	# of villages	# of Targeted Households
JTDP project	5	12	74	300	36,000
JTELP	9	18	90	1,000	100,000
Total	14	30	164	1,330	136,000

2. Targeting

37 The project target groups will include ST households and PTG households, women-headed households, rural youth and BPL households in the project area. In nine non-JTDP districts at least two Blocks where tribal population is more than 50% will be selected and within each Block at least 5 Panchayats having highest concentration of tribal communities will be selected. In 5 JTDP districts, all 330 JTDP villages will be included for project support¹⁰ and in addition, 330 new villages adjacent to these villages but having high concentration of tribal communities and within the same Panchayat will be selected. PTG communities will be particularly targeted in 3 out of 14 districts, namely Godda, Pakur and Sahebganj with highest population of PTGs. Criteria for selection of Panchayats within the selected Blocks will be: (i) high concentration of ST population and in particular PTG population; (ii) high concentration of BPL households; (iii) Panchayats that are adjacent to each other and have access roads; and (iv) Panchayats with about 1000 households and geographical area of approximately 1500 ha.

38 The project will use saturation approach and ensure full participation of women in SHGs and Tola and Gram Sabhas. Careful selection of the Panchayats will ensure that a major proportion of benefits reaches the ST households. While all households are eligible to participate in MGNREGS and other schemes such as RKVY and NHM planned to be converged, SCA/TSP and Article 275(1) beneficiaries have to be ST households. All poor households will similarly be able to participate in SHGs, the basic unit of social mobilization. Details of targeting with a matrix providing tribal, gender and poverty criteria are provided in Section II of Annex 4.

B. Project Development Objectives

39 The overall objective (goal) of JTELP is to improve living conditions of tribal people in general and PTGs in particular, covering select blocks and Panchayats in tribal majority blocks of all the TSP districts of Jharkhand. This is sought to be achieved via the development objective of “empowering and enabling the communities to adopt livelihood options based on sustainable and equitable use of natural resources”. The project outcomes and indicators are provided in the log-frame in Page vii.

¹⁰ This support includes training the village institutions in handling their VDF accounts, use of SHG seed capital, assisting them in developing plans and implementation of INRM and livelihood related activities.

40 JTELP will adopt a three-pronged approach for improving livelihoods of the target group communities:

- i. Support the formation of community institutions and empower communities through mobilizing Self Help Groups (SHGs) as an entry point activity to empower poor women and their households and to ensure their effective participation in pan-village community institutions. This will be complemented by mobilization and capacity building of Tola Sabhas¹¹ at the habitation level, and Gram Sabhas¹² at the natural village level. The Gram Sabhas will converge with the Panchayats. This process of empowerment will facilitate increased engagement of village people, especially the women, in articulating their development needs and influencing decision making processes at the Panchayat level. Classical SHG activities related to financial service and formation of apex structures will be through convergence with NRLM;
- ii. Develop food production systems and diversify livelihood options for improving food and nutrition security in light of climate change impacts. This will focus on integrated natural resource management, adoption of improved technologies for increasing crop yields, diversification of land use to enhance productivity and reduce vulnerability to weather aberrations and climate change shocks and to provide services for input supply and marketing of surplus produce; and
- iii. Facilitate integrated production and marketing interventions that have the potential for expansion such as tasar cocoon rearing, vegetable cultivation, lac production, mango horticulture and goat-rearing and specific income generating activities like backyard poultry, goat-keeping, piggyery, duck-farming, rural artisan etc are proposed for the PTG and poorest households.

41 **Potential for upscaling:** In order to ensure that the interventions proposed in the project components are technically feasible and financially viable, several successful interventions implemented in the State were investigated. These include: (i) community mobilization and Panchayat level land and water management activities implemented by a NGO in Kuira village of West Singhbhum district with funding support from MGNREGS; (ii) watershed development and agriculture productivity enhancement implemented by JTDP in Tiasara village of Saraikela-Kharsawan district; (iii) tasar rearing in new plantation implemented by a NGO in Dhaka village of Dumka district with financial support from GoJ and other donors; (iv) tasar rearing in non-forested areas with development of plantation implemented by a NGO in Dhaka village of Dumka district with financial support from GoJ and other donors; (v) IFAD-supported Goat rearing activities implemented by the International Livestock Research Institute (ILRI) in Jama block of Dumka and by an NGO in Amba Toli village of Gumla district with funding support from GoJ; (vi) Mango cluster plantation implemented by a NGO in Rajnagar block of Saraikela-Kharsawan District with support from NABARD and in Madho Toli of Gumla district with support from GoJ; and (vii) Vegetable cultivation (Tomato) and marketing support activities implemented by a NGO in Guwabera village of Saraikela Kharsawan district with support from Corporate Social Responsibility Initiative of Tata Steel Ltd and vegetable (cabbage, tomato and potato) cultivation at Madhotoli of Gumla district implemented by a NGO with support from GoJ. Upscaling of community institutions including the SHGs and alternate implementation mechanism is based on the models tried successfully under IFAD-supported JTDP.

42 The approach of this project is based on the successful JTDP experience of mobilizing Gram Sabhas (pan-village institutions) to implement watershed development activities. As in JTDP, SHGs will be the basic building blocks for women's empowerment and participation in Gram Sabhas. The modality of empowering Gram Sabhas has been further strengthened in this project by drawing on the positive experience of NGOs in enabling them to take up integrated natural resource management activities through convergence with MGNREGS. GS-PEC approach takes into consideration all cultural, ethnic and gender aspects and its performance has been found satisfactory under JTDP and village panchayats welcomed this approach. Tasar, goat rearing and Lac cultivation are based on traditional tribal knowledge. Upscaling of all interventions under JTELP will be in response to the demands made by community and in consistent with their traditional knowledge and wisdom, farming

¹¹ A Tola is a habitation or hamlet and a Tola Sabha is a habitation level community institution comprising all adult members of the community. Where the individual habitations are small the Tola Sabha may be co-terminus with the Gram Sabha.

¹² Gram Sabha is a community institution comprising all adult members of a village, defined under Panchayat (Extension to the Scheduled Areas) Act (PESA) 1996 as, "a village shall ordinarily consist of a habitation or a group of habitations or a hamlet or a group of hamlets comprising a community and managing its affairs in accordance with traditions and customs".

practices and their absorptive capacity for new technologies and their food security issues. A study confirmed that the JTDP-promoted GS-PESs have been acting as strong institutions in retaining socio-cultural aspects of tribal society as well as presenting specific concerns over several developmental and environmental issues.¹³

C Components and Outcomes

43 The JTELP will have four main components, namely: (i) Community Empowerment; (ii) Integrated Natural Resource Management; (iii) Livelihoods Support; and (iv) Project Management. More details are presented in Annex-4. The interventions proposed under this project are expected to build resilience of the households, community and the ecology to climate change. Several of them are explicitly designed as adaptation responses to climate change.

Component 1: Community Empowerment

44 The Community Empowerment component will have three sub-components: (i) Promotion of SHGs predominantly of women and promotion of Youth Groups and engaging the services of FNGOs; (ii) Building the capacity of community resource persons (CRPs), Gram Sabha-Project Execution Committees (GS-PECs) at each Gram Sabha and FNGO staff; and (iii) Special support to PTG households. The outcomes of this component are improved participation of women in local governance forums, improved access to entitlements and improved knowledge related to malnutrition and, health, hygiene and sanitation and legal rights. Details of SHG mobilization processes are provided in Annex 4 – Project Description and Working Paper 4 – Community Institutions Development.

(a) Promotion of SHGs and Youth groups

45 SHG mobilization in India is linked to microfinance, bank linkage and formation of SHG apex structures. However, the main intention of SHG mobilization in this project is to use them as building blocks for mobilization of the community into pan-village institutions for undertaking natural resource management and livelihood related activities. The project will build capacity of SHGs using NRLM procedures and facilitate them to access support from NRLM.

46 The project will promote about 5,500 SHGs, each with 10 to 15 like-minded members based on “affinity”. SHG membership will be mostly restricted to women. This also includes 500 SHGs to be promoted in PTG villages. Mixed SHGs will be promoted in PTG villages depending upon the preference of participating households. The project will also provide support¹⁴ to about 1500 SHGs promoted under JTDP. SHGs will mobilize savings from members depending upon their capacity (INR 50-100 per month). Capacity of SHGs will be built and internal lending systems will be introduced.

47 The project will provide seed capital support of INR 10,000 to each SHG in two instalments. In case of SHGs comprising more than 70% PTG members the seed capital will be INR 20,000 per SHG paid in two instalments. Release of second instalment of seed capital will be dependent on achievement of minimum performance standards. Seed capital will facilitate capital accretion at the level of SHGs and the confidence of members on SHG will increase to travel to the nearby town to access banks or to meet the government officials to access their entitlements. The project will also provide SHG kits comprising ledgers and boxes with lock for safe keeping of money in addition to seed capital. Different options were explored to build an incentive mechanism to SHGs other than providing seed capital. Seed Capital provision is an accepted practice in India and provision of revolving loans and capital subsidy is an integral part of NRLM's SHG mobilization strategy. The project will establish a system of audit of SHG accounts to ensure financial transparency.

48 Mobilization of Youth Group will be an important element of community institution development with the Left Wing Extremist Organizations trying to lure the younger generation into violence and related activities. The project will provide a financial support of INR 40,000 to each of these Youth Groups in two instalments. Release of the second instalment will be subject to social audit by the GS-PEC. The members of Youth Groups will be facilitated to take activities relating to

¹³ Source: A Report of Datamation Consultants Pvt Ltd, New Delhi

¹⁴ These SHGs will not receive initial training support and seed capital support. However, other support relating to capacity building will be provided.

promotion of sports, music and drama and also to take up activities relating to road maintenance, cleaning of water sources; social development issues; etc. Youth Groups will use the seed capital to purchase sports and music equipments. In addition, Youth Groups will be facilitated to become book writers for SHGs and also to take up voluntary work for the benefit of the community, marketing and supply of inputs etc. Youth Group accounts will be audited annually by external auditors. The project will also introduce a system of competitions which will revolve around: (i) cleanliness of villages; (ii) participation of all children under five years of age in Anganwadi; (iii) 100% access to Public Distribution System; (iv) enrolment of children in school; (v) widow pension to all eligible persons; and (vi) old age pension to all eligible persons. The project will allocate INR 2,500 to the winner of the contest. This allocation will be made for each Panchayat for six years.

(b) Capacity building

49 The project will engage the services of some 30 or more FNGOs to provide technical, managerial and organisational support to SHGs, Youth Groups and GS-PECs in addition to providing implementation support including planning, M&E, supervision during the entire project period. The project will support staff training and capacity building. The project will build the capacity of FNGO staff. The project will allocate funds for a part-time CRP for each Gram Sabha. The capacity building will take into account the need for harmonization of processes and procedures with that of NRLM. "Learning by Conversation" methodology developed by Reach India for their grassroots level training will be adopted. The project will organise a number of street-plays (*kala jathas*) focusing on community mobilisation and their partnership in development and management. The Youth Groups promoted under the project will be encouraged to participate in such events. The project will build capacity of the SHG members to develop leadership capacity and to undertake savings and credit activity. In addition, the project will prepare learning aids covering: (i) Laws pertaining to ST Welfare and specifically women's welfare (ii) Malnutrition and its impact on Child Development; (iii) Health, Hygiene and Sanitation; (iv) Entitlements; and (v) Gender issues. The project will conduct learning events covering the above topics to build capacity of the SHGs and Youth Groups.

(c) Special support to PTGs and poor households

50 The project will support about 10,000 PTG households (about 3,500 households in 68 PTG villages and remaining in other project villages). PTGs require longer duration of handholding before taking up livelihood up-scaling activities. Accordingly, the project will implement a step-wise approach to involve PTG communities in project activities. These involve: (i) developing a part time Community Resource Person (CRP) preferably the ASHA worker conversant with local dialect of PTGs for each PTG village/tola to support the community to access entitlements such as Public Distribution System, Integrated Child Development Services (ICDS) food rations and midday meals to all eligible children, Birsa Munda Awas Yojana (Birsa Munda Housing Scheme), widow pension, old age pension and other entitlements; (ii) undertaking interface activity to gain confidence of the community; (iii) developing critical infrastructure of the PTG villages such as drinking water, water harvesting, repair and maintenance of well/water source, etc. using Village Development Fund (VDF) funds¹⁵; (iv) providing solar lantern and two large mosquito nets to each PTG household coupled with related learning events on their use and maintenance; (v) conducting health camps in the PTG villages for which the project will allocate INR 10,000 per PTG village per year; (vi) SHG and YG mobilization and training; and (vii) training Village Health Workers in each PTG with adequate linkages to the referral focal points.

Component 2: Integrated Natural Resource Management (INRM)

51 The INRM component will have three subcomponents: (i) community mobilisation; (ii) land and water resources development; and (iii) productivity enhancement and crop diversification. The outcome of the component is rainwater harvested and land and water resources developed and used sustainably for the benefit of some 122,400 tribal households in 1,330 villages.

(a) Community Mobilisation

¹⁵ Details in Component 2

52 Members and leaders of SHGs promoted by the project will ensure participation of women and facilitate effective mobilization of the community. Intensive consultations with the community leaders will be held by mobilizing Tola Sabha¹⁶/Gram Sabha¹⁷ meetings. The traditional leaders of Gram Sabha and Tola Sabha and the elected representatives of Panchayati Raj Institutions will be taken on exposure visits to locations that have implemented land and water resource development interventions with funding from MGNREGS and also to locations with agriculture related interventions. Each Tola Sabha will elect two members (a female and a male member) to the GS-PEC of the Gram Sabha. GS-PEC will have elected management committee comprising a Chairperson, a Secretary and a Treasurer and this committee will assume overall charge of managing bank accounts and implementing project activities at the community level. Leadership Rotation in GS-PECs will be ensured by compulsory retirement of two members every year. Traditional village leader will chair the Gram Sabha meetings and the elected Mukhiya (Head of Panchayat) will be the ex-officio member of GS-PEC. GS-PEC will establish two sub-committees: (i) Land and Water Resource Development Sub-Committee; and (ii) Livelihoods and VDF Sub-committee. Each sub-committee managed by a team of four persons (men and women in equal number) elected by the GS-PEC will be responsible for implementation of village level activities.

53 Each GS-PEC will develop a comprehensive Gram Sabha Natural Resource Management and Livelihoods Plan (GSRMLP) for its village using participatory processes. The GSRMLP may contain four sub-plans, namely: (i) Land and Water Resource Development sub-plan; (ii) Productivity Enhancement and Crop Diversification including irrigation sub-plan; and (iii) Income Generating Activity sub-plan and (iv) Livelihood sub-plan. The GSRMLP after approval by the Gram Sabha will be submitted to the concerned District Project Management Unit (DPMU) for approval.

54 The GS-PECs will have two bank accounts; one for receiving funds for implementing project interventions related to Productivity Enhancement and Crop Diversification including irrigation and the other for the VDF. The project will make an allocation of INR 125,000 per VDF for all project villages excluding PTGs villages and INR 250,000 for all PTG villages. VDF will be released in instalments and subject to social audit before release of the next instalment and also annual audit by external auditors.

55 VDF will be managed by the GS-PEC under the overall guidance of the Gram Sabha. VDF will be used to cover operating costs of GS-PEC, engagement of part-time CRPs as required, expenditure to complete land and water resource development activity for which MGNREGS funding is not available, and costs related to maintenance of community-based irrigation systems. In case of VDF for the PTGs villages, the funds can also be used for (i) protecting drinking water sources and construction of water tanks near springs; (ii) construction of water harvesting structures and seepage tanks near existing tube wells to recharge groundwater; and (iii) micro-irrigation facilities with a tank and drip system for vegetable cultivation.

(b) Land and Water Resources Development

56 MGNREGS convergence to implement land and water resources development will be one the most important activities. Panchayat will be taken as the unit for land and water resources development sub-component as funds under MGNREGS flow through them. GS-PECs with support from FNGOs will prepare annual work plans and budgets based on the approved Land and Water Resource Development sub-plan of GSRMLP. Activities that are likely to be implemented under land and water resource development sub-plan include: (i) in-situ rainwater harvesting systems, such as contour trenches, 5% model¹⁸, 30'x40' model¹⁹, field bunds, etc; (ii) discrete rainwater harvesting structures such as farm ponds of varying sizes; (iii) large diameter irrigation wells and seepage tanks in lowlands; (iv) land husbandry activities such as land levelling, terracing, gully plugging, small check dams, lowland drainage systems; (v) access roads and pathways; and (vi) forestry related activities such as afforestation, grazing land management, etc. The annual work plans and budgets of the Gram Sabhas with detailed cost estimates will be aggregated at Panchayat level and funding from MGNREGS will be sought. The project will engage Junior Engineers through FNGOs and also provide

¹⁶ An assembly of all adult members of a hamlet or settlement within a natural village.

¹⁷ An assembly of all adult members of a natural village.

¹⁸ Digging a pit of 2-3 meter depth over 5% area of the plot in a terraced landscape.

¹⁹ Construction of water harvesting structures by dividing a landscape with 5-7% slope into plots of 30'x40' with a pit at the lower end of the plot to collect rain water; the soil excavated from the pit is used to make shallow bund around the plot.

facilities for training of master CRPs to help GS-PECs to facilitate preparation of detailed plans, measurement and muster roll maintenance and also to facilitate administrative and technical sanction. The project will provide support for engaging a Data Entry Operator for each district to facilitate compilation of MIS forms at district levels and thereby fast-tracking funds flow for MGNREGS.

(c) Productivity Enhancement and Crop Diversification

57 As a part of the GSRMLP, a Productivity Enhancement and Crop Diversification sub-plan will be prepared, linked to activities proposed under the land and water resource development sub-plan. The activities that are likely to emerge from this planning exercise include: (i) crop demonstrations; (ii) small-scale irrigation development; and (iii) establishment of farmer service centres.

58 **Crop demonstrations:** The project will allocate funds for crop demonstrations in each village with learning events covering quality of seeds, seed treatment, crop production practices, and adaptation of cropping patterns to suit climate change related events such as delayed rainfall. In each village six crop demonstrations will be supported for a two year period. Results of crop demonstrations and the packages of practices used in these demonstrations will be shared among other farmers through exposure visits and training. Key demonstrations will include: (i) introduction of improved techniques of paddy cultivation, including introduction of short and medium duration varieties, better seeds, seed treatment, transplanting, line sowing, etc. (ii) introduction of best practices for cereal crop production; (iii) cultivation of crops such as wheat, maize and millets to enhance nutrition security of the households; (iv) cultivation of oilseeds and pulses, especially in uplands and mid-lands and as cash crops; (v) cultivation of tuber crops; and (vi) soil fertility enhancement through green manuring, liquid organic manuring and vermi-compost; etc.

59 **Irrigation development:** The project will make an allocation of INR 275,000 for each village to implement activities related to irrigation as prioritized by the community. GS-PEC with assistance from FNGOs will prepare cost estimates for irrigation activities and in the event estimated cost exceeds the allocation made under the project, funding from other sources will be sourced. Interventions will include: (i) constructing lift and diversion-based irrigation systems to utilize water from rivers and streams; (ii) installing irrigation systems from wells, tanks and farm ponds; and (iii) establishing micro-irrigation systems with water tanks and drip irrigation tubes in homesteads and near water bodies for vegetable cultivation in case of PTGs and poorest households.²⁰

60 **Farmer Service Centre:** Attempts to improve productivity of small farmers have not yielded desired results due to the limited uptake of agricultural inputs by farmers. The reasons are high transaction costs to procure small quantities of inputs, prevailing subsistence farming practices, lack of draft animals to plough lands on time and the younger generation is less inclined to participate in land preparation activities. Inadequate labour and feminisation of agriculture due to seasonal male migration puts considerable pressure on women to undertake land preparation work. With a view to addressing these constraints, the JTELP will facilitate establishment of Farmer Service Centres (FSCs) one in each Panchayat. The FSC will be one-stop-shop for selling agricultural input (seeds, fertilisers and pesticides) and for renting equipments required for cultivation such as power tiller, weeders, sprayers, etc. The overall management of the FSC will be with the GS-PEC in the largest village. The power tiller will be leased out by the GS-PEC to trained operators to be run as a business unit regulated by it. Other equipment and inputs will be managed by GS-PECs in each village as sub-centres. FSCs will serve all farmers in a Panchayat, principally for production of food crops.

Component 3: Livelihoods Support

61 The Livelihoods Support component will have four subcomponents namely: (i) Support for IGA, (ii) Integrated Production and Marketing Support; (iii) Vocational Training; and (iv) Innovative Interventions. The outcome of this component is enhanced incomes of participating households from IGA and market oriented production of some 43,070 households.

(a) Support for Income Generating Activities

²⁰ Lessons and Best Practices generated by SCAMPIS (Scaling up Micro-irrigation Systems) funded by COOPERNIC, managed by IFAD and implemented by IDE in Orissa in collaboration with Orissa Tribal Development Program to address water scarcity and low soil fertility which negatively impact productivity in India will be adopted .

62 Some of the typical activities that will be supported under the project include: (i) 5,000 units of 10 birds (layers) backyard poultry; (ii) 1,000 pig rearing units (5 piglets plus one boar); (iii) 5,500 units of goat rearing (5 does plus one buck, each buck shared by 5 households); (iv) 6,000 artisan units; and (v) training the participating members. All these activities will be targeted at the PTGs, poorest households, traditional village artisans and landless households in villages that do not offer potential for development of integrated farm-based production systems. The beneficiaries and activities will be identified by SHGs and finalised by the Gram Sabha. Livelihoods and VDF Sub-committee with the approval from Gram Sabha will channelize finances and facilitate implementation. FNGOs promoted under the project will provide required training and handholding support to the target beneficiaries.

(b) Integrated Production and Marketing Support

63 The project will support up-scaling of market-oriented production enterprises by promoting viable market-linked production clusters in successfully tested sub-sectors by FNGOs and TSPs. The enterprise sub-sectors identified on the basis of demonstrated success in the project area are vegetable cultivation, goat rearing, lac rearing, tasar cocoon rearing and mango orchards. These interventions will be implemented on cluster basis to generate economies of scale and also ensure input supply and market linkages. Proposed interventions are: (i) Pre-cocoon Tasar Module comprising either a Tasar cluster in forested areas with adequate tasar host trees population to support about 150 rearers and 30 ha of land to raise plantations of *arjuna* and *asana* for rearing worms in early stages, or a Tasar cluster in non-forested areas with 150 tasar rearers and 65 ha of *arjuna* and *asana* plantation; (ii) Vegetable Cultivation module as a cluster comprising a minimum of 60 ha of vegetable gardens covering about 600 farmers; (iii) Goat Rearing module as a cluster comprising a minimum of 100 households, each with a goat unit of five does and one buck shared between five households; (iv) Mango orchard module as a cluster comprising a minimum of 75 ha of fruit tree plantation covering 300 households; and (v) Lac rearing module as a cluster comprising a minimum of 50 households each possessing adequate number of *Ber* or *Kusum* trees.

64 These modules will be replicated in the project area taking into account the interest of farmers, availability of land and other prerequisites for establishment of these interventions. FNGOs will be facilitated to prepare and submit proposals for implementing these activities. The proposals will be appraised and funding will be provided separately for implementation. Producers will be organised into groups to share services and common facilities and for aggregation to procure inputs and market the produce. The project will support 4 tasar cocoon-rearing units in forest areas, 3 tasar rearing units in new plantations, 14 vegetable clusters (one per district), 60 goat rearing clusters (two per block), 14 mango orchard clusters (one per district) and 110 lac clusters.

(c) Vocational Training

65 Drop-out rate is high amongst tribal children in general and girls in particular before passing secondary school. Often these children neither have the interest to assimilate into agriculture based livelihoods nor have the options to learn new skills to take up other livelihoods. Agencies such as Divyayan Krishi Vigyan Kendra (DKVK) and Pan-IIT Alumni Reach for India (PARFI) have the capacity to implement vocational training with post-training placement/handholding. DKVK has the capacity to train youth in rural vocations and handhold them to establish rural service enterprises. PARFI has developed a model of organizing vocational training coupled with assured placement in the urban organized sector. PARFI partners with NGOs to identify school dropouts from poor households as trainees. In addition to these agencies, the project will advertise Expression of Interest to shortlist agencies that have the capacity to implement vocation training related activity with post-training placement /handholding. The project will sign MOUs specifying the operational modalities with selected agencies. The project will make a provision to provide scholarship to the trainees and this amount can be used for selection and counselling of trainees, training and handholding/placement.

(d) Innovative Interventions

66 The project will identify and implement innovations during project implementation that are likely to have substantial impact on the livelihoods of tribal communities. Three innovations so far identified are: (i) setting up community forestry interventions for providing Community Pattas; (ii) lac rearing on *Flemingia semialata*; and (iii) habitat planning for PTGs. These innovations, if proven successful, have the potential for scaling up.

67 Community Forestry: In collaboration with the Forest Department, the project will identify forest fringe villages eligible for grant of Community *Pattas* (Title deed) under Section 3(1) (i) of Forest Rights Act (FRA) and assist the Gram Sabhas obtain such *Pattas*. The FNGOs engaged by the project in collaboration with the Forest Department will assist the Gram Sabhas to prepare and implement management plans for development of such forests for which Patta has been given to the community as community forests to meet fodder, firewood and NTFP needs of the community. The project will facilitate exposure visit for Forest Officials, provision of Pattas and preparation and implementation of management plans in about 50 villages. In addition, the project will also facilitate the community to obtain individual *Pattas* under FRA.

68 Lac rearing on Semialata: Lac rearing is one of the traditional livelihoods of tribal people. Tribal communities rear lac on *Ber*, *Kusum* and *Palas* trees in forests and homesteads. Due to their long gestation period, it is not profitable to raise plantations with these traditional host trees. Further, these trees are tall and require more labour for inoculation and management of lac insects. On pilot basis, the project will support farmers to establish plantations of *Flemingia semialata*, a bushy plant with a short gestation period that can be raised either as a plantation or as hedge rows as an alternative host plant to rear lac.

69 Habitat Planning for the PTGs: PTG habitats continue to be in a state of abject neglect despite substantial investment through Birsa Munda Awaas Yojana and other PTG housing schemes. These interventions have neglected habitat improvement. The project will engage a group of Community Architects to undertake habitat planning for 10 PTG villages as a model and also provide support for improving homestead, sanitation, drinking water, tree planting, etc. in these habitats. These activities will be implemented by suitable organizations under the guidance of the Community Architects.

Component 4: Project Management

70 The JTELP will support establishment of a SPMU in Ranchi headed by a State Project Director (SPD). He/she will be supported by an Additional Project Director, a Finance and Administration Manager (FAM), a Convergence Manager, a Planning and M&E Manager, a NRM Manager, a Livelihoods and Knowledge Management Manager, a Community Institution and Gender Manager, two Project Executives and other support staff²¹. There will be a District Project Management Unit (DPMU) in each project district with District Project Manager (DPM), a Finance and Administrative Officer, a Planning, M&E and Convergence Officer and a Project Executive.²² The project will support staff costs, provision of vehicles for SPMU, computers and office equipment and operating costs for both SPMU and DPMUs. The DPMUs will be housed within the Office of the respective Deputy Commissioners and provision will be made for need-based hiring of vehicles for use in the field.

71 The project will support capacity building of SPMU and DPMU staff, development of a computerised accounting system and a Management Information System. The project will allocate funds for engaging Specialist Organizations or Experts to help the project management in conceptualising various project interventions and to provide expert technical advice and support contracting specialist agencies for conducting Impact Evaluation baseline survey, RIMS baseline, Annual Outcome Surveys, Mid-term Impact Assessment Survey, Final Impact Assessment Survey and Final RIMS survey and preparation of Project Completion Report.

72 The project will establish a three tier project coordination mechanism: (i) Project Steering Committee at the State level chaired by the Chief Secretary; (ii) District Project Coordination Committees chaired by the respective Deputy Commissioners; and (iii) Block Coordination Committees chaired by the respective Block Development Officers. Details related to project management and project coordination are provided in Annex 5 – Implementation Arrangements.

D. Lessons learned and reflected in Project Design

²¹ Refer Appendix 1, Annex-5 showing the SPMU staff structure;

²² Refer Appendix 2, Annex 5 showing the DPMU staff structure.

73 A number of lessons have also been learned from past and current projects regarding what has worked well, and what could be done better in future. Details of relevant lessons are in Annex 3. These lessons include:

- Poverty can be effectively reduced through an empowerment process, which in turn requires investment in people's institutions and in intangible assets. Each intervention should have an adequate implementation period, allowing sufficient time to establish and strengthen strong and sustainable grass-roots institutions.
- The selection of qualified NGOs and RNGOs is critical. The process of selection needs to be completed promptly and without political interference.
- Developing livelihood opportunities for smallholder farmers and tribal communities in rainfed and marginal areas requires broader partnerships that combine the competencies and resources of government, civil society and people's organizations, and the corporate private sector.
- India allocates very large resources to agriculture and rural development through state and centrally sponsored schemes. Ensuring convergence with such efforts will multiply the impact of project interventions.
- Undertaking fewer, focused projects with larger average loan size can contribute to lowering transaction and administrative costs for both the Government and IFAD, and will permit greater attention to implementation support, learning and impact achievement.
- Enterprise promotion among SHG members has been challenging since not all SHG members are interested in the same enterprise, and integrating livelihood activities in federations requires adequate staff capacity and financial resources.
- Most farm work, other than ploughing, is done by women. A number of programmes have distributed tools and other support to women with the aim of reducing women's work burden and the drudgery of women's work. However, these are often not taken up in a sustainable way, or spread to other households, unless women are also engaged in economically remunerative activities that increase the opportunity cost of their time.

74 Key lessons learned from the IFAD-supported JTDP²³ are that empowerment of the tribal communities is a prerequisite for poverty alleviation, that the development programmes should be implemented in contiguous areas with decentralised planning and approval processes for effective results, that there was a need for more focus on supporting livelihoods interventions along with better training, demonstrations and facilities for transfer of technology, that convergence with other programmes is better achieved at district level and therefore there is a need for greater involvement of district administration in plan implementation, that there is a need for building alliances of gram sabha and Panchayats to make tribal laws work in particular Section 3 (1) of FRA of Gol.

75 Experience from JTDP and the work of NGOs in Jharkhand and also from other parts of the country shows that formation of SHGs has given women confidence and recognition of their potential to play community leadership roles. This has also facilitated election of women to the local Panchayats as members as well as Mukhiyas (head of the Panchayat) even in constituencies not reserved for women. Leadership of and presence in the elected statutory Panchayats enables women to influence village development processes and plans since major government schemes such as MGNREGS are now planned and implemented by these elected bodies. There was effective participation of women in the village level planning process during implementation of JTDP. This was possible because women had been organised in SHGs and had in the process gained confidence and the experience of conducting and participating in community forums/meetings. See Annex 3 for more details.

²³ Refer para 9-22, Annex 3

III. PROJECT IMPLEMENTATION

A. Approach

76 The IFAD-funded JTDP had established a State Project Management Unit (SPMU) within JTDS at the State level and two District Project Management Units (DPMUs), one each in Ranchi and Chaibasa. The Secretary, Welfare Department is the Chairperson of the Board of Directors (BoD) of JTDS. SPD is its Member-Secretary and the Deputy Commissioners of the project districts are members on the board of JTDS. Each DPMU supervised activities in 2 or 3 districts. The existing project coordination structure at the State level needs to be reconstituted with Chief Secretary as the Chairperson. The district coordination structures will be strengthened and block level coordination arrangements will be created to ensure convergence with MGNREGS and other government programmes.

77 GOJ has also established Integrated Tribal Development Agencies (ITDAs) in each of the Tribal sub-plan districts and their capacity in terms of human resource is being strengthened. ITDAs are still in a formative stage and do not have adequate experience of working with NGOs. This apart, the staff of ITDAs are on secondment from the government departments and it is difficult to build in flexibility with regard to engagement of professionals required for the implementation of projects like JTELP.

78 JTELP is a considerably larger project than JTDP, with a total investment of about USD 115 million compared with USD 25 million for JTDP. Given the limitations on the capacity of JTDS and its current staff, it will be necessary to strengthen both its human resources and also expand its outreach from the existing 5 districts to all 14 districts. To support new districts that are included under JTELP and enhance their technical and oversight capabilities, it will be necessary to associate FNGOs at district level and TSAs at regional level.

B. Organisational Framework

1. Management Structure of JTELP

79 The Department of Economic Affairs (DEA) in the Ministry of Finance will be the nodal agency at the GoI level to review and monitor project progress. The Welfare Department of the Jharkhand State will be the State level nodal agency for the proposed project. The project will be managed by JTDS with the support from TSAs, FNGOs, District Administration, relevant line agencies, Panchayats and Gram Sabhas.

80 **State Project Steering Committee:** GoJ will set up a State level Project Steering Committee (SPSC) chaired by the Chief Secretary, with the Secretary Welfare Department as its Member-Secretary. The SPSC will meet once every six months to review progress, provide overall guidance and policy support and facilitate inter-departmental coordination. The members of the SPSC will include: (i) Development Commissioner; (ii) Secretary, Finance; (iii) Secretary, Rural Development; (iv) Secretary, Forests; (v) Principal Chief Conservator of Forests; (vi) Secretary, Agriculture; (vii) Secretary, Animal Husbandry and Livestock, (viii) Secretary, Horticulture, (viii) Secretary, Industry; (ix) Special Secretary, Welfare Department; and (x) SPD. In addition, SPSC will invite representatives from National Bank for Agriculture and Rural Development (NABARD) and Civil Society and Technical Experts of repute to participate in SPSC meetings.

81 **Jharkhand Tribal Development Society (JTDS):** The project will use JTDS, an autonomous agency, for the implementation of JTELP. JTDS is outside the government line agency structure, registered under the Societies Registration Act and has its own bye-laws and financial rules. JTDS has adequate authority to enter into partnership agreements/contracts with TSAs, FNGOs and other Specialist Agencies and to provide grants and financial assistance to Gram Sabhas.

82 JTDS is accountable to its General Council and Board of Directors. Both the General Council and the BoD of JTDS will be reconstituted to permit expansion of its roles and functions in the context of JTELP. The reconstituted General Council and the BoD of JTDS will comprise: (i) Secretary, Welfare Department-Chairperson; (ii) Special Secretary, Welfare department – Vice Chair (iii) SPD, JTDS-Member Secretary; (iv) Commissioner, MGNREGS-Member; (v) Deputy Commissioners of all 14 Tribal Sub-Plan Districts-Members; (vi) Mission Director, National Rural Health Mission-Member;

(vii) Mission Director, National Horticulture Mission -Member; (viii) Mission Director, Jharkhand State Watershed Mission-Member; (ix) Mission Director, National Rural Livelihoods Mission-Member; (x) Director, Agriculture Department-Member; (xi) Director, Livestock and Animal Husbandry Department-Member; (xii) Director, Fisheries Department-Member; (xiii) Chief Engineer, Rural Works Department-Member and (xiv) Director, Cooperation Department-Member.

83 The BoD will be responsible for: (i) providing direction and guidance for project implementation; (ii) reviewing and approving overall Annual Work Plan and Budget (AWP&B) of the project; (iii) formulating and revising bye-laws, financial regulations and personnel policies of JTDS; (iv) approving engagement of TSAs, FNGOs and other partner organizations; and (v) reviewing implementation performance of the project. The project management responsibility will be vested with SPMU to be established within JTDS. The SPMU will be headed by a full time SPD from All India Services with about 15 years of experience. SPD will be assisted by an Additional Project Director (APD) and other technical and support staff.

84 **Role and functions of SPMU:** The SPMU will be responsible for: (i) supervising and monitoring project activities and their progress towards achieving physical, financial and outcome related targets; (ii) organizing project coordination meetings and meetings of the BoD of JTDS; (iii) preparing and submitting AWP&B and 18 month procurement plan for review by IFAD and approval by the BoD of JTDS; (iv) ensuring release of funds from SCA to TSP and Article 275(1) for implementing project activities; (v) evaluating bids, and finalizing and executing partnership agreements/ contracts with TSAs/FNGOs, service providers and suppliers of goods and services for implementing various project activities; (vi) operating Project Accounts for timely release of funds to the districts, TSAs/FNGOs and suppliers of goods and services; (vii) preparing and submitting withdrawal applications to GoI/DEA for onward transmission to IFAD; (viii) preparing and submitting progress reports to IFAD and GoJ; (ix) establishing an MIS and M&E system to track project progress and undertaking knowledge management activities; (x) preparing RIMS data for submission to IFAD; (xi) ensuring preparation and submission of annual audit reports and ensuring compliance to the audit observations; and (xii) liaising with the State administration and line agencies to ensure coordination and convergence to facilitate project implementation.

85 Staff appointments, except those on secondment, will be on fixed term contracts of at least three years and the candidates will be recruited from the open-market based on professional competence, experience in implementing natural resource management and livelihoods interventions and familiarity with the development needs of the tribal people. Persons of tribal origin and women will be given preference subject to other things being equal. JTDS will implement the affirmative action policy of GoJ which has reserved 26% of positions for ST candidates. JTDS will revise its personnel policies to attract competent staff.

86 **District level Coordination:** The project will also establish District Project Coordination Committees (DPCC) in each of the project districts. The DPCC will be chaired by the Deputy Commissioner of the respective project districts and the District Project Manager (DPM) will be its Member-Secretary. The DPCC will meet quarterly to discuss the project implementation progress, constraints and remedies. Key functions of DPCC will be to ensure flow of MGNREGS funds to the Panchayats for implementing Land and Water Resource Development Sub-plans.

87 **Block level Coordination:** A Block Project Coordination Committee (BPCC) will be established in each Block of the project area. The BPCC will meet bi-monthly to discuss approval and review of Land and Water Resource Development activities under GSRMLP with MGNREGS funding. This committee will be chaired by the respective Block Development Officers and the DPM/NRM Officer will be its Member-Secretary.

88 The details related to composition, and functions of state, district and block level coordination structures, and functions and staffing of SPMU and DPMU are provided in Annex 5-Implementation Arrangements. Detailed ToRs of staff are provided in Annex 4.6, Section 4, Part Two of PIM.

2. Project Implementing Agencies

(a) FNGOs

89 The project will engage the services of FNGOs for field level implementation. It is estimated that 1-2 FNGOs will be recruited per district. Each selected FNGO will have implementation responsibility covering about 40 villages falling under 5 or more contiguous Panchayats in a Block/Cluster. Each FNGO will establish a field office at the block level. Staffing of an FNGO will include a core team of one FNGO Coordinator with Natural Resource Management background, ne Junior Engineer and one Community Institution and Gender Officer supported by a Panchayat team of one Community Facilitator and a part-time Community Resource Person for each Gram Sabha. FNGOs will be recruited using fixed price and quality based selection. FNGOs that are engaged in natural resource management or livelihood activities in the project block or district for no less than three years will be given preference in selection. Experience of working with tribal households in Jharkhand will be a pre-requisite.

90 FNGOs will be responsible for SHG mobilization, training of SHG members, facilitating SHGs to implement social sector activities, reviewing progress of SHGs in savings and credit, facilitating grading of SHGs and delivery of seed capital, mobilization of Youth Groups and planning for their activities, implementing PTG specific activities, sensitising Tola/Gram Sabha, establishing GS-PECs and their sub-committees, facilitating GS-PECs to prepare GSRMLPs, facilitating approval of GSRMLPs, preparing AWP&B and budget of GS-PECs and detailed design for Land and Water Resource Development sub-plan, Productivity Enhancement and Crop Diversification sub-plan and Income Generating Activity sub-plan and facilitating implementation of Land and Water Resource Development sub-plan through convergence with MGNREGS and other sub-plans with project funding. FNGOs will also be responsible for facilitating social audit at the Gram Sabha/Panchayat level. FNGOs will be facilitated to prepare and submit proposals for implementation of integrated production and marketing support activities. These proposals will be separately appraised and funded.

(b) Technical Support Agencies (TSAs)

91 TSAs are required to handhold and provide implementation support to FNGOs. The project will engage three TSAs, one each for Northern Region comprising Godda, Sahebganj, Pakur, Dumka and Jamtara districts; Western Region comprising Simdega, Gumla, Lohardaga and Latehar districts and the Southern Region covering West Singhbhum, East Singhbhum, Khunti, Ranchi, and Saraikela Kharsawan districts. TSAs will establish a technical team of four Subject Matter Specialists in the areas of Agriculture, Agriculture Engineering, Civil Engineering, Water Harvesting Technology and Small-scale Irrigation. TSAs will be responsible for building capacity of the FNGO staff and for providing implementation support for activities related to community institutions development, GSRMLPs, and implementation of Land and Water Resources Development, Productivity Enhancement and Crop Diversification, Income Generating Activities, Integrated Production and Marketing Activities and Innovative activities. In areas where FNGO has no capacity to implement Integrated Production and Marketing Activities, TSAs will be entrusted with the responsibility of implementing Integrated Production and Marketing Activities.

(c) Community-based organisations

92 **Self Help Groups:** The project will support formation of SHGs to empower women and also to help them come out of exploitative financial relationships. In this project, SHG mobilization will be an interface activity to mobilise the community and to form next level community institutions required for land and water resource development and livelihood related activities. SHG mobilization will follow the procedures of NRLM so that these SHGs will be able to seamlessly access support from NRLM related to financial intermediation and formation of apex structures as when the same are rolled out.

93 **Gram Sabha Project Execution Committees (GS-PECs):** These committees will be responsible for all village level activities including opening and managing bank accounts. Rotation in the leadership of GS-PECs will be ensured. The GS-PECs, with the support of FNGOs will be responsible for implementing all activities relating to (i) MGNREGS, (ii) productivity enhancement and crop diversification, (iii) small-scale irrigation, (iv) management of VDF accounts and (v) implementation of IGA and livelihood upscaling activities.

94 **Producer Groups:** Target group households will be facilitated to form groups for taking up income generating activities. Households with cultivable land will be facilitated to form groups for productivity enhancement and crop diversification and also for livelihood upscaling. The group size and composition will depend on the geographical proximity of the households, affinity amongst group members to work together, and common interest by all members to take up similar activities. In case of livelihood upscaling the group size will be large enough to achieve economies of scale. The Producer Groups will become the vehicle for delivery of services. User groups will also be formed for the operations and maintenance of infrastructure facilities that are created under the project.

95 **Livelihood Collectives:** Livelihood upscaling activities with a large number of Producer Groups will ultimately establish specialized Livelihood Collectives or get integrated with the existing collectives. Mutually Aided Cooperative Societies Act provides the required legal framework in Jharkhand for establishing such collectives. Growth trajectory of each of these collectives includes provision of entire gamut of services to producer groups and at the same time becoming self-reliant.

C. Planning, Monitoring and Evaluation and Knowledge Management

1. Planning process

96 The planning process will start with the community at the level of the Tola Sabha with the support of GS-PEC and FNGO. Using participatory assessment of community resources, they will develop a perspective plan for the Gram Sabha called GSRMLP for the village. This plan after review by the Gram Sabha and the Panchayat will be sent to DPMU for approval. On the basis of the perspective plan, AWP&B will be prepared each year during the month of October by the GS-PECs starting with the preparation of detail project plans. The SPMU will compile the AWP&Bs in the third quarter (December/ January) of each year. JTDS will request Welfare Department, GoJ to make budgetary provisions for the project based on the estimates. Thereafter, it will prepare the AWP&B and submit to IFAD along with the procurement plan for review. Based on the observations made by IFAD, JTDS will finalise the AWP&B and submit to their BoD for approval. A copy of the approved AWP&B along with the annual procurement plan will be sent to IFAD for the purpose of monitoring. Refer to Annex 6 for more details.

2 Monitoring and evaluation system

97 The Monitoring and Evaluation system of the JTELP will collect data and information to measure performance and progress towards objectives, and be a learning tool to provide information for critical reflection on project strategies and operations. It will support decision-making at various levels and be a basis for results-based management. Each agency will draw up its own M&E plan within the overall JTELP M&E framework. The M&E unit in the SPMU will support this output and activity monitoring. In addition it will implement a programme of outcome and impact monitoring, as well as producing consolidated reports on project progress and results, and coordinating overall learning and knowledge management. Details of the M&E and knowledge management system are in Annex 6.

3. Project M&E Framework

98 **Output monitoring** will measure the progress of activities and achievement of outputs against annual targets in the AWP&B for each project component. The output indicators in the project operational logical framework will form the basis for monitoring. Physical and financial progress reports will be recorded via each FNGO's MIS. Wherever necessary, data will be collected disaggregated by gender and social groups, particularly those relating to training, exposure and access to services.

99 **Participatory Monitoring and Evaluation (PME)** at the community level will involve the CRPs, members of the GS-PEC and JTDS and NGO staff. PME forums will be set up in villages/Tolas, with simple activity sequencing charts and other tools to help the communities monitor their progress, evaluate performance, assess relevance, effectiveness, efficiency, benefits accrued and identify implementation issues related to ongoing and completed interventions. The AWP&B of

the Gram Sabha will be the basis for participatory M&E. These forums will be also used for social audits of activities and associated expenditure involving community members and service providers.

100 **Process monitoring** involves monitoring the processes leading to outputs and outcomes. Specific areas where process monitoring will be useful in JTELP include: effectiveness of SHG savings and lending, provision of technical and other support services, and the functioning of community organisations. Information on these may be gathered via PME, as well as from the records of community organisations. Videos will be made to describe project processes and results in a village—these can be shown in other villages to disseminate key information and messages. Training effectiveness will be assessed via KAP (Knowledge, Attitude and Practice) surveys carried out each year.

101 **Outcome monitoring** measures the changes coming about as a result of project interventions. This will entail annually measuring and assessing whether the project is moving towards achieving the objective of empowering and enabling tribal communities to take up livelihood opportunities based on sustainable and equitable use of natural resources. The surveys will also collect data for 2nd level RIMS indicators. To allow comparisons to be made, the surveys will gather data from three separate sub-samples: project PTG households, other project households, and a control group of non-project households. To help measure project outcomes more precisely, it is proposed that the two project sub-samples are based on cohorts defined by the year of joining the project. If project groups are formed over a three year period, then a total of seven sub-samples, each of about 200 households will eventually be covered. The first rounds of the surveys will act as a rolling baseline. This survey will be outsourced to an M&E organisation.

102 **Impact evaluation** will assess the contribution of JTELP in achieving the overall goal of the project. It will consist of baseline, mid-term and endline surveys. These surveys will be coordinated by the M&E Unit, and contracted to an external agency. Information to be collected will include the impact level indicators of IFAD's Results and Impact Monitoring System (RIMS). These include mandatory 'anchor indicators' relating to household assets, food security and child malnutrition (anthropometric data of children under five years of age) and also other social indicators.

4. RIMS indicators

103 The Results and Impact Monitoring System of IFAD requires reporting annually on a number of first and second level results indicators that correspond to the output and outcome indicators of a project. IFAD has produced a standard list of these indicators, but only some of these will apply to an individual project. Prior to mid-term review, the project will report on only the first level results, but after the mid-term report it reports on second level indicators. These second level indicators are used as evidence to support ratings of the effectiveness and likely sustainability of each component. The third level RIMS results are the anchor indicators used for impact assessment.

5. Special studies

104 Special Studies will be undertaken before mid-term review related to the following: (i) livelihoods development and market linkages; (ii) agricultural production and productivity; (iii) environment and NRM; and (iv) education and employment. Cost effectiveness studies will be also undertaken to assess delivery systems and implementation methodology and approaches.

6. Management Information System (MIS)

105 MIS systems will be established in the first year of project implementation by the SPMU. This will include information on physical and financial progress, impact evaluation analysis and reports, RIMS first and second level indicator tracking, and other pertinent information.

7. Reporting and Communication

106 Timely reporting and communication is important to take corrective actions, learn from implementation experience and improve project management efficiency. Monthly, quarterly and annual reports will be produced by project implementation agencies and the M&E unit will generate half-yearly, annual and RIMS progress reports for IFAD.

8. Learning System

107 The project learning system comprises monthly, quarterly and annual review meetings, capturing information on progress, lessons and finding solutions for implementation constraints. IFAD in cooperation with the Government will undertake a Mid Term Review (MTR) by the fourth year of the project to review achievements and implementation constraints. A mutually agreed action plan will be prepared based on the MTR findings. If needed, IFAD may appoint, in consultation with the Government, an external agency to evaluate the impact of the project. As the project reaches completion point, the SPMU will prepare a draft Project Completion Report in agreement with IFAD and GoJ. IFAD and the Government will then carry out a Project Completion Review based on the information in the Project Completion Report and other data.

9. Knowledge Management

108 In the first year the project will prepare a project level KM strategy in line with the IFAD India and IFAD policy on KM. The project website will be completed within the first year of implementation and used as a knowledge sharing tool, and also linked to the IFAD Asia website. Key information from M&E studies, reviews and exposure visits, lessons and best practices will be disseminated through knowledge products such as newsletters, publications, case studies and reports.

D. Financial Management, Procurement and Governance

1. Financial Management

109 The existing system of financial management and also the financial regulations of JTDS were reviewed. The amendments required to the financial regulations, are provided in Appendix 1 of Annex 7. The revised financial regulations of JTDS are provided as a part of PIM. Financial Management Risk Assessment of JTDS was conducted and recommendations made as a part of this assessment were incorporated into the project design. Compliance to these recommendations is provided in Annex 7.

110 **Books of Accounts:** The project will maintain accounts and records in accordance with internationally accepted accounting standards to the extent they are compliant to the accounting standards prescribed by the Institute of Chartered Accountants of India and the requirements of GoI and GoJ to reflect the operations, resources and expenditures related to the project until the Financing Closing Date, and shall retain such accounts and records for at least ten (10) years thereafter. "Tally" software will be used for recording receipts by financiers and expenditure by components and categories. At the SPMU, the accounts should be consolidated through the software itself. This will require preparing a uniform structure and chart of accounts at all the DPMUs and the SPMU. The monthly reports from the DPMUs to the SPMU shall be in prescribed formats. Draft financial regulations and accounting manual are provided in PIM. Details on use of accounting software and related training are provided in Annex 7.

111 **Finance Personnel:** FAM will be responsible for book keeping of the SPMU, financial reporting to IFAD and other stakeholders, coordination with auditors and internal auditors, payments, bank operation, funds flow, and coordination with finance staff of implementing agencies. S/he will be assisted by two Accounts/Administration Officers. Each DPMU will have a District Finance and Administration Officer (DFAO). All financial staff will be adequately trained in accounting (including use of software) financial management and reporting requirements of the project. Detailed ToR for finance staff is provided as a part of PIM and other details of engagement of finance staff are provided in Annex 7.

112 **Funds flow:** The project will be funded from four sources: IFAD, GoJ contribution to JTELP, GoJ funds from Article 275(1) and SCA to TSP budget and contributions from beneficiaries. The SPMU will be responsible for preparing the AWP&B for the project and submitting the same to the Finance Department of the State through the Welfare Department. This AWP&B (net of beneficiary contribution) will be included as a line item in the budget of the Welfare Department of GoJ and will be presented for legislative sanction from the State assembly. IFAD's share will be disbursed to GoJ through the conventional national procedures. The DPMUs will receive funds from the SPMU and in

turn provide funds to the GS-PECs for the project activities at the village level. The FNGOs will receive funds from the SPMU. The DPMUs and the SPMU shall have reporting and monitoring systems to track use of the project funds. Details of funds flow are provided in Annex 7.

113 The DPMUs will evolve a system to collect information in respect of beneficiary contribution to the project on a regular and ongoing basis. This could form part of the reporting system by FNGOs to the DPMUs. The utilization certificates of funds disbursed, which involve beneficiary contribution could be used as a basis for accounting for beneficiary contribution.

114 **Designated Accounts:** IFAD loan funds will be delivered to a Designated Account at the Reserve Bank of India operated by the authorized representative(s) of the Ministry of Finance. IFAD will pay an initial advance into the Designated Account equivalent to 10% of the IFAD loan amount and then replenish the Designated Account on the basis of Withdrawal Applications submitted by the project through the State Government to the CAA&A, GoI. On receipt of legislative sanction from the Jharkhand State Assembly, the budgetary allocation for the project (including counterpart funds) will be released to the project in one or two tranches. The funds will be transferred from the State Treasury to the Project Bank Account opened and operated by the SPMU. From this account, funds will flow to the sub-project accounts maintained by the DPMUs. Funds from DPMUs will flow to GS-PECs, SHGs, Youth Groups, other user groups, collectives, village development funds etc.

115 **IFAD Support:** IFAD will provide financial management support to the project by deputing a Financial Management Specialist to the project at periodic intervals in the first year of implementation.

116 **Audit:** Each Fiscal Year, JTDS will have the project accounts audited in accordance with auditing standards acceptable to IFAD and the Government, submitting an audit report within six months of the end of each Fiscal Year. The Auditor shall visit the SPMU and selected DPMUs or based on request from JTDS or IFAD. Details on engagement of Auditor and audit procedures are provided in paragraphs 17 to 19 of Annex 7.

117 **Internal Audit:** The project will appoint independent Chartered Accountants to undertake internal audit at all implementing levels from the first year of its operations. The Internal Auditors will, besides the financial audit, will review the systems of internal control and suggest improvements, if required, thereto. The internal audit should also include statutory compliances. The TOR will include key aspects of financial management and procurement contained in IFAD's fiduciary aspects checklist. The Internal Auditor will submit quarterly reports simultaneously to SPD and IFAD. Corrective follow up action will be decided jointly by a committee which includes the SPD, IFAD and the Internal Auditor. The details on engagement of Internal Auditor and procedures are provided in Annex 7.

118 **Withdrawals from the Loan Account** will be made according to the terms in the Financing Agreement between IFAD and GoI. Funds from the Loan Account will be used exclusively to finance eligible expenditures. More information on withdrawals provided in Annex 7.

2. Procurement

(a) Introduction

119 Procurement of goods, works and services financed by funds from IFAD will follow the IFAD Procurement Guidelines. Each Annual Procurement Plan will identify procedures which must be implemented by the Borrower/ Lead Project Agency in order to ensure consistency with the IFAD Procurement Guidelines. Further details on procurement are in Annex 8.

120 As all the proposed implementation agencies for JTELP do not have adequate experience in the area of procurement, a capacity building exercise in this area, will be necessary. To further strengthen procurement processes, it is proposed that an IFAD Financial Management and Procurement Specialist will support the project with a number of short inputs, especially at the start-up phase.

(b) Prior Review Thresholds

121 For all procurement of civil works, supply of goods, vehicles and equipment exceeding equivalent USD 200,000 and services exceeding USD 100,000 prior approval of IFAD should be obtained including approval of RFPs, NOC for shortlist, NOC for final selection of firms based on evaluation and draft contract approval. The threshold for prior review will be prescribed in the Financing Agreement between IFAD and GoI or as prescribed in the management letter.

(c) Procurement Methods and selection procedures

122 The most important procurement methods to be followed by the project include: (i) Direct Shopping– for all procurement up to USD 1,000; (ii) Local Shopping-for all procurement exceeding USD 1,000 and not exceeding USD 25,000; (iii) Local Competitive Bidding- for all procurement exceeding USD 25,000; and (iv) Direct Contracting or Single Source Selection – no financial limit but subject to IFAD prior approval. The selection procedures include: (i) quality and cost based selection; (ii) fixed cost selection; (iii) quality based selection; and (iv) least cost selection. The procedures related to Community Participation in Procurement will be used by the Community Institutions implementing project activities.

(d) Procurement of Civil Works

123 The activities related to civil works such as irrigation systems, farmer service centres, grainages, storage and aggregating centres, sorting and grading centres for cocoon etc, the procurement method will be local shopping and through the Community Participation in Procurement. These activities will be implemented directly by the GS-PECs of the Gram Sabhas.

(e) Community Level Procurement

124 Construction of watershed conservation works and land and water development works using MGNREGS fund will be carried out using appropriate procurement procedures as given in MGNREGS Guidelines. But any procurement complimentary to MGNREGS using IFAD funds will follow Community Participation in Procurement method.

(g) Procurement of vehicles and equipment

125 Vehicles and office equipment for the project will be procured through Local Shopping or LCB.

(h) Procurement of equipment and materials

126 Vehicle operating costs and office running expenses will be procured using Direct shopping or Local shopping.

(i) Procurement of Vocational Training and Training Resource Agencies

127 Vocational training agencies and Training Resource Agencies will be procured using Local Shopping or LCB procedures. Local shopping (contracts exceeding USD 1,000 and not exceeding USD 25,000) will involve preparation of a list of agencies through formal and informal inquiries, preparing a shortlist of a minimum of three agencies for each task after evaluation of their capabilities and awarding work to the highest ranked agency. The LCB procedures (contracts exceeding USD 25,000) will involve advertising Expression of Interest and short-listing competent agencies. Thereafter, the agencies will be requested to submit proposals for conducting vocational training/other training. These proposals will be appraised by a team of experts engaged by JTDS and contracts will be signed with selected agencies to conduct vocational training/other training. Where there is only a single qualified supplier or the supplier is a specialized government agency (such as an agricultural research institute), direct contracting or single source selection is possible subject to IFAD approval.

(j) Procurement of M&E studies

128 The procurement of consultants to carry out M&E studies will follow LCB with Request for Proposals (RFP) and QCBS (Quality and Cost Based Selection). IFAD's prior review will be required for the selection of firms to undertake Consultancy work if the contract value exceeds the prior review threshold.

(k) Procurement of the services of FNGOs and TSAs

129 JTELP proposes to outsource all field level implementation of the project activities to well qualified and experienced FNGOs and TSAs. FNGOs will be selected and contracted using LCB and fixed cost selection method. TSAs will be selected using LCB and quality and cost based selection. IFAD prior review is necessary for both these procurements.

3. Governance

130 A framework for good governance has been drafted and is included in Section D of Annex 12. This framework aims to ensure: (i) transparency, with information in the public domain; (ii) accountability in the use of resources; and (iii) participation with the people having a voice in decisions that may affect them. The involvement of affected communities in all stages of project implementation can simultaneously improve development outcomes and reduce the scope for fraud and corruption. Key features of this framework are:

- (a) Targeting of women and disadvantaged households.
- (b) Local level participation in planning with participation from Gram Panchayat (GP) representatives.
- (c) Community and participatory monitoring of project activities using participatory M&E and process monitoring to obtain feedback from community members.
- (d) Rotation of project group leaders and audit of project group accounts.
- (e) Audits of project accounts – both internal and external.
- (f) IFAD supervision and support, including spot checks by regular supervision missions, implementation support for financial management and procurement, and technical audits if needed.
- (g) Regular outcome and KAP surveys will provide information on how well project outputs are being delivered – both in terms of coverage and quality.
- (h) Reporting of results to SPSC, DPCC, IFAD, and to local government institutions, with key information published on a project website.
- (i) Complaints and remedies mechanism including circulation of phone numbers of Senior Management of JTDS.

E. Implementation Supervision

131 The project will be directly supervised by IFAD. During the start-up phase of the project, IFAD will attend in the national start-up workshop and participate in discussions on the project approach and strategy. This is likely to involve members of project design missions and a financial management specialist. The latter specialist will also provide implementation support to train project financial staff. Other implementation support in the first year of the project may include assistance in setting up the M&E system and drawing up training plans for the various components of the project. It is envisaged that the first supervision mission will take place towards the end of the first year of operations. It will include specialists in livelihoods and financial management. Once physical infrastructure works have started, supervision missions may include production and marketing specialists.

F. Mid Term Review and Project Completion

132 Mid Term Review: IFAD in cooperation with the Government will undertake a mid-term review by the fourth year of the project lifecycle to review project achievements and implementation constraints. In particular it will review the following: (i) achievement and improvements in the production systems, improvement in food security, and increase in income; (ii) improvement in natural resource management; (iii) performance of community institutions; (iv) impact of other project activities; (v) financial and procurement management; and (vi) human resources management. A mutually agreed action plan will be prepared based on the MTR findings.

133. Project Completion Review: As the project reaches completion point, the SPMU will be required to prepare a draft Project Completion Report. IFAD and the Government will then carry out a Project Completion Review based on the information in the Project Completion Report and other data.

G. Risk Identification and Mitigation

134. There are a number of risks associated with the project. Key risks and assumptions are identified in the logframe. These relate to farm technology, reluctance on the part of the farmers to accept new packages of practices, inadequate extension support, inadequate market linkages and poor price margins to farmers, inadequate flow of funds from the convergence programmes, lack of service providers and poor response from the private sector, and poor coordination and institutional support.

135. A risk at the development objective level is that employment opportunities in other parts of India expand to the extent that a large proportion of the workforce migrates out of the TSP districts resulting in insufficient labour left for farming. JTELP will address this by seeking to increase productivity in farming so that returns to labour become competitive with other jobs – in particular by developing high value cash crops and market-linked production. The project will also promote tree crops which, once established, require lower labour requirements and will appeal to households with limited labour.

136. The risks at outcome and output levels are addressed in the project design as described below:

Risk level	Risk before mitigation	Risk reduction Approach	Residual Risks
Goal level: Relative instability in food prices in general, unfavourable economic conditions not conducive to poverty reduction.	Medium	Improved methods for enhancing food production and improved food security	Medium to low
Development Objective level risk: Security situation not allowing communities access to economic opportunities and natural resources	High to medium	The project will be implemented through FNGOs who were able to work despite current security situation under JTDP	Medium to low
Community empowerment component level risks: (i) Inadequate policies on microfinance not allowing space for project to operate; (ii) Project is unable to coordinate and converge with other programmes for community development to avoid duplication	High to medium	(i) Formation of SHGs and provision of seed capital funds for internal lending and hand-holding support and convergence with NRLM (ii) Coordination at State level and appropriate Government Order to ensure convergence and flow of funds to JTELP	Medium to low
Integrated Natural Resources Management component level risks: i) Major natural disasters (droughts, floods) may negate land and water development works. (ii) Inability to identify suitable locations by GS-PEC. (iii) Communities unable to reach agreement on land and water development works. (iv) Adequate resources not available from MGNREGS for implementation (v) Reduction in funding for social sector programmes due to lower than expected economic performance	High	(i) Technologies suitable for climate adaptation put into practice and farmers provided training on various coping mechanisms. (ii) GS-PEC provided handholding support by FNGOs and comprehensive village resource management plans prepared for each of the selected villages. (iii) Comprehensive village plans are prepared in consultation with the GS-PECs and communities and sites agreed. (iv) There is a strong government support for convergence of MGNREGS. (v) Inherent coping mechanisms to converge with other programmes built	Medium to low
Livelihoods support component level risks: (i) Inputs needed for agricultural technologies unavailable. Markets for cash crops are not accessible via local roads, and not profitable. (ii) Tribal communities unable to respond to opportunities to improve food security, produce products for sale, and take up training opportunities	High	(i) Procurement and supply of inputs are organised at respective community level and facilitated by FNGOs. Cash crops cultivated in response to markets and market access. (ii) Handholding support and training provided by FNGOs in improving the productivity, diversification, producing for sale	Medium to low

IV. PROJECT COSTS, FINANCING AND BENEFITS

A. Project Costs

1. Assumptions

137. Following are the key assumptions: (i) The project will be financed over an eight-year period starting in January 2013 (start of FY 2012-13); (ii) Price contingencies have been applied at a rate of 6.5% per year. Although domestic inflation is currently higher (about 7.1%), the international inflation rate is 2.1% and it can be assumed that the Indian Rupee will lose some of its value against the dollar, and higher domestic inflation will, to some extent, be offset by this devaluation; (iii) The base rate of exchange has been set at INR (Indian Rupee) 55 to USD 1.00, the prevailing in May-June 2012; (iv) Taxes and Duties: Almost all items procured under the project will be purchased locally. A tax rate of

15% has been assumed for vehicles, 10% for staff salaries and all operations and maintenance, 15% for office equipment, 5% for civil work, 10% for annual maintenance contracts of office equipment, 12.5% for service tax, 4.5% for petty purchases such as office stationery and so on; and (v) No physical contingencies have been added as only a very small proportion of project funds will be used for construction.

2. Project costs

138. Based on May-June 2012 prices, total project costs are estimated at USD 115.59 million (INR 6,357.5 million) including the price contingencies of USD 16.48 million (INR 906.57 million). INRM component accounts for 59% of base costs. This includes MGNREGS support for the land and water resource development sub-component. Livelihoods support component accounts for 16% of base cost, Community Empowerment component accounts for 12% of base cost while the project management and M&E unit accounts for 13% of the project base costs. A summary is in Table 5, with further details in Annex 9 and also in WP 9.

Table-5: Project Costs by Project Component

Jharkhand Tribal Empowerment & Livelihoods Project				
Project Cost Summary (US\$ '000)				
	Cost Including Contingencies	% of Total	IFAD Financing	% Financing
A. Community Empowerment	15,308	13.2	13,417	87.6
B. Integrated Natural Resources Management	62,354	53.9	12,973	20.8
C. Livelihoods support	20,739	17.9	12,472	60.1
D. Project Management	17,190	14.9	12,138	70.6
Total PROJECT COSTS	115,591	100.0	51,001	44.1

B. Financing

139. The project will be financed by IFAD, the GoJ, SCA-TSP, and MGNREGS and also contributions from beneficiaries. The IFAD loan will be USD 51.0 million (44% of total project costs), the Government funding is estimated at USD 7.9 million (6.9% of the total), MGNREGS USD 44.18 million (38% of total), while the beneficiaries contribution is USD 0.93 million (0.8% of total project costs). Taxes (funded out of the Government contribution) amount of USD 3.65 million. Table 6 provides a summary by expenditure categories of the proposed financing arrangement. Other summary financing tables are in Working Paper 9.

Table 6: Financing Plan by Expenditure Accounts

Jharkhand Tribal Empowerment & Livelihoods Project												
Expenditure Accounts by Financiers (US\$ '000)												
	The Government		TSP		NREGA		IFAD		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
I. Investment Costs												
A. Civil work	535	5.0	5,035	47.0	-	-	5,139	48.0	-	-	10,710	9.3
B. Land treatment	-	-	-	-	44,182	100.0	-	-	-	-	44,182	38.2
C. Vehicles	6	15.0	48	2.0	-	-	32	85.0	-	-	38	-
D. Equipment and materials	363	15.0	-	-	-	-	2,010	83.0	-	-	2,422	2.1
E. Training & workshop	-	-	-	-	-	-	1,034	100.0	-	-	1,034	0.9
F. Survey & studies	19	5.0	-	-	-	-	367	95.0	-	-	386	0.3
G. Technical Assistance	40	5.0	-	-	-	-	765	95.0	-	-	805	0.7
H. Capacity building	-	-	-	-	-	-	4,002	100.0	-	-	4,002	3.5
I. Fund support	-	-	-	-	-	-	5,428	100.0	-	-	5,428	4.7
J. Livelihoods support	-0	-0.0	6,473	35.0	-	-	11,097	60.0	925	5.0	18,494	16.0
K. Service Providers Contract	2,048	15.0	-	-	-	-	11,604	85.0	-	-	13,651	11.8
Total Investment Costs	3,012	3.0	11,556	11.4	44,182	43.7	41,478	41.0	925	0.9	101,152	87.5
II. Recurrent Costs												
A. Salary and allowances	2,508	39.1	-	-	-	-	3,905	60.9	-	-	6,413	5.5
B. Operations and maintenance	2,408	30.0	-	-	-	-	5,618	70.0	-	-	8,026	6.9
Total Recurrent Costs	4,916	34.0	-	-	-	-	9,523	66.0	-	-	14,439	12.5
Total PROJECT COSTS	7,928	6.9	11,556	10.0	44,182	38.2	51,001	44.1	925	0.8	115,591	100.0

140. **Retro-active financing:** The on-going IFAD-assisted JTDP will be closed by June 2012. With a view to ensuring continuity and carrying out the preparatory activities for JTDP between July and December 2012, facilities for retro-active financing will be provided. These proposed expenditures will fall under four different expenditure categories, namely (i) vehicles and equipment comprising purchase of office equipment and vehicles following established procurement procedures; (ii) capacity building and the expenditures to be incurred include advertisements for recruitment of staff, FNGOs and TSAs and recruitment expenses etc; (iii) Technical assistance in particular for the revision of JTDS bye-laws, revision of its HR rules and regulations, revision of its financing regulations in

consistence with new procurement guidelines to be used; and (iv) staff salaries for critical staff such as Additional Project Director, FAM and one or two support staff. The estimated total expenditure is USD 342,000 and eligible IFAD financing will be of about USD 278,100 as detailed in Annex-9 and also Working Paper 9 and summarised in Table-7 below

Table-7: Summary of proposed Retro-active Financing			
Disbursement category	Total Amount (000)		
	Total (INR)	Total (USD)	IFAD Loan
Vehicles & equipment	14,750	276.9	235.4
Capacity building	1,630	30.2	30.2
Staff salaries	1,850	34.9	12.4
Total	18,234	342.0	278.1

C. Summary of Benefits Analysis

1. Financial analysis

141. In the project, there are nine subprojects and results of financial analysis of these subprojects are presented in Table-8 below and details in Annex 10 and also in WP 10.

Table-8: Summary results of Subproject Models-INR per household (Financial) 1/

Subproject	# of hh covered	Gross income		Inputs		Net income	
		WOP	WP	WOP	WP	WOP	WP
1 Rainfed agriculture	122,400	741	2,545	258	510	483	2,035
2 Irrigated agriculture	26,640	23,876	50,511	9,921	14,420	13,955	36,091
3 Vegetable clusters	8,400	21,693	35,063	1,715	3,169	19,979	31,895
4 Mango orchard clusters	4,200	0	88,714	0	2,945	0	85,769
5 Tasar-cocoon cluster-forest based	600	0	24,667	0	2,978	0	21,688
6 Tasar-cocoon cluster-new plantation	450	0	24,444	0	3,233	0	21,211
7 Lac production clusters	5,500	0	16,500	0	5,534	0	10,966
8 Goat-rearing clusters	6,000	0	43,325	0	2,200	0	41,125
9 IGA interventions	17,500	0	17,207	0	3,458	0	13,749

1/ at full development stage; Net income including returns from family labour.

2. Economic analysis

142. The assumptions used in economic analysis include:

- A 25 year analysis period has been used, including an 8 year investment period.
- Border pricing of traded agricultural inputs and outputs.
- Economic costs are net of duties, taxes and price contingencies, office rent but inclusive of physical contingencies.
- All costs directly associated with the incremental production are included in full, including incremental farm inputs and family labour.
- A standard conversion factor (SCF) of 0.85 is applied to both traded and non-traded items for adjusting financial prices.
- Financial rural wage rate (INR 90) taken as economic value of labour.
- The analysis includes only on-farm benefits that attributable to project interventions.
- Full benefits assumed after 9 years;
- No significant changes or shifts in cropping patterns are assumed;
- The analysis employs an Opportunity Cost of Capital (OCC) at 12%.

143. The overall project EIRR is 17%. The estimated NPV at a 12% discount rate is INR 919 million and a BCR is 1.16. Sensitivity analysis shows that project performance is sound, with a 10% increase in costs or 10% reduction in benefits lowers the EIRR to 13%. A combination of a

10% cost increase and 10% reduction in benefits, reduced the EIRR to 10%. Switching values²⁴ indicate that the investments are viable if costs increase by 16% or benefits decline by 12%. A two year delay in benefits results in an EIRR of 12% with an NPV of INR 90 million²⁵. Further sensitivity analysis is presented in Annex 10 and also in WP 10.

3. Beneficiaries and benefits

144. The total number of households benefited by the project is about 136,000 or roughly 0.51 million people. This includes 36,000 households from JTDP. The rationale for including JTDP households as JTELP beneficiaries is that they will participate in all activities related to land and water resource development, crop diversification and productivity enhancement, income generating activities and livelihood up-scaling activities especially through convergence with MGNREGA and Article 275 (1) and SCA to TSP.

145. On an average, a household's food production benefits will increase from 657 kg/household to about 838 kg, excluding fruits, vegetables and spices such as chilli. Increased production of fruits and vegetables, along with livestock products such as goat, pigs, and poultry will help improve human nutrition and enhance household incomes. Farm incomes, including the value of family labour will increase from INR 4,730 to about INR 15,109. There are considerable increases in demand on family labour from the existing level of 45 person-days to some 86 person-days per annum. This is excluding labour-days under MGNREGS.

146. Enhanced soil moisture will result in increases in cropping intensities from 75% to 105% at full development. No major shifts in cropping patterns are envisaged but the focus is on improved farming and agronomic practices and production for market. Additional benefits will come from the project's capacity building interventions. There will also be benefits from improved market access, improving the volume of produce that can be sold and reducing the costs of marketing. The GS-PECs at the grassroots assume the oversight responsibility for operations and maintenance of the project facilities.

4. Production and marketing

147. Major production benefits are quantified in Working Paper 10. About 80% of 113.91 ton of food produced is consumed at farm. In addition to cereal food grains, the project will produce 30,336 ton of vegetables, 28,350 ton of fruits, 14.54 million tasar cocoon and 368,000 kg of lac for marketing. Non-timber forest produce such as medicinal herbs, lac, Mahua are also important sources of livelihoods for the tribal. They collect these produce and sell them in the local or village markets to middlemen. Cost of marketing the farm produce such as vegetables and other horticultural produce is very high because of (i) difficult terrain conditions; (ii) distance to markets is far; and (iii) limited quantities for marketing.

148. The project has three levels of livelihoods interventions. First is related to cereal and pulses production basically for household consumptions and most of the participating households may not have marketable surpluses. The IGA are targeted to the PTGs and poor households and the products or produce are sold at local markets. The third level of livelihoods is integrated production and marketing support and these are implemented in clusters. Inputs for these clusters and other enterprises will be purchased by the respective collectives using community participation procurement processes. The collectives and GS-PECs will also have a tie-up with established input supply agencies for seed, seedlings, feed etc. For marketing of fruits, dedicated arrangements will be required and these will be facilitated by the FNGOs which are working with the horticulture collectives.

149. In addition to regulated Agriculture produce Marketing Cooperative markets; there are several rural markets which play an important role in marketing of agricultural produce for the tribal households. There are also 35 rural *haats* within the project area districts; with Chaibasa has 8, Ranchi and Saraikela 5 each, Dumka and Simdega 4 each, Gumla and Jamtara 2 each, 3 in Pakur and 1 each in Latehar and Lohardaga. These *haat* or rural markets have 4 to 6 covered plat forms, open platforms, internal roads, community hall, water facilities etc. Commodities arrive throughout the

²⁴ Switching values are yet another measure of sensitivity analysis. They demonstrate by how much a variable will have to fall (if it is a benefit) or rise (if it is a cost) to make it not worth undertaking an option.

²⁵ Refer to Appendix 1 in Annex 10

year but specific trading seasons are January-June for Rice, April-May for wheat and pulses, June-December for onion and potato. Mahua is traded in Pakur and Simdega market yards between February-May.

150. Market Prices and farm-gate prices: Market prices fluctuate and considerably vary between markets during the same period. The project-supported collectives will take advantage of these variations at the time of marketing their produce. Farm gate prices are much lower than the market prices to the detriment of the producers-farmers. The mission during its field work observed that in cereals and food grains, it is about 20% lower and in case of other perishable produce such as vegetables and fruits, it is over 40%.

D. Sustainability

151. The sustainability of benefits is based on the following assumptions:

- (a) The adoption of improved livelihoods including more productive technologies and new initiative and enterprises will be sustained provided they continue to be profitable for households in the TSP districts and linkages for inputs and outputs are maintained. These linkages should be sustainable provided they are, in themselves, also financially viable for private sector actors and/or Livelihood Collectives. JTELP is committing considerable resources into institution building of the producers groups, individual farmers, communities to ensure their sustainability, and the use of local NGOs to implement this capacity building will help ensure that there is still some back-up after the project ends.
- (b) Physical works such as on-farm land treatment, small-scale irrigation and production and market infrastructure will need to be maintained. At the time of construction, arrangements will be made for their continued operations and maintenance via user groups for irrigation, market infrastructure such as FSC, collection centres, grainages, livestock sheds, etc. The participation and the continued operations of GS-PECs will help ensure the sustainability of these works.
- (c) The project will carry out significant capacity building for rural producers, the members of producer organisations, and the staff of implementing agencies and FNGOs. Village youth will also get vocational training and financial support for setting up of their enterprises. Providing this training is relevant and effective, it will result in a sustained increase in the knowledge and skills of those receiving the training. The use of KAP surveys to evaluate the effectiveness of training will help ensure that training is relevant and effective.
- (d) All SHGs that are mobilised and capacitated under JTELP are seamlessly integrated with NRLM project for further development including the formation of SHG clusters at village levels, bank linkages, provision of large seed capital for internal lending etc. Households receiving IGA facilities are provided training, technical and handholding support including sourcing their inputs and output marketing. They thus become self-reliant. Market-oriented production will be carried forward by the respective cluster level collectives, which will manage inputs supply and organise output marketing. JTDS recognised the GS-PEC route as an effective channel for grassroots outreach and also for bringing several social changes and thus the JTDS will continue to provide its support to these grassroots organisation in the tribal area.

V. ASSURANCES

152. JTDS will amend the Byelaws of JTDS to reconstitute its Board of Directors and to become the Lead Project Agency for the JTELP and thereafter complete statutory requirements of registration with the Registrar of Societies by 15 August 2012.

153. JTDS will revise its personnel policies and financial regulations and obtain approval of BoD of JTDS by 31 August 2012.

154. GOJ will pre-finance INR 18.00 million to JTDS to cover expenditure identified under retroactive financing.

155. GOJ will release an amount equivalent to the initial authorised allocation of about USD 5.00 million received from IFAD through GoI to JTDS for pre-financing project activities. Thereafter, funds required for project implementation will be released to JTDS as a part of the yearly budgetary exercise. Initial authorised allocation will be adjusted in instalments during the last 2-3 years of project implementation. This will enable JTDS to provide required advances to the implementing agencies and to ensure project implementation without disruption due to budgetary constraints.

156. GOJ will issue an order/circular once the Financing Agreement has been signed between GoI/GoJ and IFAD to : (i) exclude the Panchayats and villages covered under JTELP from NRLM activities in Goikera and Khuntpani blocks of West Singhbhum district and Angara block of Ranchi district; (ii) allow JTELP to mobilise SHGs in these Panchayats using NRLM procedures and synchronise MIS and reporting systems with that of NRLM; (iii) handover SHGs mobilised under the JTELP to NRLM during the third year of the project for their next level of growth; and (iv) exclude other blocks proposed under JTELP from NRLM's work plan for the next three years.

157. The Welfare Department of GOJ will issue an order/circular to permit flow of funds as "grants in aid" from SCA to TSP and Article 275 (1) through JTDS once the Financing Agreement has been signed between GoI/GoJ and IFAD.

158. The Welfare Department of GOJ will issue an order/circular to permit flow of funds as "grants in aid" from IFAD and GoJ contribution to JTELP once the Financing Agreement has been signed between GoI/GoJ and IFAD.

159. GOJ has already appointed Dr. H.S. Gupta, an Indian Forest Service officer, as full-time SPD of existing JTDP will continue as the SPD for JTELP. Subject to administrative exigencies, the tenure of the SPD shall be no less than three years.

160. JTDS will appoint a qualified and experienced Chartered Accountant/Cost Accountant as the Finance and Administration Manager once the Financing Agreement has been signed between GoI/GoJ and IFAD.

161. JTDS will delegate powers to the DPMs and the district Finance Officers to operate the bank accounts and release funds to the GS-PECs based on approved AWP&B and in accordance with settlement of statement of expenditure procedures established for such payment. District level procurement will be made in accordance with the financial powers vested with the respective DPM. This will be implemented as soon as the project becomes effective.

162. GOJ will study the challenges faced by the community in implementing MGNREGS works and devise a system of speedy delivery of administrative and technical sanctions. As a part of this exercise, GoJ will explore the possibility of authorising the Engineers of JTDS or a panel of qualified engineers appointed by JTDS to provide technical sanction for MGNREGS works in the project area.

163. GoJ will issue a circular to all the Deputy Commissioners to facilitate convergence of MGNREGS and other government programmes with JTELP once the Financing Agreement has been signed between GoI/GoJ and IFAD.

Key File Table 1: Rural Poverty and Rural Sector Issues

Priority areas	Affected groups	Main issues	Actions needed
Food security: Average household only produces enough food to last 4 to 8 months	ST households, being relatively new to farming; and women as they have to cope with food shortages as men migrate for wage labour.	Land and water resource management systems unsuited to the undulating and hilly terrain, with poor resource husbandry leading to low productivity and resource degradation. Lack of irrigation leads to mono-cropping. Low agriculture productivity due to traditional farming practices. Paddy-centred agriculture leads to inappropriate land use and low productivity. Underutilization of cultivable land. Lack of modern farming know-how. Lack of farm inputs and draft power.	Integrated Natural Resource Management comprising <i>in-situ</i> and <i>ex-situ</i> rainwater harvesting systems, land shaping and development, lowland wells. Expanding irrigation from wells and streams. Improved paddy cultivation, including System of Rice Intensification. Introduction of improved seeds. Land use and crop diversification to include pulses, oilseeds, millets, vegetables and tree crops on uplands. Increasing cropping intensity by taking up winter crops. Use of green manures and vermi-compost to improve soil fertility. Micro-irrigation comprising drum-pipe kits in homesteads. Farmer service centres to source farming inputs and equipment. Effective use of MGNREGS
Income security: The poorest lack adequate income sources and economic buffers	PTG households, women-headed households, old people with no support system, artisans	Lack of adequate land resources. Inability to engage in wage labour. Inability to migrate. Inability to absorb larger investments. Lack of opportunities to take up urban market-oriented enterprises. Lack of exposure, skills and know-how. Lack of capital. Lack of access to inputs. Lack of irrigation. Lack of organisation. Lack of access to markets.	Various income generating activities catering to village markets, such as backyard poultry, duck rearing, pig fattening. Support for traditional village artisans. Micro-irrigation comprising drum-pipe kits in homesteads.
Diversifying rural livelihoods beyond subsistence agriculture.	Women, younger ST farmers, traditional gatherers/rearers of forest products	Lack of access to inputs. Lack of irrigation. Lack of organisation. Lack of access to markets.	Scale-up successful models of farm and forest based market-oriented production in selected sub-sectors in clusters. Foster producer collectives to source inputs and services and access fair markets. Set up infrastructure for input supply and market linkage.
Jobs in growth sectors	Youth	ST youth unable to finish secondary school cannot get jobs in modern urban and new rural sectors. Government institutes do not impart marketable skills. Poor ST youth unable to afford training in private institutions. Inadequate market knowledge to design suitable programmes.	Engage suitable consultant to identify suitable vocations, skill sets needed to enter such vocations, most suited training providers in Jharkhand and outside; develop suitable financing model, transparent selection procedure and quality parameters for training and placement by training providers. Scholarships to ST youth to undergo vocational training.
Innovation		Need for models to transfer management of village fringe forests to ST communities under the Forest Rights Act. Need for more remunerative and less risk-prone Lac rearing systems. Need for models to create better habitats for PTGs. Need for more effective methodologies for women's empowerment	Pilot Community Forestry projects in collaboration with Forest Department in selected eligible villages under Section 3(1)(9i) of FRA. Pilot plantations of and Lac rearing on <i>Semialata</i> in selected villages. Engage suitable Community Architects to develop habitat plans through participative processes for the PTGs; allocate funds to implement the plans.

Key File Table 2: Organisation Capabilities Matrix

Organisation	Strengths	Weaknesses	Opportunities	Threats
Welfare Department	<ul style="list-style-type: none"> • Clear Line of Command • Continuity • Government funding support • Ability to foster convergence between various tribal programmes • Mechanisms such as Tribal Council to address policy issues related to tribal welfare 	<ul style="list-style-type: none"> • Lack of flexibility in management systems • High staff turnover and shortage of human resources • Inadequate focus on targeting marginalized • Complex procedures and bureaucratic delays • Top down and delivery oriented approach • Non-existence on partnership mode of working arrangement with NGOs 	<ul style="list-style-type: none"> • Ability to leverage with other projects/programmes/missions • Easier coordination within the government line departments. 	<ul style="list-style-type: none"> • Management staff tenure uncertainties • Political interference
JTDS	<ul style="list-style-type: none"> • Main implementation agency for current JTDP so familiar with IFAD processes • Closely involved in planning of JTLP • Conversant with concepts related to watershed management • Ability to carry over unspent funds to the next financial year 	<ul style="list-style-type: none"> • Weak Technical competence • Inadequate focus on human resource development and personnel policies • Inadequate convergence with the Deputy Commissioner and other line departments • Centralised approval processes 	<ul style="list-style-type: none"> • Flexibility to engage competent staff from the open market • Possibility to build on the current experience of implementing IFAD funded JTDP • Flexibility to change the project management and coordination structures 	<ul style="list-style-type: none"> • Uncertainties in the tenure of the top management of JTDS • Inability to attract competent staff
District Development Administration	<ul style="list-style-type: none"> • Ability to coordinate work of the line departments at the district level • Power and accountability at the level of Deputy Commissioner leading to personal supervision • Ability to converge effectively with other government programme 	<ul style="list-style-type: none"> • High turnover of Deputy Commissioners limits ability to focus on long term development interventions • Depends on the quality and capability of person heading the district • Inability to devote adequate time to development related activities due to preoccupation with several other pressing engagements related to law and order, revenue, etc 	<ul style="list-style-type: none"> • Ability to ensure convergence with other projects/programmes/missions • Easier coordination within the government line departments. 	<ul style="list-style-type: none"> • Political interference • Uncertain tenure of the Deputy Commissioner
FNGOs	<ul style="list-style-type: none"> • Flexible management systems with scope for innovation and ability to respond to dynamic and evolving situations • Closer to people with ability to respond to the needs of the community in a participatory mode • Experience of working with women and SHGs. • Experience of working with Government schemes. • Presence of professional NGOs in 	<ul style="list-style-type: none"> • Inadequate technical competency. • Funding largely depends on donor and government programmes - so periodically expand and contract. • Most NGOs are small, with limited number of staff, resources and area of operations. • Limited organizational and management capability • Limited exposure to good practices of promoting sustainable community based organisations. 	<ul style="list-style-type: none"> • Fast expansion. • Willingness to explore new areas of intervention • Utilisation of existing staff resources to quick start of the project 	<ul style="list-style-type: none"> • Financial/Funding Uncertainty • Limited second line management capability in small NGOs • Good NGOs not inclined to participate in competitive bidding process.

Organisation	Strengths	Weaknesses	Opportunities	Threats
	project districts.	<ul style="list-style-type: none"> High dependency on government schemes Lack of networking and coordination among NGOs at district level. 		
Private sector	<ul style="list-style-type: none"> Clear focus on financial viability and hence sustainability Ability to connect to producers with large markets in the rest of India subject to availability to economies of scale 	<ul style="list-style-type: none"> Unwilling to make long term investments May not always be fair in dealing with small producers 	<ul style="list-style-type: none"> Collectivization can give producers bargaining power and reduce transaction costs Improved market linkage will increase competition between private sector buyers. 	<ul style="list-style-type: none"> Inadequate economies of scale to attract private sector
SHGs	<ul style="list-style-type: none"> Enhances capacity of the members to deal with the people, institutions and markets. Internalised transaction costs and enhanced ability of members to access loans. Easy accessibility to the poor for financial and social services. 	<ul style="list-style-type: none"> Strong handholding support required during initial stages. Focus on financial intermediation and not on social development Difficulty to establish credit linkage with banks 	<ul style="list-style-type: none"> Ability to mobilise the community for social sector issues Ability to avoid the members getting into exploitative relationships 	<ul style="list-style-type: none"> Most SHG unable to move above consumption smoothening loans Large number SHG focussed government programmes
Gram Sabhas	<ul style="list-style-type: none"> Firm roots in the local community. 	<ul style="list-style-type: none"> Dominated by traditional leaders Inadequate experience in handling funds and managing activities 	<ul style="list-style-type: none"> Constitutionally mandated to recognise Gram Sabhas with promulgation of PESA Possible to build capacity of Gram Sabha to manage interventions for community benefit 	<ul style="list-style-type: none"> Hijacking of the Gram Sabha's agenda by elites Need for consensus may lead to marginalisation of poorest and minority stakeholders
Panchayati Raj institutions (PRIs)	<ul style="list-style-type: none"> Constitutionally mandated bodies. Elections held and efforts are afoot to devolve financial powers Mandated to implement MGNREGS 	<ul style="list-style-type: none"> Many instance of elite capture Politicisation of these bodies Lack of participation of the community in planning and implementation of interventions 	<ul style="list-style-type: none"> Pans for capacity building support from national and state governments visible Instances of PRIs working with NGOs and Gram Sabhas. 	<ul style="list-style-type: none"> Politicisation of the PRIs. Interference and capture by elite.

Key File Table 3: Complementary Donor Initiative/Partnership Potential

Donor/Agency	Nature of Project/Programme	Project/Programme Coverage	Status	Complementarity/ Synergy Potential
Gol-World Bank/ Rural Development Department	National Rural Livelihoods Mission: social mobilisation, micro-finance, complementary support	States in northern India including Jharkhand	Started June 2011	State NRLM Society established in Jharkhand. Districts and blocks for initial roll out have been identified. NRLM focuses on financial intermediation and building support structures of SHGs. JTELP will mobilise SHGs only as a building block for building community institutions. NRLM will be able to support these SHGs with support for financial intermediation and by building support structures of SHGs.
Gol/Rural Development Department	Mahatma Ghandi National Rural Employment Guarantee Scheme (MNREGS)	National	On-going	JTELP intends to converge with MGNREGS. The Land and Water Resources Development activities of the project will be implemented using MGNREGS modality and funds. Involvement of the Deputy Commissioners and PRIs in JTELP implementation will ensure required convergence.
Gol / Rural Development Department	Integrated Watershed Management Programme (IWMP)	Implementing 81 cluster projects covering 649 micro watersheds with 421,000 hectare treatable area during next 5-7 years	On-going	JTELP focuses on Land and Water Resources Development within the revenue and private lands. IWMP will be able to compliment with watershed works in the higher reaches specifically in the protected and reserve forests.
GOI/Agriculture Department	Rashtriya Krishi Vikas Yojana	National including Jharkhand	ongoing	Ability to seek funds from this programme for implementing activities of GSRMLP of Gram Sabhas specifically for irrigation development in areas requiring higher levels of investment.
Gol/Agriculture Department	National Horticulture Mission: support for horticultural development including subsidies on equipment (such as poly-houses and inputs.	State-wide (and in other states)	On-going	JTELP will aim to converge with this and other horticultural initiatives so group members can take advantage of the support provided.
Gol/Tribal Welfare	Special Central Assistance to Tribal Sub-plan	Schedule Areas	On-going	Implementation of Livelihood activities. Agreements have been reached for having financial convergence with this programme. Funds will flow through JTDS for co-financing JTELP in selected Panchayats
Corporate Social Responsibility Projects	Livelihood Interventions	East Singhbhum and Saraikela-Kharsawan, Ranchi districts	On-going	A few livelihood models have been demonstrated that have the possibility of upscaling. Viable models have been selected for upscaling under JTELP.
NGOs	Livelihood Interventions	Most of the tribal districts	On-going	Models related to Integrated Natural Resources Management and livelihood activities have been tested. Viable and scalable models selected for replication under JTELP. They have the ability to be engaged as FNGOs and TSAs.

Key File Table 4: Target Group Priority Needs and Project Proposals

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Programmes	Project Response
Tribal households with land	<ul style="list-style-type: none"> Food insecurity of 3-4 months. Low land with deteriorating soil fertility, low levels of irrigation, little use of inputs and non-availability of support services. . Midland and mid-uplands with steep hills, absence of irrigation and inadequate focus on plantation crops. Low levels of education and inability to deal with the mainstream economy resulting in inadequate access to entitlements. Proneness to enter into exploitative financial relationships 	<ul style="list-style-type: none"> Rely partly on non-farm earnings, especially seasonal migration and remittances. Social safety nets Dependence on money lenders and relatives Raise small livestock 	<ul style="list-style-type: none"> Improved technologies, irrigation and investment to raise productivity of land and labour Access to growing market opportunities within and outside of the state. 	<ul style="list-style-type: none"> Programmes under SCA to TSP funding Programmes under Article 275(1) funding MGNREGS 	<ul style="list-style-type: none"> Community Institution development to access entitlements, and to plan and implement activities related to land and water management and livelihood. Improve irrigation, water harvesting and agriculture intensification. Focus on horticulture Focus on livelihoods in clusters to access market
Tribal households landless	<ul style="list-style-type: none"> Food insecurity of 6-7 months Forest degradation and restrictions on management of reserve forests despite having usufruct rights and resultant reduction in forest based livelihoods. Lack of skills and education to integrate into mainstream economy. Continuous need for consumption smoothening loans from moneylenders at high rates of interest. 	<ul style="list-style-type: none"> Rely on shifting cultivation Rely on sale of fuel wood and resultant tag of forest law breakers Migration of men Rely on rations form PDS and other safety nets. 	<ul style="list-style-type: none"> Wage employment Opportunities to increase income from NTFP Income generating activities requiring no culturable land Skill training 	<ul style="list-style-type: none"> MGNREGS NRLM Programmes under SCA to TSP funding 	<ul style="list-style-type: none"> SHG mobilization with seed capital MGNREGA works for land and water management Income generating activities Tasar in forest areas Community forestry innovations Skill training
Particularly Vulnerable Tribal Groups	<ul style="list-style-type: none"> Food insecurity of 6-7 months Mostly landless families in scattered, isolated and remote locations. Many groups live in the uphill thus making accessibility a problem. Lack of access to health, education and sanitation. Lack of access to basic amenities such as safe drinking water, sanitation and permanent shelter and as a result vulnerable to water and mosquito borne diseases. High spending on health related issues and resultant loss of workdays 	<ul style="list-style-type: none"> Hunting, gathering in the forest and shifting cultivation Sale of NTFP at local weekly markets Dependence on money lenders who sometimes take away their entire produce Rely on rations form PDS and other safety nets. 	<ul style="list-style-type: none"> Wage Employment Opportunities to increase income from NTFP and shifting cultivation Access to drinking water and other basic amenities Income generating activities Skill training 	<ul style="list-style-type: none"> MGNREGS NRLM Programmes under SCA to TSP funding 	<ul style="list-style-type: none"> SHG mobilization with seed capital MGNREGA works for land and water management Support for drinking water and other amenities Income generating activities Tasar in forest areas Community forestry innovations Skill training and habitat improvement
Women	<ul style="list-style-type: none"> Poverty levels of Women headed households similar to that of landless. Low awareness of their rights and entitlements. Feminization of agriculture due to migration of men. Low access to health and education facilities and decision making and organizational capacity not harnessed. Lack of access to financial resources 	<ul style="list-style-type: none"> Rely on wage labour Increasingly rely on earnings from migration and remittances. Rely on rations form PDS and other safety nets. 	<ul style="list-style-type: none"> Capacity building to access entitlement 	<ul style="list-style-type: none"> MGNREGS NRLM Programmes under SCA to TSP funding 	<ul style="list-style-type: none"> Formation of SHGs and capacity building Training and awareness generation on rights and entitlements Income generating activities and Livelihood activities in clusters
Youth	<ul style="list-style-type: none"> High unemployment rates among youth High percentage of school drop-outs High risk of becoming involved in illegal activities and alcohol abuse 	<ul style="list-style-type: none"> Poorly paid casual work Depend on parents 	<ul style="list-style-type: none"> Attractive rural vocations Skill development Alternate entertainment methods 	<ul style="list-style-type: none"> NRLM Programmes under SCA to TSP funding 	<ul style="list-style-type: none"> Formation of Youth Groups and financial support for these groups Engage them as Community Resource Persons

- Poor access to information

- Vocational training

Key File Table 5: Stakeholder Matrix/Project Actors and Roles

Component	Activity	Coverage	Perennial Institution(s) Involved	Potential Contractors/ Periodic Inputs	Other Possible Partners in Execution
Community Empowerment	Promotion of SHGs Capacity building Special Support to PTGs	30 blocks in 14 districts 164 Panchayats and 1330 villages 5500 new SHGs including 500 PTG SHGs 328 Youth Groups 66,000 households	JTDS District Administration	Technical Support Agencies FNGOs	
Integrated Natural Resources Management	Community Mobilization Establishment of VDF Land and Water Resources Development Productivity Enhancement and Crop Diversification Establishment of Farmer Service Centres(FSCs)	122,400 Households from Land and Water Resource Development Activities 26,400 households from irrigation 13,600 households from crop demonstrations 164 persons directly involved in management of FSCs,	JTDS District Administration	Technical Support Agencies FNGOs	Agriculture Department Block Development Officer Private sector suppliers of farm equipment, seed , fertilizer and other inputs
Livelihood Support	Income generating activities Tsar cultivation in clusters Horticulture plantation in clusters Goat rearing clusters Poultry in clusters Vegetable cultivation in clusters Lac production in clusters	17,500 households with Income generating activities; 25,570 households with market-linked production activities	JTDS District Administration	Technical Support Agencies Partner Organizations	Private sector input suppliers Private sector; agri-producer Agriculture Department
Project Management	Coordination Consolidated financial statements and withdrawal applications M&E and knowledge management	Entire project area	JTDS	Auditors Specialized Organizations	Knowledge sharing networks

INDIA

JHARKHAND TRIBAL EMPOWERMENT AND LIVELIHOODS PROJECT

DESIGN COMPLETION REPORT

ANNEXES

ANNEX 1: COUNTRY AND RURAL CONTEXT BACKGROUND

Country background

1. The most striking feature of India is its diversity, with a population approaching 1.2 billion composed of several ethnic groups, speaking more than 1,000 languages, identifying themselves in more than 5,400 castes, following six major religions, and an area of 3.28 million km² covering totally different agro-ecological zones. Poverty remains a major issue, with 41.6% of the population living on less than USD1.25 per day. In 2011 Human Development Index of the United Nations Development Programme (UNDP) ranked India 114th out of 180 United Nations member states.

2. India's economy is the fourth largest in the world. After decades of limited growth, during the last 10 years economic growth has taken off, with an average GDP growth of about 8.8 per cent from 2002/03 to 2007/08, mainly led by the service sector. In 2010/11, despite the financial crises, growth was 8.5 per cent and it is 6.5 for 2011-12. It is expected to bounce back to 7.6²⁶ per cent for fiscal 2012-13²⁷. Inflation is a major economic challenge for the country, and has a bearing on rural poverty and growth in the rural sector. While food inflation moderated on the back of declining vegetable prices, headline inflation continues to be a matter of concern. Overall inflation in January 2012 is 9.11 per cent and currently at 7.1 per cent and forecast by RBI for the fiscal 2013 is at 6.5 per cent. This can be partly attributed to tight monetary policy followed by India during 2011.

3. There is a broad consensus that the recent growth has roots in the economic reforms introduced in the early 1990s, which unleashed the enterprise of those adequately endowed with infrastructure, resources, skills, power and influence. However, distribution of the benefits of growth to poor rural people has been limited by: inadequate physical and social infrastructure; poor access to services; low investment; a highly stratified and hierarchical social structure, characterized by inequalities in assets, status and power; and ineffective, inefficient implementation of pro-poor programmes, owing to governance failures. There is now a genuine and widespread recognition that, without inclusive growth, the social and political consequences of rising inequalities could be very adverse. About one third of Indian districts are affected by civil unrest and left-wing terrorism, which represent the main national security threats.

4. Despite this growth 72% per cent of the population live in rural areas, with over half (52% in 2009) employed in the agriculture sector which contributes 15.7 per cent of GDP. Although production of food grains reached a total of 241.6 million tons in 2011/12, growth in output is falling behind the 1.4% per annum growth in population. Over the last decade, wheat yields have grown at a rate of 0.1% and rice at 1.3% per annum and, with the area under cultivation remaining largely constant, there are serious concerns about medium-term food security. Increasing population pressure has led to fragmentation of land holdings with the number of operational holdings increasing from about 70 million in 1970 to 121 million in 2000. Over the same period, the average size of landholdings has declined from 2.3 to 1.3 ha, and 10% of rural households are reported to be landless. Only 40% of cultivated land is under irrigation, with groundwater levels and soil fertility are rapidly depleting in the food bowl of India. Over 121 million ha are degraded: 68% by water erosion, 20% by chemical contamination and 10% by wind erosion.

5. India has 33 per cent of the world's poor, and poverty has not fallen at the pace of economic growth. Nutritional levels are unacceptably low, with 42.5% of children underweight, one of the highest rates globally. Malnutrition is linked to half the child deaths and a quarter of cases of disease. On the Global Hunger Index of the International Food Policy Research Institute, India is ranked 66th out of 88 countries.

6. Agricultural wage earners, smallholder farmers and casual workers in the non-farm sector constitute the bulk of poor rural people. Within these categories, women and tribal communities are the most deprived. In terms of gender deficit, India is ranked 113 by the World Economic Forum Global Gender Gap Index 2011. Finally, about 300 million young people (in India this covers ages

²⁶ India's GDP growth rate plunged to the decade's low of 5.3% in the three months to March 2012

²⁷ Source: Economic Times of India 9 June 2012 Edition

13 to 35) live in rural areas, most of them being forced to migrate seasonally or permanently, without the skills and competencies required by the modern economy that India is rapidly becoming.

National rural poverty reduction strategy

7. The 11th Five-Year Plan (2007-2012) aims to achieve inclusive growth in all sectors and to double agricultural growth from 2 to 4% per annum by expanding irrigation, improving water management, bridging the knowledge gap, fostering diversification, increasing food production to ensure food security, facilitating access to credit and enabling access to markets. The mid-term assessment of the plan, released in July 2010, underscores the urgency of increasing capital formation and investments in agriculture, as well as of improving access to water and good quality seed, replenishing soil nutrients, expanding agricultural research and extension, reforming land tenancy systems and facilitating agricultural marketing.

8. There are several important policies, strategies and acts that provide the framework for agriculture, forestry, rural development and tribal development, and which are central to IFAD's efforts in India. They include the National Agricultural Policy of 2000, the National Policy for Farmers of 2007, the National Environment Policy of 2006, the National Forest Policy of 1988, the Protection of Plant Varieties and Forest Rights Act 2006 and National Water Policy of 2001, and the Biological Diversity Act of 2002.

9. Among several rural poverty programmes, the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is now considered the largest employment programme in the world. Its objective is not only to provide wage labour, but also to generate productive assets in the process, which could lead to sustainable livelihood opportunities and thus gradually reduce dependence on such a public works programme.

10. The Government, through the National Rainfed Area Authority (NRAA), has issued Common Guidelines for Watershed Development. These were followed by the 2008 Integrated Watershed Management Programme, which emphasizes capacity-building, M&E, learning and social audit. It introduces a livelihoods perspective from the very inception of the project, with a special emphasis on families without assets. It also delegates approval and oversight of watershed project implementation to the states.

11. The National Rural Livelihood Mission (NRLM), under the Ministry of Rural Development (MORD), aims to provide livelihood development opportunities to poor rural families. NRLM builds on the experience of the highly subsidized Swarnjayanti Gram Swarozgar Yojana (SGSY), under which most groups disappeared once the subsidy was received. Only 6 per cent of the funds were used for training and capacity-building and only 23 per cent of the self-help groups (SHGs) graduated to the micro-enterprise level, which was the objective of the SGSY. The NRLM, which was expected to roll out in 2010 with an initial allocation of US\$2 billion, emphasizes formation, training and capacity-building of SHGs and their federations; state-level flexibility to respond to emerging demands; hiring of qualified professionals and facilitators/animators at the community level; enhanced financial support; replacement of capital subsidy with interest subsidy as an incentive to repayment of loans; provision of multiple loans; establishment of dedicated skills-training institutes in each district; improved monitoring and evaluation (M&E); and facilitation of domestic and global marketing linkages.

Special Central Assistance to Tribal Communities²⁸

12. The Special Central Assistance to Tribal Sub-plan (SCA-TSP) administered by the Ministry of Tribal Welfare, GoI provides grant to the States Governments based on annual allocation made by the Planning Commission. This is an additive to the State Plan, for areas where State Plan provisions are not normally forthcoming to bring about economic development to tribal. The SCA-TSP programme was launched during 1974 and till the end of the IX Five year Plan, the SCA to TSP was meant for filling up critical gaps in the family-based income-generating activities of TSP. From the Tenth Five Year Plan period, the objective and scope of SCA to TSP, was expanded to cover the employment-cum-income generation activities and infrastructure incidental thereto. Besides family-based activities, other activities run by the Self-Help Groups (SHGs)/ Community can also be taken up. The ultimate

²⁸ Source: Annual Report 2011-12, Ministry of Tribal Affairs, GoI, New Delhi

objective of extending SCA to TSP is to boost the demand-based income-generation programme and thus raise the economic and social status of tribal.

13. The revised guidelines for implementation by the States were issued in May, 2003, and these were further modified in January 2008 focussing on (a) watershed based income generation programme, (b) specific income generation activities like skill and technology training, storage, small scale trading inputs etc., (c) connectivity to markets, service delivery centres etc.;

14. The SCA is released for economic development in the following areas and for the following categories of population: (i) Integrated Tribal Development Project and Integrated Tribal Development Agency (TDP/ITDA) areas, which are generally contiguous areas of the size of at least Tehsil or Block or more in which the ST population is 50% or more of the total population; (ii) Modified Area Development Agency (MADA) pockets, which are identified pockets having 50% or more ST population with a minimum population of 10,000; (iii) Clusters, which are identified pockets having 50% ST population with a minimum population of 5,000; (iv) Particularly Vulnerable Tribal Groups (PTGs), characterized by a low rate of growth of population, pre-agricultural level of technology and extremely low level of literacy; (v) Dispersed tribal population - those tribal who fall outside the categories at (i) to (iv) above. (vi) Assistance for Margin Money Loan Programme from Tribal Finance and Development Corporations and (viii) Special Projects-Specific Project proposals are also received and sanctioned

15. Main features of guidelines laid down in May 2003 and read along with the procedural modifications prescribed in January 2008 are: (i) Support is given to the tribal population below the poverty line; (ii) 70% of the SCA to be used for primary schemes supporting family, SHGs, community-based employment and income generation in sectors such as, Agriculture/ Horticulture, Land Reforms, Watershed Development, Animal Husbandry, Ecology & Environment, development of Forests and Forest villages, Development of entrepreneurship in SSI, etc., and 30% for development of infrastructure incidental thereto; (iii) Priority to be accorded to the neglected tribal living in forest villages & synchronization of the programme with Joint Forest Management; (iv) Preparation of long-term area specific micro-plans for ITDAs/ITDPs; (v) 30% beneficiaries are to be women; and (vi) Adherence to the provisions of the Panchayats (Extension to Scheduled Areas) Act, 1996. SCA has to be an integral part of the Annual Plan of the State.

16. The Special Central Assistance (SCA) is provided by the Ministry of tribal Affairs to the State Government as an additive to the State TSP. SCA is primarily meant for family-oriented income-generation schemes in sectors of agriculture, horticulture sericulture and animal husbandry cooperation. A part of SCA (not more than 30%) is also permitted to be used for development of infrastructure incidental to such income generating schemes. SCA is intended to be additive to State Plan efforts for tribal development and forms part of TSP strategy. The objective of the strategy is two folds: (i) Socio-economic development of STs and (ii) Protection of tribal against exploitation. Of the above, SCA primarily funds schemes/projects for economic development of STs.

The GOI guidelines broadly lay down the following norms:

- SCA is primarily meant for income generating family oriented schemes and infrastructure incidental thereto (not more than 30% of the total outlay).
- Wherever a scheme is provided for any Central Sector/Centrally Sponsored Schemes (CSS), SCA should not be utilised for the same. Rather, the allocations available under specific schemes can be availed of.
- Major infrastructure development should be supplemented from the TSP flow.
- Schemes for funding demonstration units should not be financed out of SCA. Rather, the follow-up of demonstrations should be catered to looking to the Special disadvantages that the tribal funds themselves with.
- Tribal populace below poverty line should alone be supported with SCA financed activities.
- In any specific schematic projects financed by outside agencies, both national and international, normally a part of the outlay is proposed as State Government contribution. Such contribution should flow from normally State Plan and not out of SCA.
- Wherever State Government Organizations like Tribal Development Cooperative Corporations (TDCCs) or Forest Development Corporations (FDCs) are dealing with schemes related to

tribal welfare and development, the equity based should not be financed out of SCA, without prior approval of the GOI. This will lead to better monitoring of the concerned activities.

- Specific sectors related to the Tribal need to be given a fillip by special schemes in the areas like sericulture, horticulture, etc out of SCA.
- Wherever conjunctional flow of funds can be ensured from other ongoing development programmes, this must be dovetailed so as to have a better spatial and demographic coverage.

So far as the procedural aspect is concerned, the guidelines are as follows:

- SCA should be allocated by the State Governments/UT Administrations to the ITDPs and no part of SCA should be released to any department at the State level, Transfer of funds to implementing departments/agencies if required, should be done by the ITDP to the corresponding officer of the implementing agency/line.
- ITDP should prepare 5 year/Annual Plans depending upon the local parameters. Activities of, non-plan nature should not be catered to from SCA.
- To fulfil the constitutional provisions, the schemes on which SCA is proposed to be utilized, should be specified in the annual TSPs of the States/UTs and administrative approval of the GOI be obtained financial sanctions however need not be obtained on a case by case basis.
- SCA is released to the States normally in three instalments and the entire amounts expected to be made available by the end of third quarter. The releases will be subject to the performance by the State Governments and the utilization of previously released funds.

17. **Programme under Article 275(1) of the Constitution of India:** Article 275(1) of the Constitution of India guarantees grant from the consolidated fund of India each year for promoting the welfare of Scheduled Tribes and in pursuance of this Constitutional obligation, the Ministry of Tribal Affairs provides fund through the “Special Area Programme Grants under Article 275(1) of the Constitution of India”. Under this Special Area Programme, a 100 percent grant is provided to meet the cost of such project for tribal development, undertaken by a State Government, for (i) raising the level of administration of Scheduled Areas, and (ii) for welfare of the tribal people to bring them at par with the rest of the State. The grants are provided to the States on the basis of the percentage of ST population in the State. Focus of the programme should be on generation of community welfare assets like schools, skilled teaching, nutritional support, drinking water, etc.; Innovative grants strictly are meant for innovative schemes - in terms of final output/ outcome or methods of delivery

18. Funds for tribal development are approved by GoI based on submission of proposals by the GoJ and these funds should be used in accordance with the procedures laid down by Ministry of Tribal Affairs, GoI. This apart, there are no other strings attached to these funds. However the project will provide facilities for expediting the process of preparing such proposals for submission to GoI in time. Track record of funds flow from GoI to GoJ on tribal development indicates that the government has been receiving these funds regularly and on time.

ANNEX 2: POVERTY, TARGETING AND GENDER

A. Introduction

1. Jharkhand state has come into existence in 2000 out of the bifurcation of Bihar state. According to the 2011 Census, the population of Scheduled Tribes (STs) is 28% of the state's population. There are 32 tribal groups in Jharkhand out of which 9 belong to the Particularly Vulnerable Tribal Groups (PTGs). The state has about 78% of the state's population living in the rural area. In fact among the STs, as much as 91.7% of the population live in rural area. The rural tribal population mainly subsists on agriculture and allied activities including forest-based livelihoods. The sex ratio is 947 females per 1000 males (Census 2011) as against the national average of 933 females per 1000 males. The state has one of the highest levels of poverty in India- as much as 46.2% as against the 28.3% all India level. However, the incidence of poverty among the STs in Jharkhand is about 53%. There are about 2.32 million households in the rural area live below the poverty line, of which 0.88 million belong to STs and 0.39 million to the Scheduled Castes (SCs).

B. Present Situations of Tribal People in Jharkhand

2. The STs are the surviving remnants of almost pure hunter-gatherers among the PTGs to settled agriculture Tribal communities like the Santhals, Ho, Munda, Oraon and Gond. However, many agriculture-tribes still engage themselves in a considerable amount of gathering activity in the forests. Broadly, tribal livelihood system can be classified into three types: First, forest dependent upland systems (approx. 20%) are usually located in upper catchments and comprising most PTG villages/tolas. Second, mixed systems (approx. 65%), which are usually located in the middle watersheds that are hilly partly, where communities depend less on forest and place added reliance on agriculture. Farming is mainly single crop with some paddy and vegetable cultivation. Food security extends to three to four months. Third, lowland systems (approx. 15%) are located in lower watershed areas. The communities extend into the lower plains and may have relatively little forest access. They tend to be more multiethnic, have smaller but more intensively farmed land holdings and own more cattle. Due to the small holdings and low productivity of the land, many households have diversified patterns of occupation. There is however a small number of artisan communities and tribal groups who depend on providing services to other community. Overall, about 50% of the ST population are cultivators, 31% are agricultural labourer and the remaining are miscellaneous workers.

C Levels of Poverty and Deprivation in Jharkhand

3. Jharkhand population grew by 22.34 % in the last one decade to reach to 32.97 million in the census of 2011. The average per capita income (\$ 314 – 2003/4) is also associated with a high degree of income inequality and a rural-urban gap within the state as is evident from the high incidence of poverty in rural areas. The initial level of rural poverty, assessed at 49% by the National Sample Survey (NSS) 55th round in 1999/2000, was the highest among all Indian states. By the 61st round of NSS (2004-05) the incidence of poverty in Jharkhand reduced to 42%, but remained much above the all India level of 27.5% (Table-1). The state's key social indicators such as literacy, enrolment, infant mortality and child nutrition are well below all India level.

Table- 1: Poverty Estimates from Jharkhand and India

	Jharkhand			India		
	Rural	Urban	Combined	Rural	Urban	Combined
1993-94	65.44	26.72	55.4	37.3	32.4	36.0
2004-05	46.20	20.30	42.0	28.3	25.7	27.5

(Source: NSS - 1993-04 and 2004-05)

4. **Poverty among Social Groups:** Poverty is very high among the SCs and the STs. More than two-thirds of them were below the poverty line in 1993-94 and more than half in 2004-05. On the other hand, only a little more than one third of OBCs and about one fourth of others were found to be below the poverty line in 2004-05. Poverty in all the communities is higher in rural than in the urban areas.

Table- 2: Poverty in Jharkhand by Social Group in 1993-94 and 2004-05

Social Groups	1993-94				2004-05			
	Rural	Urban	R-U	Total	Rural	Urban	R-U	Total
Scheduled Tribes	70.8	34.5	36.3	67.7	54.1	42.5	11.6	53.4
Scheduled Castes	73.2	49.2	24	68.3	57.5	48.8	8.7	56.2
Other Backward Classes ²⁹	-	-	-	-	40.0	17.4	22.6	36.7
Others	54.4	19.9	34.5	46.1	36.9	8.2	28.7	25.9
Total	62.3	26.5	35.8	55.4	46.2	20.3	25.9	42

(Source: NSS 50th and 61st Rounds)

5. Between these two most deprived communities of the state, poverty is more rampant among the SCs than the STs. In the country on the whole, poverty among the SCs is not only lower but has also declined at a faster rate than that of the STs. This has happened because of political mobilisation and rising assertion of the SCs/ Dalits in rest of the country but not in Jharkhand. In Jharkhand, they are socially and economically more marginalised and politically more isolated than the Tribal people.

6. **Occupational Dimension of Poverty:** The incidence of poverty differs also on the basis of occupation of the households. It is high among the labouring class and the small marginal cultivators.

Table-3: Occupation of poor households in India and Jharkhand

	Self-Employed in non-Agriculture	Agriculture labour	Other Labour	Self-Employed in Agriculture	Others	Total
Jharkhand	14.6	16.7	21.5	43.9	3.4	100
India	12.8	41.5	12.5	26.5	7.9	100

(Source: Schedule 1.0 NSS 61st Round 2004-05)

D Food Security

7. Jharkhand is one of the food insecure states in India according to Food Insecurity Atlas of Rural India published by MSSRF in 2003. The Report on the State of Food Insecurity in Rural India by WFP and MSSRF in 2009 continue to report a high degree of food insecurity in rural Jharkhand. The 2009 survey by Gene Campaign³⁰ on the Food Availability in Poorest Households in two districts of Jharkhand, viz. Ranchi and Khunti showed that 54% of the rural poor households did not have balanced two meals a day throughout the year. In the field visits it was observed that food security is for about 3 months in the year where they have less difficulty in finding food. The food supply is assured for only about three to four months, following the harvest in late October and early November. Food supplies tend to run short by the end of winter. The 'starvation period' begins by mid-summer, and, in many cases, continues till the end of October. Though depleted, the forest remains the only source for a large number of tribal communities in those adverse 'no food' periods of the year.

8. Despite the government programmes to improve the economic condition of the tribal, PTGs and other deprived communities and provide them food at subsidized rates through targeted public distribution systems (TPDS) and Antyodaya Anna Yojna (AAY), the study done by IHD³¹ in August 2011 in selected districts of Jharkhand showed severe food insufficiency among the rural tribal population and the PTGs as shown in Tables 4&5 below.

²⁹ Data regarding Other Backward Classes (OBC) are being collected since 55th round (1999-2000).

³⁰ Food Availability in the Poorest Households: Report of a Survey in Central Jharkhand. Gene Campaign, New Delhi, 2009, pp.17

³¹ Poverty and Gender Analysis of Jharkhand. IHD, New Delhi, 2011

Table-4: Proportion of households consuming less than 2 meals a day (General Tribal Village)

Location of Village	Number			Percentage				All households			
	SC	ST	OBC	SC	ST	OBC	Total	SC	ST	OBC	Total
Remote	0	10	2	0	2.66	5.41	2.7	24	376	37	437
Accessible	1	5	1	6.67	1.23	0.68	1.2	15	407	147	570
Total	1	15	3	2.6	1.92	1.6	1.9	39	783	184	1007

(Source: Field work by IHD between August-September 2011).

Table-5: Proportion of households consuming less than 2 meals a day (PTG Village)

Location of Village	Number			Percentage			All hhs
	SC	ST	OBC	SC	ST	OBC	
Remote	-	5	-	-	10.42	-	48
Accessible	-	-	-	-	-	-	379
Total	-	5	-	-	1.17	-	427

(Source: Field work by IHD between August-September 2011).

9. Quality of food intake ensuring nutritional security is another dimension of food insecurity situation of Tribal communities. The field survey conducted by IHD showed that though most of the villagers consumed at least two meals a day, only the better off in the villages get nutritious food. The poor mostly consume the grains. In very few villages the poor were found consuming pulses, nuts and seeds and fruits and vegetables. Therefore, malnutrition in children is a matter of serious concern where 52% of rural children under five are malnourished and underweight. The Under Five mortality is at 93 for every 1000 live births. More than two thirds of the children are anaemic³². Experiences from JTDP showed that the determinants of malnutrition are diverse and could be identified as economic, agricultural/farming, socio-cultural, environmental, health and governance/administrative factors.

E Access to Services

10. The rural population in Jharkhand lacks access to basic household infrastructures and primary facilities. Almost two-third of rural households did not have safe drinking water in 2001. Again, more than 90% rural households did not have access to toilets within their premises in 2001; by 2009, the scenario did not change much with only 5% rural household having access to toilets. Only 59% of habitations have been connected by all-weather road by 2009. Only about 35% of children have completed primary education³³.

F. Employment and Migration

11. Migration of tribal population is a historical phenomenon. Today, however, there is distressed migration of rural people from many pockets of Jharkhand. Lack of productive employment, low agricultural productivity, erosion of natural resource base together with improper functioning of government welfare schemes and programmes have forced the tribal to migrate to other areas in search of wage employment.

12. Of particular feature in recent years has been the large-scale migration of single women to cities in search of livelihoods. The majority of them find work as domestic help in houses and some in construction. A certain percentage of women get trafficked. But there are no credible statistics to denote the percentage of women migration. Women are offered better living standards and then end up getting sold to human traffickers. Many of them face sexual abuse and human rights violations. Often women from female-headed households (FHH) or single women are ostracized as witches and are forced to leave their villages, and their meagre assets taken over by brokers or wealthy land lords. However there is a law (The Prevention of Witch Practices Act 2001) to prevent such situation but there is little knowledge among the tribal communities regarding the legal provisions.

13. Tribal families that are driven by poverty send unmarried daughters to cities in search of domestic work. Recent study from two districts, viz. Gumla and Simdega covering 4 blocks and

³² National Commission for Women, 2003; *Gender Profile of Jharkhand*

³³ Jharkhand Development Report 2010; Indicus, New Delhi.

49 villages from 402 families showed the number of tribal men and women migrants respectively were 277 and 125, of which 69% of both men and women were below the age of 30 years³⁴. While poverty is the principal cause of migration, other causes are land alienation and displacement due to land acquisition for development and high/prolonged indebtedness.

14. Increasing male migration is also forcing the women to take up agriculture and other activities allied to agriculture. A recent study showed that 57.1% of agricultural labourers are now women as against 43% men (Table-6), indicating increased feminisation of agriculture in Jharkhand. Even women play major role in rearing of domestic animals.

Table-6: Occupations in the General Tribal Villages

Occupation	Accessible villages			Remote villages			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Cultivators	45.53	41.24	43.53	50.75	35.78	45.31	47.87	39.35	44.25
Agricultural Labourers	48.92	54.73	51.63	35.68	61.58	45.1	43.00	57.10	48.99
Household Industry	1.22	1.09	1.16	2.18	2.05	2.13	1.65	1.42	1.55
Mining	0.41	0.31	0.36	0	0	0	0.22	0.20	0.22
Other Workers	3.93	2.64	3.33	11.39	0.59	7.46	7.27	1.93	5.00
Total Workers	100	100	100	100	100	100	100	100	100

(Source: Field work by IHD in August and September 2011).

G. Factors responsible for Poverty

15. Poverty alleviation in remote tribal areas needs to be seen beyond narrow income poverty, for the complexities there have defied solutions that were initiated for alleviating income poverty. Jharkhand is often described as 'a rich land of poor people'. The numerous drivers and causes of chronic poverty among the tribal people and other disadvantaged groups are:

- Low level of literacy and low level of knowledge about their rights and entitlements;
- Low capacity to access entitlements;
- Limited gainful employment opportunities and low wages;
- Political marginalisation and disempowerment and social discrimination;
- Atrocities and human rights violation including violation of civil rights, social rights, economic rights, political rights and cultural rights;
- Lack of access to basic resources to sustain livelihoods including forests and land;
- Land acquisition causing forced displacement and migration;
- Declining common property resources and depletion of household assets;
- Indebtedness leading to forced labour;
- Improper implementation and delivery of welfare schemes;
- Environmental degradation including climate change impacts, low soil fertility, inadequate water availability for drinking and irrigation, lack of rural electrification; etc
- Poor road access, inadequate road networks and public transport services;
- Poor government extension services in agriculture, livestock, horticulture, etc.
- Absence of or inadequate basic services for health, education, sanitation, drinking water, etc.
- Increasing violence and conflicts due to socio-political usurp;

H. Target Groups and Targeting

16. **Targeting strategy:** The project target groups will include tribal in particular the PTGs, women-headed households, rural youth and BPL households within selected areas. In each of the TSP districts at least two Blocks where tribal population is more than 50% will be selected and within each Block at least 5 Panchayats having highest concentration of tribal communities will be selected for extending the project facilities. All selected villages will be developed on saturation basis.

17. **Target groups and their characteristics**³⁵: A tribal household with an average landholding of 0.8 ha and 4 to 5 members in its family produce very little food in a year. The landholding is scattered

³⁴ Migration of Tribal Women: It's Socio-Economic Effects – An in-depth Study of Chhattisgarh, Jharkhand, M.P. and Orissa. Society for Regional Research and Analysis, Gurgaon, 2010, pp. 16.

³⁵ This is based on study conducted by IHD in 2011 covering about 10 villages.

in to over 15 small parcels, of them some 6 are located in upland, another 6 of them in medium upland and the remaining 3 in the lowland area. Their food production from scattered landholdings ranges from 50 kg to 250/household. This is supplemented by wage incomes and NTFP. The tribal are predominantly cultivators or agricultural labours and most of them, about 80%, live in thatched houses. They also tend limited number of livestock such as poultry birds, pigs and goats; cattle and buffaloes are rare. Some households have fishery in more recent years. Only very few of the households are landless, some 2.2% and it is about 4.5% among the PTGs. They have no access to irrigation and mostly grow low risk, low yielding rainfed crops. About 9% households are female-headed households. Women tend to work for longer hours. In search of employment, nearly 8% of tribal out-migrate to urban centres but this is much lower among PTGs. Their expressed priorities included are schools, health facilities, drinking water, and irrigation and on top of everything the employment.

I. Gender Issues

18. **Livelihoods:** Women's work is critical to the survival of the tribal household both in terms of provisioning food and incomes and as well as management of resources. Amongst the PTGs such as Birhors, Pahari Korwa and Sawar tribal women play an important role in (i) food gathering from the forest; (ii) rope making from the bark of trees & sabai grass; (iii) honey collection; (iv) herbal medicinal plant collection, processing & sale; (v) hunting & trapping (vi) basket making; (vii) shifting cultivation; and also (viii) fishing. Dwindling forest produce has changed the traditional diet. Cereals like rice have replaced the staple fruits, vegetables, mahua, bajra, pulses and maize grown on the fields.

19. **Health:** Tribal women often go hungry to ensure adequate food for the family. This has led to a spurt in malnutrition, calcium deficiency and blood related diseases among them. In Jharkhand some 72% tribal women suffer from anaemia and 41% suffer from malnutrition. Vector-borne diseases like Malaria and water-borne diseases are common in rural Jharkhand with very little access to medical facilities. The poorest 20% suffer infant mortality rates as high as 109 per thousand which is well above the national average.

20. **Land, forests and property rights:** Tribal women's traditional control over land in a tribal society is not in terms of ownership, but in the right to use the land. They till the land, harvest the crop and even sell the produce. The status of tribal female inheritance in society is based on customary laws. Although women shoulder heavy economic responsibilities as compared to men, the Tribal customary laws deny them equal property rights. Generally women are entitled only to maintenance rights and expenses for marriage while men inherit land. Several women amongst Ho and Santhal choose to remain unmarried in order to retain their rights to land³⁶.

21. **Early marriage:** Often one sees instances of child marriage among tribal communities where girls are married off at the young age of 15. Older women are more likely to have married at an early age than the younger women: 48 per cent of women who are now age 45-49 married before they were 15, compared with 15 percent of women who are currently age 15-19. Although this indicates that the proportion of women who marry young is declining rapidly, the majority of women still marry before reaching the legal minimum age of 18 years.

22. **Violence against women:** Rape in exploitative situation like wage labour or working in industrial areas is becoming a prominent form of violence against tribal women. Many women are not aware of their rights and under the special legislation to protect them and hence do not report the cases. In many cases, it is also fear of being ostracized by the larger community and threats from the perpetrators that prevents women from registering the case. Witch hunting is common in rural parts of the state where women are either killed or made to leave the village in disgrace.

23. **Rural out migration:** It is seen that many young women go in search of jobs to the metropolitan cities. The majority of them find work as domestic help in houses and some in construction. A certain percentage of women also get trafficked. However there are presently no credible statistics to denote the percentage of women migration. Many of them face sexual abuse and human rights violations.

24. **Feminisation of agriculture:** Increasing male migration is forcing the women to take up agriculture and other farming activities (e.g. livestock care). The recent study by IHD from selected

³⁶ Gender Profile of Jharkhand – National Commission of Women, 2003

programme districts showed that 57.1% of agricultural labourers are now women as against 43% men (Table 7), indicating increased feminisation of agriculture in Jharkhand. Such activities increase the work burden and drudgery of rural women. Women work largely in the primary sector (Table-7), which means basically agriculture, and have minimal wage employment in the secondary and tertiary sectors. Their share of wage employment in the non-agricultural sector was just below 10%, as against the all-India average of 20% (CSO, 2010).

Table-7: Sectoral distribution of rural workers by gender (%) 2004-05

		Primary	Secondary	Tertiary
Jharkhand	Men	80.8	1.6	0.22
	Women	47.1	1.4	0.20
India	Men	66.5	15.5	18.0
	Women	83.3	10.2	6.6

Source: NSSO

25. Women's work in agriculture is in addition to their household duties. But the real difference between the genders is due to women's much greater time spent on 'reproductive' or household labour, 7.8 hours by women as against 3.2 hours by men. A fair amount of time is spent by women in collecting firewood and water. Overall, women spend 14.9 hours working per day, while men spend 9.1 hours, resulting in an excess work burden on women (Table-8).

Table-8: Average hours of work per day by women and men

	Productive	Household	Community	Total
Women	5.6	7.8	1.5	14.9
Men	4.2	3.3	1.6	9.1

Source: IHD Report, 2011

26. In separate focus group discussion, women put forward their own opinions about the reasons for their vulnerability and also the priority issues to be addressed in order to improve their conditions. Their suggested priorities (Table-9) are (i) expand women's ownership and control; (ii) involve them in all decision-making processes both at household and community level; (iii) provide them equal opportunities in sharing benefits; (iv) provide more access to education and development of skills; (v) adopt gender-sensitive policies and implement programmes for reducing their drudgery; and finally (vi) form more number of SHGs for their social and economic empowerment.

Table-9: Priority needs of women

	Number of villages (out of 14) reporting						
Access	Expand women's ownership & control	Involve in decision-making role	Provide equal opportunities in benefits	Access to education and skills dev.	Setting up of more SHGs	Reducing drudgery	Gender-sensitive policies
Accessible villages	6	5	2	6	5	1	1
Remote villages	4	4	3	1	1	1	2
Total	10	9	5	7	6	2	3

Source: IHD Report, 2011. Note: there are 4 villages in PTG and rest in other Tribal.

ANNEX 3: COUNTRY PERFORMANCE AND LESSONS LEARNED

1. In 2009 the independent IFAD Office of Evaluation (IOE) carried out the first country programme evaluation (CPE) since IFAD began operations in India in 1978. The CPE team affirmed the value of IFAD's role in addressing rural poverty and highlighted IFAD's particular contributions to promoting pro-poor innovation and serving as a demonstrator of the design, implementation, supervision and M&E of pro-poor and rural development projects. The CPE rated the overall performance of the India portfolio as satisfactory, but called for increased operational efficiency, and a more strategic and systematic approach to the replication and scaling up of pro-poor innovations. The evaluation recommended that, while continuing to focus on rural women and tribal communities, more attention should be devoted to smallholder farming households. It recommended discontinuing the practice of two projects funded by one loan and supported by one supervision budget. The CPE suggested enhanced engagement with the private sector, in line with corporate social responsibility, to enable and facilitate provision of services and development of inclusive market/value chains.

2. Some of the key lessons learned by the overall IFAD programme in India include:

- Poverty can be effectively reduced through an empowerment process, which in turn requires investment in people's institutions and in intangible assets. Each intervention should have an adequate implementation period, allowing sufficient time to establish and strengthen strong and sustainable grass-roots institutions.
- The selection of qualified resource NGOs and facilitating NGOs is critical. The process of selection needs to be completed promptly and without political interference. IFAD has been asked to participate as an observer in the selection process to ensure its fairness.
- Developing livelihood opportunities for smallholder farmers and tribal communities in rainfed and areas marginal to agricultural development requires broader partnerships that combine the competencies and resources of government, civil society and people's organizations, and the corporate private sector.
- India allocates very large resources to agriculture and rural development through state and centrally sponsored schemes. Ensuring convergence with such efforts will multiply the impact of project interventions.
- Undertaking fewer, focused projects with larger average loan size can contribute to lowering transaction and administrative costs for both the Government and IFAD and will permit greater attention to implementation support, learning and impact achievement.

Lessons from IFAD-supported Projects in India

3. Organisation of women into SHGs leads to their social empowerment. For example, the IFAD-supported India Tamil Nadu Women's Development Project demonstrated that SHGs led to "an increase in women's mobility, more effective interaction with officials, an increase in women's intra-household decision-making powers, most prominently in the areas of children's health and use of household assets. Social benefits of women's SHGs were reported also for Maharashtra, western India, and Mewat, Northern India. In the Andhra Pradesh Tribal Development Project, women's SHGs even took up contracts for constructing minor irrigation works and school buildings".³⁷

4. Devolution of responsibilities for planning and implementation of development projects to organised village communities in tribal areas can result in better management of forests and improvement in tribal livelihoods. For example, the IFAD-supported NERCORMP that has organised village communities into natural resource management bodies called "NaRMGs" led to improvement in the management of forests, cultivation of forest products and value-addition of existing forest products.³⁸

5. Development of village level institutions facilitates the 'last mile delivery' of government programmes and policies. For example, the IFAD-supported OTELP in Orissa has facilitated allotment of government revenue land under various State Government policies to the landless that constitute a significant proportion (27%) of the population in project villages. Similarly, a large number of Tribal households were allotted land under the Forest Rights Act (FRA).³⁹

³⁷ <http://www.ifad.org/pub/external/english.pdf>

³⁸ http://www.cifor.org/publications/pdf_files/forestlink/india/6%20-%20NERCORMP%20report.pdf

³⁹ Aide Memoire, Joint Review Mission, IFAD-OTELP, 16-27 August 2011.

6. Combining modern scientific knowledge with traditional know-how of tribal communities can enhance productivity and livelihoods by developing new processes and products in case of NTFPs. For example a pharmaceutical specialist employed by the Girijan Cooperative Corporation (GCC) in Andhra Pradesh developed scientific tapping and post-harvest practices, modernization of storage and quality control. The new techniques were transferred through training and supervision support to the gum tappers, leading to tripling of grade 1 gum prices and a proportional increase in tribal incomes. The improved tapping techniques also extended tree life. The IFAD-supported APTDP facilitated the organizational expansion of GCC.⁴⁰ The tasar based livelihood clusters under JTELP follow a similar approach.

7. Participatory and bottom-up approaches to transfer decision-making and ownership of development project to local communities can alleviate the sense of alienation among tribal communities which gives a fillip to extremist movements in tribal areas. Participatory approaches can thus lead to peace building in areas affected by left-wing extremism. For example, a bottom-up and participatory approach followed by the IFAD-supported APTDP project in Andhra Pradesh created an atmosphere of optimism and empowerment, leading tribal people to gradually distance themselves from the People's War Group, thereby weakening the Maoists movement in the project area.⁴¹

8. Empirical evidence on the relationship between livestock sector growth on poverty is anecdotal, yet scattered evidence on livestock's contribution to income indicates that growth in livestock production is pro-poor. Observed growth patterns in different segments of agricultural sector imply that faster growth in livestock production sustains agricultural growth. Further, since livestock income has been growing faster than the crop income, it has considerable potential to contribute to poverty reduction. Besides income, livestock are also an important source of employment for the rural people⁴².

Lessons from IFAD-supported Tribal Development Projects in Jharkhand and Chhattisgarh

9. **Empowerment of the tribal community a prerequisite for poverty alleviation:** Historically, tribal communities functioned in relative isolation and were thus protected from the mainstream economy, society and cultural and political system. A distinct cause of vulnerability and powerlessness among STs in comparison to other poor communities is their inability to negotiate and cope with the consequences of their forced integration with the mainstream.⁴³ This can be effectively addressed through an empowerment process, which requires investment in people's institutions as intangible social assets so that tribal people gain experience through guided practice of managing new systems and technologies and effectively negotiating with the mainstream society and institutions of the *diku*⁴⁴ (outsiders). Each intervention should have an adequate implementation period, allowing sufficient time to establish and nurture strong and sustainable grass-roots institutions.

10. **Need for implementation in contiguous villages and Panchayats.** JTDP has covered all the villages in an identified watershed but the coverage of villages within a Panchayat/block remained low. As a result, implementing agencies were not able to deploy quality staff, management and supervision costs were high, the linkages with statutory Panchayats (e.g. for MGNREGA) level schemes could not be established and there were able to develop livelihood interventions effectively. This needs to be addressed by ensuring coverage of all villages in a selected Panchayat and also selection of contiguous Panchayats for effective implementation.

11. **Need for focus on Livelihood Improvement:** SHGs have made substantial progress in the social development arena with improved ability to participate and negotiate in the Gram Sabha, deal with outsiders, markets and the government, experience of managing significant funds, inculcation of habit of saving and access to credit for consumption smoothening without selling assets in distress. As primarily affinity groups, SHGs were not able to focus on livelihood activities as all the members of a group may not be interested in the same activity. While SHG mobilization is necessary in a tribal setting to initially empower the communities, especially women who even in tribal communities are excluded from traditional institutions and public forums, and to build next level community institutions, such as Gram Sabhas. Promotion of livelihood activities is best done by mobilising the community into

⁴⁰ http://www.ifad.org/evaluation/public_html/eksyst/doc/prj/region/pi/india/andhra.htm

⁴¹ http://www.ifad.org/evaluation/public_html/eksyst/doc/prj/region/pi/india/andhra.htm

⁴² Source: Potential for Livelihood Improvement through livestock development in Jharkhand, ILRI 2011

⁴³ The setting up of Scheduled Areas by the makers of the Indian Constitution and the later enactment of PESA as a separate law for local self-governance in these areas as different from those applicable to other parts of the country is an acknowledgement of this.

⁴⁴ *Diku* is a term used by tribal communities in Jharkhand to denote non-tribal persons.

Common Interest Groups for shared services and aggregation along specific sector-activities, building adequate capability to manage production, quality and marketing, and establishing necessary service and logistical linkages.

12. **Need for decentralised GSRMP Approval Process:** JTDP mobilised SHGs, Tola Sabhas and Gram Sabhas and established a GS-PEC for implementing land and water related activities. Each Gram Sabha with the assistance from FNGOs engaged by the programme prepared a GSRMP to implement activities. In absence of a mechanism to allocate finances for each watershed based on treatment area and number of households and complete reliance on only JTDP funds for implementation resulted in overambitious GSRMPs, arbitrary reduction in financial allocation by DPMUs and SPMU and inadequate attention to convergence. The GSRMPs were sent from the DPMU to SPMU for approval. In the absence of required sanctioning powers at both DPMUs and the SPMU, the budgets of GSRMPs were either arbitrarily reduced to match the sanctioning powers of District Programme Managers and State Programme Director or placed before the Principal Secretary of Welfare Department for approval. This has resulted in poor implementation of GSRMP and also caused substantial delays. GSRMP approval will have to be decentralised to the districts.

13. **Smooth funds flow needed:** JTDS received funds from the Welfare Department as a Treasury Advance based on the budget approved by the State Assembly. As a result, the programme had to provide all vouchers for verification to settle the advance before the next instalments were released. This led to substantial delay in release of funds, hampering programme implementation. It is necessary that the Government releases funds to JTDS as grant-in-aid and agree for settlement of accounts based on utilisation certificates.

14. **Convergence at the district level, a key for overall development:** Under JTDP, the Deputy Commissioners of the districts are members of the Programme Steering Committee with limited role in supervising planning, implementation and fund flow to programme activities. JTDP's programmes were largely implemented in isolation and with little convergence with the line departments and other government programmes. It is therefore necessary to involve the Deputy Commissioners of the districts as the focal point for providing guidance for programme implementation and also to ensure convergence at the time of preparing and approving GSRMPs.

15. **Need for capacitating FNGOs:** JTDP engaged between 5 and 7 FNGOs in each district, each working in clusters of 10 villages. Many of them with the exception of a few large FNGOs could not employ competent staff due to limited budgets (larger NGOs either subsidised staff costs or were also working in nearby villages outside JTDP clusters), had little ability to develop context-specific solutions. Dealing with a large number of partners also increased the workload of the DPMU. It is necessary that there should be adequate budgets for engaging the services of FNGOs and also to engage Resource NGOs or TSAs at regional level for mentoring. As there is a very high level of variations in capacities of FNGOs, it is necessary to have a common strategy for training the FNGOs.

16. **Limited PTG interventions:** The interventions for the PTGs by the project directly (without engaging any specialised FNGO) appeared to have had limited impact. Besides lack of well-defined strategies for PTG interventions, frequent staff turnover also impacted the project's ability to take up the responsibility directly. The JTELP will address these issues more holistically, perhaps by engaging specialised FNGOs.

17. **Need for special focus on PTGs:** Both JTDP/CTDP were designed to test and demonstrate a practical and workable model for tribal development. While it has appreciably aimed towards being such a model, there were mixed results with respect to achievements in the key elements of tribal development strategies of empowerment, participation, equity and decentralization. The opportunities for strengthening such initiatives needed to address: (a) adequate capacity building of Gram Sabhas to enable them to take care of all the village level development issues including management of the Village Development Fund (VDF), and (c) focused attention on the PTGs who require much longer mentoring and nurturing to realize the full advantage of tribal development programmes.

18. **Building alliances of Gram Sabhas and Panchayats to make tribal laws work:** JTDP had limited facilitation in enabling the Gram Sabhas and individual tribal beneficiaries to take advantage from various laws (such as FRA) enacted for the welfare and development of tribal communities. Since Panchayat elections have now been held, efforts will be made in JTELP to build alliances of Panchayats and Gram Sabhas so as to take best advantages from existing laws for the benefit of tribal communities.

19. **Need for fulltime Project Director:** JTDP did not get adequate strategic direction and could not establish strong partnerships with various government departments for convergence due to the absence of a fulltime Project Director. In addition, there was high staff turnover, in part due to the lack of a clear organisational vision and strategic direction and also because of absence of clear and supportive HR policies. JTELP needs to ensure placement of a senior person able to negotiate with peers and superiors in a hierarchical system in government and develop and document progressive HR policies with a vision of JTDS as an agency for the development of tribal communities rather than as a temporary mechanism to implement a time bound project.

20. **Need for effective training and technology transfer:** Performance in farming systems development and building capacities of farmers was poor in JTDP. There is a need for according specific focus to ensure that investments in natural resource development and other asset-building activities produce commensurate benefits for the communities.

21. **Inadequate knowledge management strategies and practices:** JTDP has many successful interventions. However, in the absence of good KM strategies and action plans, many of the lessons learned could not be adequately documented and disseminated within and outside the project. Community to community learning (including NGO to NGO learning) was limited. The new project will address these gaps through appropriate KM strategies and budget allocation. Moreover, an inadequate M&E system failed to generate the information and evidence needed to support effective KM.

22. **Outcome analysis of JTDP⁴⁵:** Outcome analysis⁴⁶ of 1,537 households in West Singhbhum, Ranchi and Khunti districts under the JTDP, where women SHGs was the basic institutional framework, reported fivefold increases in brood lac with an average incremental income ranging between INR 2,500 and 3,000 per lac season. An outcome analysis of a NABARD-supported project, which covered 7 villages and some 200 households, average income was INR 12,890 per household. Of which nearly 50% households received incomes over INR 14,500 and 35% of households received incomes over INR 17,500 per year. They also reported a more than 20% increased incomes from NTFP activities. Under community forestry some 4,735 households from 20 villages developed and availed benefits from over 100 ha forest lands that were provided to the community. Health camps and other services provided under the JTDP covering over 6,313 households, animal mortality rates decreased by 50% and goat-keeping activity increased from 57% of household to about 90% of these households.

23. The JTELP also draws upon the successful results of changes effected through capacity building initiatives such as GS-PEC, SHG and farmer training under the JTDP. Significant outcomes of these initiatives were (i) functional gram sabhas, (ii) women empowerment through SHG mobilization, number of members increasing from 2% to about 57% and SHGs undertaking marketing activities, (iii) participation of women in gram sabha and other forums and their enhanced social awareness, (iv) more farmers, about 40%, adopting new and improved farming technologies, forestry, lac cultivation etc. (v) use of participatory planning processes⁴⁷.

Lessons from studies prepared during design of JTELP

24. In Jharkhand, as in the region, livestock keeping is integral to the livelihoods of rural households and to the broad rural economy. The field surveys⁴⁸ found that 90% or more households kept livestock; the households said that the contribution of livestock to their livelihood varied from 20–60% depending on the species and the income level of the household. The livelihoods of the large majority of these rural households are based in smallholder rainfed crop–livestock farming—mainly rice cropping with livestock—and the majority of the farms have less than 1 ha of land. The household land is associated with extensive common property resources mainly forests and the focus of these resource-poor households was ensuring their short-term food security while sacrificing long-term goals like the conservation of natural resources and avoiding risk-taking. On their small farms, as well as growing their food crops, these households keep small numbers of livestock. Few external inputs were purchased for the crops or for the livestock. These are traditional risk-averse low-input, low

⁴⁵ Source: Progress Report of JTDP May 2011, JTDS, Ranchi; website: www.jtds.org.in

⁴⁶ Source: IFAD-supported JTDP Progress Report, May 2011.

⁴⁷ Source: Report on Role of SHG and Micro-finance inputs from JTDP in relative well-being of women and their empowerment, Datamation Consultants Pvt Ltd, New Delhi

⁴⁸ A study conducted by ILRI Asia Office: "Potential for Livelihoods Improvements through Livestock development in Jharkhand" January 2011

output systems in which crop residues are the major sources of feed and fodder for the livestock. Livestock complement the growing of the subsistence food crops, mainly rice and some maize: cattle and buffalo provide draught power for land preparation and transport and, along with the other livestock kept by the household, serve as household savings and insurance.

25. Collective marketing involving some 65 SHGs and 325 households under the JTDP proved successful. These SHG-based marketing initiative involved in marketing of paddy (45 SHGs), sal leaves and seeds (12 SHGs), Mahua seed (11 SHGs) tamarind seeds (11 SHGs) and lac marketing 2 SHGs. These initiatives resulted in an incremental income of about 27%. Experiences under such collectives are used in designing the project in particular the Livelihoods and marketing support sub-component. There were many instances where SHGs did not have marketable surpluses but traded with produce collected from nearby and adjoining villages.

26. One of the outcomes of JTDP was the increased area under irrigation and proportion of people adopting soil conservation measures: (i) cropped area increased by 25% during rainy season; (ii) productivity increases over 20% and (iii) about 58% of households reporting food security. Land and water work also enhanced the employment opportunities to the households and thus reducing migration by 10%. Training had a significant impact on agricultural and farming systems among the JTDP households: these resulted in significant increases in productivity in particular of low land paddy, pigeon pea, wheat, chick pea, vegetables and pulses with the technical support of ICRISAT.

27. JTELP design also draws on the outcome and impact of livelihood activities implemented by NGOs in Jharkhand with financing support from GoJ under SCA-TSP under Prototype Scheme. The results of these interventions were documented as a part of project design. Detailed studies MGNREGS, Tasar cocoon production in forested areas, Tasar cocoon production in plantation, poultry, vegetable cultivation in clusters, horticulture and lac cultivation were conducted before selecting these interventions for inclusion in the project design. These studies are provided in the project life file.

ANNEX 4: PROJECT DESCRIPTION

I. Introduction

1. The State of Jharkhand was created in 2000 in response to a long drawn movement to fulfil tribal aspirations for statehood and self-governance. The State has 24 districts of which 14 are Tribal Sub-Plan districts. The State of Jharkhand State has a tribal population of about 7.09 million as per 2001 census, constituting about 26.3% of the total population. About 92% of the Scheduled Tribes (STs) of Jharkhand inhabit rural areas. The STs in general and the Particularly Vulnerable Tribal Groups (PTGs⁴⁹) in particular, remain the most disadvantaged. They fare poorly on all development indicators such as food and nutrition security, literacy and health. Focused engagement to promote and nurture community-based institutions of Tribal people is necessary to enhance their self-confidence and reduce their vulnerability.

2. The livelihoods of STs are overwhelmingly dependent on natural resources. STs derive their livelihood from rain-fed agriculture and Non-Timber Forest Produce (NTFP). Settled farming is relatively new to the tribal communities and their farming practices are poorly developed, with rain-fed paddy being the main crop. Declining resource base and low productivity drives the STs to migrate in search of wage labour, often to the neglect of their own farming system and leaves no surplus to develop and husband the natural resource base. Urgent efforts are therefore needed to reverse this trend.

3. The on-going, IFAD-funded Jharkhand Tribal Development Project (JTDP) has successfully demonstrated feasibility of planning and implementation of various development initiatives related to watershed development in five districts through empowering Gram Sabhas. This experience can now be scaled up to other Tribal Sub-Plan (TSP) districts. The design of this project is based on the successful interventions in natural resources management, agriculture productivity enhancement and livelihoods that have been implemented by NGOs and JTDP with financial support provided by GoJ, IFAD and other donors. The proposed Jharkhand Tribal Empowerment and Livelihoods Project (JTELP) is expected to support 136,000 households including 36,000 households covered under JTDP in 1330 villages across 164 Panchayats, 30 blocks and 14 districts (Table 1).

Table 1: Overall Outreach of the JTELP

Details	Outreach
Total number of districts	14
Total number of blocks	30
Total number of Panchayats	164
Total Number of Villages ⁵⁰	1,330
PTG Villages to be covered ⁵¹	68
Other Tribal villages to be covered	932
JTDP villages - support	330
Total number of households targeted:	136,000
No. of PTG households ⁵²	10,000
No. of other households to be covered	90,000
No. of households in JTDP villages	36,000

Feasibility of the Interventions Proposed for Scaling Up

4. In order to ensure that the interventions proposed in the project are technically feasible and financially viable, the mission analysed several successful interventions implemented in the State for scaling up with support from this project. These have been implemented with support from JTDP,

⁴⁹ These Particularly Vulnerable Tribal Groups live in the hills of Jharkhand. There are nine groups amongst PTGs. They include: Asur, Birhor, Birjia, Khorwa, Hill Kharia, Sauria Pahariya, Mal Pahariya, Kumarbhag Paharia and Savar/Sabar. Most of these groups live on the ridges and on the top of the hills undertaking shifting cultivation and pursuing forest based livelihoods. The Mal Paharis live mostly in the plains and their socio-economic condition is similar to that of other tribals.

⁵⁰ Actual number may be slightly variable based on the final clusters of Panchayats to be selected at the time of project execution.

⁵¹ Exclusive PTG villages comprising majority of PTG households taken into account.

⁵² 5100 households from exclusive PTG villages and remaining from other tribal villages,

Special Swarnajayanti Gramin Swarozgar Yojana of GoI, MGNREGS and SCA-TSP. These include: (i) community mobilization and Panchayat level land and water management activities implemented by a NGO in Kuira village of West Singhbhum district with funding from MGNREGS; (ii) watershed development and agriculture productivity enhancement implemented by JTDP in Tiasara village of Saraikela-Kharsawan district; (iii) tasar rearing in new plantation implemented by a NGO in Dhaka village of Dumka district with financial support from Prototype Scheme of GoJ and other donors; (iv) tasar rearing in forested areas implemented by a NGO in Dhaka village of Dumka district with financial support from Prototype Scheme of GoJ and other donors; (v) IFAD-supported Goat rearing unit implemented by the International Livestock Research Institute (ILRI) in Jama block of Dumka and by an NGO in Amba Toli village of Gumla district under the Prototype Scheme of GoJ; (vi) Mango Plantation implemented by a NGO in Rajanagar block of Saraikela District with support from NABARD and in Madho Toli of Gumla district with support from the Prototype Scheme of GoJ; and (vii) Vegetable cultivation (Tomato) and marketing support activities implemented by a NGO in Guwabera village of Saraikela Kharsawan district with support from Corporate Social Responsibility Initiative of Tata Steel Ltd and vegetable (cabbage, tomato and potato) cultivation at Madhotoli of Gumla district implemented by a NGO with support from the Prototype Scheme of GoJ (P3).

5. The basic thrust of the natural resource management interventions is to use SHGs as building blocks for community mobilization and empowerment. Thereafter, pan-village institutions are formed to take up natural resource management related activities with SHG members taking up leading roles. Livelihood interventions are based on formation of Producer Groups comprising members interested in a specific activity. In some cases such as Tsar production and vegetable cultivation, Producer Groups have graduated into Livelihood Collectives. The interventions proposed in this project are based on these positive experiences. (KSF 4.2)

6. Funding for most tribal development activities indicated above is provided by GoI based on submission of proposals by the GoJ. There are no other strings attached to this funding. The project will provide facilities for expediting the process of preparing such proposals for submission to GoI in time. Track record of funds flow from GoI to GoJ on tribal development indicates that government has been receiving these funds regularly and on time. SCA-TSP funds are earmarked for infrastructure and livelihoods activities targeted to tribal households. GoJ assured at the wrap up meeting that funds earmarked for the project will be made available as per AWP&B (P1).

7. JTELP will have four components. They are: (i) Community Empowerment; (ii) Integrated Natural Resources Management; (iii) Livelihood Support; and (iv) Project Management.

II. Targeting

8. The project target groups will include tribal households in particular PTGs, women-headed households, rural youth and BPL households within selected Panchayats. In each of these districts at least two Blocks where tribal population is more than 50% and within each Block at least 5 Panchayats having highest concentration of tribal communities will be selected. PTG communities will be particularly targeted in 3 out of 14 districts, namely Godda, Pakur and Sahebganj. In 5 districts, where IFAD-supported JTDP concluded, all 330 villages will be included for hand-holding support and in addition, new villages adjacent to these villages but having high concentration of tribal communities and within the same Panchayat will be selected to form a cluster of 40 villages. Criteria for selection of Panchayats within the selected Blocks will be: (i) high concentration of ST population and in particular the PTGs; (ii) high concentration of BPL households; (iii) Panchayats that are adjacent to each other in a single cluster and have access; (iv) Panchayats having about 1,000 households and geographical area of approximately 1,500 ha.

9. The project will use a saturation approach covering all households in the selected villages for activities related to integrated natural resource management. The project intends to cover all households within selected villages: (i) SHG mobilization will cover all poor households using NRLM procedures; (ii) Integrated natural resources management activities will cover all households; (iii) Only poor households and PTG households will be covered under Income Generating Activities; and (iv) the Integrated Production and Marketing Support interventions will be largely directed to tribal households (KSF 2.1).

10. A matrix providing tribal, gender and poverty criteria to select beneficiaries for each of the activities of the project is provided below. ((KSF 2.1)

Intervention	Target group
SHG Mobilization	All poor households as per NRLM guidelines comprising both BPL cardholders and BPL households identified through PRA. Only women will be the members of SHGs
YG Mobilization	All youth of the village both female and male-
Integrated Natural resource Management – Wage Employment under MGNREGS	All households interested to work under MGNREGS – Self selects only poor households
Integrated Natural resource Management – implementation of natural resource management activities on land patches	All land owners on selected land patch for treatment
Productivity enhancement and crop diversification	All households growing crops selected for demonstration.
Income generating activities	PTGs and other poorest tribal households
Integrated Production and Marketing Support	Tribal households and other households meeting the selection criteria (land, irrigation, etc.) for implementation of activities
Vocational training	Tribal youth
Community pattas under Forestry (FRA)	Tribal villages situated near Protected forests
Individual pattas – Forestry (FRA)	Tribal households meeting the requirement for issuance of individual pattas
Lac rearing	Tribal households
Habitat Planning	PTG villages

III. Components

A. Component 1- Community Empowerment

11. **Rationale:** Tribal communities in the past were mostly dependent on forest based livelihoods and hence their interaction with the mainstream communities was limited. With state takeover of forests, reduction in forest based livelihoods, increase in population and incursions of the mainstream Indian institutions, the tribal communities were forced to integrate with the mainstream economy, society and cultural and political system. The mainstream communities always took advantage of the tribal communities due to information asymmetry between them. This situation is exacerbated by low levels of formal education and knowledge of the tribal communities to deal with the outside world. Though several government programmes have been initiated in the past, their impact on the livelihoods of the tribal communities has not been proportionate to the investments made. The main reason for this includes inadequate investment in building capacity of the tribal communities to engage effectively with the non-tribal world on fair terms and demand their entitlements. The ability to demand one's entitlements is becoming even more important in the evolving entitlement-orientation of government initiatives for poverty reduction and social welfare, as is evident from MGNREGS, the Right to Education Act, the impending Right to Food Act, etc. The rationale for this component emanates from the pre-eminence of empowerment as the basic building block for development of rural communities in general and tribal communities in particular. This project will place adequate emphasis on capacity building and empowerment of the tribal communities.

12. **Expected outcomes:** The expected outcomes from this component include: (i) reduction in dependence on high cost loans for consumption smoothening; (iii) improved participation of women in local governance forums, such as the statutory Gram Sabha and Panchayat and in decision making both at the household and community level; (iii) improved access to entitlements; and (iv) improved knowledge related to malnutrition, health, hygiene and sanitation and legal rights.

13. **Expected Outreach:** It is proposed to support 5,500 new SHGs and 1,500 SHGs mobilised under JTDP, covering 66,000 households, being 49% of the total households in the project villages. (Table 2)

Table 2: Outreach of Community Empowerment Component

Details	Outreach
Total number of SHGs excluding JTDP SHGs	5,500
No. of SHGs in PTG villages	500
No. of SHGs in other villages	5,000
No. of existing SHGs in JTDP villages	1,500
No. of Youth Groups	328
Total SHG membership (average 12 households per SHG) excluding JTDP coverage	66,000
Total number of households	136,000
Coverage by SHG mobilization (%)	49

14. The Community Empowerment Component will have three sub-components: (i) Promotion of SHGs; (iii) Capacity Building; and (iii) Special Support to PTGs.

15. **Promotion of Self Help Groups (SHG):** SHG mobilization in India is linked to micro-finance, bank linkage and formation of SHG apex structures. This project will mobilize SHGs in order to facilitate the community to make progress on the social development growth trajectory. This apart, SHGs will be the building blocks for mobilization of the community for undertaking land and water resources development related activities. However, savings and credit system development amongst SHGs will be used to promote financial literacy and to enable the members to move out of exploitative relationships with moneylenders and to avoid distress sale of assets for cash-flow smoothening. The project will not undertake activities related to credit linkage with the banks and formation of SHG apex structures.

16. GoJ is in the process of rolling out NRLM covering all Blocks and Panchayats. NRLM's main strategy is to mobilize SHGs and support them for bank linkage and formation of federations and cluster level organizations. Financial intermediation through village level federations and also provision of capital subsidy are part of NRLM's plans. In view of this, the project will mobilise SHGs and train them using NRLM operating procedures and facilitate them to become building blocks of pan-village institutions to be mobilised by the project to ensure participation of poor and women in management of these institutions. The most important NRLM procedures to converge include: (i) compliance to definition of poor households that include both BPL card holders and households identified through PRA; (ii) compliance to certification procedures for poor households identified through PRA; (iii) formation of affinity groups comprising about 10-15 members; (iv) compliance to saturation strategy covering all poor households in the project area; and (v) use of MIS of NRLM and submit reports to NRLM. SHGs will be handed over to NRLM thereafter so as to receive benefits from NRLM. (P2)

17. The project will promote about 5,500 new SHGs of 10-15 like-minded members based on "affinity". SHG membership will be mostly restricted to women. This includes 500 SHGs to be promoted in PTG villages; Mixed SHGs will be promoted in PTG villages depending upon the preference of participating households. The project will also promote about 328 Youth Groups comprising adolescent girls and boys. The project will also provide support⁵³ to about 1,500 SHGs promoted under JTDP. Participatory Rural Appraisal (PRA) of the project villages will be conducted along with wealth ranking of the households. Poor households within the community will be facilitated to form SHGs based on their own preference and mutual trust. SHGs will meet regularly, preferably every week, to discuss common issues. SHGs will mobilize savings from members depending upon their capacity (INR 50-100 per month). Internal lending systems will be introduced.

18. The project will provide INR 10,000 as seed capital in two instalments to each SHG after six months of mobilization. In case of SHGs comprising more than 70% PTG members the seed capital will be INR 20,000 per SHG to be paid in two instalments. Second instalment of seed capital will be provided after 12-15 months of SHG mobilization (see Working Paper 4 - Community Institutions Development for details) subject to achievement of minimum performance standards. Seed capital infusion will be an interface activity. This will facilitate capital accretion at the level of SHGs boosting

⁵³ These SHGs will not receive initial training support and seed capital support. However, other support will related capacity building will be provided.

the confidence of members. This will also enable the SHG members to cover costs related to their travel to the nearby town to access banks or to meet the government officials to access their entitlements. SHGs accounts will be audited annually by Chartered Accountants.

19. The project will mobilise Youth Groups to creatively engage the younger generation. This is an important element of community institution development with the Left Wing Extremist Groups trying to lure the younger generation into violence. Youth Groups will be promoted at the Panchayat level. About two Youth Groups will be promoted in each Panchayat. Youth Groups will not undertake savings and credit activity. The project will provide support of INR 40,000 to each Youth Group in two instalments. The first instalment will be released upon formation of Youth Groups. The second instalment support will be provided after two years of Youth Group Mobilization (see Working Paper 4 - Community Institutions Development for details). Release of the second instalment will be subject to social audit by the GS-PEC. The Youth Groups will be facilitated to take up activities related to promotion of sports, music and drama. In addition, the Youth Groups will be facilitated to take up activities related to road clearing, cleaning of water sources, social development issues, etc. Youth Groups will utilise the seed capital to purchase sports and music equipment. In addition, Youth Groups will be facilitated to become book writers for SHGs and also to take up voluntary work for the benefit of the community. YG accounts will be audited annually by external auditors.

20. The project will also introduce competition amongst Youth Groups which will revolve around: (i) cleanliness of villages; (ii) participation of all children under five years of age in Anganwadi; (iii) 100% access to PDS; (iv) enrolment of children in school; (v) widow pension to all eligible persons; and (vi) old age pension to all eligible persons. The project will allocate INR 2,500 to the winner of the contest. This allocation will be made for each Panchayat for six years.

21. **Capacity building:** The project will build capacity of the SHG members to organise meetings, conduct discussions during the meeting, record decisions taken at the meeting, mobilize savings and related book keeping, develop internal lending regulations and loan sanction procedures, calculate and charge interest on loans, book keeping related to loans to members, articulate the needs and priorities of women and the community, and to develop leadership amongst members. In addition, the project will prepare learning aids covering: (i) Laws pertaining to ST welfare and specifically women's welfare (ii) Malnutrition and its impact on child development; (iii) Health, hygiene and sanitation; (iv) Entitlements; and (v) Gender issues. The project will conduct learning events covering the above topics to build capacity of SHG and Youth Group members. Thereafter, the community will be facilitated by the project to address some of their urgent needs by seeking convergence with government schemes and entitlements available to the community. Training of SHGs will be harmonised with NRLM requirements.

22. **Special Support to PTGs:** PTGs remain the most isolated and disadvantaged indigenous tribal groups with noticeable reduction in their population. Malnutrition, malaria and dysentery are rampant in PTG villages and access of these communities to social welfare programmes remains limited. Indebtedness is high due their proneness to enter into exploitative relationships. This situation is mainly on account of inaccessibility, reluctance of the government machinery to reach out to these villages, inadequate knowledge of their entitlements, inability to demand their rightful entitlements and chronic household budget deficit due to limited livelihood options.

23. The project will support about 10,000 PTG households (about 3,500 households in 68 PTG villages and remaining in other project villages). PTGs require longer duration of handholding before taking up livelihood up-scaling activities. Accordingly, the project will implement a step-wise approach to involve PTG communities in project activities. These involve: (i) developing a part time Community Resource Person (CRP), preferably the ASHA worker conversant with local dialect of PTGs for each PTG village/tola to support the community to access entitlements such as Public Distribution System (PDS), Integrated Child Development Services (ICDS), food rations and midday meals, Birsa Munda Awas Yojana (Birsa Munda Housing Scheme), widow and old age pensions and other entitlements; (ii) undertaking interface activity to gain confidence of the community; (iii) developing critical infrastructure in PTG villages such as drinking water, repair and maintenance of well/water source, etc. using VDF funds; (iv) providing solar lantern and two large medicated mosquito nets to each PTG household coupled with related learning events on their use and maintenance; (v) conducting health camps in PTG villages for which the project will allocate INR 10,000 per PTG village per year;

(vi) SHG and YG mobilization and training; and (vii) training Village Health Workers in each PTG village with adequate linkages to the referral focal points.

24. **Implementation Partners:** The activities related to SHG mobilization and capacity building of SHGs will be undertaken by the project engaged Facilitating NGOs (FNGOs). Staff capacity at the level of FNGOs will also be strengthened by engaging TSAs. Capacity building of FNGO staff will cover Participatory Rural Appraisal (PRA), wealth ranking, SHG formation, conducting meetings and record keeping, savings mobilization, internal credit operations and book keeping. The project will engage a part-time Community Resource Person (CRP) for each Gram Sabha. In addition, an additional part-time CRP will be engaged for each PTG village.

25. **Mainstreaming Gender and Poverty Concerns:** The project's initial focal point will be women from poor households. The project will facilitate activities related to capacity building of women through SHG mobilization. SHG mobilization will be used as a tool to empower women to enable them participate effectively in decision making processes both within the household and in the community and to participate effectively in local government bodies such as the statutory Gram Sabha and elected Panchayat. Seed capital infusion into the hands of women coupled with savings and credit and capacity building will be the basic tools to empower women. Once the initial capacity development efforts of women are completed, women will be able begin to play their rightful role in improving the effectiveness of Gram Sabhas and Panchayats.

26. **Sustainability of SHGs:** This project intends to use SHGs as the focal point for social development of the community. SHGs will be positioned as providers of consumption smoothing loans with no set goals for financial intermediation by establishing credit linkages with banks. The project will allow SHGs to grow organically and deal with the banks on their own terms based on their needs, capacity and strength. The project will provide seed capital support which will hasten capital formation. The project will introduce a system of SHG paying for accounting and audit services. Community Resource Persons (CRPs) will be trained to provide these services. In addition, the capacity of the SHG members to maintain books of accounts will be developed. The SHGs will charge interest on loans provided to their members. Interest collected will be adequate to pay for the accounting and audit services. It is expected that the SHGs will be able to pay for accounting and audit services within 3 years from the date of formation. National Rural Livelihoods Mission (NRLM) is expected to develop financial intermediation capacity of SHGs through bank linkage and formation of apex structures. Agreements have been reached for NRLM to assimilate SHGs mobilised by the project without disturbing their composition. This project has not included support for SHGs to develop their financial intermediation capacity and the same will be provided by NRLM. This will enable the SHGs promoted under the project to access financial intermediation related support from NRLM.

B. Component 2 - Integrated Natural Resource Management

27. **Rationale:** Tribal communities inhabit the ecologically complex and vulnerable undulating and hilly terrain. As relatively recent adopters of settled agriculture, they lack the resources and know-how to develop sustainable and remunerative natural resource management systems suited to their habitat. This has led to erosion and degradation of soils and high and unmanaged rainwater runoff. Simultaneously, increasing human and livestock populations and the hiatus between local communities and forest managements have led to large scale forest and pasture degradation. Together these phenomena are leading to impoverishment of the overall ecosystem. Water availability, soil fertility and biodiversity are declining. With low productivity of agriculture and declining NTFP availability, tribal people have remained mired in poverty despite possessing adequate land resources. Their meagre and fragile livelihoods are further threatened due to increasing occurrences of climate change related phenomena. As local livelihoods decline, the able bodied migrate in search of wage employment and the ability of local communities to reverse the ecological decline of their habitat further erodes. Reversal of this downward spiral calls for strategies to introduce resource management systems suited to the tribal habitat that simultaneously address the twin challenges of improved livelihoods through higher productivity and continuous regeneration of the resource base in ways that are climate resilient. Integrated Natural Resource Management (INRM) to harmonize interactions among people and nature's elements is presently the most appropriate strategy.

28. **Expected Outcomes:** The expected outcomes from this component include: (i) harvesting of additional 20% rainwater⁵⁴; (ii) increase in cropping intensity; (iii) increased area under irrigation; (iv) increased yields of lowland paddy; (v) increased area under pulses and oilseeds; and (viii) decreased seasonal migration of labour.

29. **Expected Outreach:** The expected outreach from MGNREGS and land and water resource development activities is about 122,400 households, being 90% of the total target group. Irrigation activities are expected to reach 26,640 households, being 20% of the households. The project is also expected to reach 13,600 households, being 10% of the total households through crop demonstrations.

Table 3: Outreach of Integrated Natural Resource Management Component

Details	Coverage	
	No. of Hhlds	Percentage
Total household coverage by the project ⁵⁵	136,000	
No. of persons benefiting from MGNREGS	122,400	90
No. of households benefiting from VDF activities	136,000	100
No. of households benefiting from water harvesting	122,400	90
No. of households benefiting from irrigation related activities	26,640	20
No. of households benefiting from crop demonstrations	13,600	10

30. This component will have three sub-components: (i) Community Mobilization; (ii) Land and Water Resource Development; and (iii) Productivity Enhancement and Crop Diversification.

31. **Community Mobilization:** SHG leaders and members mobilised by the project will form the core group for effective mobilization of the community. Intensive consultations with community leaders will be held by mobilizing Tola Sabha⁵⁶/Gram Sabha⁵⁷ meetings. Gram Sabha/Tola Sabha/Panchayati Raj Institution (PRI) leaders will be taken on exposure visits to locations that have implemented land and water resource development activities with funding from MGNREGS and also to locations with agriculture related interventions. Each Tola Sabha will elect two members (a woman and a man) to the GS-PEC of the Gram Sabha. GS-PEC will elect a management committee comprising a Chairperson, a Secretary and a Treasurer. This management committee will be overall in-charge of the activities including opening and managing bank accounts. Leadership rotation of GS-PECs will be ensured by compulsory retirement of two members every year. The traditional village leader will chair the Gram Sabha meetings. Elected Mukhiya will be Ex-Officio member of GS-PEC. GS-PEC will also establish two sub-committees: (i) Land and Water Resource Development Sub-Committee; and (ii) Livelihoods and Village Development Fund (VDF) Sub-committee. Each of these sub-committees will be managed by a team of four persons (men and women in equal number) elected by the GS-PEC. These sub-committees will be responsible for implementation of village level activities. Mobilization of community, exposure visits and capacity building activities are expected to lead to preparation of a Gram Sabha Resource Management and Livelihoods Plan (GSRMLP); a village perspective plan for five years.

32. GSRMLP will be a comprehensive resource development and usage plan for the entire landscape of the village, focusing simultaneously on enhancing resource productivity, conserving the resource base and setting in motion resource regeneration processes. Adequate time will be given to prepare GSRMLPs since communities lack exposure to alternate resource use and development regimes and may be hesitant to change management practices. GSRMLP will emerge from a participatory process to map and analyse the physical, livestock and human resources base of the village, present usage as well as potential and constraints. The iterative planning process will culminate in the drawing up of a GSRMLP once consensus in the village has been reached. The four parts of the GSRMLP will be: (i) Land and Water Resource Development sub-plan; (ii) Productivity Enhancement and Crop Diversification including irrigation sub-plan; (iii) Income Generating Activity

⁵⁴ As a rule of thumb, volume of rainwater harvested is taken as 1.5 times the run-off storage capacity created to factor in evaporation and percolation between showers.

⁵⁵ Including 36,000 households covered under JTDP

⁵⁶ An assembly of all adult members of a hamlet or settlement within a natural village.

⁵⁷ An assembly of all adult members of a natural village.

sub-plan; and (iv) Livelihood Up-scaling sub-plan. The GSRMLP after approval by the Gram Sabha will be submitted to the concerned District Project Management Unit (DPMU) for approval. The GSRMLP may be modified as needed in light of experience and periodic reviews and any such modification will have to be approved by the Gram Sabha.

33. GS-PEC will open two bank accounts, one for implementing project activities related to productivity enhancement and crop diversification, including irrigation and the other for managing a Village Development Fund (VDF) and livelihood related activities. The project has made an allocation of INR 125,000 per village to VDF for all the project villages with the exception of PTG villages. This will be provided in two instalments. A VDF of INR 250,000 will be provided to all PTG villages in the project area in five instalments. First instalment of VDF will be released immediately upon GS-PEC formation and opening of bank account. Release of subsequent instalment/s of VDF will be based on a social audit conducted by the Gram Sabha. VDF will be managed by the GS-PEC under the overall guidance from the Gram Sabha. Each Gram Sabha and its GS-PEC will be facilitated to mobilize resources as contribution into the VDF and also to make plans for utilization of these resources. The resource mobilization plan will include contribution from the land owners who benefit from the land and water resource development interventions, irrigation activities and also the beneficiaries of livelihood promotion interventions. VDF will be used to cover operating costs of GS-PEC/Gram Sabha, engagement of part-time CRPs as required, expenditure to complete land and water resource development activity for which MGNREGS funding is not available, and costs related to maintenance of community based irrigation systems.

34. **Land and Water Resource Development:** A Panchayat will be taken as the unit for planning overall interventions related to land and water resource development in order to converge with MGNREGS. GS-PECs with support from FNGOs and in consultation with Gram Sabha and Panchayat will prepare annual work plans and budgets based on the approved Land and Water Resource Development sub-plan of GSRMLP. Activities that are likely to be implemented under land and water resource development sub-plan include: (i) in-situ rainwater harvesting systems, such as contour trenches, 5% model, 30x40 model, field bunds, etc; (ii) discrete rainwater harvesting structures such as farm ponds of different sizes; (iii) large diameter irrigation wells and seepage tanks in lowland area; (iv) land husbandry activities such as land levelling, terracing, gully plugging, small check dams, low land drainage systems, etc; and (v) access roads and pathways. These annual work plans and budgets of the Gram Sabhas with detailed cost estimates will be incorporated in the annual MGNREGS plans by the Panchayat and submitted to the Block Development Officer for obtaining funds from MGNREGS. The project will provide funding for training of master CRPs from other villages to help GS-PECs to develop detailed plans.

35. **Productivity Enhancement and Crop Diversification:** As a part of the GSRMLP, a Productivity Enhancement and Crop Diversification sub-plan will be prepared, linked to activities proposed under the land and water resource development sub-plan. The activities that are likely to emerge from this planning exercise include: (i) introduction of improved techniques of paddy cultivation, including introduction of short and medium duration varieties, better seeds, seed treatment, transplanting, line sowing, etc. (ii) introduction of best practices for cereal crop production; (iii) cultivation of crops such as wheat, maize and millets to enhance nutrition security of the households; (iv) cultivation of oilseeds and pulses, especially in uplands and mid-lands and as cash crops, (v) cultivation of tuber crops, (vi) soil fertility enhancement through green manuring, liquid organic manuring and vermi-compost; (vii) construction of lift and diversion based irrigation systems to utilize water from rivers, and streams; (viii) installing irrigation systems from wells, tanks and farm ponds; and (ix) establishing micro-irrigation systems with water tanks and drip irrigation pipes in homesteads and near water bodies for vegetable cultivation.⁵⁸

36. The project will allocate funds for crop demonstrations in each village with learning events covering quality of seeds, seed treatment, crop production best practices, and adaptation of cropping pattern to suit climate change related events such as delayed rainfall, and soil fertility enhancement. The project will also make an allocation of INR 275,000 for each village to implement activities related to irrigation as prioritized by the community. GS-PECs will prepare cost estimates for irrigation

⁵⁸ Lessons and Best Practices generated by SCAMPIS (Scaling up Micro-irrigation Systems) funded by COOPERNIC, managed by IFAD and implemented by IDE in Orissa in collaboration with Orissa Tribal Development Program to address water scarcity and low soil fertility which negatively impact productivity in India will be adopted .

activities and in the event estimated cost exceeds the allocation made under the project, funding from other sources to bridge the gap will have to be sourced.

37. Attempts to improve productivity of small farmers have not yielded desired results due to the limited uptake of agricultural inputs by farmers. The main reasons are high transaction costs to procure small quantities of inputs and prevailing subsistence farming practices. Many smallholders do not have adequate draft animals to plough lands on time, the overall quality of draft animals is poor in the State and the younger generation is less inclined to participate in land preparation activities. Inadequate labour and feminisation of agriculture due to seasonal male migration puts considerable pressure on women to undertake land preparation work. Establishment of Farmer Service Centres (FSCs) is proposed to address these issues.

38. A FSC will be established in each of the selected Panchayats. The FSC will be one-stop-shop for selling agricultural inputs (seeds, fertilisers and pesticides) and for renting equipments required for cultivation such as power tiller, weeders, sprayers, etc. The FSC concept involves establishing and managing FSCs as a business unit managed by a full time FSC Representative. The project will make allocation for establishing a FSC in each Panchayat.

39. The FSCs are conceived in the context of constraints faced in enhancing farm productivity such as shortage of draft power during peak cultivation seasons, non-availability of farm implements and quality inputs, etc. The FSC will stock supplies of quality seeds, fertilizers and pesticides for sale to farmers and will also have farming equipment such as a power tiller, sprayers and weeders to be rented out to farmers. The FSC will serve all the farmers in the Panchayat, principally for production of food crops and seasonal vegetables. Whereas the Aggregation Centres in Component 3 are for the exclusive use by the Producer Groups under the market-oriented production intervention. The producers will be organised into collectives and will be encouraged to manage dedicated service facilities themselves (KSF3.5).

40. **Implementation Partners:** The project will engage TSAs with a team of Subject Matter Specialists to train and support FNGOs and CRPs in improved farming practices and cultivation of new crops. TSAs will also provide need based implementation support for setting up demonstrations. The FNGOs will mobilise farmer groups in each natural village, provide training in crop-specific improved farming practices, set up demonstrations and provide handholding support to farmers adopting new farming practices. FNGO will also facilitate the GS-PECs to identify and prioritize interventions under this component and facilitate convergence with MGNREGS and other line departments. FNGOs will also develop a team of CRPs to assist the GS-PECs in implementation.

41. **Mainstreaming Gender and Poverty Concerns:** The project proposes to establish a GS-PEC in each village. GS-PECs will comprise two members (a woman and a man) from each Tola. GS-PEC sub-committees will be managed by team of four persons comprising men and women in equal numbers. As a result, women and men will have equal rights and also equal voice within the GS-PEC to determine the priorities of the community. The poverty concerns of the PTG families are addressed through higher allocation to VDF.

42. **Sustainability:** The project plans to revitalise Tola Sabha and Gram Sabhas. The Panchayat (Extension to Scheduled Areas) Act 1996 (PESA) envisages local self-governance by Tribal people based on their customary institutions by granting powers over a wide range of governance, development and welfare functions. Building capacity in the form of mobilising SHGs, revitalising Tola and Gram Sabhas, establishing VDFs and empowering GS-PEC of Gram Sabha to implement interventions and manage funds will prepare the entire community to face the challenges of decentralization. The efforts of the project will enhance sustainability of the customary institutions and PRIs that remain largely ineffective.

C. Component 3 - Livelihood Support

43. **Rationale:** Rain-fed paddy-centred subsistence farming is presently the mainstay of tribal livelihoods, supplemented by sale of NTFP and wages from seasonal migration as unskilled labour. Opportunities for enhancing tribal livelihoods apart from enhancing the productivity of the farming system include: (i) production activities to tap demand in local village *haats*; (ii) up-scaling market

oriented farm and forest based production activities; and (iii) introducing skill based rural and urban vocations, especially among the youth. Scaling up of livelihood options requires a cluster approach to achieve economies of scale and handholding from a technically competent organization for the entire cycle covering input supply – production – output marketing. These activities will be taken up by the households that have the ability to meet activity specific pre-requisites related to availability of land, labour and water, and ability to take risk. However, the very poor households will find it difficult to participate in activities related to livelihood scaling up. These households require interventions with minimum technology inputs with easy to market production. Production activities that satisfy local demand are the ones preferred by the poorest households on account of low levels of risk associated with these activities.

44. **Expected Outcomes:** The expected outcomes from this component are: (i) enhanced incomes of participating households from income generating activities and market-oriented production per household; and (iii) reduction in distress migration and in youth unemployment.

45. **Expected Outreach:** The project will support about 43,070 households (31.5% of targeted households) with livelihood and vocational training related interventions. Income Generating Activities (IGAs), lac cultivation and vegetable cultivation contribute to about 10%, 7% and 6% of the total coverage respectively (Table 4).

Table 4: Outreach of Integrated Livelihood Support Component

Details	Coverage	
	# of hh	Percentage
Total household coverage by the project	136,000	
No. of households benefiting from Income Generating Activities	17,500	12.8
No. of households benefiting from Tasar rearing in forested areas	600	0.4
No. of households benefiting from Tasar rearing in new plantation	450	0.3
No. of households benefiting from Vegetable cultivation in clusters	8,400	6.2
No. of households benefiting from mango orchard	4,200	3.1
No. of households benefiting from Goat rearing in clusters	6,000	4.4
No. of households benefiting from lac cultivation in clusters	5,500	7.0
No. of households benefiting from Vocational Training	420	0.3
Total outreach through livelihood activities	43,070	31.5

46. This component will have four sub-components: (i) Support for IGAs; (ii) Integrated production and marketing support; (iii) Vocational training; and (iv) Innovative interventions.

47. **Support for Income Generating Activities for PTG households and other poor households:** IGAs are those that do not require systematic support in terms of backward and forward linkages. Some of the activities that will be supported by the project include: (i) backyard poultry; (ii) pig rearing; (iii) goat rearing; (iv) artisan activities; and (v) other IGAs. These activities will be targeted only to the poorest households, traditional village artisans and landless households in a village and will be taken up specifically in villages that do not offer potential for development of sub-sectors with integrated production and marketing support. The activities will be identified as part of the GSRMLP. Livelihoods and VDF Sub-committee with the approval from Gram Sabha will identify the beneficiaries and make plans for implementation. This activity will be directed towards poorest households, PTGs and women headed households. FNGOs engaged by the project will provide required training and handholding.

48. **Integrated Production and Marketing Support:** The project will support up-scaling of market-oriented production enterprises by promoting viable production clusters in successfully tested sub-sectors. The enterprise sub-sectors identified on the basis of demonstrated success in the State are intensive vegetable cultivation, goat rearing, broiler poultry, lac rearing, tasar sericulture and mango orchards. These interventions will be implemented on cluster basis to generate economies of scale and also ensure backward and forward linkages. The interventions will be in modular format and include: (i) Pre-cocoon Tasar Module- a Tasar cluster in forested areas that have adequate population of tasar host trees, comprising *arjuna* and *asana* plantations on about of 30 ha of land for rearing worms in early stages with 150 rearers, or a Tasar cluster in non-forested areas with 150 tasar rearers, and a 125 ha of *arjuna* and *asana* plantation; (ii) Vegetable Cultivation Module - a cluster

comprising a minimum of 60 ha of vegetable gardens covering about 600 farmers; (iii) Goat Rearing Module- a cluster comprising a minimum of 100 households and each household with a goat unit of five does per household and one buck shared between five households; (iv) Mango Orchard Module - a cluster comprising a minimum of 75 ha of fruit tree plantation covering 300 households; and (v) Lac Rearing Module- a cluster comprising a minimum of 50 households each possessing at least 250 *Ber* trees or 100 *Kusum* trees.

49. These modules will be replicated in the project area taking into account interest of farmers, availability of land and other prerequisites for establishment of these interventions. FNGOs and TSAs will implement these activities. Producer Group formation taking into account ability of the households to meet the pre-requisites for participation and followed by capacity building of these Producer Groups will be the initial steps in implementation. In all it is estimated that the project will promote 4 tasar forests based cocoon-rearing modules, 3 modules of tasar rearing in new plantations; 14 vegetable clusters modules (one per district), 60 modules of goat rearing clusters (two per block), 14 mango orchard modules (one per district) and 110 lac modules.

50. **Vocational Training:** The education system in India is largely designed to produce white-collar workers. GoI has initiated efforts to emphasise on vocational training. However, efforts are still largely directed towards students who have passed either secondary or higher secondary schools. Drop-out rate is high amongst tribal children in general and girls in particular before passing secondary school. Often these children lack the interest to assimilate into agriculture based livelihoods and do not have the options to learn new skills to take up other livelihoods. This needs to be addressed.

51. Agencies such as Divyayan Krishi Vigyan Kendra (DKVK) and Pan-IIT Alumni Reach for India (PARFI) have the capacity to implement vocational training with post-training placement/handholding. DKVK has the capacity to train youth in rural vocations and handhold them to establish rural service enterprises. PARFI has developed a model of organizing vocational training coupled with assured placement in the urban organized sector. PARFI partners with NGOs to identify school dropouts from poor households as trainees and with Industry Associations for placement. The project will advertise Expression of Interest to shortlist agencies that have the capacity to implement vocational training related activity with post-training placement or handholding for self-employment. The project will sign MOUs specifying the operational modalities with selected agencies. The project will make a provision to provide scholarship to the trainees and this amount can be used for selection and counselling of trainees, training and handholding/placement. The project will allocate funds to provide scholarships to the 420 Tribal boys and girls to undergo vocational training.

52. **Implementation Partners:** FNGOs will facilitate the SHGs and GS-PECs to identify the poorest households to receive training and support under IGAs. Funding for implementation of the IGAs will flow to GS-PECs based on the approved AWP&B related to Livelihood Sub-plan. TSAs selected by the project will identify suitable locations for implementing activities related to integrated production and marketing support. FNGOs will prepare detailed proposals to implement these activities. In areas where FNGOs do not have required capacity to implement integrated production and marketing activities, TSAs will be requested to prepare and submit proposals. These reports will be submitted to a Technical Resource Group comprising experts especially drawn from TSAs and State Project Management Unit (SPMU) for appraisal and sanction. The project will allocate funds for implementing these activities. Funding will be provided to the selected FNGOs and TSAs for implementation.

53. **Mainstreaming Gender and Poverty Concerns:** The project will introduce a joint ownership model for investments made in livelihood activities where it is possible under existing legal provisions. In addition, training will be imparted to both husband and wife in order to ensure that the workload of only women does not increase as a result of implementing livelihood interventions and women acquire the know-how of the activity.

54. **Sustainability:** The project provides training to beneficiaries and establishes FSCs to provide support services. This will enhance sustainability of IGAs. In case of livelihood scaling up activities, experienced FNGOs and TSAs will be engaged to provide entire gamut of services from input, production service and output marketing for implementing livelihood scaling up modules. These efforts are expected to enhance sustainability of livelihood scaling up interventions. Only organizations with

plans for long-term engagement in the project villages will be selected for participation in the livelihood up-scaling activities.

55. ***Innovative Interventions:*** The project will identify and implement innovations during programme implementation that are likely to have substantial impact on the livelihood of tribal communities. Three innovations so far identified are: (i) setting up community forestry interventions by providing Community Pattas; (ii) lac rearing on *Flemingia semialata*; and (iii) habitat planning for PTGs. These innovations, if proven successful, have the potential for scaling up.

56. ***Community Forestry:*** In collaboration with the Forest Department, the project will identify forest fringe villages eligible for grant of Community Pattas (Title deed) under Section 3(1)(i) of FRA and assist the Gram Sabhas obtain such Pattas. In addition, the project will facilitate issuance of individual pattas to eligible tribal households. The FNGOs engaged by the project in collaboration with the Forest Department will assist the Gram Sabhas to prepare and implement management plans for development of such forests for which patta has been given to the community as community forests to meet fodder, firewood and NTFP needs of the community besides improving other environmental services. The project will finance exposure visit for Forest Officials, provision of pattas and preparation and implementation of management plans in 50 villages.

57. ***Lac Rearing on Semialata:*** Lac rearing is one of the livelihood options of tribal people. Tribal communities rear lac on *Ber*, *Kusum* and *Palas* trees in the forest. These trees are tall and require more labour for inoculation and management of lac insects. Further, due to their long gestation period, it is not profitable to raise plantations with these traditional host trees. The project will support 1,000 farmers to set up plantations of *Flemingia semialata*, a bushy plant that can be raised either as a plantation or as hedgerow as an alternative host plant to rear lac. The project will engage a suitable resource organisation to provide technical inputs and handholding support and finance plantation and rearing costs.

58. ***Habitat Planning for the PTGs:*** PTG habitats continue to be in a state of abject neglect despite substantial investment through Birsa Munda Awaas Yojana and other PTG housing schemes. These interventions have neglected habitat improvement. The situation is worse in case of colonies built to relocate the PTGs. JTDS will engage a group of Community Architects to undertake habitat planning for 10 PTG villages along with preparation of cost estimates. The project will allocate funds for improving homestead, sanitation, drinking water, tree plantation and common areas. These activities will be implemented by FNGOs under the guidance of the Community Architects.⁵⁹

D. Component 3 – Project Management

59. The JTELP will support establishment of a SPMU in Ranchi headed by a SPD. S/he will be supported by an Additional Project Director, a Finance and Administrative Manager, a Convergence Manager, a Planning and M&E Manager, a NRM Manager, a Livelihoods and Knowledge Management Manager, a Community Institution and Gender Manager, two Accounts/Admin Officers and other support staff. There will be a District Project Management Unit (DPMU) in each project district. Each DPMU will have a District Project Manager (DPM), a Finance and Administrative Officer, a Planning, M&E and Convergence Officer, a NRM Officer and an Accountant. The project will support staff costs, provision of vehicles for SPMU, computers and office equipment and operating costs for both SPMU and DPMUs. Office rentals for SPMU and DPMU have also been included in the project cost but the government is expected to provide office space for SPMU. The DPMUs will be housed within the Office of the respective Deputy Commissioners and provision will be made for need based hiring vehicles.

60. The project will also fund capacity building of SPMU and DPMU staff, development of a computerised accounting system and a Management Information System. The project will allocate funds for engaging Specialist Organizations/Experts to help the project management in conceptualising various project interventions and to provide expert technical advice and support. The project will also fund contracting of specialist agencies for conducting Impact Evaluation baseline survey, RIMS baseline, Annual Outcome Surveys, Mid-term Impact Assessment Survey, Final Impact Assessment Survey and Final RIMS survey and preparation of Project Completion Report.

⁵⁹ Architects undertaking work related to village/Panchayat level planning using urban planning methodologies

61. The project will establish a three tier project coordination mechanism: (i) Project Steering Committee at the State level chaired by the Chief Secretary; (ii) District Project Coordination Committees chaired by the respective Deputy Commissioners; and (iii) Block Coordination Committees chaired by the respective Block Development Officers. Details related to project management and project coordination are provided in Annex 5 – Implementation Arrangements.

62. **Mainstreaming Gender and Poverty Concerns:** The project will facilitate development of a gender strategy for JTDS and assist in development of gender sensitive personnel policies. Similarly, all the implementing agencies will be facilitated to adopt gender sensitive personnel policies. All remaining equal, women and persons of tribal origin will be preferred for employment to project positions.

ANNEX 5: IMPLEMENTATION ARRANGEMENTS

I. INTRODUCTION

1. IFAD-funded Jharkhand Tribal Development Programme (JTDP) was conceived in 1996 when Jharkhand was still part of Bihar. JTDP has successfully demonstrated the feasibility of planning and implementing various development initiatives, especially the watershed development interventions, by Gram Sabhas. These village level bodies were able to manage funds for village development. Jharkhand Tribal Development Society (JTDS) was established to implement JTDP with a view to moving out of normal government implementation procedures by engaging NGOs for field level implementation. This apart, JTDS being a Society was able to retain unspent funds at the end of the fiscal year, enabling JTDS to start activities without waiting for budget release during the next financial year. JTDS has implemented a novel scheme of funding Project Execution Committees (GS-PECs) of Gram Sabha directly for implementation of watershed development related activities. This strategy coupled with facilitation by Facilitating NGOs (FNGOs) ensured higher levels of transparency and effective field level implementation. However, the issues related to inadequate synergy with the district administration and inadequate decentralization to the district level offices have resulted in slow implementation progress, low levels of fund utilization and fragmented implementation of activities.

2. With the birth of Jharkhand in 2000, several NGOs have established their bases in the State. Some of them have implemented large scale livelihoods related activities by adopting cluster approach to deliver required services in a cost effective manner. Under Special Central Assistance (SCA) to Tribal Sub-Plan (TSP), Special Swarnajayanti Gram Swarozgar Yojana (SSGSY) and Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), GoJ allocated funds to select NGOs for implementing both natural resource management and livelihood related activities. Some of these activities have demonstrated possible models of working with tribal communities. These require fine tuning in terms of implementation modalities for replication under the proposed Jharkhand Tribal Empowerment and Livelihoods Project (JTELP).

II. PROJECT MANAGEMENT STRUCTURE

A. Rationale

3. GoJ had established a State Project Management Unit (SPMU) within JTDS at the state level and two District Project Management Units (DPMUs) covering five districts for implementing JTDP. The Secretary, Welfare Department is the Chairperson of the Board of Directors (BoD) of JTDS. SPD is the Member-Secretary and the Deputy Commissioners of the project districts are on the Board of Directors (BoD) of JTDS. Officials of the line department are not part of the BoD of JTDS. This apart, district level project management responsibilities were not assigned to the Deputy Commissioners. As a result, functions related to approval of the resource management plans were centralised at the State level. This resulted in delays and piecemeal approach to implementation. Also, as a result the appreciation of JTDP model by district administration remained modest and limited. These weaknesses need to be addressed by reconstituting BoD of JTDS and also by delegating powers to the Deputy Commissioners for according administrative sanctions at the district level for implementing activities related to natural resource management and livelihood support.

4. JTDP built technical capacity both at SPMU and DPMU level by engaging technical staff. Each DPMU supervised activities in 2-3 districts and as a result it became difficult to effectively converge with other government programmes. In order to ensure effective convergence it is necessary to have a DPMU at each district. At the same time, it is not cost effective to build technical capacity at each DPMU. It is necessary to have technical capacity at the regional level to ensure adequate workload for the technical staff and also to achieve cost effectiveness.

5. JTDP established a two tier programme coordination mechanism. At the state level, a State level Project Steering Committee was established under the chair of Development Commissioner with Secretaries of major departments as members and the Secretary, Welfare Department as the Member-Secretary. A District Programme Coordination Committee was established with the Deputy Commissioner as the Chairperson in each project district.

6. In case of Rashtriya Krishi Vikas Yojana (RKVY), National Horticulture Mission (NHM) and MGNREGS, the Chief Secretary has the overall oversight for convergence purposes. Similarly, at the district level the Deputy Commissioners have oversight on all development activities including ensuring convergence of government funded programmes. The existing project coordination structure at the State level needs to be reconstituted with Chief Secretary as the Chairperson. However, district coordination structures will have to be strengthened and block level structures will have to be built to ensure convergence with MGNREGS and other government programme.

7. GOJ has also established Integrated Tribal Development Agencies (ITDAs) in each of the Tribal sub-plan districts and their capacity in terms of human resource is being strengthened. ITDAs are still in a formative stage and yet do not have adequate experience of working with the NGOs. This apart, the staff of ITDAs are on deputation from the government departments and it is difficult to build in flexibility with regard to engagement of professional staff required for project implementation. During the project inception stage deliberations were held as regards the suitability to have separate district level Societies with a view to decentralise project implementation activities. The need is decentralisation of approval powers and not creating new institutions at the district level.

B. JTELP Organisation Structure

8. The Department of Economic Affairs (DEA) in the Ministry of Finance will be the nodal agency at the GoI level to review and monitor project progress. Welfare Department at the State level will be the State level nodal agency for the proposed project. The project will be managed by involving JTDS, TSAs, FNGOs, District Administration, relevant line agencies, Panchayats and the Gram Sabhas of natural villages. The proposed project management structure is provided in Appendix 1.

9. **State level Project Management:** The project intends to use JTDS, an autonomous agency specially created for implementing JTDP. JTDS is outside the government line agency structure, registered under the Societies Registration Act and has its own bye laws and financial rules. JTDS has adequate authority to enter into partnership agreements/contracts with TSAs and FNGOs to provide grants and financial assistance to Gram Sabhas.

10. The project will be managed by JTDS at the State level which will be accountable to its General Council and BoD. The General Council and the BoD of JTDS will be reconstituted. The reconstituted General Council and the BoD of JTDS will comprise: (i) Secretary, Welfare Department-Chairperson; (ii) Special Secretary, Welfare department – Vice Chair (iii) SPD, JTDS-Member Secretary; (iv) Commissioner, MGNREGS-Member; (v) Deputy Commissioners of all 14 Tribal Sub-Plan Districts-Members; (vi) Mission Director, National Rural Health Mission-Member; (vii) Mission Director, National Horticulture Mission -Member; (viii) Mission Director, Jharkhand State Watershed Mission-Member; (ix) Mission Director, National Rural Livelihoods Mission-Member; (x) Director, Agriculture Department-Member; (xi) Director, Livestock and Animal Husbandry Department-Member; (xii) Director, Fisheries Department-Member; (xiii) Chief Engineer, Rural Works Department-Member and (xiv) Director, Cooperation Department-Member.

11. The BoD will be responsible for: (i) providing direction and guidance for project implementation; (ii) facilitating coordination and convergence between the project and other government programmes; (iii) reviewing and approving overall AWP&B of the project including that of project districts; (iv) formulating and revising byelaws, financial regulations and personnel policies of JTDS; (v) approving engagement of TSAs and FNGOs; and (vi) reviewing implementation performance of the project.

12. The project management responsibility will be vested with SPMU to be established within JTDS. This will be headed by a full time SPD from All India Services with about 15 years of experience. SPD will be assisted by an Additional Project Director (APD). An experienced person from agriculture/rural development background and of about 15 years of rural development experience will be recruited as APD either on deputation from relevant government department or from the open market. APD will have only programmatic functions with no responsibility related to financial approvals, cheque signing and day to day administration related functions. The need for an APD was emphasised by the Secretary, Welfare Department as it is necessary to anchor this project on a long term basis as

transfer and posting of senior officials occupying the position of SPD remains the prerogative of the government and hence difficult to assure minimum tenure.

13. SPMU of JTDS will be responsible for: (i) establishing DPMUs in each project district and recruiting staff for SPMU and DPMUs; (ii) supervising and monitoring project activities and their progress towards achieving physical, financial and outcome related targets; (iii) organizing project coordination meeting and meeting of the BoD of JTDS; (iv) preparing and submitting AWP&B after consolidating AWP&Bs of districts and 18 month procurement plan for review by IFAD and approval by the BoD of JTDS; (v) incorporating the budget requirements of the project into the overall budget of the GoJ and ensuring flow of funds to JTDS; (vi) ensuring release of funds from SCA to TSP and Article 275(1) for implementing project activities; (vii) evaluating bids, and finalizing and executing partnership agreements/contracts with TSAs, FNGOs, service providers and suppliers of goods and services for implementing various project activities; (viii) operating Project Accounts for timely release of funds to the districts, TSAs, FNGOs and suppliers of goods and services; (ix) receiving statement of expenditure and supporting documents related to fund release from districts, TSAs, FNGOs and suppliers of goods and services and keep an account of fund release and utilization; (x) preparing overall project financial statements; (xi) preparing and submitting withdrawal applications to GoI/DEA for onward transmission to IFAD; and (xii) preparing and submitting progress reports semi-annually and annually to IFAD; (xiii) establishing an effective MIS and M&E system to track project progress; (xiv) undertaking knowledge management activities; (xv) preparing RIMS data for submission to IFAD; (xvi) ensuring preparation and submission of annual audit reports and financial statements to IFAD and ensuring compliance to the audit observations; and (xvii) liaising with the State administration and line agencies to ensure coordination and convergence to facilitate project implementation. Overall, SPMU will be responsible for compliance to the stipulation of Financing Agreement signed between GoI and IFAD.(KSF3.1)

14. Staff appointments, except those on deputation, will be fixed term contracts of at least three years and the candidates will be recruited from the open-market based on professional competence, experience in implementing natural resource management and livelihoods interventions and knowledge and familiarity with the development needs of the tribal people and tribal issues. (KSF 4.3).

15. FNGOs will impart training on targeting mechanism and targeting criteria including operational procedures for identifying and implementing various livelihoods investments. The TOR of all SPMU and DPMU staff provide explicit responsibility for addressing targeting issues with respect to poverty and gender. (KSF 2.2 and KSF 2.3)

16. Persons of Tribal origin and women will be given preference subject to other things being equal. JTDS is yet to develop a set of personnel policies guiding engagement of staff. Important personnel policy related actions to be initiated by JTDS include: (i) categorization of posts and fixing a pay scale for each position; (ii) fixing leave structure and leave encashment benefits in line with societies established for managing development projects in the country; (iii) fixing travel and daily subsistence allowance structure; (iv) fixing deputation allowance to seek experienced staff from the government departments; (v) fixing provident fund and medical insurance benefits; and (vi) incorporating gender sensitive policies in recruitment. A draft manual on personnel policies is provided in the PIM.

17. The key staff of SPMU will include: (i) Manager-Finance and Administration; (ii) Manager-Natural Resource Management; (iii) Manager-Livelihoods and Knowledge Management; (iv) Manager-Convergence; (v) Manager-Community Institution and Gender; and (vi) Manager-Planning and Monitoring and Evaluation. The Manager- Finance and administration will report directly to SPD. SPMU structure is provided as Appendix 2.

18. The Manager-Finance and Administration will be responsible for: (i) budgeting and accounting of the project; (ii) release of funds in a timely manner for all activities of SPMU, DPMU, TSAs, FNGOs and GS-PECs; (iii) maintaining record of all financial matters related to the project both by category and component; (iv) preparing requests for release of funds from the state; (v) preparing and submission of withdrawal applications; (vi) ensuring that the expenditure is made within the approved budgets and seeking amendments to the AWP&B including making supplementary budget proposals, if needed; (vii) preparing financial statements, ensuring annual audit of the accounts and ensuring compliance to audit observations; (viii) supervising and inspecting finance related activities of DPMUs;

(ix) ensuring that the project funds are deployed to reach the project target group for project activities with particular emphasis on poverty and gender (x) managing all aspects related to personnel and general administration including statutory compliance, staff salary/advance payments, settlement of travel and daily allowances, and other service matters of the staff.

19. The Manager-Convergence will be responsible for: (i) preparing proposals for submission to GoI and coordinating with the Welfare Department to obtain release of SCA to TSP and Article 275(1) funds; (ii) coordinating with the Forestry Department for implementation of Community Forestry activities; (iii) coordinating with line departments for facilitating implementation of regular line department activities in the project villages; (iv) coordinating with National Rural Livelihoods Mission (NRLM), National Rural Health Mission (NRHM), Integrated Watershed Management Programme (IWMP) and National Horticulture Mission (NHM) to ensure synergy between their activities with that of JTELP; (v) undertaking survey of project villages to identify gaps in access to entitlements (Food ration from the Public Distribution System and Integrated Child Development Scheme, Old Age Pension, Birsas Munda Awas Yojana, schemes for girl children, atrocities against tribal households, etc.) and submitting reports to the SPD and following up with appropriate departments depending upon the decisions of JTDS; and (vi) facilitating the DPMU to access convergence related benefits to the project target group to address poverty and gender related issues.

20. The Manager- Planning and M&E will be responsible for: (i) consolidating and finalizing the AWP&B and Procurement plan for all stakeholders including districts FNGOs and TSAs; (ii) establishing a computerised management information system including developing formats and procedures for data collection; (iii) collating and analysing data from the DPMUs and preparing semi-annual and annual progress reports for submission to IFAD; (iv) preparing and submitting quarterly reports to the BoD of JTDS; and (v) designing questionnaire, undertaking annual outcome surveys and preparing reports based on the results of the survey; (vi) establishing systems for monitoring compliance to targeting norms of the project both with respect to poverty and gender; and (vii) preparing terms of reference for engagement of agencies and supervising the work of agencies engaged for conducting Baseline survey, RIMS baseline, Mid-term survey and Project Completion Survey and RIMS final survey to assess the impact of the project.

21. The Manager- Natural Resources Management will be responsible for: (i) acting as the focal point for seeking expression of interest, short-listing, evaluating the bids, and preparing partnership agreements/contracts related to recruitment of FNGOs and TSAs; (ii) preparing guidelines in consultation with TSAs engaged by the project for preparation of Gram Sabha Resource Management and Livelihoods Plan (GSRMLPs); (iii) assisting the TSAs to prepare training materials for training of FNGO staff, GS-PEC members, Community Resource Persons (CRPs) and Mates; (iv) reviewing and approving GSRMLP of each Gram Sabha; (v) undertaking review visits to the project villages, identifying issues related to targeting (both poverty and gender) and also issues constraining implementation and making recommendations for improving targeting and implementation performance; (vi) undertaking knowledge management activities related to natural resource management; and (vii) facilitating interagency collaboration with the department of agriculture, livestock and soil and water conservation.

22. The Manager- Livelihoods and Knowledge Management will be responsible for: (i) identifying opportunities for seeking detailed project reports from TSAs and FNGOs to implement livelihoods related activities; (ii) acting as the Member-Secretary of the Technical Resource Group charged with the responsibility of appraising detailed project reports submitted by the TSAs and FNGOs for implementing livelihood scaling up activities; (iii) undertaking review visits to the project villages, identifying issues related to targeting (both poverty and gender) and also issues constraining implementation and making recommendations for improving targeting and implementation performance of livelihood related activities; (iv) reviewing progress made by selected TSAs and FNGOs in implementing livelihood up-scaling activities and providing required backstopping and support; (v) undertaking knowledge management activities related to livelihood support; (vi) facilitating interagency collaboration with the department of agriculture, livestock, fisheries, etc.; and (vii) acting as a focal point for knowledge management activities with inputs from the Component Managers in addition to undertaking knowledge management activities related to livelihoods.

23. The Manager- Community Institution and Gender will be responsible for: (i) preparing guidelines for mobilization of community institutions (SHGs, Youth Groups and GS-PECs) in consultation with TSAs for use by FNGOs; (ii) releasing seed capital to SHGs and Youth Groups in consultation with FNGOs; (iii) providing implementation support to FNGOs and TSAs; (iv) undertaking review visits to the project villages, identifying issues related to targeting (both poverty and gender) and also issues constraining implementation and making recommendations for improving targeting and implementation performance of community institution development activities; (v) reviewing performance of selected FNGOs and TSAs in community institution development related activities; (vi) designing a gender strategy for JTDS and project partners; and (vii) undertaking knowledge management activities related to Community Institutions and Gender.

24. **District Project Management Units:** The project will establish a DPMU in each district with a small team of professionals to facilitate sanction and fund release to the project's implementing partners. DPMU will function as an outpost of JTDS in each project district. The Deputy Commissioners of project districts who are also members on the BoD of JTDS will be authorised to give administrative sanction to the detailed AWP&B of each Gram Sabha. Technical sanction where necessary for civil works /irrigation works, etc will be provided by Accredited Engineers, whose services will be secured by JTDS on mutually acceptable terms. DPMU will be authorised to release funds based the administrative sanction by the respective Deputy Commissioners.

25. The DPMU will be responsible for: (i) coordinating with FNGOs and TSAs to prepare AWP&B for the district; (ii) obtaining technical sanction for the civil works/irrigation works from Accredited Engineers; (iii) obtaining administrative sanction from the Deputy Commissioner for the AWP&B with detailed estimates; (iv) releasing funds to GS-PECs of Gram Sabha; (v) receiving utilization certificates from the GS-PECs and reconciling the accounts of GS-PECs; (vi) collecting, collating and analysing MIS and M&E data for the district for onward submission to SPMU and for providing feedback to FNGOs and TSAs; (vii) ensuring follow up of Land Water Resource Management Sub-Plan of GS-PECs at the district level to ensure funds flow from MGNREGS to Panchayats; (viii) ensuring convergence between project activities and activities of other line departments in the project villages; (ix) conducting audit of books of accounts of GS-PECs on a sample basis and submitting reports to the Gram Sabhas; (vii) maintaining books of accounts related to project expenditure of the district and prompt settlement of advances with SPMU; and (viii) ensuring compliance to audit observations. (KSF 3.1)

26. DMPUs will be located within the office of the respective Deputy Commissioner. The key staff in the DPMUs will be: (i) District Project Manager; (ii) Finance Officer; and (iii) Planning, M&E and Convergence Officer. DPMU is structure is provided as Appendix 3.

27. The District Project Manager will be responsible for: (i) coordinating with the SPMU with regard to implementation of project activities including approval of GSRMLPs; (ii) coordinating with the District Administration for approval of AWP&B of each GS-PEC; (iii) supervising field level activities of FNGOs and providing support required from the district administration; (iv) ensuring that the FNGOs comply with the targeting requirements of the project with respect to poverty and gender while selecting beneficiaries for participation in project activities; (KSF 2.1) (v) releasing funds to the GS-PECs as per the approved AWP&B of GS-PECs and based on the administrative sanction by the Deputy Commissioner; (vi) ensuring convergence between project activities and activities of other line departments; (vii) functioning as a focal point to resolve issues faced by GS-PECs and FNGOs with regard to implementation of land and water resource development activities with MGNREGS funding; (viii) reviewing field level activities in collaboration with technical team of TSA and submitting reports to the Deputy Commissioner/SPMU on a regular basis; and (ix) overall management of the DPMU as per the directions of SPD including personnel and administrative functions.

28. The Natural Resources Management Officer will be responsible for: (i) facilitating training of FNGO staff in preparation of Gram Sabha Resource Management and Livelihoods Plan (GSRMLPs); (ii) reviewing GSRMLP of each Gram Sabha; (iii) assisting the FNGO in preparation of detailed plans for natural resource management including in-situ water works and in obtaining administrative and technical sanctions for MGNREGS works; (iv) ensuring that the FNGOs comply with the targeting requirements of the project with respect to poverty and gender while selecting beneficiaries for participation in project activities; (v) undertaking knowledge management activities related to natural

resource management; and (vi) facilitating interagency collaboration with the department of agriculture, livestock and soil and water conservation.

29. The DFAO will be responsible for: (i) release of funds in a timely manner for all activities of Gram Sabhas; (ii) maintaining record of all financial matters related to the district level activities both by category and component; (iii) preparing requests for release of funds from SPMU; (iv) preparing and submitting utilization certificates to settle advances with SPMU; (v) ensuring that the expenditure is made within the approved budgets and seeking amendments to the AWP&B, if needed; (vi) preparing financial statements, ensuring annual audit of the accounts and ensuring compliance to audit observations with regard to district level operation; (vii) supervising and inspecting of TSAs, FNGOs and GS-PECs regarding project fund utilization; (viii) managing all aspects related to personnel and general administration of DMPU and (ix) ensuring that the project funds are deployed to reach the project target group for project activities with particular emphasis on poverty and gender.

30. The Planning, M&E and Convergence Officer will be responsible for: (i) consolidating and finalizing the AWP&B and Procurement plan of the district; (ii) collating and analysing district level data, entering into computerised MIS and submission data analysis reports to SPMU and the Deputy Commissioner; (iii) providing input to prepare semi-annual and annual progress reports for submission to IFAD; (iv) undertaking annual outcome surveys and collating data of the survey as required by SPMU; (v) supporting the agencies engaged for conducting Baseline survey, RIMS baseline, Midterm survey and Project Completion Survey and RIMS final survey to assess the impact of the project; (vii) facilitating FNGOs and GS-PECs to collect information on various government programmes of the line departments for dissemination; (viii) support FNGOs and GS-PECs to access funding and other benefits from the programmes of line departments; and (ix) facilitating the FNGOs to access convergence related benefits to the project target group to address poverty and gender related issues.

III. PROJECT COORDINATION MECHANISMS

A. State Level Coordination

31. GoJ will establish a state level State Project Steering Committee (SPSC) chaired by the Chief Secretary. The Secretary of Welfare Department will be the Member Secretary of this Committee. The SPSC will meet once in six months to review progress, provide overall guidance and policy support and to facilitate inter-departmental coordination specifically with regard to convergence. The members of the SPSC will include: (i) Development Commissioner; (ii) Secretary, Finance; (iii) Secretary, Rural Development; (iv) Secretary, Forests; (v) Principle Chief Conservator of Forests; (vi) Secretary, Agriculture; (vii) Secretary, Animal Husbandry and Livestock, (vii) Secretary, Horticulture, (viii) Secretary, Industry; (ix) Special Secretary, Welfare Department; and (x)SPD. In addition, SPSC will invite representatives from National Bank for Agriculture and Rural Development (NABARD) and Civil Society and Technical Experts of repute to participate in the SPSC meetings. Project coordination mechanism is provided as Appendix 4. (KSF 4.1)

B. District Level Coordination

32. The project will also establish a District Project Coordination Committee (DPCC) in each project district. The DPCC will meet quarterly to discuss the project implementation progress, constraints and remedies. The most important function of this committee is to ensure flow of MGNREGS funds to the Panchayats for implementing Land and Water Resource Development Sub-plans. This apart, convergence with other line department programmes such as RKVY, NHM, etc., will be facilitated to dovetail regular line department activities into the GSRMLPs of Gram Sabhas. The DPCC will be chaired by the Deputy Commissioner of the respective project districts and the District Project Manager will be the Member Secretary. The members of the DPCC will include: (i) District Development Commissioner; (ii) District Forest Officer; (iii) Executive Engineer, MGNREGS; (iv) District Agriculture Officer; (v) District Livestock Officer; (vi) District Soil Conservation Officer; (vii) District Tribal Welfare Officer; (viii) District Horticulture Officer; (ix) Chief Medical Officer; (x) District Welfare Officer; (xi) any other officer from the line department; (xii) District Civil Supplies Officer, (xiii) Block Development officers of project blocks; (xiv) FNGO Representative; (xv) TSA Representatives; (xvi) DFAO; and (xvii) Planning, M&E and Convergence Officer. Based on the need,

representatives of NABARD and Lead Bank will also be invited to participate in the DPCC meetings. A representative from SPMU may attend any of the DPCC meetings if and when required. (KSF 4.1)

C. Block Level Coordination

33. A Block Project Coordination Committee (BPCC) will be established in each Block of the project area. The BPCC will meet bimonthly to discuss approval and review of Land and Water Resource Development activities under GSRMLP through MGNREGS funding. This committee will be chaired by the Block Development Officer and the DPM/NRM Officer of DPMU will be the Member-Secretary. The members of BPCC will include: (i) Chairpersons of all project Panchayats in the block; (ii) All block level officer; (iii) FNGO Coordinator; (iv) Junior Engineer of FNGO; (v) Junior Engineer of Block level Rural Works Department; (vi) Rozgar Sevak of all project Panchayats; and (vii) Community Facilitators. (KSF 4.1)

IV. IMPLEMENTATION PARTNERS

A. Facilitating NGOs

34. The project will engage FNGOs for field level implementation. It is estimated that up to two FNGOs will be recruited per district. Each FNGO will be responsible for implementation in about 40 villages covering about 5 Panchayats in one block. Each FNGO will establish a field office at the block level. Staffing of each FNGO will comprise a FNGO Coordinator with Natural Resource Management background, a Junior Engineer and a Community Institution and Gender Officer. FNGOs will also engage a Community Facilitator responsible for implementation of activities in a Panchayat. In addition a part-time CRP per Gram Sabha will be engaged. FNGOs will be recruited using fixed price and quality based selection. NGOs that are engaged in natural resource management/livelihood activities in the project block/district for no less than three years will be given preference for engagement as FNGOs for project implementation. FNGOs responsible for implementation, will be imparted training on targeting mechanism and targeting criteria including operational procedures for identifying and implementing various livelihoods investments. (KSF 2.1)

35. FNGOs will be responsible for SHG mobilization, training of SHG members, facilitating SHGs to implement social sector activities, reviewing progress of SHGs in savings and credit, facilitating grading of SHGs and delivery of seed capital, mobilization of Youth Groups and planning for their activities, implementing PTG specific activities, sensitising Tola/Gram Sabha, establishing GS-PECs and their sub-committees, facilitating GS-PECs to prepare GSRMLPs, facilitating approval of GSRMLPs, preparing AWP&B of GS-PECs and detailed design for Land and Water Resource Development Sub-plan, Productivity Enhancement and Crop Diversification sub-plan and Income Generating Activity Sub-Plan and facilitating implementation of Land and Water Resource Development Sub-plan by accessing funding from MGNREGS and other sub-plans from project funding. FNGOs will also be responsible for facilitating social auditing at the Gram Sabha/Panchayat level. FNGOs will also be facilitated to prepare proposals for implementing integrated production and marketing support activities to scale up livelihood activities. These proposals will be appraised by JTDS and funding will be provided separately.

B. Technical Support Agencies (TSAs)

36. TSAs are required to train, handhold and provide implementation support to FNGOs. The key rationale is that while many FNGOs may have experience of working in the communities, most lack the technical/process know-how of forming SHGs/community mobilisation and even fewer have the know-how and experience of Integrated Natural Resource Management, Agriculture Productivity Enhancement and Livelihood Promotion. TSAs will be the ones that have field experience and technical knowledge in the above areas in the context of Jharkhand.

37. The project will engage three TSAs: one each for Northern Region comprising Godda, Sahebganj, Pakur, Dumka and Jamtara districts; Western Region comprising Simdega, Gumla, Lohardaga and Latehar districts and the Southern Region covering West Singhbhum, East Singhbhum, Khunti, Ranchi, and Saraikela-Kharsawan districts. TSAs will establish a small technical team comprising of four Subject Matter Specialists. It will comprise two Agriculture Specialists and two Agriculture Engineers/Civil Engineers with water harvesting/irrigation experience. Allocations have also been made to engage an additional Subject Matter Specialist for each region after Project Year 2.

Range of specializations that will be required after Project Year 2 include Lac, Tasar and Poultry. TSAs will be recruited through a competitive process using quality and cost based selection. TSAs with adequate capacity in natural resource management, livelihood activities and experience in Jharkhand will be given preference. TSAs will also be allowed to take up field level implementation in one of the blocks so as to demonstrate best practices to the FNGOs in the entire region.

38. TSAs will be responsible for building capacity of the FNGO staff and for providing implementation support for activities related to community institutions development, Gram Sabha Resource Management planning, and implementation of Land and Water Resources Development, Productivity Enhancement and Crop Diversification, Income Generating Activities and Innovative activities.

C. Community-based Organizations

39. **Self Help Groups:** The project will support formation of SHGs as a tool to empower the women and also to help them come out of exploitative financial relationships. SHGs will not be promoted as instruments for financial intermediation through bank linkage and formation of apex structures. In this project, SHG mobilization will be an interface activity to mobilise the community and to form next level community institutions required for land and water resource development and livelihood related activities.

40. The project intends to use SHG mobilization as a building block of community mobilization with a view to ensure participation of empowered members of the SHGs in all interventions of JTELP. GoJ is in the process of rolling out NRLM funded by the World Bank covering all the blocks and Panchayats in Jharkhand. The project will build necessary synergies with NRLM to avoid any duplication of efforts and will adopt NRLM operating procedures for identification of poor households, capacity building of SHGs, book-keeping, MIS and other aspects of SHG mobilization. NRLM design envisages aggregation of SHGs at village level and also at Block/cluster levels. As these activities will start after 3 years of SHG mobilization, JTELP will mobilize and train SHGs, provide initial seed capital during the first and second year, establish a system of audit and thereafter handover the SHGs to NRLM. (P2 and KSF 4.1)

41. Empowerment through SHG mobilization is to ensure formation of effective GS-PECs that respond to the needs of the community in general and women and poor in particular. Major changes that justify investment in empowerment are: (i) improved leadership, (ii) better governance, (iii) improved decision-making processes under multi-sector project approach; (v) better support in identifying target beneficiaries and preparing livelihood and NRM plans; and (vi) better implementation support. There is widespread evidence in Jharkhand and other parts of the country of SHGs taking up social issues affecting women's wellbeing, especially matters of violence against women, alcoholism among men, desertion of women, etc. and also participating in natural resource management activities. (KSF 3.4 and 5.1)

42. **Gram Sabha Project Execution Committees:** Each Tola Sabha will elect two members (a female and a male member) to the GS-PEC of the Gram Sabha. Gram Sabha meetings will be chaired by the traditional village leader. GS-PEC will elect a management committee comprising a Chairperson, a Secretary and a Treasurer. Elected Mukhiya of the village will be the Ex-Officio member of the GS-PEC. This management committee will be overall in-charge of the activities including opening and managing bank accounts. Rotation in the leadership of GS-PECs will be ensured by two members of GS-PEC compulsorily retiring every year. GS-PEC will also establish two sub-committees: (i) Land and Water Resource Development Sub-Committee; and (ii) Livelihoods and Village Development Fund (VDF) Sub-committee. Each of these sub-committees will be managed by a team of four persons (men and women in equal number) elected by the GS-PEC. Land and Water Resource Development Sub-Committee will be responsible for implementing all related activities with MGNREGS funding and productivity enhancement and crop diversification including irrigation activities with project support. The Livelihoods and VDF sub-committee will be responsible for VDF related activities, income generating activities and livelihood up-scaling activities (KSF3.1).

43. **Producer Groups:** Producer Group formation will start with a participatory wealth ranking and activity selection. The poorest households with limited cultivable land will be facilitated to form groups for taking up income generating activities. Households with cultivable land will be facilitated to form groups for productivity enhancement and crop diversification and also for livelihood up-scaling. The group size and composition will depend on the geographical proximity of the households, affinity amongst group members to work together, and common interest by all members to take up similar

activities. In case of livelihood up-scaling the group size will be large enough to achieve economies of scale. The Producer Groups will become the vehicle for delivery of services.

44. **Livelihood Collectives:** Livelihood up-scaling activities with a large number of Producer Groups will ultimately establish Specialized Livelihood Collectives or get integrated with the existing collectives. Mutually Aided Cooperative Societies Act provides the required Legal Framework in Jharkhand for establishing such collectives. Growth trajectory of each of these collectives includes provision of entire gamut of services to producer groups and at the same time becoming self-reliant.

45. Activity Sequencing Chart is provided as Appendix 5. (P4)

V. IMPLEMENTATION RESPONSIBILITIES

46. At project start up a State level start up workshop will be held with participation from IFAD's India Country Office and key project design consultants. This will be followed up by district level workshops organised by JTDS. These workshops will explain and discuss project objectives, strategies and processes, and will provide an opportunity to fine tune implementation plans. During the start-up workshop projects targeting approach with regard to poverty and gender will be explained to project staff to ensure compliance to these requirements. A pre-requisite for the start-up workshop will be recruitment of key staff at SPMU and DPMU and also the recruitment of FNGOs and TSAs.

47. Field level Implementation responsibility will rest with the Gram Sabhas and GS-PECs. FNGOs will facilitate implementation. TSAs will build capacity of FNGOs and supervise implementation. JTDS will be responsible for engagement of FNGOs and TSAs. JTDS will ensure fund flow, planning, monitoring and evaluation, audit and reporting related to project implementation.

48. A phased approach to implementation of JTELP will be adopted to take into account distinctiveness of the households targeted by the project. Under JTELP, interventions will be implemented in six phases: they are: (i) SHG and YG mobilization, capacity building and seed capital provision; (ii) GS-PEC formation, capacity building, VDF provision and GSRMLP preparation; (iii) implementation of land and water resource development with MGNREGS funding; (iv) implementation of productivity enhancement and crop diversification activities; (v) implementation of income generating activities; and (vi) implementation of integrated production and marketing activities. (KSF 2.5)

49. **Interventions targeted to PTG households:** The JTELP design has specified a key set of interventions that address critical issues of PTG households. As PTG households require longer duration of handholding compared to other STs, the project will be implemented in a phased manner. These are: (i) developing a part time Community Resource Person (CRP), preferably the ASHA worker conversant with local dialect of PTGs for each PTG village/tola to support the community to access entitlements such as Public Distribution System (PDS), Integrated Child Development Services (ICDS) food rations and midday meals to all eligible children, Birsa Munda Awas Yojana (Birsa Munda Housing Scheme), widow pension, old age pension and other entitlements; (ii) undertaking interface activity to gain confidence of the community; (iii) developing critical infrastructure of the PTG villages such as drinking water, water harvesting structure, repair and maintenance of well/water source, etc using VDF funds; (iv) providing solar lanterns and two large mosquito nets to each PTG household coupled with related learning events on their use and maintenance; (v) conducting health camps in the PTG villages; (vi) SHG and YG mobilization and their training; and (vii) training Village Health Workers in each PTG with adequate linkages to the referral focal points. (KSF 2.5)

50. Only after the FNGOs are able to gain confidence of the PTG households, implementation of land and water resource development activities with MGNREGS funding, productivity enhancement and crop diversification related activities, income generating activities and integrated production and marketing activities will be taken up. (KSF 2.5)

51. The project will mobilize SHGs, revitalize Tola/Gram Sabhas, and establish GS-PECs and their sub-committees. The GS-PEC and its sub-committees are responsible for planning at the village level with support from FNGOs and TSAs. This will result in a GSRMLP comprising four sub-plans: (i) Land and Water resource Management Sub-Plan; (ii) Productivity Enhancement and Crop Diversification including irrigation sub-plan; (iii) Income generating activity sub-plan and (iv) Livelihood Up-scaling sub-plan. The GSRMLP will be a perspective plan for five years and this will be sent by the GS-PEC

to the DPMU. DPMU will seek assistance from TSAs to appraise these plans and make necessary changes. These approved plans will be sent to SPMU for approval.

52. Upon receipt of approval from SPMU, FNGOs will facilitate the GS-PEC to prepare detailed AWP&B with detailed design and cost estimates. The work plan and budget related to Land and Water Resource Development Sub-plan will be submitted to the Panchayat and thereafter to the Block Development Officer to get approval for implementation under MGNREGS. The detailed AWP&B for Productivity Enhancement and Crop Diversification including irrigation sub-plan and Income generating activity sub-plan will be submitted to the respective DPMU and the same will be incorporated into the AWP&B of the district. Consolidated district level AWP&Bs will be sent to SPMU for approval for making adequate budgetary allocation. Subsequent to approval of AWP&B, the DPMU will submit detailed work plan and budget of the GS-PECs to the Deputy Commissioner to obtain administrative sanction. Thereafter, the DPMU will release funds to the GS-PEC for implementation of planned activities. DPMU for accounting purpose shall treat all releases to the GS-PEC as expenditure. However, utilization certificates will be obtained from GS-PECs certified by the FNGO to ensure proper utilization of funds released.

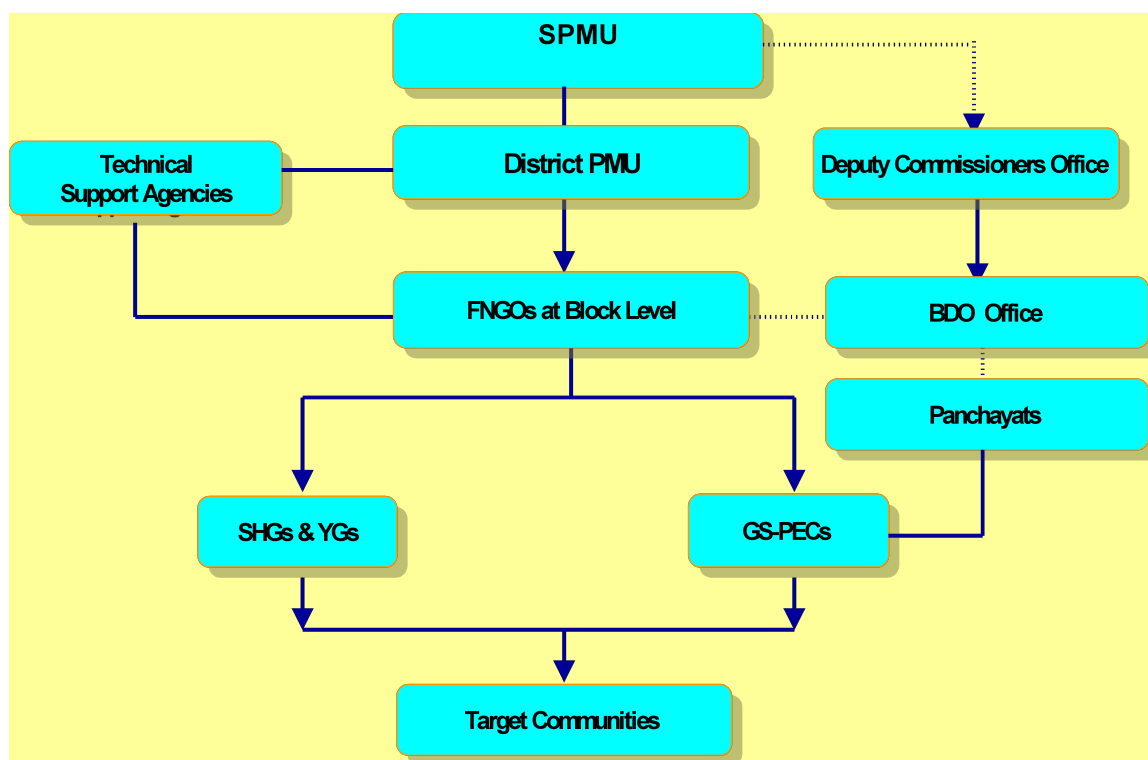
53. FNGOs will implement integrated production and marketing support activities for livelihood up-scaling based on the GSRMLP. JTDS will seek detailed project reports from FNGOs with capacity to implement various livelihood modules identified in the project design or any other viable livelihood models to reach sufficiently large number of households. In the event some of the FNGOs do not have the capacity to implement integrated production and marketing activities, TSAs will be given requested to submit proposals. The proposals received will be appraised by a committee comprising the SPMU and TSA technical staff. SPMU will directly release funds to selected TSAs and FNGOs for implementation of these activities.

54. Table 1 summarises the various funds to be established by the project to support expenditure by project community organisations and partners.

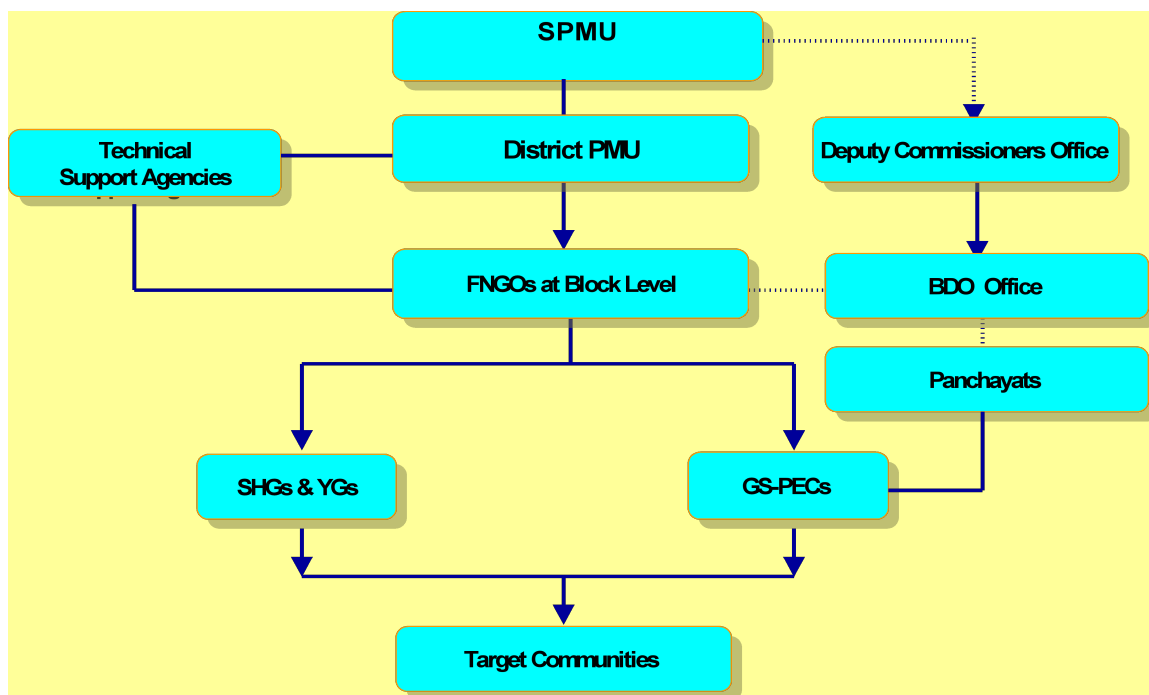
Table 1: Project funds allocated for spending by community organisations and partners

Project Component	Proposed Fund Allocation under JTELP	Fund managing legal entity	Fund Allocated per entity
Community Empowerment:	Seed Capital for the PTG SHGs	SHGs of PTG households	INR 20,000 in two instalments of INR 10,000 each
	Seed Capital for SHGs comprising other tribal households	SHG of other tribal households	INR 10,000 in two instalments of INR 5,000 each
	Fund support to youth groups	Youth groups	INR 40,000 in two instalments of INR 20,000 each
INRM:	Village Development Fund – PTG Villages	GS-PEC in PTG villages	INR 250,000 per GS-PEC
	Village Development Fund- other tribal villages	GS-PEC in tribal villages	INR 125,000 per GS-PEC

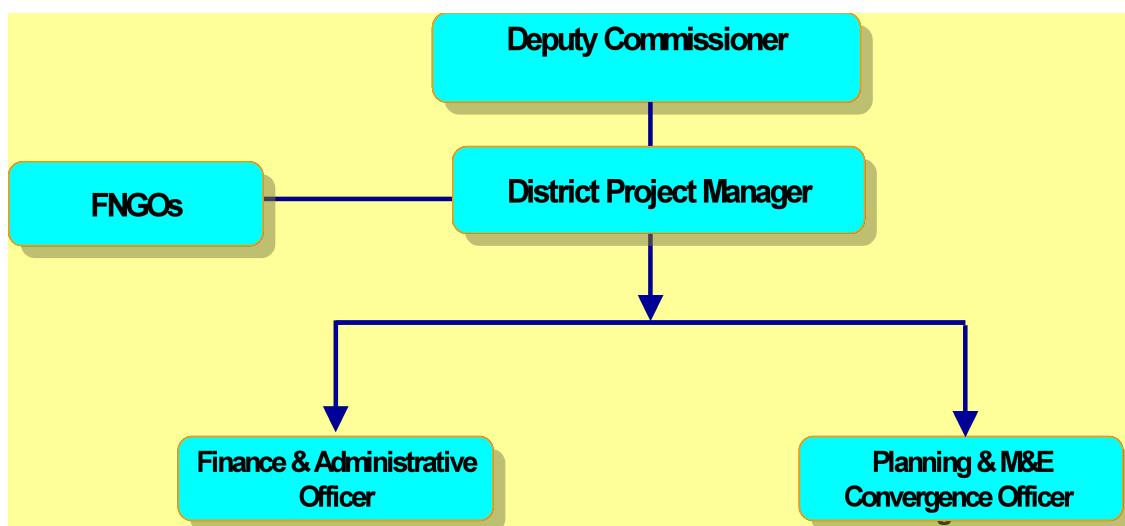
Appendix 1: JTELP Project Management Structure



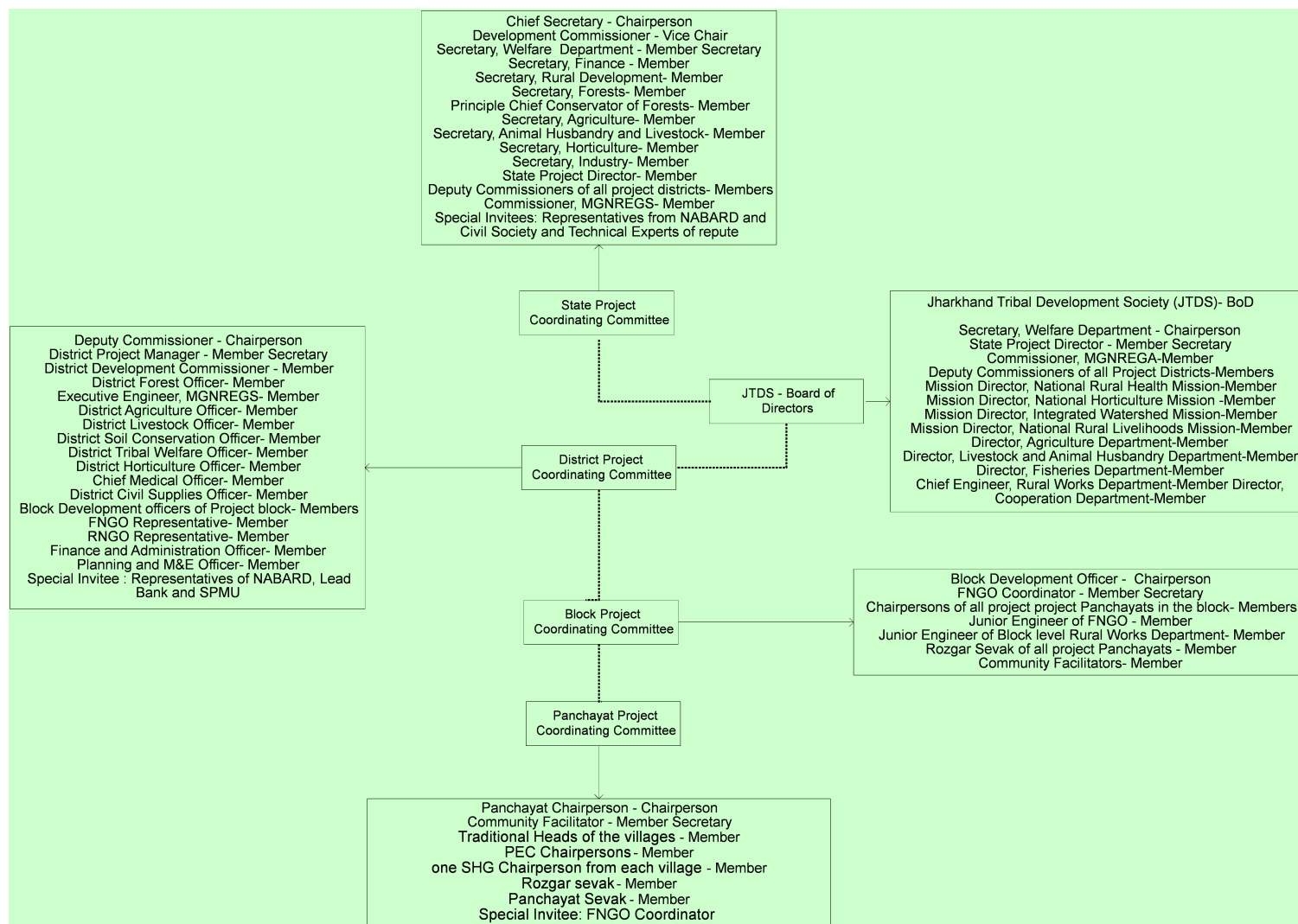
Appendix 2 – SPMU Organisation Structure



Appendix 3 –District Project Management Unit: Structure



Appendix 4– Project Coordination Structure



Appendix 5– Activity Sequencing Chart

Jharkhand Tribal Empowerment and Livelihoods Project

ACTIVITY SEQUENCE																										Area Coverage	Implementing Agency	
Component/Activity		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21																		
Amendments to bye-laws																											Project area	JTDS
Revision of HR rules																											Project area	JTDS
State Project Steering Committee																											Project area	GOJ
Project Steering Committee																											Project area	JTDS
Staff recruitment																											Project area	JTDS
Procurement of vehicles/equipment																											Project area	JTDS
RFP advertisement for FNGOs/TSAs																											Project area	JTDS
1 Community empowerment																												
Selection of Panchayats/villages																											Project area	SPMU
FNGO selection/TSAs selection																											Project area	SPMU
PRA in new villages																											JTELP villages	FNGO
GS-PEC formation																											JTELP villages	FNGO
Selection of CRPs/LRPs																											JTELP villages	FNGO
Training of CRPs/LRPs																											JTELP villages	FNGO
Promotion of SHGs																											JTELP villages	FNGO
Promotion of Youth Groups																											Project area	FNGO
Preparation of Learning aids																											Project area	FNGO
Capacity building: SHGs/YGs																											JTELP villages	FNGO
Organising Learning events																											JTELP villages	FNGO
Identification of VHW																											PTG villages	FNGO
Training of VHW																											PTG villages	FNGO
Distribution of solar lanterns to PTGs																											PTG villages	DPMU
Organising Tola/Gram sabha																											JTELP villages	FNGO
Training FNGO on INRM, MGNREGS																											Project villages	TSAs
Training CRP on INRM																											Project villages	FNGO
Training GS-PEC on INRM																											Project villages	FNGO
Recruitment/training of mates																											Project villages	TSAs
Exposure visits to MGNREGS area																											Project villages	FNGO
Providing VDF																											Project villages	SPMU
Preparation of GSRMLPs																											Project villages	FNGO
(land, crops, IGA & livelihoods)																											Project villages	FNGO
Submission of GSRMLP to DPMUs																											Project villages	FNGO
Approval of GSRMLP																											Project villages	DPMU
Opening of bank accounts by PECs																											JTELP villages	FNGO
VDF & guidelines and utilization																											Project villages	DPMU
Land /Water Development																												
Plan preparation by GS-PEC/PRI																											Project villages	FNGO
Aggregation of plans at Block level																											Project villages	FNGO
Plan approval by BDO																											Project villages	DPMU
Plan implementation																											Project villages	FNGO
Selection of beneficiaries for crop demo																											Project villages	FNGO
Crop demonstration																											Project villages	FNGO
Results analysis of demonstrations																											Project villages	FNGO
Selection of Panchayats for FSC																											Project villages	DPMU
Selection of business representative																											Project villages	DPMU
Supply of facilities																											Project villages	DPMU
Village irrigation infrastructure																											Project villages	FNGO
Income Generating Activities																												
Identification of IGA activities																											JTELP villages	FNGO
Preparation of models																											JTELP villages	FNGO
Identification of beneficiaries																											JTELP villages	FNGO
Training & capacity building																											JTELP villages	FNGO
Facilities & support																											JTELP villages	FNGO
Production & Market support																											JTELP villages	FNGO
Selection of potential villages																											Project villages	FNGO
Invitation of Proposals from FNGOs/TSAs																											Project villages	FNGO
DPR preparation by FNGOs																											Project villages	FNGO
Evaluation of DPRs																											Project villages	FNGO
Implementation of plans																											Project villages	FNGO
Vocational training																											Project villages	FNGO
Vocational training																											Project villages	FNGO
Community forestry																												
Identification of forestry fringe areas																											Project villages	FNGO
Preparation of plans																											Project villages	FNGO
Issue of community pattas																											Project villages	FNGO
Exposure visits & training																											Project villages	FNGO
Plan implementation																											Project villages	FNGO
Semialata lac development																											Project villages	FNGO
Identification of potential villages																											Project villages	FNGO
organising groups																											Project villages	FNGO
Training & capacity building																											Project villages	FNGO
Supply of inputs																											Project villages	FNGO
Results assessment																											Project villages	FNGO
Habitat development in PTG villages																											PTG villages	FNGO
Identification of villages																											PTG villages	SPMU
Selection of architects by RPF																											PTG villages	SPMU
Planning																											PTG villages	SPMU
Plan approval																											PTG villages	SPMU
Plan implementation																											PTG villages	Architects
Community groups for O&M																											PTG villages	FNGO

ANNEX 6 MONITORING AND EVALUATION

A. Planning Process

1. The planning process for JTELP will be initiated with the community at the level of the Tola Sabha by GS-PEC and NGOs. This will comprise of participatory assessment of community resources leading to development of a perspective plan for the Gram Sabha for implementing integrated NRM and livelihood prototypes for poor communities (ST, SC & PTGs) over a period of 3-5 years. These plans will be reviewed by the Gram Sabha and the Panchayat before being submitted to the respective District Management Units/ Resource NGOs. On the basis of the perspective plans the Annual Work Plans and Budget will be prepared each year from the month of October by the PECs starting with the preparation of detail project plans.

2. The SPMU will compile the AWP&Bs in the third quarter (December/ January) of each year. JTDS will request Welfare Department, GoJ to make budgetary provisions for the project based on the estimates. Thereafter, it will prepare the AWP&B and submit to IFAD along with the procurement plan for review. Based on the observations made by IFAD, JTDS will finalise the AWP&B and submit to their Board of Management for approval. A copy of the approved AWP&B along with the annual procurement plan will be sent to IFAD for the purpose of monitoring.

B. Monitoring and Evaluation

3. The Participatory Monitoring and Evaluation System will be developed and established by the SPMU in consultation with project stakeholders for the purpose of implementation monitoring, by assessing physical and financial progress, and for monitoring of results by tracking changes and processes and measuring project impact. It will be a learning tool where project participants will jointly reflect and analyse on achievements of their plans, progress of on-going activities their relevance, effectiveness, efficiency of implementation, quality of their activities, benefits accrued and overall operations and strategy. With the help of an M&E Agency the SPMU will carry out the annual outcome surveys to measure changes as a result of project interventions to take timely corrective action, and also baseline, mid-term and end-of-project impact surveys to assess the contribution of JTELP in achieving the overall goal of the project. The impact evaluation will also include IFAD's Results and Impact Monitoring System 'anchor indicators' related to household assets, food security and child malnutrition.

4. The SPMU will undertake process monitoring along with NGOs through quarterly field visits in randomly selected blocks to assess process of implementation, constraints in implementation and assess targeting and distribution of immediate benefits from project activities to different groups (disadvantaged women and PTGs residing in higher elevations). In addition, the project will commission special studies related to (a) assessment of equity, related issues and changes accruing to different beneficiary groups including PTGs as a result of integrated Natural Resources Management with the help of 'H' diagramming and other participatory tools; (b) livelihoods, environment and NRM; (c) empowerment of women; (d) vocational education and employment. The project will develop a learning system by organising monthly/quarterly internal review meetings at the 'Tolas', Gram Sabhas, Districts units and at the SPMU. It will develop an automated Management Information System for analysis of data collected at the Tolas and Gram Sabhas on a monthly basis by Community Resource Persons/NGOs to produce monthly, quarterly, half-yearly and annual reports on physical and financial progress based on annual and total project targets. The half-yearly and annual reports will also contain sections on analysis, interpretation and recommendations from process monitoring, lessons learnt and best practices.

C. Project M&E Framework

5. **Output monitoring** will measure the progress of activities and achievement of outputs against annual targets in the AWP for each project component. The output indicators in the project operational logical framework will form the basis for monitoring. Village profiles for each village where the project is working will be drawn up before work starts and provide basic human, economic and natural resource information against which progress can be measured⁶⁰. Physical and financial

⁶⁰ It is reported that the Government already has profiles for each village. These could have some useful data, but do not seem to be in a computer-accessible format.

progress reports, along with all data from village profiles, will be recorded in a computerised MIS. Wherever necessary, data will be collected disaggregated by gender and social groups (ST, PTG and SC), particularly those related to training, project support, and access to services.

6. **Participatory Monitoring and Evaluation (PME)** at the community level will involve the Community Resource Persons in the block, members of the GS-PEC of Gram Sabha and district and NGO staff. PME forums will be set up in villages/Tolas, with simple activity sequencing charts and other tools to help the communities monitor their progress, evaluate performance, assess relevance, effectiveness, efficiency, benefits accrued and identify implementation issues related to ongoing and completed interventions. The AWP&B of the GS will be the basis for participatory M&E. These forums will be also used for social audits of activities and associated expenditure involving community members and service providers. The PME process will be established with support from a national Consultant or a Resource NGO with such expertise.

7. **Process monitoring** involves monitoring the processes leading to outputs and outcomes. Specific areas where process monitoring will be useful in JTDP-2 include: effectiveness of SHG savings and lending, provision of technical and other support services, and the functioning of community organisations. Information on these may be gathered via PME, as well as from the records of community organisations. Videos will be made to describe project processes and results in a village – these can be shown in other villages to disseminate key information and messages. In addition, the project will undertake specific studies related to women's empowerment, community natural resource management and benefit of project services for disadvantaged groups such as PTG. Training effectiveness will be assessed via KAP (Knowledge, Attitude and Practice) surveys carried out each year.

8. **Outcome monitoring** measures the changes coming about as a result of project interventions. This will entail annually measuring and assessing whether the project is moving towards achieving the objective of empowering and enabling tribal communities to take up livelihood opportunities based on sustainable and equitable use of natural resources. The surveys will also collect data for 2nd level RIMS indicators. To allow comparisons to be made the surveys will be gather data from three separate sub-samples: project PTG households, other project households, and a control group of non-project households. To help measure project outcomes more precisely, it is proposed that the two project sub-samples are based on cohorts defined by the year of joining the project. If project groups are formed over a three year period, then a total of seven sub-samples, each of about 200 households will eventually be covered (year 1 PTG, year 1 other project, year 2 PTG, year 2 other project, year 3 PTG, year 3 other project, control). Additional outcome indicators may be obtained by updating village profiles. This survey will be outsourced to a M&E Organisation that will be contracted preferably for the entire duration of the project (8 years in this case).

9. **Impact evaluation** will assess the contribution of JTDP-2 in achieving the overall goal of the project. It will consist of baseline, mid-term and end-of-project surveys. This survey will be coordinated by the M&E Unit, and contracted to an external agency. Information to be collected will include the impact level indicators of IFAD's Results and Impact Monitoring System (RIMS). These include mandatory 'anchor indicators' relating to household assets, food security and child malnutrition (anthropometric data of children under five years of age). Other indicators of poverty will also be used, such as quality of housing and sanitation. Data will also be collected to relate changes in all these indicators to participation in project activities and delivery of project outputs. To provide information on the impact of the project on PTG, and to provide evidence to attribute changes to project interventions, it is proposed that the RIMS/impact survey sample is divided into three groups: (i) PTG households, (ii) other project participants; and (iii) a control group drawn from non-project villages.

D. RIMS indicators

10. The Results and Impact Monitoring System of IFAD reports annually on a number of first and second level results indicators that correspond to the output and outcome indicators. IFAD has produced a standard list of these indicators, but only some of these will apply to an individual project. Prior to mid-term review, the project will report on only the first level results, but after the mid-term report it reports on second level indicators. These second level indicators are used as evidence to

support ratings of the effectiveness and likely sustainability of each component. The third level RIMS results are the anchor indicators used for impact assessment.

E. Special studies

11. Special Studies will be undertaken before mid-term review related to the following: (i) a participatory evaluation of changes brought about by the project in the lives of women and disadvantaged groups including women's participation in household decisions, mobility, inclusion in community events, and control of assets; (ii) studies of specific sub-sectors and new technologies to assess their potential for up-scaling; (iii) a participatory evaluation and environmental audit of natural resource management, including changes in management practices, changes in access, changes in tree cover and river flows, the availability of grazing, fuel wood and other natural resources, and the functioning of local institutions in NRM; and (iv) the impact and potential for vocational training to provide opportunities for employment. These studies may be carried out by project staff or contracted to external agencies.

F. Implementation of M&E

12. SPMU headquarters staff includes an MIS and Monitoring Manager. In district project offices there will be a Planning and Monitoring Officer. These staff will be responsible for managing and coordinating monitoring of activities and outputs, and for working with partner NGOs on participatory M&E and process monitoring.

13. Capacity building of project staff will be undertaken through structured orientation training programme, refresher training, and information sharing. Orientation training will be done during induction of new staff, and the refresher training on a half yearly basis. This could be contracted to an external agency, and the project will also facilitate the establishment of partnerships with training organisations, consultants (KAP survey and PME technical assistance), and other development projects, to enhance exchange of information and mutual learning. It will facilitate the use of the IFAD M&E tool kit. Training needs assessment will be carried out on yearly basis as a part of AWP&B preparation and required funding for this activity will be allocated.

14. Technical assistance for a) KAP surveys, and b) participatory M&E will also form part of the capacity building strategy. The Planning and M&E Manager will be responsible for procuring these services in consultation with the State Project Director and IFAD India Country Office. The aim of technical assistance is to bring in expert and specialist knowledge into the project to improve the adoption of practices and knowledge imparted through training in IGA activities, and improve the process of review by community groups along with NGOs and Project Staff. KAP survey expertise will be provided by a specialist international consultant as part of Implementation Support to the project.

G. Management Information System (MIS)

15. A computerised MIS system will be established in the first year of project implementation. It will include information on village profiles, physical and financial progress, impact evaluation analysis and reports, RIMS first and second level indicator tracking, and other pertinent information. Initially the MIS may be run manually in MS Excel to create a database of key project information, and automated in the second year of the project using database software. The MIS will then be able to generate, monthly, quarterly and annual progress reports on physical and financial progress and on project outcomes. The objective will be to have an integrated system that will allow data entry and report generation at the district as well as central level.

H. Reporting and Communication

16. Common reporting formats will be used by all the districts for different activities so that there is no discrepancy in the reporting of data, compilation will be simple and timely reporting and communication. This is important to take timely corrective actions and to learn from implementation experience to further improve project management effectiveness and efficiency. Monthly, quarterly and annual reports including reports from studies will be produced by the project. For IFAD corporate reporting, Half-yearly, Annual and RIMS Progress Reports are required to be prepared.

17. Monthly Progress Reports (MPR) will be prepared from the project MIS developed to generate information at the Tolas, Gram Sabhas, and, district levels for reporting to the SPMU. Information in the report will contain component wise physical and financial progress against annual targets. This report will form the basis for monthly progress reviews at all levels.

18. Quarterly Progress Reports (QPR). Besides reporting physical and financial progress this report will contain information on difficulties encountered in implementation and corrective actions and solutions to address constraints as well as communities response to project initiated activities.

19. Half yearly and Annual Progress Reports (HR/AR) will be prepared from information compiled by the SPMU on component wise physical and financial progress, and loan category wise financial progress. The information will be generated via the project MIS and could contain summarised information from villages visited by M&E staff, findings from PME and annual outcome surveys. This will show progress towards development objectives, and also problems that are not adequately addressed degree of responsiveness of the staff of different support agencies, and usefulness of training (information from KAP surveys), benefits from soil and water conservation works, performance of commercial sub-sectors, successes and failures, gender issues and knowledge management. These reports will be prepared based on the reporting format to be included in the draft PIM (Project Implementation Manual). The SPMU will prepare the half-yearly progress report by the end of October and the annual progress report by the end of May.

20. RIMS Annual Report. The key RIMS indicators corresponding to the project components are included in the project's Logical Framework and will be reported annually by the end of December. In the first year the project information on RIMS first level indicators (list of indicators included in RIMS Handbook) associated with outputs will be reported. After mid-term review the report will include ratings of effectiveness and sustainability of 2nd level indicators, validated from the results of annual outcome surveys. A standard table will be included in the PIM for this report.

I. Learning System

21. The project learning system comprises of monthly, quarterly and annual review meetings, capturing information on progress, lessons and finding solutions for implementation constraints.

22. Monthly progress review will be done on the basis of monthly progress reports. It will include reviewing physical and financial progress at the community level by NGOs through the process of PME and by Project Staff at the district and State levels. The review will consider progress in implementation of activities leading to project outputs in terms of adequacy and timely utilisation of project resources.

23. Quarterly Review Meetings (QRMs): The quarterly progress report will be used during the QRMs at the block, district and state levels. Over and above reviewing physical and financial progress for the quarter against annual targets the project will also review the performance of NGOs and service providers, implementation constraints, document lessons, emerging best practices and decide on actions to improve implementation.

24. Annual Project Review will be carried out towards the end of the fiscal year around first week of April, to assess performance in the achievement of physical and financial progress against annual targets. In addition, review of progress towards development objectives as reflected in the Outcome Surveys will be done assessing success and failures and reasons thereof and lessons learned. Annual reviews will be institutionalised by NGOs at the community level.

25. Mid-Term Review (MTR) IFAD in cooperation with the Government will undertake a mid-term review by the fourth year of the project lifecycle to review project achievements and implementation constraints. In particular it will review the following: (i) achievement and improvements in the production systems, improvement in food security, and increase in income; (ii) improvement in natural resource management; (iii) performance of community institutions; (iv) impact of other project activities; (v) financial and procurement management; (vi) and human resources management. A mutually agreed action plan will be prepared based on the MTR findings. IFAD may appoint, in

consultation with the Government, an external agency to evaluate the impact of the project if necessary.

26. Project Completion Review: As the project reaches completion point, the SPMU will prepare a draft Project Completion Report. IFAD and the Government will then carry out a Project Completion Review based on the information in the Project Completion Report and other data.

J. Innovation in M&E tools and methods

27. The project will promote innovations in the use of M&E tools and methods. EpiSurveyor, a mobile phone based application, will be piloted in the project for collecting data for annual outcome, KAP and RIMS/impact surveys to reduce cost and increase accuracy in data collection. Trained enumerators will collect and transfer data via cell phones to a web based system for analysis and reporting.

K. Knowledge Management

28. In the first year the project will prepare a project level KM strategy in line with the IFAD India and headquarters policy on KM. The KM strategy will set out a plan to build a robust KM system for the project. This system will enable the project to generate, capture, share and disseminate relevant information and knowledge to various stakeholders in a timely manner. The project website will be used as a knowledge sharing tool, and will be linked to the IFAD Asia website. The KM team will extensively document and share knowledge generated in the project. The quarterly review meetings will be used as potential knowledge sharing venues for capturing lessons learned and best practices leading to development of related knowledge products. Key information from M&E studies, reviews and exposure visits, lessons and best practices will be disseminated through knowledge products such as newsletters, project briefs, technical manuals, working papers and case studies. Examples of innovation and good practice will also be posted on the DEA website for externally assisted projects.

Appendix-1: JTELP- M&E Matrix

Results hierarchy	Performance questions	Indicators	Data to be collected	Collection method	Responsibility
Goal Improve living conditions of tribal people and, in particular, PTGs in all Schedule Area districts.	Has the project improved living conditions for tribal people? Have PTGs, SC and women benefited equitably?	<i>Improvement in indicators of child¹ malnutrition.</i>	Gender, age, weight, height of children aged under 5 years ¹ .	RIMS+impact surveys at baseline, mid-terms and completion.	SPMU M&E unit contracts this to an external agency
		<i>Increased ownership of assets³</i>	Amount of land, number of livestock & household durables ²		
		<i>Improved housing & sanitation³</i>	Materials used in roof & floor, no. of rooms ² Water supply: type & distance ² Sanitation: type & distance ²		
		<i>Food security</i>	No. of months of food shortage ² Frequency of consumption of food groups ²		
		Income	Sources of income ² Monthly cash expenditure ² Monthly value of own food consumed ²		
		Primary Education	Net enrolment ratio in primary education Proportion of pupil starting grade -1 who reach last grade of primary		
		Delivery of project outputs	Participation in project activities ² Support received ² Value of savings and loans ²		
Development objective Empower and enable tribal communities to take up livelihood opportunities based on sustainable and equitable use of natural resources.	Are tribal communities taking up new livelihood opportunities? Are tribal communities (including women and disadvantaged) becoming more empowered?	Sources of income	Number of income sources ² Main and second sources of income ²	Annual outcome surveys	SPMU M&E unit – district M&E staff collect data.
		Increased income (expenditure).	No. of HH reporting increase in cash income ² . Amount of monthly cash expenditure ² Monthly value of own food consumed ²		
		No. of women ² reporting improved empowerment	Degree of women's participation in household decisions. Visits to market, town, clinic, relatives, Participation in community events	Participatory gender evaluation	Multi-disciplinary team – SPMU gender specialist, M&E staff, external facilitator.

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Results hierarchy	Performance questions	Indicators	Data to be collected	Collection method	Responsibility
	Has use of the natural resource base been improved? Has use of NR become more sustainable?		Ownership of assets & savings		
		No. of communities reporting secure and well managed natural resource base. No of community pattas received under FRA	Changes in natural resource management practices, changes in access, changes in tree cover and river flows, availability of grazing, fuel wood and other natural resources. Functioning of TS, GS etc. in NRM.	Participatory community evaluation and environmental audit.	Multi-disciplinary team – SPMU institutions specialist, M&E staff, external facilitator.
Outcomes					
1. Strengthened tribal communities providing effective support to their members.	Are tribal communities more cohesive? Have community institutions become effective? Are SHGs providing a useful and sustainable service? Has training and other support been effective?	No. of SHG with vibrant savings & credit, and well managed. RIMS Second Level Indicators <i>People in savings and credit Groups formed /strengthened¹</i> <i>Improved access of the poor to financial services</i> <i>Number of active borrowers¹</i> <i>Voluntary savers¹</i>	SHG membership ² , no. of savers and borrowers ² , value of net savings ² , no and value of loans disbursed ² , outstanding and overdue.	Project progress reports on functioning of SHG, TS and GS.	District level project units with data from NGOs
		No. of good functioning TS No. of good functioning GS. RIMS Second Level Indicators <i>People in community groups formed and strengthened¹</i> <i>Community Groups with women in leadership position</i>	No. of TS making decisions accepted by GS No. of GS with sub-committees, active sub-committees, tapping in resources from government schemes		
			No. of HH ³ saying they understand the functions of GS/TS, and that these are improved, active and effective.	PME or Annual outcome surveys	PME: NGO field staff, AOS: SPMU M&E unit

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Results hierarchy	Performance questions	Indicators	Data to be collected	Collection method	Responsibility
2. Land and water resources conserved and used sustainably for the benefit of tribal communities	Has the condition of natural resources improved? Have supplies of water and fuel wood improved?	Improved supplies of water, reduced soil erosion, and improved availability of grazing & fuel wood. Number of farmers with secure access to water sources. ¹ RIMS Second Level Indicators <i>Hectare of land improved through soil and water conservation methods</i> <i>Number of NRM groups operational and functional.</i>	No. of HH ² reporting improved supplies of water, reduced soil erosion, and improved availability of grazing & fuel wood. May be supported by case studies.	Annual outcome surveys	SPMU M&E unit
				Photographs of watershed in Village Profiles.	District soil & water staff
3. Improved food security and increased income from use of natural resources and off-farm employment.	Have farmers adopted improved methods resulting in increased food production? Has training been effective? Has this led on to food security being improved? Are grain banks useful? Are farmers moving to commercial farm enterprises and increasing sales? Has vocational training been successful? Have women and PTG benefited?	Adoption of improved technologies Increased production of food crops ³ People using, recovering and conserving traditional see varieties and traditional agricultural techniques. Number of traditional jobs generated by SME tribal people enterprise. Improved food security.	No. of HH ² saying adopt specific technologies. Area and yield of food crops No. of HH ² reporting food shortage, period of shortage, No. of HH ² reporting reduced period of shortage ³ .	KAP surveys Annual outcome surveys	KAP: multidisciplinary team led by M&E unit. AOS: SPMU M&E unit.
		No. of grain banks operational		Project progress reports	District project staff
		Increased production and sales of commercial products.		Annual outcome surveys	SPMU M&E unit

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Results hierarchy	Performance questions	Indicators	Data to be collected	Collection method	Responsibility
			commercial and other products, and value of these sales		
		Employment of graduates of vocational training.	No. of VT graduates ¹ gaining employment, and no. being employed in field of training.	Study of VT outcomes	Contracted to an external agency
Outputs					
1. <u>Community development</u> : establish and support three tiers of community institutions (female SHG, Tola Sabhas and Gram Sabhas) linked with Gram Panchayats.	Has the project been able to develop community organisations?	<p>SHG formation and strengthening.</p> <p>Nb. of traditional leaders involved in project initiatives Nb. of tribal people involved in project management /district units Nb. of tribal people involved in supervision and evaluation missions</p> <p>TS and GS formation and support.</p> <p><i>Community volunteers and workers trained ¹</i> <i>People trained in community management topics¹</i> <i>Community groups formed/strengthened</i> <i>Community groups with women in leadership position</i></p>	<p>No. of SHG formed and no. of members (net of drop-outs). No. of trained members¹.</p> <p>No. of TS and GS formed, no of members¹ trained.</p>	Project progress reports from NGO data	District project and NGO staff.
2. <u>Improved land and water management</u> : community planning, capacity building and physical land and water conservation measures	Has the project been able to initiate and implement land and water management?	<p>Implementation of soil and water management plans.</p> <p>Hectares of land/forest entitled and legally registered <i>Other productive infrastructure</i></p>	<p>No. of INRM plans drawn up No of INRM plans implemented (and types of works carried out) Area covered by soil and water conservation works No. and area of irrigation schemes</p>	Project progress reports	District project staff

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Results hierarchy	Performance questions	Indicators	Data to be collected	Collection method	Responsibility
with support from MGNREGA		<i>constructed/rehabilitated Land under irrigation schemes</i> <i>constructed/rehabilitated People trained in natural resources management</i> <i>Rainwater harvesting system constructed/rehabilitated</i> <i>Fish pond constructed/rehabilitated</i> <i>People in groups managing infrastructure</i> <i>formed/strengthened Groups managing infrastructure</i> <i>formed/strengthened Groups managing infrastructure with women in leadership position</i> Support from MGNREGS for natural resource development	completed. Days of employment ¹ generated in implementation		
3. <u>Livelihood support</u> : Implement food security plans for tribal communities and PTGs, establish village grain banks, sub-sector promotion for income generation, vocation training for young people, and innovative interventions.	Has the project been able to mobilise farmers and provide support for food and commercial production? Have grain banks been established? Has vocational training been implemented? Has the project made any innovations?	Mobilisation of farmer groups Support for food production Village grain reserves New technologies introduced Amount of training in agriculture and other livelihoods Community service provision. Scale of vocational training Scope of innovation programme. Number of Prototypes adopted and developed. Number of TSP scheme activities implemented Number of SCA scheme	No. of CIG formed and no. member ¹ No. of food security/PTG plans implemented No. of grain banks established No. of new technologies introduced, including no. of demonstrations and technology testing. No. of people ¹ trained in agriculture and other livelihoods No. of Village Resource Persons ¹ trained and supported No. of youth ¹ completing VT. No. of innovation sub-projects and numbers of people involved.	Project progress reports	District project staff

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Results hierarchy	Performance questions	Indicators	Data to be collected	Collection method	Responsibility
		activities implemented <i>People trained in IGA¹</i> <i>People receiving vocational training.¹</i> <i>People trained in business and entrepreneurship.¹</i> <i>People trained in crop production technology¹</i> <i>People trained in livestock production¹</i> <i>People receiving facilitated advisory services¹</i>			

¹ indicator disaggregated by gender, tribe and caste, ² indicator disaggregated by gender of household head, tribe and caste, ³indicator reported in terms of number of HH reporting change and size of change.

ANNEX-7: FINANCIAL MANAGEMENT AND DISBURSEMENT

1. **Financial Management:** JTDS has Financial and Administrative Regulations, approved by its Board. The Appraisal Mission reviewed the existing system of financial management as also the financial regulations. The shortcomings of the existing system are proposed to be overcome by amendments to these regulations as also prescription of suitable formats and procedures for simplification and expediting the funds flow, recording and reporting aspects. Draft amendments are provided in Appendix 1.

2. **Books of accounts:** The project will maintain accounts and records in accordance with internationally accepted accounting standards to the extent they are compliant to the accounting standards prescribed by the Institute of Chartered Accountants of India and the requirements of GoI and GoJ to reflect the operations, resources and expenditures related to the project until the Financing Closing Date, and shall retain such accounts and records for at least ten (10) years thereafter. A draft financial regulations for JTDS, accounting manual and terms of reference of key staff has been prepared for use by the project and the same has been provided as a part of PIM (Recommendation 2 and 6 of FA Assessment)

3. The project will maintain its accounts in accounting software, preferably "Tally" as is being currently used by the JTDS. An updated version of "Tally" will be installed in SPMU and 14 DPMUs. The books of accounts will be maintained by each district office of JTDS and consolidated at the SPMU. Double entry accounting system will be used and cash basis of accounting will be done in accordance with the International Public Sector Accounting Standards (IPSAS-Cash). A uniform structure of accounts shall be prepared by the Finance and Administration Manager (FAM) at the SPMU which will group the accounts by the Components and sub-components. The ledger accounts shall be based on the activities to be carried out. The grouping of each account shall be carefully done so that all expenditure under a component can be easily generated from the software. The FAM and the DFAO shall also make use of the Cost Centre facility available in the software. The Categories of expenditures and the Financiers shall be used as Cost Centres. This will enable the project to generate expenditure statement by category and by financier. The facility of Grouped Accounts – clubbing of the SPMU and DPMU accounts shall be made use of. This will help in consolidation of accounts at the SPMU level. Monthly Accounts from DPMUs will be consolidated at the SPMU and then a consolidated monthly Trial Balance will be generated for JTDS as a whole.

4. Training from the software vendor should be obtained to understand various features of the software and consequently to optimally utilize it. If required, customization may be sought from the vendor to generate reports in the formats required by IFAD. The customized Tally software will be implemented at all levels of JTDS. The project will undertake required customization to automate the project accounting, reporting and withdrawal application/statement of expenditure generation. Customization will include rigorous password mechanism and non-possibility for amendment of audited records (Recommendation 11 of FA Assessment). The project will initially provide a thorough functional and technical training during the first year of operation to ensure full understanding of the programme and best fiduciary practices and IFAD financial procedures followed by a regular refresher training at least once a year (Recommendation 3 and 6 of FA Assessment). The project shall prescribe formats for books of accounts and other records required to be maintained by the beneficiaries such as the SHGs, PTGs and GS-PECs.

5. **Financial Personnel – Roles, Responsibilities and Reports:** The SPMU shall have a Finance & Administration Manager (FAM) who will report directly to the SPD. S/he will be responsible for the financial management of the project. He/she will maintain centralized books of accounts of the project, compile accounts of the DPMUs and submit Withdrawal Applications to CAA&A amongst other duties listed in his/her TOR (included in the PIM). The FAM will be assisted by two Accountants. S/he will also ensure legal compliances such as filing of TDS and income tax returns, filing of annual audited accounts with the Registrar of Societies. Each DPMU will have one DFAO who will be responsible for financial management of the project at the district level. The DFAO will also be responsible for accounting matters relating to the project including book keeping, financial reporting, coordination with auditors and internal auditors, vendor payments, bank reconciliations and bank operation, funds flow to NGOs, GS-PECs sub accounts, monitoring of expenditure against budgets, preparation of monthly expenditure statements. DFAO will be assisted by an Accountant. The detailed

terms of reference of key staff are provided in PIM. The project staff will be provided multi-year contract and extension of contract linked to performance assessment. A manual on personnel policies and procedures has been prepared and provided as a part of PIM. The project has made an allocation for building capacity of SPMU and DPMU staff including training of staff in financial management (Recommendation 1 and 5 of FA Assessment)

6. The DFAO at the DPMUs shall send monthly statement of accounts to the SPMU in soft copies in prescribed formats, along with a signed hard copy, which shall include expenditure by components up to the previous month, the expenditure for the month, the total expenditure up to the month, the AWP&B for the year and the shortfall up to the end of the month. The DFAO shall also send a statement of expenditure by Categories which shall include the amount spent up to the previous month, the amount for the month, the total expenditure up to the end of the month and a break-up indicating IFAD share and Govt contribution. The DFAO shall send a backup of the data of the accounting software to the FAM for consolidation purposes.

7. **Asset Management:** Proper record of fixed assets shall be maintained at the SPMU and the DPMUs which shall include the date of purchase, the specification, the unique identification number, the location and the cost. The fixed assets shall be physically verified at least once in a year and the evidence thereof shall be recorded in the asset register. All assets procured by the project shall be adequately insured. The project will undertake regular inventory of fixed assets. The asset registers will be regularly reconciled with the books of accounts (Recommendation 12 of FA Assessment).

8. **Funds flow-to the Project:** JTELP-SPMU will use a single project bank account, segregation of sources and use of funds will be maintained at ledger level. Disbursement of funds from SPMU project bank account to DPMUs will be executed through bank transfers. Internet banking with “read only” rights both for the SPMU bank account and for the DPMUs bank accounts will be established where feasible. Bank accounts will be operated jointly by the SPD and the FAM at SPMU level and between District Project Manager and DFAO at DPMU level. (Recommendation 4 of FA Assessment) The project will be funded from four sources: IFAD, GoJ contribution to JTELP, GoJ funds from Article 275(1) and SCA to TSP budget and contributions from beneficiaries.

- a) **IFAD Funds:** Proceeds of IFAD loan funds will be disbursed using one of the following four methods: (i) advance withdrawals or replenishments to the bank account(s) designated to receive loan resources; (ii) direct payment; (iii) Special Commitment (under letter of credit); and (iv) reimbursement. The Designated Account will be maintained in Reserve Bank of India and operated by the authorized representative(s) of the Ministry of Finance, GoI. IFAD will make an initial advance to an extent of 10% of the IFAD loan amount into the Designated Account and then replenish the Designated Account on the basis of Withdrawal Applications submitted by the project through the State Government to the CAA&A, GoI. IFAD's share of funds reimbursed to the GoI will flow to GoJ through the prescribed national procedures.

b) Counterpart Funding

- (i) **Budgetary Allocations:** The SPMU of JTDS will be responsible for preparing the AWP&B for the project by consolidating the AWP&Bs of all DPMUs which will be based on GSRMLPs. This will be submitted to the Welfare Department for onward transmission to the Finance Department of GoJ. The AWP&B (net of beneficiary contribution and GoJ funds from Article 275(1) and SCA to TSP) will be included as a line item in the budget of the Welfare Department for Grant-in-Aid and will be presented for legislative sanction from the State Assembly. Fund will flow from the Welfare Department to the JTDS bank account as Grants-in-Aid in one or two tranches once the annual State budget is approved by the State Assembly. Since the funds from the GoJ will be by way of Grants-in-Aid, the Treasury will not insist on certification of the Accountant General's Office for the release of funds, which is the practice at present in the case of JTDP, which entails production of all original bills and vouchers before such certification.

- (ii) **Article 275(1) and SCA to TSP:** Welfare Department of GoJ will have a separate budget allocation for Article 275(1) and SCA to TSP and these funds will be released by the Welfare Department to JTDS bank account in one or two tranches as per the projections in the approved AWP&B. JTDS will release funds to the DPMUs depending upon the approved AWP&B for implementation of project activities.
- c) **Beneficiary Contribution:** The DPMUs shall evolve a system to collect information in respect of beneficiary contribution to the project on a regular and on-going basis. This could form part of the reporting system by the FNGOs to the DPMUs. The utilization certificates of funds disbursed, for activities which involve beneficiary contribution could be used as a basis for accounting for beneficiary contribution.
9. **Funds flow – within the Project:** Initially the SPMU shall provide an advance to the DPMUs to cover the expenditure for six months based on their AWP&B. The DPMUs shall submit monthly statements of expenditure to the SPMU. The DPMUs shall seek replenishment of the amount spent when it has utilized at least 50% of the amount advanced earlier. The SPMU shall then follow the imprest method of financing i.e. whatever amount has been spent by the DPMU shall be reinstated to them. In such a case there will be no shortage of funds in one DPMU and excess funds lying in another DPMU. The DPMUs will fund GS-PECs and all other activities at village level.
10. The SPMU shall follow a similar practice for release of funds to the FNGOs. Initially an advance of three months will be provided to the FNGO which shall be replenished on submission of the utilization certificate at the end of each month. On receipt of such a statement the actual amount utilized or the amount due to the FNGO for the month, whichever is less shall be reimbursed. The FNGOs shall submit utilization certificate for every six months to the SPMU duly signed by the Project Co-ordinator and certified by their auditors within a period of three months from the end of the half year. All FNGO utilisation certificates will be endorsed by the respective DPMs prior to replenishment of funds to FNGOs.
11. The FNGOs shall maintain separate bank accounts in respect of funds received from the project and the amounts utilized towards the project activities. A copy of such bank account statement shall be submitted to the DPMUs every quarter along with the utilization certificate. The project staff or any person authorized by it and its financiers shall be entitled to verify the books of accounts and all supporting documents and records of the FNGOs in respect of the project expenditure.
12. **Financial Statements:** The financial statements of the project will be prepared in accordance with International Accounting Standards. The financial statements of the project for each fiscal year should consist of (i) yearly and cumulative statements of sources and application of funds, which should disclose separately IFAD funds, Govt funds and beneficiaries funds and (ii) the Balance Sheet which should disclose bank and cash balances that agree with the statement of sources and application of funds, fixed assets and liabilities; and (iii) Yearly and cumulative SOEs by withdrawal application and category of expenditures. JTDS shall prepare and deliver to IFAD such financial statements within three months of the end of each Fiscal Year. The aforesaid statements duly audited should be delivered to IFAD within six months of the end of each Fiscal Year.
13. **Reporting:** The following reports / other financial information need to be furnished.
- a) The Borrower/Recipient and the Project Parties shall promptly furnish to IFAD such other reports and information as IFAD shall reasonably request on any financial matter relating to the Financing or the project or any Project Party.
 - b) The Borrower/Recipient shall promptly inform IFAD of any condition that interferes with, or threatens to interfere with, the maintenance of Loan Service Payments.
 - c) The Borrower/Recipient shall promptly furnish to IFAD all information that it may reasonably request with respect to financial and economic conditions in its territory, including its balance of payments and its external debt.

14. **Taxation:** The proceeds of the financing may not be used to pay taxes. All taxes are to be borne by the Government.

15. **Financial Standard Operating Practices:** The Mission has reviewed the following Manuals and has tabulated its findings below.

Manual

Comments	
Memorandum of Association of the JTDS	The objects need to be amended to include the activities of the current project, JTELP
Rules and Byelaws of the JTDS	Need to be amended in accordance with the structure of the current project
Financial and Administrative Regulations of JTDS	Need to be amended in accordance with the current project design.

16. **IFAD's FM Support:** Since the overall financial management system of JTDS viz. record keeping, reporting, internal controls, fund flow, procurement and preparation of withdrawal applications need to be improved upon, IFAD may provide financial management support to the project during the initial project implementation period. The support will be in the nature of mentor and facilitator. This will be also required since the proposed project will cover new and more districts than the current project and consequently there will be new staff members who may not be familiar with the project systems and IFAD's requirements. Such support is envisaged in the first year of project implementation and thereafter only when requested by the PDs and/ or IFAD Supervision Missions/ CPM. The level of support to be provided to the project will be decided by the IFAD CPM in consultation with the Project Director.

17. **Audit:** The accounts of the project (JTELP) for each Fiscal Year shall be audited by independent auditors acceptable to IFAD. The audit shall be in accordance with Article 9 of the IFAD's General conditions and the IFAD's *Guidelines on Project Audits*. The appointment of the auditor shall be through a fair, transparent and competitive process. The SPMU shall prepare a TOR for the selection of auditors and send it to IFAD for approval. The TOR shall follow the IFAD Guidelines on Project Audit (which also includes a template for the project's consideration) and Auditor's TOR will have to be confirmed by IFAD on an annual basis. . On receipt of the approval, the SPMU shall conduct the selection process and convey to IFAD the name of the auditor appointed and the selection process adopted. The agreed time frame for appointment of the auditor in accordance with the financing agreement shall be adhered to. The methodology used for procurement of audit services will consider both quality of service providers (number of staff, experience, qualifications, etc.) and the cost. Best option will be 70% weight to quality, 30% weight to cost. Contracts will be awarded for more than 1 year but with confirmation of the assignment based on satisfactory performance. The companies contracted for external audit purposes will not be eligible for the award internal audit contracts (Recommendation 10 of FA Assessment).

18. The auditors shall adopt Standards of Auditing acceptable to IFAD and the GoI while auditing and reporting on the Project Accounts. The audit report shall contain a clear expression of the auditor's opinion regarding the financial statements. It should include a financial statement's audit, a compliance audit and a Management Letter. It should also include a section on the project's compliance with loan covenants, particularly those dealing with financial matters. The auditor shall review the project accounts including the financial statements and the SOEs and give an opinion on the same. In addition, the audit report shall address: (i) the adequacy of accounting and internal controls, including the internal audit mechanism, for monitoring expenditures and other financial transactions and ensuring safe custody of the project assets; and (ii) the adequacy of documentation maintained by the project for all transactions. Through the management letter, the auditor will identify deficiencies in the project accounting records, procedures, systems and internal controls and make appropriate recommendations for improvement. It will also include any significant matters that come to the auditor's attention and might have a material impact on project implementation. The auditor shall discuss and include the replies/comments of the project in the final report.

19. The audited statement of accounts along with the audit report and the Management Letter shall be furnished by the project to IFAD within six months of the end of each Fiscal Year. The auditor shall discuss and include the replies/comments of the project in the final report. In the alternative, the

project shall submit the reply to the management letter of the auditors within one month of receipt thereof. The project shall maintain an Audit Log in respect of the audit observations and get it validated by the auditor during the subsequent audit or earlier.

20. **Internal Audit:** The project will appoint independent Chartered Accountants to undertake internal audit at all implementing levels from the first year of its operations. The company (or the companies) which will perform internal audit activities will visit all the DPMUs on a regular basis. The methodology used for procurement of internal audit services will consider both quality of service providers (number of staff, experience, qualifications, etc.) and the cost. Best option will be 70% weight to quality, 30% weight to cost. Contracts will be awarded for more than 1 year with possible extension subject to satisfactory performance. (Recommendation 7 of FA Assessment) The companies contracted for internal audit purposes will not be eligible for the award external audit contracts (Recommendation 8 of FA Assessment). Internal Auditor will report directly the SPD and status of internal audit will be included as a permanent item of the agenda of Board of Directors. The project will provide internal audit reports produced to the CPM, the ICO and CFS (Recommendation 9 of FA Assessment).

21. The internal auditors will, besides the financial audit, will review the systems of internal control and suggest improvements, if required, thereto. The internal audit should also include statutory compliances. The terms of reference for the internal audit are included in the Project Implementation Manual. The TOR will include key aspects of financial management and procurement. The internal auditors will submit quarterly reports to the SPD and IFAD CFS. Corrective follow up action shall be taken by the FAM at the SPMU and the DFAO at the DPMUs. The action taken report shall be submitted to the SPD and the internal auditors. The internal auditors will evaluate action on previous internal audit reports, and effectiveness thereof and report on the compliance thereof in the subsequent report. The quality of internal audit reports submitted by the internal auditors in the first year of implementation will be reviewed by the Review Mission/ IFAD ICO and if these reports are found to lack quality, JTDS may be requested to make alternate arrangements, acceptable to IFAD, for conducting the internal audit in later years.

22. **Withdrawals from the Loan Account:** Between the date of entry into force of the Financing Agreement and the Financing Closing Date, the Borrower/Recipient may request withdrawals from the Loan Account of amounts paid or to be paid for Eligible Expenditures. IFAD shall notify the Borrower/Recipient of the minimum amount for withdrawals.

- a) No withdrawal shall be made from the Loan Account until the first AWP&B and the procurement plan for the first eighteen months has been approved by IFAD and it has determined that all other conditions specified in the Financing Agreement as additional general conditions precedent to withdrawal (if any) have been fulfilled. The Financing Agreement may also establish additional specific conditions precedent to withdrawal applicable to particular categories or activities. Withdrawals to meet the costs of starting up the project may be made from the date of entry into force of the Agreement, subject to any limits established in the Financing Agreement. In this connection, the following additional provisions need to be kept in mind.
- b) When the Borrower/Recipient wishes to request a withdrawal from the Loan Account or a Special Commitment, the Borrower/Recipient shall deliver to IFAD an application in the form specified there for by IFAD, together with such documents and other evidence in support of such application as IFAD shall reasonably request.
- c) The Borrower/Recipient shall furnish to IFAD satisfactory evidence of the authority of the person or persons authorised to sign such applications and the authenticated specimen signature of each such person. Under the provisions of the General Conditions (Article IV, section 4.04(b)), IFAD requires the Borrower's (or recipient's) representative, as designated in the financing agreement, to furnish satisfactory evidence of the authority and authenticated specimen signatures of the individuals who will sign WAs on behalf of the Borrower. This evidence must reach IFAD before the first WA is presented by the Borrower and should be the original (photocopies, facsimiles or other means of transmission are not acceptable). A sample template is provided in Annex 1 of the Loan

Disbursement Handbook. In order to avoid delays in disbursements, this documentary evidence should be furnished to IFAD as soon as possible after entry into force of the financing agreement. Each WA should be signed by such duly authorized individuals, and IFAD must be notified of any change in the signatories authorized to withdraw funds from the loan account. IFAD must also be notified of the designated signatories for operating any designated and/or programme or other accounts, including changes thereto, whether or not these authorized signatories are included in the financing agreement. Such changes, as effected during the life of the project, must be communicated promptly to IFAD. The Borrower should provide the names and specimen signatures of the newly appointed signatories and include the date when such change is to take effect. The original of such changed documentary evidence is to be provided to IFAD. If the authorized signatories have been specified in the financing agreement, a change in authorized signatories shall constitute a need for modification of the financing agreement, and such amendment will need to be effected quickly so as to ensure uninterrupted processing and expeditious payment of WAs.

- d) Each such application, and the accompanying documents and other evidence, must be sufficient to satisfy IFAD that the Borrower/Recipient is entitled to such withdrawal or Special Commitment.
- e) If the Borrower/Recipient requests a withdrawal from the Loan Account for amounts to be paid thereafter for Eligible Expenditures, IFAD may, before transferring such amount to the Borrower/Recipient, require that the Borrower/Recipient provide evidence satisfactory to IFAD showing that previous withdrawals have been properly spent for Eligible Expenditures. IFAD may place reasonable limits on the amount that the Borrower/Recipient may withdraw in advance or the overall balance of such advance withdrawals, and may require that such amounts be held in a freely convertible currency and/or be held in an account designated for that purpose in a bank acceptable to IFAD.
- f) Items to be financed are usually grouped into categories of expenditures and are shown as a schedule in the financing agreement. The financing schedule presents the amount allocated to each category and subcategory, and the percentage of financing of eligible project expenditures as assessed at the time of project design and approved by IFAD. Reallocation of funds from one category to another may be allowed, unless the financing agreement prohibits this. During project implementation, should the need to reallocate financing resources among categories of expense arise, such reallocation will be processed in the applicable schedule(s) to the financing agreement after prior consultation and agreement between the Borrower and IFAD.
- g) Although Withdrawal Applications have to be forwarded to IFAD under signature of the Borrower's authorized signatory, the application will be prepared by the SPMU on the basis of reimbursement claims received from the DPMUs.
- h) Detailed withdrawal procedures, forms and templates are available in IFAD's Loan Disbursement Handbook and IFAD Loan Administration Manual which will be provided to the project as part of the Start Up Kit.

23. **Eligible Expenditure:** The Financing shall be used exclusively to finance expenditures meeting each of the following eligibility requirements:

- a) The expenditure shall meet the reasonable cost of goods, works and services required for the project and covered by the relevant AWP&B and procured in conformity with IFAD's Procurement Guidelines.
- b) The expenditure shall be incurred during the Project Implementation Period, except that expenditures to meet the costs of winding up the project may be incurred after the Project Completion Date and before the Financing Closing Date.
- c) The expenditure shall be incurred by a Project Party
- d) If the Agreement allocates the amount of the Financing to categories of Eligible Expenditures and specifies the percentages of such Eligible Expenditures to be financed

by the Financing, the expenditure must relate to a category whose allocation has not been depleted, and shall be eligible only up to the percentage applicable to such category.

- e) The expenditure shall be otherwise eligible in accordance with the terms of the Financing Agreement.
- f) IFAD may from time to time exclude certain types of expenditure from eligibility.
- g) Any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, shall not be eligible for financing by the Financing.

24 Any payments to a person or an entity, or for any goods, works or services, if making or receiving such payment constitutes a coercive, collusive, corrupt or fraudulent practice by any representative of the Borrower/Recipient or any Project Party, shall not be eligible for financing by IFAD.

25. **IFAD Policy on Anti-Corruption and Fraud:** IFAD's policy to require that the staff of IFAD, and (including beneficiaries of IFAD loans) as well as all bidders, suppliers, contractors and consultants under IFAD-financed contracts observe the highest standard of ethics and integrity during the procurement and execution of such contracts. Mechanisms for the whistle-blowers to access IFAD systems are provided at the following link: <http://www.ifad.org/governance/anticorruption/how.htm> (Recommendation 12 of FA assessment).

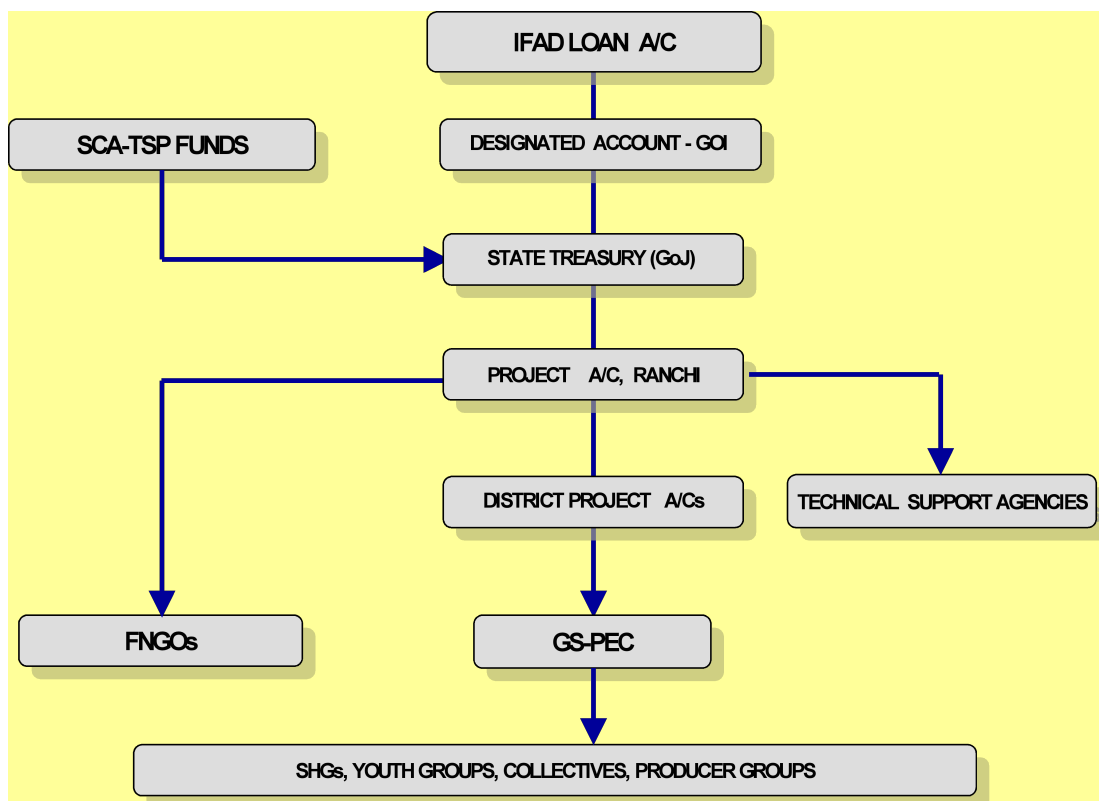
Appendix-1: AMENDMENTS PROPOSED TO THE FINANCIAL AND ADMINISTRATIVE REGULATIONS OF JTDS

Sl. No	Chapter	Clause	Type of change	Particulars
1	IV	4	Addition	In case of vacancy of the post of DPM, the senior most officer of the DPMU will hold charge with all powers of the DPM till such time that the vacancy is filled up.
2	IV	5	Addition	Ensuring compliance with legal and statutory requirements such as filing of TDS and income tax returns and filing of annual audited accounts with the Registrar of Societies.
3	V	4	Addition	The project will maintain its accounts in accounting software 'Tally'. The books of accounts will be maintained by each district office of JTDS and consolidated at the SPMU. The accounting will be a double entry accounting system and will use the cash basis of accounting. A uniform structure of accounts shall be prepared by the Finance and Administration Manager (FAM) at the SPMU which will group the accounts by the Components and sub-components. The ledger accounts shall be based on the activities to be carried out. The grouping of each account shall be carefully done so that all expenditure under a component can be easily generated from the software. The FAM and the Accountants shall also make use of the Cost Centre facility available in the software. The Categories of expenditures shall be used as Cost Centres.
4	V	4	Addition	Whenever accounting personnel are appointed, they will be trained in the accounting software and the project record keeping and reporting requirements.
5	V	4	Addition	The DFAO at the DPMUs shall send quarterly statement of accounts to the SPMU in soft copies in prescribed formats, along with a signed hard copy, which shall include expenditure by components up to the previous quarter, the expenditure for the quarter, the total expenditure up to the quarter, the AWP&B for the year and the shortfall up to the end of the quarter. The DFAO shall also send a statement of expenditure by Categories which shall include the amount spent up to the previous quarter, the amount for the quarter, the total expenditure up to the end of the quarter and the split up into IFAD share and Govt contribution. The DFAO shall send a backup of the data of the accounting software to the FAM for consolidation purposes.
6	V	5	Replace first sentence	The account of JTDS will be audited by a Chartered Accountant appointed through a fair, transparent and competitive process. The terms of reference of the auditor shall follow IFAD approved Audit Terms of Reference. Draft TOR is given in PIM. The auditors shall adopt the International Standards of Auditing while auditing and reporting on the Project Accounts.
7	V		Addition	JTDS shall appoint a Chartered Accountant through a fair, transparent and competitive process as Internal Auditor to conduct the internal audit of the SPMU and the DPMUs in accordance with the terms of reference given in the PIM.

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8	V	7(1)	Replace	Print out of Cash book, Bank Book and Journal entries on monthly basis shall be taken out and filed in a separate file.
9	V	7(5)	Modify by addition	The FAM shall take a print out of the bank reconciliation statement every month giving therein the date of the transaction, the particulars, the amount and the date of clearance (post the BRS date) which shall be signed by the FAM/DFAO and the SPD and or any officer duly authorised by SPD for doing so.
10	V	7	Addition	Proper record of fixed assets shall be maintained which shall include the date of purchase, the specification, the unique identification number, the location and the cost. The fixed assets shall be physically verified at least once in a year and the evidence thereof shall be recorded in the asset register. All assets procured shall be adequately insured.
11	V	7	Addition	The FAM/ DFAO shall monitor and keep a track of amounts advanced. All advances shall be settled within 90 days of the date of advance failing which the matter will be reported to the SPD who shall take corrective action. No fresh advance shall be given to the same person unless the earlier advance has been settled.
12	VI			Procurement Guidelines to be modified in accordance with IFAD Guidelines wherever inconsistent.
13	VII			The Service Regulations shall be modified in accordance with the HR Policy as contained in the PIM. Besides others, amendments required include Salary Structure, TA/DA rules, insurance, contract period etc.
14	VIII			TA/DA Rules shall be modified in accordance with the HR Manual duly developed on the basis of the guidelines contained in the PIM.
15	IX and Sch I, II			Financial and Administrative Powers need to be revised considering the proposed decentralized structure. The limits of DPMs and the FAM/DFAO need to be enhanced to enable them to undertake the activities as planned in the AWP&B without seeking approval/ sanction from the SPMU.
16	Sch. III			Flow of Funds to be modified in accordance with the proposed project structure.
17	Sch IV			Competent Authority to be defined as the SPD in the SPMU and the DPM in the DPMUs.
18	Sch V			To be modified in accordance with the HR Policy.

Appendix-2: FUNDS FLOW ARRANGEMENT



ANNEX 8: PROCUREMENT

A. Country Procurement Assessment

1. The last Country Procurement Assessment Report (CPAR) for India was done by the World Bank in 2003. The main issues highlighted by the CPAR in the public procurement arena are below:

- i. There is no Central or State Public Procurement Legislation with the exception of Tamil Nadu and Karnataka.
- ii. There is no department or agency in the Centre or in the States exclusively responsible for framing policies or regulating public procurement and its compliance with laid down policies and procedures or transparency.
- iii. Multiplicity of rules and guidelines issued.
- iv. Non-availability of Standard Bidding Documents
- v. Lack of trained procurement staff in the Government departments
- vi. Record Management not effectively used for setting performance indicators
- vii. Lack of laid down policies and procedures for grievance redressal and protest and the opportunity to do so only through Civil Courts.
- viii. The basic procedural framework is no different from the UNCITRAL model Law or other good models of public procurement.
- ix. Inefficiencies in the works procurement.

2. The Government of India conveyed its approval to this CPAR subject to a disclaimer that “CPAR has been discussed with the Government of India, but does not necessarily bear their approval for all its contents”.

3. In 2006, Department of Economic Affairs, Ministry of Finance, Government of India prepared Manuals on Procurement of Goods, Works and Consultancy Services and circulated to all Central Ministries and agencies as a generic guideline.

4. Department of Expenditure, Ministry of Finance, Government of India has circulated ‘The Public Procurement Bill, 2011 which is in public domain. It is expected that the Bill will be introduced in the Parliament of India for approval during the current year. The Bill when legislated will regulate public procurement by all Ministries and Departments of the Central Government, Central Public Sector Enterprises, Autonomous and Statutory bodies controlled by the Central Government and other procuring entities. The Bill provides for norms for transparency and accountability that were incorporated from international best practices and provides for expeditious and streamlined three tier grievance redressal procedures.

B. State Level Procurement Assessment

5. The procurement under Government of Jharkhand is regulated by the Bihar Financial Rules, 1950. As the State of Jharkhand does not have its own Financial Rules, the above rules are enforced in the State of Jharkhand vide S.O. No.6 dated the 15th November 2000. Chapter 8 of the above Rules relating to Procurement of Goods and Services were amended by Bihar Finance (Amendment) Rules, 2005 dated 10th November 2005. Rules 124-131T refers to procurement of goods and Rules 131U to 131ZP deals with procurement of services. The thresholds for the procurement contained in the above-mentioned Financial Rules are below:

Procurement of Goods:	
Purchase of Goods without quotation (Direct contracting)	Up to the value of INR 15,000 on each occasion, on the basis of a certification from the competent authority.
Purchase of goods by Purchase Committee (Market survey)	Above INR 15,000 and up to INR 1,00,000 on each occasion on the recommendation of a duly constituted Local Purchase Committee.
Purchase of Goods directly under Rate Contract	Procurement from DGS&D/State Purchase Organization rate contracted goods from the suppliers.
Advertised Tender Enquiry	Goods of the estimated value of INR 2.5 million and above. Advertisement to be done in Indian Trade Journal, one national daily and on website.
Limited Tender Enquiry	Procurement of goods of estimated value up to INR 25 lakhs (INR 2.5 million) from list of registered suppliers. Possible to adopt this method even above INR 2.5 million on the certification of the competent authority on specified circumstances (urgency, public interest, sources of supply are definitely known).
Procurement of Services	
Up to estimated value of INR 2.5 million	Long list of potential consultants prepared on the basis of formal and informal enquiries.
Above INR 2.5 million	In addition to above, Expression of interest to be published in one national daily and Department Website.
Consultancy by nomination (Single Source Selection)	Under some special circumstances in the context of the overall interest of the Department. Full justification of the competent authority to be obtained. No threshold value.
Procurement of Works	Besides the general rules in the Finance Rules, the procurement will also be regulated by detailed rules and orders contained in the respective departmental regulations and by other special orders applicable to them.

6. The Government of Jharkhand has also introduced Government e-procurement System of NIC (GepNIC) initially for PMGSY Scheme in December 2010 and this was extended to nine other major departments (Source: Informatics, a e-governance publication from National Informatics Centre Vol.19 Issue 4 April 2011). The URL for the e-procurement is <http://jharkhandtenders.gov.in>.

7. The Government Procurement rules do not include Procurement through Community Participation.

8. The procedural framework compares favourably with the good procurement model. However, each of the Department is responsible for its procurement and will issue detailed instructions relating to procurement. The detailed instructions may have their own nuances. Since the foundation for the procedural framework is the 'finance rules' and these rules are not a law, addressing the issues of protest, complaints, grievance, redressal mechanism, etc will be difficult.

C. Project Level Procurement Assessment

9. Performance ratings of JTDP indicate significant weaknesses in the preparation of bid documentation, technical specification, and evaluation of bids apart from contract management and performance assessment of contractors. These weaknesses are further aggravated due to lack of adequate qualified and trained procurement staff in the project, non-revision of the Sections of JTDS's Financial Rules for procurement in line with revised IFAD Procurement Guidelines, and weaknesses in record keeping. Only the Finance & Accounts Officer attended the IFAD Procurement training and the capacity of Subject Matter Specialists who were responsible for procurement planning was not built.

D. Procurement Arrangements Under Jtelp

10. As per the design, the procurement will be carried out by JTDS at the State and district level. Community level activities will be implemented by the Gram Sabha Project Execution Committee (GS-PEC). Funds from IFAD loan account, SCA-TSP, Article 275 and the government counterpart funds will flow to the GS-PECs directly from the JTDS. Convergence funds will be routed through the respective department or agency.

11. **IFAD Procurement Guidelines:** Procurement under JTELP will be carried out in accordance with IFAD's Procurement Guidelines and Procurement Handbook of September 2010. For each contract to be financed by IFAD assistance and counterpart/cofinancing funds flowing through the JTDS, the types of procurement methods, the need for pre or post-qualification, estimated cost, prior review requirements and time-frame are to be agreed to between the GoI/GoJ and IFAD respectively in the Project Financing Agreement.

12. Procurement under JTELP will maintain the principles of: (i) economy and efficiency; (ii) enabling all eligible bidders an opportunity to compete in the provision of goods, works and services; (iii) highlighting the importance of fairness, integrity, transparency and good governance in the procurement process; and (iv) ensuring that competition is the basis for efficient public procurement.

13. **IFAD prior review** threshold will be established at USD 200,000 for goods and works and USD 100,000 for consultancy services and other services. These thresholds are in line with the thresholds indicated in IFAD Procurement Handbook 2010. For contracts exceeding equivalent of USD 200,000 for goods and works and equivalent of USD 100,000 for services that fall within the IFAD prior review requirement, IFAD's no-objection for the following steps will be required: (i) draft bid documents/request for proposals, (ii) evaluation of technical proposals, and (iii) combined evaluation of technical and financial proposals with recommendation of award. After IFAD's no-objection for the third stage (recommendation of award), the contract will be negotiated (if required) and contract will be signed. A copy of the signed contract along with the Contract Monitoring Form should be sent to IFAD.

Procurement Methods

14. The procurement of goods, services & works shall be subject to the conditions detailed in the Financing Agreement signed between GoI and IFAD and the Procurement rules of IFAD. The procurement plan to be submitted by the project shall indicate the procurement method and "No Objection from IFAD" shall be obtained. The most important procurement methods include: (i) Direct Shopping; (ii) Local Shopping; (iii) Local Competitive Bidding; and (iv) Direct Contracting or Single Source Selection. The selection procedures include: (i) Quality and cost based selection; (ii) fixed cost selection; (iii) quality based selection; and (iv) least cost selection. The procedures related to Community Participation in Procurement will be used by the Community Institutions (Gs-PECs) implementing project activities.

15. **Direct Shopping:** Each contract for civil works, supply of goods, vehicles and equipments and services estimated to cost USD 1,000 equivalent or less shall be awarded based on direct shopping. This method shall be used for miscellaneous expenditure not clearly identified in the cost tables. SPD/DPM will approve the procurement subject to the procurement being part of the approved AWP&B.

16. **Local Shopping:** Each contract for civil works, supply of goods, vehicles and equipments and services estimated to cost more than USD 1,000 equivalent but less than USD 25,000 equivalent shall be awarded on the basis of evaluating and comparing quotations from at least three suppliers.

17. The procedure for local shopping includes:

- Procurement of works, goods and services to be included in the AWPB and the Procurement Plan. NOC from IFAD and approval from BoD of JTDS to be obtained for AWP&B and Procurement Plan.
- The JTDS shall prepare and maintain a list of suppliers of goods, vehicles & equipments, contractors for works and also service providers. This shall be done through advertisement in website, and through formal and informal inquiries.
- At least 3 suppliers shall be asked to tender quotations for works/goods/services to be procured..
- The procurement committee shall analyse the quotations and prepare a comparative statement. The award of contract shall be made on the basis of a sound analysis.
- SPD to approve the procurement subject to the procurement being part of the Procurement Plan approved by the Chairperson/BoD of JTDS and IFAD

18. **Local Competitive Bidding (LCB):** Each contract for civil works, supply of goods, vehicles and equipments and services estimated to cost more than USD 25,000 equivalent shall be awarded on the basis of competitive bidding advertised locally and nationally.

19. The procedure for local competitive bidding includes:

- Procurement of works, goods/vehicles, equipments and services shall be reflected in the AWP&B and the Procurement Plan. NOC from IFAD and approval from BoD of JTDS to be obtained for AWP&B and Procurement Plan.
- Procurement through LCB shall be done through an advertisement in the local newspaper, inviting the bids.
- The procurement committee shall decide whether to follow single envelop or two envelop system.
- The procurement committee shall analyse the bids and shall recommend to award the contract after thorough analysis.
- Any one of the following selection processes can be used. They are: (i) Quality and cost based selection: (ii) fixed cost based selection, (iii) quality based selection; and (v) least cost selection
- IFAD prior review procedures shall be followed for all procurements equivalent to USD 200,000 and more for goods and works and USD 100,000 or more for consultancy services and services.
- SPD to approve the procurement subject to the procurement being part of the Procurement Plan approved by the Chairperson/BoD of JTDS and IFAD

20. **Direct contracting or Single Source Selection:** The goods and equipment that are proprietary in character may be procured by direct contracting. In case of procurement of goods & equipments under direct contract, it should be ensured that reasonable economy in procurement has been made. Direct contracting or single source selection can also be used in case of services such as engagement of training agencies for specific specialized activities. Direct contracting/Single source selection shall be however subject to obtaining prior approval from IFAD giving reasons for single source selection.

21. **Procurement Involving Community participation:** In accordance with the IFAD Procurement Guidelines, procurement with community participation is not a distinct method of procurement and it therefore requires the same adherence to all principles set out in the IFAD Procurement Guidelines. The difference lies in the simplified procedures and documentation. The GS-PECs at the Gram Sabha level will implement the activities by following Community Participation Procurement. The project will prepare a Community Procurement Manual illustrating simplified procurement processes and easy to maintain and user-friendly documentation keeping in view the principles of the community participation procurement. (An outline is presented in PIM) The project through the FNGOs and the TSAs will undertake capacity building training programmes and continued facilitation to the communities on procurement and financial management. IFAD will support the project in designing the training module for procurement and financial management. The role of FNGOs will only be limited to that of facilitator in the procurement processes while the final decision will rest with the community. It is envisaged that the communities will make informed choices as implementers and users. It should also be ensured that the procurement decisions are taken by the entire GS-PEC and such decisions are duly recorded. The project, in consultation with the communities, will establish an effective Social Audit of the activities undertaken by the GS-PECs.

Procurement procedures for major procurements of the project

22. **Procurement of consultant's services:** JTDS will use the following procedure for engagement of Consultants subject to contract value not exceeding USD 25,000.

- Prepare a list of requirements of Consultants' services along with qualification and experience and seek expression of interest through posting it on JTDS website or by making formal and informal inquiries. .
- Prepare a shortlist of three Consultants for each specialization.
- Get the shortlist along with daily/monthly fee, travel, board and lodge costs approved by the JTDS Chairperson/BoD.
- Include the requirement of Consultant services in the AWP&B and Procurement Plan and get the same approved. NOC from IFAD and approval from BoD of JTDS to be obtained.
- Sign contract with the top ranked Consultant.

23. **Procurement of FNGOs and TSAs:** Procurement of FNGOs shall be made as per Fixed Cost Selection procedure and the procurement of TSAs will be made as per Quality and Cost Based Selection (QCBS). These procurements shall be subject to IFAD prior review. The following procedure will be used.

- Include the requirement of FNGOs and TSAs in the AWP&B and Procurement Plan. NOC from IFAD and approval from BoD of JTDS to be obtained for AWP&B and Procurement Plan.
- Seeking no-objection of IFAD for the draft RFP.
- An expression of interest advertised in local and national newspapers.
- FNGOs/TSAs will be pre-qualified and No Objection from IFAD will be obtained after submitting a detailed prequalification report.
- Obtaining IFAD No-objection for pre-qualification Report
- RFP will be sent to the pre-qualified agencies (FNGOs and TSAs).
- Agencies will have to submit the bids/proposal as per RFP.
- The bids/proposals will be opened and evaluated as per the procedure set out in the RFP.
- Evaluation report will be prepared and submitted to IFAD for "No-objection" and thereafter approval of BoD of JTDS.
- Contracts will be signed with top scoring bidders.
- JTDS shall furnish two certified copies or confirmed copies of such contracts to IFAD

24. **Procurement of Vocational Training Agencies and Training Resource Agencies:** JTDS will use the following procedure for engaging Vocational Training Agencies and Training Resource Agencies subject to contract value not exceeding USD 25,000.

- Prepare a list of requirements of services by Vocational Training Agencies and Training Resource Agencies along with qualification and experience.
- Seek expression of interest through posting it on JTDS website or by sending out formal and informal queries.
- Prepare a shortlist of at least three Agencies for each service taking into account quality and cost.
- Get the shortlist along with cost per training / cost per trainee/ approved by the JTDS Chairperson/BoD.
- Include the requirement in the AWP&B and Procurement Plan. NOC from IFAD and approval from BoD of JTDS to be obtained for AWP&B and Procurement Plan.
- Sign contract with the top ranked service provider.

25. The following procedure will be used in case the procurement value is expected to exceed USD 25,000 equivalent, the following Local Competitive Bidding Procedure shall apply:

- Prepare a list of requirements of services by Vocational Training Agencies and Training Resource Agencies Consultants' requirement along with qualification and experience and seek expression of interest through advertisement in local and national newspapers.
- Include the requirement in the AWP&B and Procurement Plan. NOC from IFAD and approval from BoD of JTDS to be obtained for AWP&B and Procurement Plan.
- Shortlist Vocational Training Agencies and Training Resource Agencies using quality based selection.
- Seek Proposals requested from shortlisted agencies.
- Proposals appraised by a committee appointed by JTDS.
- MOU signed with selected agencies.

Other procurement related processes

26. **Delegation of financial powers to DPMUs:** JTELP will also ensure that the District Project Management Units (DPMUs) are provided with adequate financial powers for procurement and should create a decentralized procurement wherever possible, as the current practice of centralized procurement powers will have negative impact on the project implementation due to delayed decision making.

27. **Standard Bidding Documents:** The project has the option to prepare its own bidding documents for competitive bidding or adopt the World Bank's Standard Bidding Documents for the procurement of goods, works and consultancy services. For securing the services of FNGOs and TSAs, the project may use the model RFPs that are attached to PIM, with modifications where needed.

28. **Procurement Plan:** All procurement under the project will be as per the approved Procurement Plan. The Procurement Plan should provide reasonable details of each of the procurement with expected dates for completion of different stages and award. As it is not feasible to plan each and every item/services that may be required during the implementation, the project may allocate some resources (not exceeding 5% of the total value of each category (Goods/Works/Consultancy services) as 'Undecided Procurement'. Immediately after entry into force (date of effectiveness), an 18 month procurement plan should be prepared and sent to IFAD for "obtaining no objection". A draft procurement plan is presented in PIM. Subsequent procurement plan should be prepared for 12 months and be sent along with AWP&B for obtaining no objection from IFAD. Standard timeframe for a "No Objection" shall be

two weeks and if no comments received from IFAD on draft procurement plan within this timeframe, the procurement plan as submitted by the project shall be deemed to have been approved. Modifications to the Procurement plan may be proposed during a financial year by the project and all such modifications should have received “No Objection” from IFAD.

29. **Internal controls:** The approving authority for procurement (State Project Director or District Project Managers) should not be part of the Procurement Committee established for the project.

30. **Contract Management** is very critical to smooth and successful implementation of the project. JTELP should introduce the system to ensure the rights & duties of each party to contract are provided to ensure delivery on time, with right quality and as per/ within budget. For an effective contract administration, each contract should contain all pertinent deliverables, timing, deadlines, results-oriented reporting and expected outcomes, with measurable indicators. The template of the Contract Monitoring Form is available in the Procurement Handbook as well as IFAD’s Loan Disbursement Handbook. The contract monitoring form should be submitted to IFAD after each “prior review contract” has been signed and along with each Withdrawal Application for all contracts with ongoing payments.

31. **Risk mitigation:** The current weaknesses in the procurement performance and the absence of procurement staff in the project pose a significant risk to the project. While capacity building to the finance staff and other staff connected with project procurement will reduce the risk to a large extent, this will take a longer period. Delays in procurement in the first year will have a negative impact on the implementation. The project should address the risk with a two-pronged approach – engage a project procurement consultant during the first year only to fast track procurement actions; and invest on the capacity building of staff. Other Key risk mitigation measures proposed include: (i) IFAD led-training workshop for the FNGO staff and Project Staff immediately after the date of entry into force and during project implementation; (ii) Expanded scope of ex-post reviews during the Joint Review Missions to include checks for indicators of internal control, procedural compliance, record management, collusion among other measures; and (iii) adopting transparency in the procurement by uploading bid documents, details of procurement and award of contracts on to the project website.

32. **IFAD Anti-corruption Policy:** In line with the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations (Anti-Corruption Policy), IFAD requires that bidding documents and the contracts that it finances include a provision requiring suppliers, contractors and consultants to permit IFAD to inspect their accounts, records and other documents relating to the bid submission and contract performance, and to have them audited by IFAD-appointed auditors; IFAD follows a ‘zero tolerance’ which are detailed in IFAD’s policy on Preventing Fraud and-Corruption in its Activities and Operations (<http://www.ifad.org/gbdocs/eb/86/e/eb-2005-86-inf-8.pdf>)

Appendix-1: JTELP Procurement Account by Year

India										
Jharkhand Tribal Empowerment & Livelihoods P										
Procurement Accounts by Years										
(US\$ '000)										
	Totals Including Contingencies									
	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	Total
1. Civilwork	-	-	-	2,479	2,640	2,966	2,516	-	-	10,600
2. Land treatment	-	-	7,364	7,364	7,364	7,364	7,364	7,364	-	44,182
3. Vehicles	38	-	-	-	-	-	-	-	-	38
4. Equipment & materials	240	366	334	1	346	451	330	352	1	2,422
5. Training and workshop	14	158	113	115	117	125	133	142	76	994
6. Survey and studies	-	64	18	44	28	19	21	22	169	386
7. Technical Assistance	37	164	85	96	84	89	95	101	54	805
8. Capacity building	65	206	342	921	1,448	788	184	111	88	4,152
9. Fund support	-	1,714	2,168	666	341	194	207	124	15	5,428
10. Livelihoods support	-	739	4,037	6,299	4,539	1,787	1,035	59	-	18,494
11. Service Providers Contract	2	1,247	2,181	2,257	2,370	2,303	2,153	571	566	13,651
12. Salary & allowances	176	678	712	748	785	824	865	909	716	6,413
13. Operations and maintenance	239	804	856	912	971	1,034	1,101	1,173	937	8,026
Total	811	6,140	18,209	21,903	21,032	17,943	16,005	10,927	2,622	115,591

Appendix-2: Procurement Arrangements by Procurement Methods

India Jharkhand Tribal Empowerment & Livelihoods Procurement Arrangements (US\$ '000)	Procurement Method							Total
	Local Competitive Bidding	Consulting Services	Local Shopping	Direct Contracting	Community Participation in Procurement	Other	N.B.F.	
A. Civilwork	1,460 (694)	-	-	-	9,140 (4,341)	-	-	10,600 (5,035)
B. Land treatment	-	-	-	-	-	-	44,182	44,182
C. Vehicles	38 (32)	-	-	-	-	-	-	38 (32)
D. Equipment & materials	-	-	2,194 (1,865)	-	227 (145)	-	-	2,422 (2,010)
E. Training and workshop	-	-	975 (975)	-	19 (19)	-	-	994 (994)
F. Survey and studies	-	-	375 (356)	-	11 (11)	-	-	386 (367)
G. Technical Assistance	-	805 (765)	-	-	-	-	-	805 (765)
H. Capacity building	-	-	2,056 (2,050)	-	2,097 (2,097)	-	-	4,152 (4,147)
I. Fund support	-	-	-	5,413 (5,413)	15 (15)	-	-	5,428 (5,428)
J. Livelihoods support	-	-	-	-	18,494 (11,097)	-	-	18,494 (11,097)
K. Service Providers Contract	13,521 (11,493)	-	130 (111)	-	-	-	-	13,651 (11,604)
L. Salary & allowances	-	-	-	-	-	5,578 (3,905)	835	6,413 (3,905)
M. Operations and maintenance	-	-	5,833 (4,083)	-	-	2,193 (1,535)	-	8,026 (5,618)
Total	15,019 (12,219)	805 (765)	11,563 (9,440)	5,413 (5,413)	30,003 (17,724)	7,772 (5,440)	45,016 -	115,591 (51,001)

Note: Figures in parenthesis are the respective amounts financed by IFAD
Other= Salary, allowances and office expenditures

ANNEX 9: PROJECT COST AND FINANCING

1. Assumptions

1. **Project Period:** The project will be financed over an eight-year period starting in January 2013 (start of FY 2012-13).

2. **Price contingencies** have been applied at a rate of 6.5% per year. Although domestic inflation is currently higher (about 7.5%, forecast at 6.5% from 2013), the international inflation rate is 2.1% and it can be assumed that the Indian Rupee will lose some of its value against the dollar, and higher domestic inflation will, to some extent, be offset by this devaluation.

3. **Exchange Rate:** The base rate of exchange has been set at INR (Indian Rupee) 55 to USD 1.00, the prevailing in May-June 2012. The rate fluctuates very unpredictably.

4. **Taxes and Duties:** Almost all items procured under the project will be purchased locally. A tax rate of 15% has been assumed for vehicles, 10% for staff salaries and all operations and maintenance, 15% for office equipment, 12.5% for service providers' contract, 5% for civil works, 10% for annual maintenance contracts of office equipment, 4.5% for petty purchases such as office stationery and so on.

5. **Physical contingences** – no physical contingencies have been added as only a very small proportion of project funds will be used for construction.

2. Project costs

6. Based on May 2012 prices, total project costs are estimated at USD 115.6 million (INR 6,357.5 million) including the price contingencies of USD 16.5 million (INR 906.5 million). INRM component accounts for 59% of project costs, but this is large MGNREGS support for the land development sub-component for the project area villages. Livelihoods support component accounts for 16% of base cost, Community Empowerment component accounts for 12% of base cost while the project management and M&E unit accounts for 13% of the project base costs.

Table 1: Project Costs by Component

India Jharkhand Tribal Empowerment & Livelihoods Project Components Project Cost Summary			
	(INR '000)	(US\$ '000)	% Total Base Costs
	Total	Total	
A. Community Empowerment			
1. Promotion of SHGs	572,230	10,404	10
2. Capacity building	35,193	640	1
3. Special support to PTGs	38,140	693	1
Subtotal Community Empowerment	645,562	11,737	12
B. Integrated Natural Resources Management			
1. Community mobilisation	80,841	1,470	1
2. Land and Water Resources Development	2,599,764	47,268	48
3. Productivity enhancement	510,770	9,287	9
Subtotal Integrated Natural Resources Management	3,191,375	58,025	59
C. Livelihoods support			
1. Support for IGA	119,000	2,164	2
2. Integrated Production & Marketing	665,837	12,106	12
3. Vocational Training	15,120	275	-
4. Innovative interventions	95,904	1,744	2
Subtotal Livelihoods support	895,861	16,288	16
D. Project Management			
1. Project Management Unit	666,250	12,114	12
3. Monitoring Evaluation and Knowledge Management	51,887	943	1
Subtotal Project Management	718,137	13,057	13
Total BASELINE COSTS	5,450,935	99,108	100
Physical Contingencies	-	-	-
Price Contingencies	906,574	16,483	17
Total PROJECT COSTS	6,357,510	115,591	117

3. Financing

7. The project will be financed by IFAD, the GoJ, SCA-TSP, and MGNREGS and also contributions from beneficiaries. The IFAD loan will be USD 51.00 million (44.1% of total project costs), the TSP funding is estimated at 11.56 million (10% of total), the Government funding is estimated at USD 7.93 million (6.9% of the total), MGNREGS is estimated at USD 44.18 million (38.2% of total), while the beneficiaries contribution is USD 0.93 million (0.8% of total project costs). Taxes (funded out of the Government contribution) amount of USD 3.65 million.

8. Disbursement accounts, derived from the expenditure accounts described above, provide the basis for determining the financing plan for the project. Disbursement accounts and the IFAD financing rules are presented in [Appendix 1, WP-9](#). The disbursement accounts have been re-organised into seven major categories as presented in Table 2 below.

Table 2: Project Disbursement Accounts: Financing Rules (%) assumed in Costab Tables					
Disbursement category	IFAD	TSP	MGNREGS	Govt	Beneficiaries
1.Civil work_DA	50%	50%	-	-	-
2.Land development_DA	-	-	100%	-	-
3.Vehicles and equipment_DA	85%	-	-	15%	-
4.Capacity building_DA	100% a/	-	-	-	-
5.Fund support_DA	100% a/	-	-	-	-
6.Livelihood support_DA	60%	35%	-	-	5%
7.Service providers contract_DA	85%	-	-	12%	-
8.Salary, allowances and O&M_DA	70%	-	-	30%	-
Overall average:	44.1%	10%	38.2%	6.9%	0.8%
a/ Net of taxes, government and beneficiary contributions if any.					

9. A summary by expenditure categories of the proposed financing arrangement is presented in Appendix-1 and other summary financing tables are in Working Paper 9. The IFAD loan will fund between 50% and 100% of the cost of most categories of expenditure. The financing rules adopted for each of the disbursement accounts are summarised in Table 3 below.

Table 3: Disbursement Accounts and IFAD Financing Rules	
Description	IFAD Financing Rules
Civil work (small-scale irrigation, farmer service centres, habitat development)	50%
Land development (WHS, bunding, terraces)	0%
Vehicles, office equipment	85%
Capacity building, technical assistance	100% net of taxes, government contribution and beneficiaries contribution
VDF, SHG seed capital support	100% net of taxes, government contribution and beneficiaries contribution
Livelihood support interventions	60%
Service providers contracts, TSA (FNGOs) & FNGOs	85%
Staff salary of JTDS	70%

10. Counterpart funding: The counterpart contributions consist of convergence investments including MGNREGS, TSP, a waiver of duties and taxes on equipment and vehicles, the incremental cost of the maintenance of government buildings and payment of rentals for the SPMU in Ranchi and divisional headquarters. In addition, the government will finance from its regular budget the salaries of the project staff who are government employees.

11. Convergence: Necessary assurances will be obtained from the government for routing the TSP funds through the JTDS and also to consider JTDS as one of the implementing agencies for MGNREGS in the project area villages. In such a situation these funds are expected to flow through the JTDS. No firm data are available for possible convergence with NRLM, a new strategy of the GoI for the development of the rural poor.

4. Retro-active financing

12. The on-going IFAD-assisted JTDP will be closed by June 2012. So are its staff and establishment. With a view to ensuring continuity and carrying out the preparatory activities for the new project, JTELP to be undertaken by JTDS between July and December 2012, facilities for retro-active financing have been provided. These proposed expenditures will fall under four different expenditure categories, namely (i) vehicles and equipment comprising purchase of office equipment and vehicles following established procurement procedures; (ii) capacity building and the expenditures to be incurred include advertisements for recruitment of staff, FNGOs and RNGOs and recruitment expenses etc; (iii) Technical assistance in particular for the revision of JTDS bye-laws, revision of its HR rules and regulations, revision of its financing regulations in consistence with new procurement guidelines to be used; and (iv) staff salaries for critical staff such as additional project director, finance manager or accountant and one or two support staff. The estimated total expenditure is USD 342,000 and eligible IFAD financing will be of about USD 278,100 as detailed in Appendix-2 summarised in Table-4 below:

Table-4: Summary of proposed Retro-active Financing			
Disbursement category	Total Amount (000)		
	Total (INR)	Total (USD)	IFAD Loan
-Vehicles & equipment	14,750	276.9	235.4
-Capacity building	1,630	30.2	30.2
-Staff salaries	1,850	34.9	12.4
<u>Total</u>	<u>18,234</u>	<u>342.0</u>	<u>278.1</u>

5. Draft Loan Schedule-2: Allocations of Loan Proceeds

13. **Proposed Allocation of Loan Proceeds:** The Table 5 below sets forth the Categories of Eligible Expenditures to be financed by the Loan, the allocation of the amounts of the Loan to each Category and the percentages of expenditures for items to be financed in each Category: Also refer to Table 4, Appendix-1, and WP-9.

Table 5: Proposed Allocations of IFAD Loan Proceeds

(Amount in 000 USD)			
Disbursement category	Total Eligible Expenditure	% of Financing	Eligible Expenditure financed
1. Civil work	7,823	50% a/	3,911
2. Vehicles & equipment	1,906	85% a/	1,620
3. Capacity building	4,774	100% b/	4,774
4. Funds (VDF, SHGs, Ygs)	4,560	100% b/	4,560
5. Livelihoods support	14,573	60% a/	8,744
6. Service Providers Contracts	10,338	85% a/	8,787
7. Staff salary & allowances/Office operati	10,915	70% a/	7,641
Unallocated	16,483		9,964
	<u>71,372</u>		<u>50,001</u>
a/ of total expenditure			
b/ net of taxes and other duties			

Eligible Expenditures are incurred under the Loan in accordance with Section 4.10 of the General Conditions.

Appendix-1: Financing Plan by Expenditure Accounts

India													
Jharkhand Tribal Empowerment & Livelihoods													
(US\$ '000)													
Expenditure Accounts by Financiers													
	The Government		TSP		NREGA		IFAD		Beneficiaries		Total		Duties & Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
I. Investment Costs													
A. Civil work	535	5.0	5,035	47.0	-	-	5,139	48.0	-	-	10,710	9.3	535
B. Land treatment	-	-	-	-	44,182	100.0	-	-	-	-	44,182	38.2	-
C. Vehicles	6	15.0	-	-	-	-	32	85.0	-	-	38	-	6
D. Equipment and materials	363	15.0	48	2.0	-	-	2,010	83.0	-	-	2,422	2.1	363
E. Training & workshop	-	-	-	-	-	-	1,034	100.0	-	-	1,034	0.9	-
F. Survey & studies	19	5.0	-	-	-	-	367	95.0	-	-	386	0.3	19
G. Technical Assistance	40	5.0	-	-	-	-	765	95.0	-	-	805	0.7	40
H. Capacity building	-	-	-	-	-	-	4,002	100.0	-	-	4,002	3.5	-
I. Fund support	-	-	-	-	-	-	5,428	100.0	-	-	5,428	4.7	-
J. Livelihoods support	-0	-0.0	6,473	35.0	-	-	11,097	60.0	925	5.0	18,494	16.0	-
K. Service Providers Contract	2,048	15.0	-	-	-	-	11,604	85.0	-	-	13,651	11.8	1,638
Total Investment Costs	3,012	3.0	11,556	11.4	44,182	43.7	41,478	41.0	925	0.9	101,152	87.5	2,602
II. Recurrent Costs													
A. Salary and allowances	2,508	39.1	-	-	-	-	3,905	60.9	-	-	6,413	5.5	641
B. Operations and maintenance	2,408	30.0	-	-	-	-	5,618	70.0	-	-	8,026	6.9	401
Total Recurrent Costs	4,916	34.0	-	-	-	-	9,523	66.0	-	-	14,439	12.5	1,043
Total PROJECT COSTS	7,928	6.9	11,556	10.0	44,182	38.2	51,001	44.1	925	0.8	115,591	100.0	3,645

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Appendix-2: Detailed Cost Estimates for Retro-active Financing

Table 4.3: RETRO-ACTIVE FINANCING				Amount in 000			Disbursement categories								
Detailed Costs				QTY	Unit Cost	INR		USD		Disb.	Vehicles	Capacity	Salary &		
				Unit	2012	(INR)	2012	Total	IFAD	Acct.	Fin. Rule	Equipment	Building	Allowances	Proc. Method
I. Investment Costs															
A. Vehicle /a	No	2	1,000,000	2,000	37.5	31.9	VEH_DA	IFAD (85%)				31.9			LCL_SHOPPING_PM (100%)
B. Advertisement	LS	1	200,000	200	3.8	3.8	CB_DA	IFAD (100%)					3.8		LCL_SHOPPING_PM (100%)
C. Revision of JTDS byelaws & rules	LS	1	55,000	55	1.0	1.0	CB_DA	IFAD (100%)					1.0		LCL_SHOPPING_PM (100%)
D. Equipment: SPMU															
Laptop computers	No	10	25,000	250	4.7	4.0	VEH_DA	IFAD (85%)				4.0			LCL_SHOPPING_PM (100%)
Desktop computers	No	3	25,000	75	1.4	1.2	VEH_DA	IFAD (85%)				1.2			LCL_SHOPPING_PM (100%)
Printers scanner	No	3	20,000	60	1.1	1.0	VEH_DA	IFAD (85%)				1.0			LCL_SHOPPING_PM (100%)
Xerox machine	No	1	15,000	15	0.3	0.2	VEH_DA	IFAD (85%)				0.2			LCL_SHOPPING_PM (100%)
Other equipment /b	set	1	600,000	600	11.3	9.6	VEH_DA	IFAD (85%)				9.6			LCL_SHOPPING_PM (100%)
Office furniture set	No	1	150,000	150	2.8	2.4	VEH_DA	IFAD (85%)				2.4			LCL_SHOPPING_PM (100%)
Air conditioners	No	8	40,000	320	6.0	5.1	VEH_DA	IFAD (85%)				5.1			LCL_SHOPPING_PM (100%)
Water Purifier	No	1	50,000	50	0.9	0.8	VEH_DA	IFAD (85%)				0.8			LCL_SHOPPING_PM (100%)
Ceiling fans	No	10	2,000	20	0.4	0.3	VEH_DA	IFAD (85%)				0.3			LCL_SHOPPING_PM (100%)
Genset, silent model	No	1	400,000	400	7.5	6.4	VEH_DA	IFAD (85%)				6.4			LCL_SHOPPING_PM (100%)
Office furnishing	LS	1	200,000	200	3.8	3.2	VEH_DA	IFAD (85%)				3.2			LCL_SHOPPING_PM (100%)
Inverters	No	2	50,000	100	1.9	1.6	VEH_DA	IFAD (85%)				1.6			LCL_SHOPPING_PM (100%)
Subtotal Equipment: SPMU							2,240	42.1	35.7						
E. Equipment: DPMU															
Laptop computers	No	56	25,000	1,400	26.3	22.3	VEH_DA	IFAD (85%)				22.3			LCL_SHOPPING_PM (100%)
Desktop computers	No	28	25,000	700	13.1	11.2	VEH_DA	IFAD (85%)				11.2			LCL_SHOPPING_PM (100%)
Printers scanner	No	28	20,000	560	10.5	8.9	VEH_DA	IFAD (85%)				8.9			LCL_SHOPPING_PM (100%)
xerox machine	No	14	75,000	1,050	19.7	16.8	VEH_DA	IFAD (85%)				16.8			LCL_SHOPPING_PM (100%)
Other equipment /c	set	14	200,000	2,800	52.6	44.7	VEH_DA	IFAD (85%)				44.7			LCL_SHOPPING_PM (100%)
Office furniture set	No	1	150,000	150	2.8	2.4	VEH_DA	IFAD (85%)				2.4			LCL_SHOPPING_PM (100%)
Air coolers	No	28	25,000	700	13.1	11.2	VEH_DA	IFAD (85%)				11.2			LCL_SHOPPING_PM (100%)
Inverters	No	14	25,000	350	6.6	5.6	VEH_DA	IFAD (85%)				5.6			LCL_SHOPPING_PM (100%)
LCD Projectors	No	14	200,000	2,800	52.6	44.7	VEH_DA	IFAD (85%)				44.7			LCL_SHOPPING_PM (100%)
Subtotal Equipment: DPMU							10,510	197.3	167.7						
F. National Consultants /d	pers_month	3	125,000	375	7.0	6.7	CB_DA	IFAD (100%)					6.7		CON_SrvCS_PM (100%)
G. Staff recruitment expenses	LS	1	500,000	500	9.4	9.4	CB_DA	IFAD (100%)					9.4		LCL_SHOPPING_PM (100%)
H. FNGO/TSA recruitment expenses	LS	1	500,000	500	9.4	9.4	CB_DA	IFAD (100%)					9.4		LCL_SHOPPING_PM (100%)
Total Investment Costs							16,380	307.5	265.6				235.4	30.2	-
II. Recurrent Costs															
A. SPMU: Staff salary & allowances															
State Project Director	pers_month	6	125,000	750	14.0	-	SAOM_DA	GOVT					-		NBF_PM (100%)
Deputation Allowance to SPD	pers_month	6	25,000	150	2.8	-	SAOM_DA	GOVT					-		NBF_PM (100%)
Additional Project Director	pers_month	6	75,000	450	8.4	5.9	SAOM_DA	IFAD (70%)					5.9		OTHER_PM (100%)
Manager-Finance & Administration	pers_month	6	50,000	300	5.6	3.9	SAOM_DA	IFAD (70%)					3.9		OTHER_PM (100%)
Drivers	pers_month	6	14,000	84	1.6	1.1	SAOM_DA	IFAD (70%)					1.1		OTHER_PM (100%)
Support staff	pers_month	12	10,000	120	2.2	1.6	SAOM_DA	IFAD (70%)					1.6		OTHER_PM (100%)
Total Recurrent Costs							1,854	34.6	12.4				0	0	12.4
Total							18,234	342.0	278.1				235.4	30.2	12.4
la Cost inclusive of insurance, road tax and registration															
lb includes 1 fax machine, broadband connection,intercom, handycam, 2 digital cameras,scanner, two LCD TV " etc															
lc includes 1 fax machine, broadband connection, one handycam, 2 digital cameras,scanner, one LCD TV 32" etc															

la Cost inclusive of insurance, road tax and registration

lc includes 1 fax machine, broadband connection, one handycam, 2 digital cameras, scanner, one LCD TV 32" etc

lb includes 1 fax machine, broadband connection, intercom, handycam, 2 digital cameras, scanner, two LCD TV " etc

ANNEX 10: ECONOMIC AND FINANCIAL ANALYSIS

A. Introduction

1. Financial analysis has been carried out to: (i) evaluate the viability of the improved agricultural production technologies; (ii) analyse the impact of these improvements on adopting households; (iii) assess the incremental production; and (iv) provide a basis for the economic analysis of the project. The analysis is based on prices and costs collected during project design in March and June 2012. Carrying out the analysis has been extremely complex given varying agro-ecological regions and hilly terrains, soil types, complex cropping patterns, even more complex land distribution patterns and socio-economic settings and highly varying prices of agricultural inputs and farm outputs at farm-gate levels. In developing models, therefore several adjustments have been made in order to ensure that a reasonable outcome of estimates of benefits is obtained.

Table 1: Production Models

Production Models	Model Size	Number of households per unit
<u>Annual food crops: 1/</u>		
-Paddy, maize, wheat, millet, black gram, green gram, pigeon pea, mustard, groundnut	0.4 ha	1 or 2
<u>Vegetable crops: 2/</u>	0.4 ha	10
-Green chilli, radish, onion, green peas, gourd vegetables, cucumber, okra, tomato, brinjal, potato, amaranth, cabbage & cauliflower		
<u>Cluster models: 3/</u>		
-Mango plantation	0.4 ha	1
-Tasar cocoon rearing in forest area	250 DFL	1
-Tasar cocoon rearing in non-forest area	250 DFL	1
-Lac production, 20 kg brood lac unit	20 kg	1
-Goat-keeping	5+1	1
<u>IGA models: 4/</u>		
-Backyard Poultry, 10 layers	10 birds	1
-Pig-rearing, 5 piglets & 1 boar	5+1	1
-Rural artisan	One unit	1
-Kitchen garden	400 m2	1

B. Farm models

2. Using indicative crop, activity and plantation models, several Farm and Household Models were prepared using FARMOD software. The models broadly illustrate the project's expected impact on the incomes, and labour use of households adopting and/or adapting both on-farm and non-farm technology options, and is briefly described below.

Rainfed crops: the model was based on the datasets obtained from ongoing programmes primarily for crops like rainfed paddy, maize, pulses and oilseeds with annual cropping intensity assumed at 105% from WOP of 75%. An average size of landholding has been assumed at 0.4 ha and about 122,400 households participating with an average investment cost of INR 20,000 per household using fully the MGNREGS resources.

Irrigated agriculture: Under JTELP some 1350 small-scale irrigation infrastructures are created and their combined area covering some 26,640 households participating with an average area of 0.2 ha/household. Average investment cost is INR 27,800 per acre (INR 68,670 per ha). About 123% cropping intensity is assumed (84% current) and major crops being paddy, wheat, green peas, chilli, pulses and oilseeds. Both increases in crop area and productivity are envisaged.

Vegetable production clusters: Important vegetables crops (off-seasonal) such as kharif tomato, cabbage and cauliflower, chilli, cucumber, green peas, gourds are cultivated both under rainfed

and irrigated conditions. Each cluster with an area of 60 ha will have 600 beneficiaries and in all 14 such clusters are proposed: i.e. one cluster in each project district.

Mango clusters: Each mango cluster has 75 ha area and about 300 participating farmers. The project provides irrigation facilities, fencing, and inputs and materials including planting materials, extension support etc. In all 14 such clusters are proposed to be developed.

Tasar Cocoon-rearing clusters: Tasar cocoon rearing clusters are proposed both under forest host trees and new planting. Each cluster will have about 150 households. The project support includes training and capacity building, establishment of grainages, grainage-building, cocoon grading centre, and equipment etc. Each participating household will rear about 250 DFLs and producing about 12,500 cocoons per year with one or two cycles. With new planting model of 50 ha plus 15 ha for chowkie-rearing, the production starts in year 4. Each grainages will produce about 5,300 DFL a year and each cluster will have 8 such grainages. In all 4 clusters under natural forest host trees and 3 under planted host trees are supported by the project.

Lac production clusters: Each household rear some 5 or 6 ber trees or 1 or 3 kusum trees on own land. With a brood lac of 20 kg, a household will produce 5 kg of Phunki lac and 50 kg of scrapped lac in a year. The project support includes extension, training, one time working capital, market arrangement etc. In all 110 such clusters are supported over the project period and some 50 households participating in each such cluster.

Lac production in *Semialata* plantation: Based on additional data and information available during the mission, lac production models for *Semialata* plantation are included in the analysis. This is promoted under “innovative interventions” and using cluster approach. Each household will be supplied with 600 saplings and other inputs and technical support. Each cluster will have some 50 rearers and in all 20 such clusters are proposed

Goat-keeping clusters: Individual, landless households are provided a goat unit of 5 ewes and a buck shared by 5 households. Each cluster has some 100 households. In all 60 such clusters are supported and the facilities provided by the project include training, building of sheds for goats, supply of quality ewes and one buck, insurance coverage, medicines and market linkages.

Income generating activities: The target groups will include PTGs and the poor households. In all some 17,500 individual households will be supported. Typical interventions are 5,000 units of backyard poultry, 1,000 units of piggery, 5,500 units of goat-keeping, 6,000 units of rural artisans and training to all identified beneficiaries.

Details of the financial analysis of models presented in the Financial and Economic Analysis Working Paper 10, and are summarized in Table 2 below:

Table 2: Summary Results of Unit Farm/ Activity Models (Financial)						
Model	Income (000'INR)	Input Cost (000'INR)	Labour (000'INR)	BCR (ratio)	FIRR (%)	NPV (000'INR)
Rainfed crops 1 acre model	11.07	3.16	5.2	1.30	19	8.67
Irrigated crops 1 acre model	23.38	4.68	7.9	1.82	46	53.7
Vegetable production cluster	21038.0	19012.00	2344.5	2.96	-	39919.0
Mango orchards cluster	33000.0	833.0	1350.0	2.77	25	51330.5
Tasar cocoon-rearing cluster a/	3700.0	431.7	1233.0	1.77	67	10295.1
Tasar cocoon-rearing cluster b/	3700.0	431.7	1233.0	1.44	14	1211.0
Lac production cluster	825.0	276.7	45.0	1.77	63	2714.7
Lac: <i>semialata</i> cluster	975.0	275.0	130.0	1.50	38%	2,459.8
Goat-rearing cluster	4400.0	220.0	2250.0	1.05	11	1120.6
IGA interventions	19.0	3.46	7.4	1.18	15	7.5

In general, the livestock-based activities including dairy are not financially profitable due to their low productivity, high feed cost and market access. But when the nominal cost of household labour excluded, these activities tend to be viable.

C. Sub-project models

3. In all 9 subproject models were developed and these are: (i) rainfed crops, (ii) irrigated crops, (iii) vegetable production clusters, (iv) Mango-orchard clusters, (v) Tasar cocoon-rearing clusters in forest areas; (vi) Tasar cocoon rearing on new host plants; (vii) lac production clusters; (viii) Goat-rearing clusters, and (ix) IGA subproject. Results of analysis of these NINE subprojects in terms of household incomes, production costs, labour input and net incomes are summarised in Table 3 below and details in WP 10:

Table-3: Summary results of Subproject Models-INR per household (Financial) 1/							
Subproject	# of hh covered	Gross income		Inputs		Net income	
		WOP	WP	WOP	WP	WOP	WP
1 Rainfed agriculture	122,400	741	2,545	258	510	483	2,035
2 Irrigated agriculture	26,640	23,876	50,511	9,921	14,420	13,955	36,091
3 Vegetable clusters	8,400	21,693	35,063	1,715	3,169	19,979	31,895
4 Mango orchard clusters	4,200	0	88,714	0	2,945	0	85,769
5 Tasar-cocoon cluster-forest based	600	0	24,667	0	2,978	0	21,688
6 Tasar-cocoon cluster-new plantation	450	0	24,444	0	3,233	0	21,211
7 Lac production clusters	5,500	0	16,500	0	5,534	0	10,966
8 Goat-rearing clusters	6,000	0	43,325	0	2,200	0	41,125
9 IGA interventions	17,500	0	17,207	0	3,458	0	13,749

1/ at full development stage; Net income including returns from family labour.

D. Economic Analysis

4. Economic analysis has been carried out to evaluate the contribution of the project to the wider economy of the state. The analysis includes all incremental costs and incremental benefits that are quantifiable and associated with the project's investments in development. The principal assumptions that underlie this economic analysis are:

- A 25 year analysis period has been used, including an 8 year investment period.
- All agricultural inputs and outputs that are traded are valued at their border prices as of March 2012. These have been adjusted to allow for transport and marketing costs between the state border and target districts, to give an economic export parity value at the farm gate. See Appendix-7, Annex-9.
- Economic costs are net of duties, taxes and price contingencies, office rent but inclusive of physical contingencies. All costs directly associated with the incremental production are included in full, including incremental farm inputs and family labour.
- A standard conversion factor (SCF) of 0.85 is applied to both traded and non-traded items for adjusting financial prices.
- The average financial rural wage rate is taken to be the best estimate of the economic value of labour. This wage of INR 90 per day reflects seasonal variation in employment opportunities in the project area. The financial wage rate is thus taken to reflect the value of the marginal product of agricultural male and female labour without the project;
- The analysis includes only on-farm benefits and including attributable benefits from soil and water conservation, irrigation, vegetables, crop production and other activities;
- Time required for the full development has been assumed to be 9 years to allow for farming system development, technology transfer and improved access to markets;
- No significant changes or shifts in cropping patterns are assumed;
- The analysis employs an Opportunity Cost of Capital (OCC) at 12%.

5. Project Performance Indicators: The overall project EIRR is 17%. The estimated NPV at a 12% discount rate is INR 919 million and the BCR is 1.16. Sensitivity analysis shows that project performance is sound, with a 10% increase in cost only reducing the EIRR to 13% and a 10% reduction in benefits reducing the EIRR to 13%. A combination of a 10% cost increase and 10%

reduction in benefits, reduced the EIRR to 10%. Switching values⁶¹ indicate that the investments are viable if costs increase by 16% or benefits decline by 12%. A two year delay in benefits results in an EIRR of 12% with an NPV of INR 90 million. Further sensitivity analysis is in Working Paper 10.

Table 4: Sensitivity analysis

Scenario	Internal Rates of Return of Net Streams				
	Base Case	Cost Increases by		Benefits down by	
		10%	15%	10%	15%
Net incremental benefits stream for a 25 year period used.	17	13	12	13	11

E. Benefits and Beneficiaries

6. **Beneficiaries:** The total number of households benefited by the project is about 136,000 or roughly 0.51 million people (Table 5).

Table-5: Number of Benefited Households

Subproject households	Number of households benefited Project Year, cumulative							
	1	2	3	4	5	6	7	8
Rainfed crop agriculture	0	0	20,400	40,800	61,200	10,200	122,400	122,400
Irrigated crops	0	0	0	6,660	13,320	19,980	26,640	26,640
Vegetable clusters	0	1,200	4,800	8,400	8,400	8,400	8,400	8,400
Mango orchards clusters	0	600	2,400	4,200	4,200	4,200	4,200	4,200
Tasar clusters	0	150	300	450	600	600	600	1,000
Lac clusters	0	0	2500	5500	5500	5500	5500	5,500
Goat clusters	0	1,400	4,200	6,000	6,000	6,000	6,000	6,000
IGA interventions	0	0	3,400	7,000	11,100	14,300	17,500	17,500
Vocational training	0	0	0	420	420	420	420	420
Women SHGs 1/	0	66,000	66,000	66,000	66,000	66,000	66,000	66000
Youth Groups	0	2,460	4,920	4,920	4,920	4,920	4,920	4920
Total number of targeted hhs	0							136,000
1/ some 12 members per SHG.								

7. **Benefits:** On an average, a household's food production benefits will increase from 657 kg/household to about 838 kg, excluding fruits, vegetables and spices. Increased production of fruits and vegetables, along with livestock products, will help improve human nutrition. Farm incomes, including the value of family labour will increase from INR 4,730 to about INR 15,109. There are considerable increases in demand on family labour from the existing level of 45 person-days to some 86 person-days at full development.

8. Enhanced soil moisture will result in increases in cropping intensities from 75% to 105% at full development. No major shifts in cropping patterns are envisaged but the focus is on improved farming and agronomic practices and production for market. Additional benefits will come from the project's capacity building interventions. There will also be benefits from improved market access, improving the volume of produce that can be sold and reducing the costs of marketing.

F. Markets and Marketing

9. Major production benefits are quantified in Appendix 26. About 80% of 113.91 ton of food produced is consumed at farm. In addition to cereal food grains, the project will produce 30,336 ton of vegetables, 28,350 ton of fruits, 14.54 million tasar cocoon and 368,000 kg of lac for marketing. Non-timber forest produce such as medicinal herbs, lac, Mahua are also important sources of livelihoods for the tribal. They collect these produce and sell them in the local or village markets to middlemen. Cost of marketing the farm produce such as vegetables and other horticultural produce is very high because of (i) difficult terrain conditions; (ii) distance to markets is far; and (iii) limited quantities for marketing.

10. The project has three levels of livelihoods interventions. First is related to cereal and pulses

⁶¹ Switching values are yet another measure of sensitivity analysis. They demonstrate by how much a variable will have to fall (if it is a benefit) or rise (if it is a cost) to make it not worth undertaking an option.

production basically for household consumptions and most of the participating households may not have marketable surpluses. The IGA are targeted to the PTGs and poor households and the products or produce are sold at local markets. The third level of livelihoods is integrated production and marketing support and these are implemented in clusters. Inputs for these clusters and other enterprises will be purchased by the respective collectives using community participation procurement processes. The collectives and PECs will also have a tie-up with established input supply agencies for seed, seedlings, feed etc. For marketing of fruits, dedicated arrangements will be required and these will be facilitated by the FNGOs which are working with the horticulture collectives.

11. **Rural markets:** There are no permanent markets in the tribal area. However there are weekly, fortnightly and bi-weekly markets known as bazaar. Each such bazaar may serve tribal villages in a radius of 5 to 10 km. Thus the weekly markets play an important role in their economy. But they have no knowledge of prevailing market prices and often seen selling their produce at much lower prices or being exploited by middlemen. They also suffer on account of poor linkages with markets, no access to market information and or transport facilities. They carry their produce either on bicycle or on head load but in small quantities if nearby markets are located in reasonable distance, say 5 km. These constraints compel them to sell their produce to middlemen at much lower prices than what they will have secured at nearby markets.

12. **Regulated Markets:** There are regulated APMC markets in each TSP district. These have auction halls, where the incoming farm produce are auctioned on daily basis. But the processes of marketing through these markets are rather complex, time-consuming and resulting in increases in costs at every steps: for example, unloading and sorting cost INR 15/ton, commission charges payable to the commission agents ranging between 2% for cereal and 3% for vegetables and fruits, market yard tax of 1%, development tax of 0.5%, brokerage at 0.5%, weighing and labour charges of INR 15/ton or INR 1 per bag etc⁶². According to latest amendments to APMC Act oilseeds, pulses etc can be directly purchased by the traders from the producers without going through the APMC auction procedures. Important commodities traded in some of the APMC markets in Jharkhand are listed in Table 6 below:

Table-6: Major Agricultural Commodities Traded in APMC Markets in Jharkhand		
APMC market yards in Jharkhand	Number of villages covered	Commodities traded
Ranchi	1061	Rice, wheat, gram, pulses, potato, onion etc
Chaibasa	892	Rice, wheat, gram, potato, onion
Dumka	294	Rice, wheat, potato, onion
Sahibganj	161	Paddy, maize, gram, vegetables
Pakur	125	Paddy, onion, wheat, rice, potato, maize, Mahua
Gumla	946	Rice, wheat, potato, onion
Latehar	782	Rice, wheat, gram, pulses, potato, onion

13. In addition to regulated APMC markets, there are 603 rural markets which play an important role in marketing of agricultural produce for the tribal households. There are also 35 rural *haats* within the project area districts; with Chaibasa has 8, Ranchi and Saraikela 5 each, Dumka and Simdega 4 each, Gumla and Jamtara 2 each, 3 in Pakur and 1 each in Latehar and Lohardaga. These *haat* or rural markets have 4 to 6 covered plat forms, open platforms, internal roads, community hall, water facilities etc. Commodities arrive throughout the year but specific trading seasons are January-June for Rice, April-May for wheat and pulses, June-December for onion and potato. Mahua is traded in Pakur and Simdega market yards between February-May.

14. **Market Prices and farm-gate prices:** Market prices fluctuate and considerably vary between markets during the same period. The project-supported collectives will take advantage these variations at the time of marketing their produce. Farm gate prices are much lower than the market prices to the detriment of the producers-farmers. The mission during its field work observed that in cereals and food grains, it is about 20% lower and in case of other perishable produce such as vegetables and fruits, it is over 40%.

⁶² Source: www.jsamb.nic.in/onlineprice

15. Marketing of Vegetables: Vegetables are consumed locally as well as supplied to the nearby states like West Bengal, Orissa and Bihar. The industrial cities like Ranchi, Jamshedpur, Bokaro, Dhanbad are major vegetable demanding cities in Jharkhand. There is a continuous inflow and outflow of varying types of vegetables. During winter season Jharkhand is supplying vegetables like cabbage, cauliflower, peas, tomatoes and brinjal to West Bengal, Orissa and Bihar, while the comparatively warmer plains of West Bengal supplies bottle-gourds, cucumbers, bitter-gourd and potatoes. Carrots and Potatoes also arrive from Bihar and UP. Keeping in market demand, tomatoes, cabbage, chilli, cauliflower and cucumber will be planted during kharif season (July planting and September harvesting) and cauliflower, peas, bitter-gourd and cucumber will be planted during Rabi season (September planting and November harvest) so that marketing is not a constraint.

16. Lac marketing: Although Lac is predominantly a poor farmer's crop, there is no support price for this commodity. There are high price fluctuations seen throughout the year. Brood market is highly unorganized. Timely transportation of live insect colony to far off regions needs coordination. Large surplus of brood is sold as scrap lac. When lac imports go unregulated, the prices of domestic lac decline. The India's Lac sub-sector is controlled by a cartel of exporters that determines the prices paid for the commodity.

17. Producers' collective under the JTELP will be promoted for primary bulking and semi-processing of lac to ensure value-addition. There is a margin of INR 15/kg on direct sale to the lac factories. Alternatively, the producers' collectives will undertake value-addition processing but this is labour-intensive and will lead to an enhanced income of INR 10/kg of lac. The producers' group can also get in to the business of producing Brood Lac.

18. The Jharkhand State Cooperative Lac Marketing Federation (JHASCOLAMPF) and Indian Institute of Natural Resins and Gums (IINRG) work together to boost lac marketing and also provide training to lac producers in value-addition, lac marketing and lac products. The JHASCOLAMPF has set up training centres in rural areas of Khunti and Ranchi districts, where rural women are trained in making decorative lac items like bangles, key chains and ornaments. It is planning to start such centres in six more districts. Value addition will increase the net margins by over 50% to the lac producers.

19. Marketing of goats: The strong demand for slaughter goats means that selling a goat is not a problem. Almost all goats in small-stocks are reared under semi-scavenging conditions. Goat prices vary widely across the project area. At initial stage, individual rearers and producers groups will sell their stocks directly in the market but facilitated by the FNGOs. Market information will be made available to the producers on regular basis. Farm-gates prices are mainly based on expected slaughter weight of live goat. Generally, the per kg procurement price (of expected slaughter weight) at the farm gate is INR 20 to 30 lower than the retail price of mutton in order to cover the transportation, stocking and selling costs and profit. The price per kg live goat is INR 100–110 at the farm gate, about INR 120 in the market and INR 140 at retail outlet. But for the analysis sale value of live goats has been assumed.

20. Poultry marketing: About 90% of sale of chickens for meat are broilers and, in the absence of large-scale broiler farms in Jharkhand, about 80% of the demand is met by broilers imported from other states. About 50 tons of broilers are imported daily from West Bengal in to Ranchi. If supplies are not available from West Bengal because of strikes or outbreak of bird flu, broilers are imported from Uttar Pradesh and Madhya Pradesh. The project districts like Gumla and Lohardaga produce a small surplus of broilers. Almost 95% of all marketed eggs are imported sourced from Andhra Pradesh, West Bengal and Uttar Pradesh. Thus marketing of poultry products does not pose any constraints at this stage.

21. Tasar cocoon marketing: Traditionally, Tasar is traded mainly in two forms such as cocoons and silk fabric. The silkworm rearers sell cocoons. Cocoons are bought by the weavers to make silk yarn that is woven into fabric. Fabric is sold in the consumer market. Today the expanding sections of the domestic and export market use Tasar silk in pure or blended forms to produce fabric for home furnishing and upholstery. Silkworm rearing is carried out in decentralized manner in remote forested areas. Cocoon processing activities are organized in locations that are situated at distances of more than 100 km from the silkworm rearing villages. This distance is often bridged by the middlemen.

However, one still finds concentration of major activities of Tasar in Jharkhand in two broad clusters namely Singhbhum and Santhal Pargana.

22. Small moneylenders and petty traders dominate the trade in Tasar. They offer advances to the rearers during the rearing season and buy cocoons at rates that are less than 60% of the prevailing rates at the terminal markets. The weavers buy cocoons by taking loans from the moneylenders. Because of the low per capita productivity, yarn production continues as a subsidiary activity of weaving. Fabric is mostly made through a low piece rate putting-out system. Open market does not exist either for cocoons or for yarn and fabric. Therefore, all the three sets of 'producers' (rearers, yarn producers and weavers) are financially exploited in a closed system operated by the moneylenders, traders and order fillers

APPENDIX-1: PRODUCTION COSTS, LABOUR, AND YIELDS OF CEREAL, PULSES AND OILSEED CROPS

Crop	Without project per Acre			With Project per acre		
	Inputs (INR)	Labour (INR)	Yield (ton/Acre)	Inputs (INR)	Labour (INR)	Yield (ton/Acre)
<u>Cereal crops</u>						
Paddy short duration	2,950	5,490	0.8	2,988	5,940	1.2
Paddy rainfed	2,950	5,490	0.7	2,950	5,490	0.8
Paddy SRI	4,938	7,290	1.2	4,526	7,740	2.5
Paddy HYV	2,475	6,030	1.2	3,280	8,010	2.0
Maize	1,925	3,240	0.7	3,350	3,870	1.0
Wheat	2,805	5,400	0.8	6,276	5,670	1.4
Millet	1,182	4,140	0.8	1,827	6,120	1.0
Black gram	2,910	3,060	0.4	3,668	3,060	0.6
Green gram	1,020	5,040	0.4	2,082	5,670	0.6
Pigeon pea	2,700	2,340	0.4	4,082	2,430	0.8
Mustard	1,990	2,610	0.7	2,451	2,790	0.9
Groundnut	3,300	3,060	0.7	5,883	3,420	1.0

APPENDIX-2: PRODUCTION COSTS, LABOUR, AND YIELDS OF VEGETABLE CROPS

Crop	Without project per Acre			With Project per acre		
	Inputs (INR)	Labour (INR)	Yield (ton/acre)	Inputs (INR)	Labour (INR)	Yield (ton/acre)
Green chilli	-	-	-	8,823	16,200	0.4
Raddish	3,043	15,300	3.5	4,113	15,300	10.0
Onion	2,780	2,610	6.0	4,455	4,770	4.0
Green peas	9,985	13,950	6.0	10,020	18,900	8.0
Guard vegetables	-	-	-	6,620	18,900	12.0
Cucumber	3,920	14,400	8.0	6,620	18,900	10.0
Okra	-	-	-	6,390	13,500	11.0
Tomato khariif	-	-	-	9,250	11,700	15.0
Tomato Rabi	4,560	9,720	12.5	9,250	13,500	15.0
Brinjal	7,570	9,900	12.5	11,480	13,500	15.0
Potato	8,857	5,670	6.0	9,337	6,570	8.0
Amaraanth	-	-	-	8,800	10,880	10.0
Cabbage and cauliflower	13,710	9,720	8.5	20,430	14,400	12.0

APPENDIX-3: PRODUCTION COST, LABOUR, AND YIELDS OF LIVELIHOOD UNITS

CROP/PLANTATION	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Cocoon grainage									
Inputs INR/unit	2,400	2400	2400	2400	2400	2400	2400	2400	2400
Yield DFL/unit #	5,300	5300	5300	5300	5300	5300	5300	5300	5300
Yield Cocoon/unit, pierced #	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Labour (INR) per unit	2,250	2250	2250	2250	2250	2250	2250	2250	2250
Mango plantation									
Inputs INR/acre	23,215	2621	845	2945	2945	2945	2945	2945	2945
Yield ton/acre	-	-	-	0.9	1.4	1.4	1.8	2.3	2.7/6.0
Labour (INR) per acre	15,050	11000	10550	10550	900	1800	3600	4500	4500
Tasar cocoon-rearing (Forest)									
Inputs INR/household	3,550	2750	2750	2750	2750	2750	2750	2750	2750
Yield per unit # cocoon	12,500	12500	12500	12500	12500	12500	12500	12500	12500
Labour (INR) per household	8,100	8100	8100	8100	8100	8100	8100	8100	8100
Tasar Cocoon-rearing (Plantation)									
Inputs INR/household	3,550	2750	2750	2750	2750	2750	2750	2750	2750
Yield per unit # cocoon	12,500	12500	12500	12500	12500	12500	12500	12500	12500
Labour (INR) per household	8,100	8100	8100	8100	8100	8100	8100	8100	8100
Lac Production									
Inputs INR/household	5,534	5,534	5,534	5,534	5,534	5,534	5,534	5,534	5,534
Yield kg/unit (brood+scrapped)	55	55	55	55	55	55	55	55	55
Labour (INR) per household	900	900	900	900	900	900	900	900	900
Lac Production from semialata plantations									
Inputs INR/household	5,950	6,780	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Yield kg/unit (brood+scrapped)	-	-	65	65	65	65	65	65	65
Labour (INR) per household	2,610	810	1,530	1,530	1,530	1,530	1,530	1,530	1,530
Goat-keeping									
Inputs INR/unit	17,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2200
Goat sold per unit	-	-	-	3	8	11	11	11	11
Buck sold per unit	-	-	4	6	11	11	11	11	11
Labour (INR) per unit	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500

APPENDIX-4: PRODUCTION COSTS, LABOUR, AND YIELDS OF SOME IGA UNITS

CROP/PLANTATION	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
<u>Backyard poultry unit 1/</u>									
Inputs per unit INR	6966	1956	1956	1956	1956	1956	1956	1956	1956
Yield	6 birds, 400 eggs	6 birds, 400 eggs	6 birds, 400 eggs	6 birds, 400 eggs	6 birds, 400 eggs	6 birds, 400 eggs	6 birds, 400 eggs	6 birds, 400 eggs	6 birds, 400 eggs
Labour per unit INR	900	900	900	900	900	900	900	900	900
<u>Piggery unit 2/</u>									
Input per unit INR	6450	6450	6450	6450	6450	6450	6450	6450	6450
Pigs sold #	10	10	10	10	10	10	10	10	10
Labour per unit INR	2970	2970	2970	2970	2970	2970	2970	2970	2970
<u>Duck-farming unit 3/</u>									
Inputs per unit INR	6956	1956	1956	1956	1956	1956	1956	1956	1956
Yield/ unit	6 birds 600 eggs	6 birds 600 eggs	6 birds 600 eggs	6 birds 600 eggs	6 birds 600 eggs	6 birds 600 eggs	6 birds 600 eggs	6 birds 600 eggs	6 birds 600 eggs
Labour per unit in INR	900	900	900	900	900	900	900	900	900
<u>Rural artisan unit</u>									
Inputs per unit INR	5000	5000	5000	5000	5000	5000	5000	5000	5000
Yield per unit INR	8000	8000	8000	8000	8000	8000	8000	8000	8000
Labour per unit INR	3000	3000	3000	3000	3000	3000	3000	3000	3000
<u>Kitchen garden unit 4/</u>									
Inputs/household INR	662	662	662	662	662	662	662	662	662
Yield/hh in ton	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Labour/hh in INR	1890	1890	1890	1890	1890	1890	1890	1890	1890
1/ 10 layer, free-scavenging unit; 2/ Five sows and one boar unit; 3/ 10 layer unit 4/ Home garden, about 400 m2 area; All are random type models;									

APPENDIX-5: CROP AREA DISTRIBUTION AND ACTIVITY DISTRIBUTION (INCREMENTAL)

CROP/PLANTATION	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Rainfed agriculture (ha)	0	0	0	39,967	42,304	44,640	46,977	49,313	51,650
Irrigated agriculture, (ha)	0	0	0	526	1,051	1,577	2,103	2,103	2,103
Vegetable cultivation (ha)	0	0	850	850	850	850	850	850	850
Mango cultivation (ha)	0	0	150	600	1,050	1,050	1,050	1,050	1,050
Tasar cocoon production (hh)	0	0	150	300	450	600	600	600	600
Tasar cocoon production (hh)	0	0	0	0	150	450	450	450	450
Lac Production (hh)	0	0	2,500	5,500	5,500	5,500	5,500	5,500	5,500
Goat units (#)	0	1,400	4,200	6,000	6,000	6,000	6,000	6,000	6,000
IGA units (#)	0	0	0	3,500	7,000	10,500	14,000	17,500	17,500

India: Jharkhand Tribal Empowerment and Livelihoods Project
Design Completion Report
Annexes

APPENDIX-6: PROJECT PERFORMANCE INDICATORS AND SENSITIVITY ANALYSIS

ECONOMIC ANALYSIS

Country: INDIA Discount rate:DR 0.12 12%

Project: Jharkhand Tribal Empowerment and Livelihoods Project-Appraisal

(Million INR)

Details	Project Year																								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Benefits																									
Incremental benefits a/	0	14	91	346	544	778	1038	1223	1468	1531	1580	1639	1723	1823	1823	1856	1822	1820	1817	1817	1817	1817	1817	1817	1817
Other benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total benefits	0	14	91	346	544	778	1038	1223	1468	1531	1580	1639	1723	1823	1823	1856	1822	1820	1817	1817	1817	1817	1817	1817	1817
Costs																									
Investment costs b/	39	171	262	832	836	756	666	565	477																
Production costs a/		27	126	350	482	564	628	695	695	707	702	706	709	711	709	705	703	700	698	698	698	698	698	698	698
Total costs	39	198	388	1182	1318	1320	1294	1260	1172	707	702	706	709	711	709	705	703	700	698	698	698	698	698	698	698
Net benefits	-39	-184	-297	-836	-774	-542	-256	-37	296	824	878	933	1014	1112	1114	1151	1119	1120	1119	1119	1119	1119	1119	1119	1119

a/ Refer to Appendix 24

b/ Refer to Appendix 23

Performance Indicators:

NPV of benefit streams discounted at 12%	6,843
NPV of costs stream discounted at 12%	5,924
NPV of project discounted at 12%	919
BCR- discounted benefits & costs at 12%	1.16
IRR	17%

Benefits lagged by 2 year

NPV of benefit streams discounted at 12%	6,015
NPV of costs stream discounted at 12%	5,924
NPV of project discounted at 12%	90
BCR- discounted benefits & costs at 12%	1.02
IRR	12%

Results of Sensitivity Analysis:

		Costs increased by				Benefits down by				Both cost increase & benefits down			
Project Performance indicators		10%	15%	20%	25%	10%	15%	20%	25%	10%	15%	20%	25%
NPV of at discount rate of	12%	327	30	-266	-562	235	-107	-450	-792	-358	-996	-1,634	-2,273
BCR at discount rate of	12%	1.05	1.00	0.96	0.92	1.04	0.98	0.92	0.87	0.95	0.85	0.77	0.69
IRR		13%	12%	11%	10%	13%	11%	10%	8%	10%	7%	4%	1%

Switching Value Analysis:

Switching Value:	<u>Appraisal</u>	<u>Switching value</u>	<u>% change</u>
Total Benefits at 12% DR	6,843	5,924	-13
Total Costs at 12% DR	5,924	6,843	16

APPENDIX-7: INPUTS AND OUTPUT PRICES – ECONOMIC AND FINANCIAL

India			
JTELP Appraisal			
ECONOMIC FINANCIAL			
(In INR)			
	Unit		
Outputs			
Cereals, oilseeds & pulses			
Paddy	ton	5,950	7,000
Paddy SRI	ton	5,950	7,000
Paddy HYV	ton	5,950	7,000
Maize grain	ton	6,800	8,000
Maize cobs	1000	850	1,000
Wheat	ton	9,350	11,000
Finger millet	ton	7,650	9,000
Blackgram	ton	21,250	25,000
Greengram	ton	21,250	25,000
Pigeon Pea	ton	17,000	20,000
Mustard	ton	17,000	20,000
Groundnut pods	ton	17,000	20,000
Bye-product			
Paddy straw	ton	425	500
Wheat straw	ton	425	500
Millet straw	ton	425	500
Vegetables			
Green chilli	ton	12,750	15,000
Raddish	ton	1,700	2,000
Onion	ton	4,250	5,000
Green peas	ton	59,500	70,000
Gourd vegetables	ton	3,400	4,000
Cucumber	ton	3,400	4,000
Okra	ton	4,250	5,000
Tomato kharif	ton	4,250	5,000
Tomato rabi	ton	3,400	4,000
Brinjal	ton	3,400	4,000
Potato	ton	2,550	3,000
Amaranth	ton	25,500	30,000
Cabbage & Cauliflower	ton	5,100	6,000
Fruit crops & trees			
Mango	ton	12,750	15,000
Timber	No	170	200
Firewood	ton	680	800
Tasar			
Cocoon	Number	1.36	1.6
Seed Cocoon	Number	0.85	1
Sale of pierced cocoon	Number	0.68	0.8
Sale of DFL	Number	4.25	5
Lac			
Phunki lac	kg	255	300
Scrapped Lac	kg	255	300

Livestock products			
Goat Does	No	1,275	1,500
Goat Buck	No	6,375	7,500
Sale of bucks	animal	2,125	2,500
Goat kids	No	765	900
Sale of goat manure	kg	0.85	1
Sale of Broiler Birds	No	45.05	53
Broiler litter	kg	0.85	1
Sale of Piglets	animal	1,275	1,500
Sale of poultry birds	#	161.5	190
Sale of Ducks	#	106.25	125
Sale of litter	bird	12.75	15
Sale of Eggs	#	4.25	5
Sale of eggs	#	5.95	7
Inputs			
Seeds & materials			
Paddy seed	kg	25.5	30
Maize seed	kg	85	100
Wheat seed	kg	21.25	25
Finger millet seed	kg	7.65	9
Blackgram seed	kg	68	80
Greengram seed	kg	76.5	90
Pigeon Pea seed	kg	153	180
Mustard seed	kg	76.5	90
Groundnut seed	kg	29.75	35
Green chilli seed	kg	25.5	30
Raddish seed	kg	255	300
Onion seed	kg	850	1,000
Greenpeas_seed	kg	153	180
Gourd vegetable seed	kg	510	600
Cucumber seed	kg	510	600
Okra seed	kg	85	100
Tomato seed	kg	1,700	2,000
Brinjal seed	kg	850	1,000
Potato seed	kg	6.8	8
Amaranth seed	kg	170	200
Cabbage, Cauliflower seed	kg	2,550	3,000
Mango planting			
Mango seedling	No	85.85	101

PP chemicals			
Insecticides	kg	200	200
Phorate	kg	60	60
Mancozeb	kg	400	400
Bavistin	kg	1,000	1,000
Systemic insecticides	kg	600	600
Dithan	kg	1,800	1,800
Copper oxychloride	kg	600	600
Aphid	lit	400	400
Blue copper	kg	300	300
Vapona	kg	750	750
Rhizobium	kg	100	100
PPC cabbage /b	kg	1,200	1,200
seed treatment	kg	20	20
Jaggery	kg	30	30
PSB	kg	100	100
PPC for termite control	kg	25	25
Fertilisers			
Compost	ton	1,000	1,000
Vermi compost	kg	5	5
SSP	kg	6	6
Urea	kg	7	7
MOP	kg	8	8
DAP	kg	15	15
Suphala	kg	15	15
Chemical Fertilisers	kg	15	15
Farm Yard Manure	cart load	250	250
Lime/dolomite	kg	4	4
Neem Cake	kg	20	20
Bone meal	kg	15	15
micro-nutrient	kg	450	450
Labor	pers_day	76.5	90
\a 3x3x3 size pits for planting mango seedling			
\b for cabbage crops			

ANNEX 11: PROJECT IMPLEMENTATION MANUAL

DRAFT PROJECT IMPLEMENTATION MANUAL⁶³

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ANNEX 12: ADHERENCE TO IFAD POLICIES

This annex reviews the adherence of project design to the following IFAD policies and strategies:

- Gender sensitive design
- Targeting policy
- Climate change strategy
- Good governance
- Checklist on Indigenous Peoples
- Scaling up
- Environment (Environmental and social review note)

A. PRE-REQUISITES FOR GENDER SENSITIVE DESIGN⁶⁴

	Yes	No	Partial	Issues and Recommendations
1. Project document contains poverty and gender analysis data.	X			
2. Based on the above, the project articulates a gender strategy that aims to:				
<ul style="list-style-type: none"> Expand women's access to and control over fundamental assets – capital, land, knowledge and technologies; 	X			The project will focus on livelihoods where women are the primary workforce. Specific actions will be taken to promote the role of women in management of farm and related enterprises.
<ul style="list-style-type: none"> Strengthen their agency – thus their decision-making role in community affairs and representation in local institutions; 	X			The project will enable women to take active roles in decision-making processes of the community and its institutions like GS-PEC.
<ul style="list-style-type: none"> Improve well-being and ease workloads by facilitating access to basic rural services and infrastructures. 	X			The introduction of new technologies and enterprises will aim to reduce the workload of women, while a move from subsistence to cash crops will result in an increase in male participation on farming.
3. The project identifies operational measures to ensure gender- equitable participation in, and benefit from, planned activities, and in particular:				
Sets specific targets in terms of proportion of women participants in different project activities and components;	X			All SHGs will be women-specific; even the YSHGs will have at least 50% women.
Ensures women's participation in project-related decision-making bodies; and	X			They will be included in GS-PEC which are the decision-making bodies at village level: 50% of GS-PEC will be women.
Clearly reflects actions identified in the gender strategy in the cost tables;	X			
Ensures that the Terms of Reference of project coordinating unit or project management unit (SPMU) include responsibilities for gender mainstreaming, especially at level of project director, M&E officer, extension officer and microfinance officer;	X			In addition, the project will have a manager for Gender (including Community Institution & KM)
Explicitly addresses the issue of present and likely availability of field staff to ensure outreach to women, and designs activities accordingly;	X			Experience of JTDP shows that project staffs have no problem in reaching women. A significant proportion of project and of partner NGO staff will be women.
Establishes experience working with women and marginalized groups and willingness to work with these groups is a criterion for NGO selection.	X			This will be included in NGO selection criteria.

⁶⁴ Adapted from: "Mainstreaming a gender perspective in IFAD's operations – Plan of Action, 2003-2006"

4. The project logframe and suggested monitoring system specify sex-disaggregated performance and impact indicators.	X		Further details are in the M&E annex
5. The project provides opportunities for policy dialogue on issues related to gender equality and empowerment of women.	X		Will be part of project knowledge management.

B. COMPLIANCE WITH IFAD TARGETING POLICY

	Key policy principals	Degree of compliance	Comments and observations
1	Focus on rural people who are living in poverty and experiencing food insecurity, and who are able to take advantage of the opportunities to be offered (sometimes referred to as “the productive poor” or “active poor”);	Yes	A major thrust will be to improve food security and livelihoods of the Tribal population.
2	Expand outreach to proactively include those who have fewer assets and opportunities, in particular extremely poor people as referred to in MDG 1;	Yes	Extra assistance will be provided to groups of vulnerable people – specifically, PTGs
3	Include marginalized groups, such as minorities and indigenous peoples, and address their specific needs;	Yes	The project targets only the Tribal with specific target for PTG , forming 2% of Tribal population
4	Address gender differences and have a special focus on women within all identified target groups – for reasons of equity, effectiveness and impact – with particular attention to women heads of household, who are often especially disadvantaged;	Yes	All SHGs will be women-specific; Women headed households will be included as a vulnerable group.
5	Recognize that relative wealth or poverty can change rapidly due to external shocks and that this vulnerability needs to be addressed;	Yes	Climate change will be addressed and there will be measures to reduce risk – such as various coping mechanism in crop management and rainwater harvesting.
6	Clearly identify at the programme or project design stage who the intended target groups are and why, and consistently apply these categories, during implementation, in monitoring and evaluation (internal and external) of targeting performance. There will be cases when better-off people may need to be included – because of economic and market interdependencies, to avoid conflict, or to engage them as leaders and innovators. In such cases, the rationale and justification should be provided, and risks of excessive benefit capture carefully monitored;	Yes	The programme is specifically design to address the empowerment and livelihoods improvement of the tribal communities who will constitute 90% or more of the target groups. Monitoring, including annual outcome surveys, will establish the degree to which people participating on project activities are from the poorer categories of the population.
7	Identify and work with like-minded partners at local, country, regional and international levels to develop a shared understanding of both the dynamics of rural poverty in different contexts and successful targeted approaches;	Yes	The project will partner with WFP; the project will work with a number of regional and local NGOs and research agencies who have identical approaches.
8	Pilot and share learning on successful approaches to targeting hard-to-reach groups; and	Yes	Knowledge management will disseminate lessons – especially regarding livelihoods, legal literacy, access to markets and other entitlements of the Tribal groups.
9	Build innovative and complementary partnerships with actors that can reach target groups that IFAD cannot reach with the instruments at its disposal.	Partly	Will share lessons with other government agencies, NGOs and other donors who can address health, education and other needs.

C. COMPLIANCE WITH IFAD CLIMATE CHANGE STRATEGY

Goal: To maximize IFAD's impact on rural poverty in a changing climate	
Statements of purpose:	JTELP response
1. To support innovative approaches to helping smallholder producers build their resilience to climate change.	Climate resilient livelihoods – including improved food crop production with irrigation and watershed conservation works. Introduction of risk reduction measures such as shifts in cropping patterns, diversified production technologies, rainwater harvesting are emphasised
2. To help smallholder farmers take advantage of available mitigation incentives and funding.	No specific plans in project design to mobilise additional funds for mitigation, but opportunities may arise during implementation
3. To inform a more coherent dialogue on climate change, rural development, agriculture and food security.	M&E systems will generate information on the outcomes of project activities focused on climate resilience. Lessons will be disseminated via knowledge management activities.

D. GOOD GOVERNANCE FRAMEWORK

This Good Governance Framework is based on the following key principals:

- **Transparency** is the foundation for accountability and participation. Information in the public domain and an open & visible decision-making processes signals that there is nothing to hide.
- **Accountability** implies probity in how resources are mobilized and used, and for what ends.
- **Participation (or inclusion)** represents the “demand side” of good governance, and implies that people should have a voice in the decisions that may affect them. The involvement of affected communities in all stages of projects can simultaneously improve development outcomes and reduce the scope for fraud and corruption.

Project processes	Actions to be taken	Accountability and transparency	Participation and inclusion	Guidelines/regulations to be followed
Targeting	<ul style="list-style-type: none"> ▪ Ensure inclusion of disadvantaged groups in project activities. This requires targeting policies and monitoring of composition of PGs etc. 	<ul style="list-style-type: none"> ▪ Progress reports ▪ Outcome surveys ▪ IFAD supervision reports 	<ul style="list-style-type: none"> ▪ Report back to Village Panchayats on composition of PECs and all other project groups 	<ul style="list-style-type: none"> ▪ IFAD appraisal report ▪ JTELP group formation guidelines
Planning (project level)	<ul style="list-style-type: none"> ▪ Annual plans for project activities need to conform to GoJ processes and IFAD appraisal, and be approved by BoD and IFAD 	<ul style="list-style-type: none"> ▪ SPMU report to SPSC ▪ IFAD & GoJ approval of AWP&B ▪ Progress reports on implementation of AWP&B 	<ul style="list-style-type: none"> ▪ PRA at design stage got feedback from local people. ▪ Disclosure of AWP&B 	<ul style="list-style-type: none"> ▪ GoJ procedure for annual budget ▪ IFAD AWP&B guidelines
Planning (local level)	<ul style="list-style-type: none"> ▪ Participation in plans at local level by Gram Panchayat/Gram Sabha and field level groups 	<ul style="list-style-type: none"> ▪ Progress reports with information on GS participation) 	<ul style="list-style-type: none"> ▪ Progress reports feedback to village Panchayats, GS, Collectives 	<ul style="list-style-type: none"> ▪ Participatory planning guidelines
Procurement	<ul style="list-style-type: none"> ▪ Transparent and efficient procurement process to ensure best quality/price. ▪ IFAD implementation support to train staff in procurement processes. ▪ IFAD prior reviews ▪ 	<ul style="list-style-type: none"> ▪ External audits cover procurement processes ▪ IFAD supervision missions spot check procurements ▪ IFAD technical audits if needed to check value for money and leakages. 	<ul style="list-style-type: none"> ▪ SPSC and IFAD receive audit report ▪ IFAD supervision reports and any technical audits to IFAD & GoJ. ▪ GS-PEC involved in checking procurement and community level procurement 	<ul style="list-style-type: none"> ▪ GoJ Procurement Regulations ▪ IFAD procurement guidelines ▪ Annual procurement plan
Physical activities and outputs	<ul style="list-style-type: none"> ▪ Need to monitor progress in terms of quantity and quality. 	<ul style="list-style-type: none"> ▪ Outcome surveys check on outputs delivered to benefited hh. ▪ Progress reports of implementing agencies ▪ KAP studies on training quality ▪ Project website ▪ IFAD supervision reports assess progress 	<ul style="list-style-type: none"> ▪ Internal coordination workshops ▪ Project progress reports to WD, IFAD & SPSC ▪ Reports to local government 	<ul style="list-style-type: none"> ▪ Government budget ▪ IFAD appraisal report ▪ Producer Group and Livelihood Collective plans
Financial management	<ul style="list-style-type: none"> ▪ Minimise cash transactions ▪ Training of Livelihood Collective and other group leaders and members in accounts. ▪ IFAD implementation support will train staff in project accounting and financial processes. 	<ul style="list-style-type: none"> ▪ Consolidated financial statements ▪ Internal audit ▪ External audit ▪ IFAD supervision mission reports will check financial statements & accounting system 	<ul style="list-style-type: none"> ▪ CBO accounts discussed and agreed with all members. ▪ Rotation of group leaders and regular elections. ▪ Audit report to SPSC & IFAD ▪ Consolidated financial statements to IFAD 	<ul style="list-style-type: none"> ▪ IFAD financial reporting guidelines ▪ Government accounting systems ▪ ToR for internal and external audit

			▪ IFAD supervision reports to IFAD & GoJ.	
Results and impact	<ul style="list-style-type: none"> ▪ Reporting of outcomes and results ▪ Knowledge management to utilise information generated 	<ul style="list-style-type: none"> ▪ IFAD supervision reports ▪ IFAD RIMS indicator reporting ▪ Outcome and KAP surveys. 	<ul style="list-style-type: none"> ▪ Project website with results of M&E ▪ Experience sharing publications and workshops. 	<ul style="list-style-type: none"> ▪ Project M&E guidelines ▪ IFAD RIMS guidelines ▪ Project KM strategy
Complaints remedies	<ul style="list-style-type: none"> ▪ Complaints procedure ▪ Ethical code for staff to avoid conflicts of interest and including sanctions for fraudulent and corrupt practices 	<ul style="list-style-type: none"> ▪ Investigative processes 	<ul style="list-style-type: none"> ▪ Reports to WD & IFAD ▪ Feedback to GS, village Panchayats if needed ▪ Phone numbers of leaders of project groups & project managers circulated to relevant persons. 	<ul style="list-style-type: none"> ▪ JTDS complaints guidelines ▪ Staff ethical code ▪ HR Manual

E. PILOTING THE CHECKLIST ON INDIGENOUS PEOPLES IN QE

Framework For Mainstreaming IFAD Policy On Engagement With Indigenous Peoples

Key Features For Project Design And Implementation

While it is difficult to capture in a checklist the holistic approach to be used in designing projects with indigenous peoples, this checklist should be used during project design to capture at least the minimum standard a project should respond to in order to be in compliance with IFAD Policy on Engagement with Indigenous Peoples. It is essential that design and implementation teams **actively listen** to indigenous people on the ground when designing projects, to ensure that projects respond to their perspectives and needs. This will help designing sustainable projects and increase IFAD's effectiveness with indigenous peoples' communities.

Abstract from IFAD Policy on IPs:

Across countries and continents, many terms and definitions are used to refer to indigenous peoples.⁶⁵ The 2007 United Nations Declaration on the Rights of Indigenous Peoples⁶⁶ has not adopted a universal definition. While the prevailing view today is that no formal universal definition is necessary for the recognition of indigenous peoples' rights, there is in practice a large degree of convergence among international agencies. Consistent with international practice and for the purposes of this policy, IFAD will use a working definition of indigenous peoples based on the following criteria:

- *Priority in time, with respect to occupation and use of a specific territory;*
- *The voluntary perpetuation of cultural distinctiveness, which may include the aspects of language, social organization, religion and spiritual values, modes of production, laws and institutions;*
- *Self-identification, as well as recognition by other groups, or by state authorities, as a distinct collectively; and*
- *An experience of subjugation, marginalization, dispossession, exclusion or discrimination.*

Following Are Some Guiding Questions That Could Help Outline The Characteristics Of Indigenous Peoples

1. Are there socio-cultural groups (tribes, ethnic minorities, indigenous nationalities, aboriginals, indigenous communities, pueblos originarios, adat communities, scheduled

⁶⁵ Natives, First Nations, tribes, ethnic minorities, indigenous nationalities, aboriginals, indigenous communities, *pueblos originarios* (Bolivia), *adat* communities (Indonesia), scheduled tribes (India), hill peoples, highland peoples (Cambodia), etc.

⁶⁶ United Nations Declaration on the Rights of Indigenous Peoples:
<http://www.un.org/esa/socdev/unpfii/en/declaration.html>.

tribes, hill peoples, highland peoples, indigenous peoples, amerindians, adivasi etc.) who inhabit and/or use land, territories and resources in the project area?

2. Are there national and local legislations and/or policies, and researches and studies that consider the groups living in the project areas as indigenous and tribal peoples and ethnic minorities?
3. Do the groups present in the project area self-identify as indigenous peoples and/or as distinct groups belonging to distinct social and cultural groups?
4. Do the groups present in the project area maintain a special attachment to their land and territories and ancestral domains?
5. Do the groups present in the project area maintain their social, cultural, economic and political institutions, which are distinct from the dominant society?
6. Do the groups present in the project area speak their own languages distinct from the mainstream language?
7. Have the groups present in the project area an experience of subjugation, marginalization, dispossession, exclusion or discrimination?

Details	SCORE (1-6)	Issues
<i>1. The project design report is in line with IFAD Policy on Engagement with Indigenous Peoples and takes into account the socio economic and cultural specificities of the indigenous peoples' communities living in the project area. It provides baseline information on their demographic, social, cultural, and political characteristics; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources they manage or depend upon.</i>	6	Refer to WP on Poverty and Gender and WP on Issues in Tribal Development
<i>2. The project design report includes disaggregated data by indigenous group and geographical location</i>	6	Refer to Project file
<i>3. The project design report identifies, interventions which respond to the needs and priorities as expressed by the targeted indigenous peoples' communities and which build on their knowledge, cultural systems, and institutions.</i>	6	Refer to Annex -5 Section on implementation mechanism and focus on the need for GSRMLP and their implementation
<i>4. The design document describes – and the project/programme implements – operational measures to ensure IPs equitable participation in, and benefit from, project activities. These will generally include:</i>		
<i>4.1. Ensuring that representatives of the indigenous peoples' communities, partners of the project, are present at all stages of the project cycle and that a consultation plan leading to their Free, Prior and Informed Consent is embedded in the project design and the consultation and participation process is documented</i>	6	GS-PEC is the grassroots level planning and executing body and also responsible for community-based procurement; decision-making body; it has representatives from each Tola and also the villages
<i>4.2. Ensuring that project/programme activities are co-created and co-managed by the indigenous peoples communities</i>	6	GSRMLPs are co-created and co-managed by the respective PECs.
<i>4.3 Ensuring the service-providers and extension workers used by the project (public or private) have the capacity and are trained to reach out to indigenous peoples.</i>	6	All Service providers are NGOs who have been working in the respective areas for long and they have adequate experience of working with IPs; project will also promote Community Resource Persons from among the beneficiaries with appropriate capacity building who will be resource persons and extension service providers at community level
<i>4.4 Ensuring that the project design report includes measures to strengthen a) the social, legal and</i>	5	These are incorporated

<i>technical capacity of the government institutions to address IPs issues in the project area; b) IPs' institutions and organizations in the project area</i>		
4.5 Ensuring that information disclosure on the project is in accordance with prevailing IPs' customs and traditions and printed material is written in the IPs language	5	IPs use several dialects and languages among themselves and these do not have separate written script or alphabets. All printed materials will be in local language, i.e. Hindi, which most of IPs understand.
5. M&E mechanisms are participatory and adapted to capture indigenous peoples' perceptions and perspectives. M&E systems include specific indicators to measure the well-being, poverty and sustainability in a way that is relevant to indigenous peoples.	6	These are provided; also refer WP on M&E
AVERAGE SCORE	5.5	

F. IFAD FRAMING QUESTIONS FOR SCALING UP

1. What is the intervention that is to be scaled up? Is it a new idea (innovation) or an idea adopted and adapted from prior practice elsewhere?

Interventions that are going to be scaled up in JTELP include:

- Crops production **technologies**: new crop varieties, farmer seed production, etc. These have already been tried in Jharkhand by JTDP and partner NGOs.
- Tasar silk cocoon production, Lac production, broiler poultry, vegetable cultivation, horticulture (mango), goat rearing interventions are up scaled using cluster approach to ensure ease of input supply and marketing and based on a number of models already tried in the project area by NGOs.
- Farmers' service centre- a new intervention is based on successful experiments carried out by one of the partner NGOs in adjoining state of West Bengal.
- Integrated production and market support: This has been done by a number of agencies in the project area and these models have been performing with success.
- Involvement of grassroots project implementation units, GS-PEC was successfully tried under the JTDP and this is being up scaled to cover other districts under the JTELP.
- Alternate implementation mechanism partnering with NGOs was successfully implemented under JTDP and this is being expanded to cover all 14 Tribal districts. This is an innovation for India based on the IFAD-funded leasehold forestry programmes in Nepal

2. Whose idea is it?

The exact origins of these interventions have not been identified but various models were already tested by JTDP and other partnering NGOs of the project area. However, the models of interventions for Tasar silk cocoon production, Lac production, broiler poultry, vegetable cultivation, horticulture (mango) and goat rearing originated from the Prototype Project funded by the erstwhile Micro Enterprise Support Organisation or MESO (which is now renamed as Integrated Tribal Development Agency) under the Welfare Department, GoJ,

3. Has it been tested/piloted/evaluated?

As described in paragraph one, these interventions have been tested and piloted in the project area districts by NGOs (under Prototype funding by GoJ) and also by the ongoing JTDP and elsewhere.

4. What is the appropriate ultimate scale of the intervention which the IFAD project or program supports in country? I.e., how many people, households, districts, etc. could and should ultimately be reached, not merely by IFAD's own program and also by others (government, IFIs, etc.)?

The planned outreach of JTELP is about 136,000 households. There are a total of approximately 1.28 million Tribal households in the 14 tribal districts of Jharkhand, of whom less than 2% are PTG households. About 50% of tribal are cultivators and 30% of them are agricultural labourers.

5. What or who are the drivers that are pushing, or are expected to push, the scaling up process ahead? Including local leaders or champions, external catalysts and incentives? What is IFAD doing to develop and support these drivers?

The drivers pushing scaling up will be the support provided by JTELP that will encourage farmers to adopt viable new technologies, and institutions created by JTELP such as GS-PEC, livelihoods collectives will also be working with partners who are well positioned to advocate and act as catalysts for further up-scaling. These partners include NGOs, research institutions, line agencies, the banks etc.

6. Space has to exist or be created so the intervention can grow to achieve the desired scale. What are the government and IFAD doing to ascertain or help create this space in its multiple dimensions?

JTELP will be implemented by government sponsored society JTDS with the active support of leading NGOs from the area. This institutional arrangement, together with the project design, allows considerable flexibility in the activities to be carried out to implement the project. This will create the space for up-scaling.

7. What are the pathways that define the way interventions in country are (to be) scaled up with IFAD support, moving from idea/innovation to learning to scaling up?

JTELP will have significant resources to gather data on the performance and outcomes of interventions and to share these via a knowledge management system. In addition JTELP will be implemented alongside NRLM, which is the major programme for poverty reduction in India, and there will be opportunities for ideas and approaches from JTELP to be taken up by NRLM.

8. What is the time horizon over which the pathways are expected to extend?

The time horizon is expected to be the duration of the project, i.e. approx 8 years, but up-scaling may well continue after the end of the project.

9. How do the drivers and spaces define these pathways?

The drivers and spaces define the up-scaling pathways in terms of the incentives for adoption of interventions, the flexibility of the support from the project and the mechanism for lesson learning as the project progresses. The financial resources available are sufficient to ensure that the project achieves a significant scale and impact.

10. What are the most serious likely obstacles and risks and what can be done to mitigate them?

Likely obstacles are (i) deploying appropriate partner NGOs; (ii) achieving the levels of convergence for a variety of interventions at implementation stage; (iii) lack of quality inputs and their supply and facilities for output marketing; and (iv) fund flow constraints. Well-defined selection criteria for engaging NGO services are included in the design report with an emphasis on recruiting NGOs with local experience. Government has been advised to issue a GO for convergence at district level and bringing in Deputy Commissioners for playing key role in plan approval. Appropriate collectives and producer groups will be organised with NGOs providing hand-holding support. JTELP's approach is to aim to move farmers towards cash crops and other income generating activities, where there are good opportunities and incentives. But there are also subsidies on some production inputs – equipment, seeds, chemicals, feeds etc. These may deter farmers investing in purchasing these items at full cost and thereby slowing down development. Through awareness-building of the target groups and holding successful production demonstration with the effective participation of partner NGOs, the situation will be mitigated. The fund flow constraints are addressed in proposing decentralised approaches.

11. What is IFAD's specific role in promoting the scaling up process?

IFAD's specific role will be to lead the design process, and to undertake supervision of the project. Through regular supervision, IFAD will maintain pressure to ensure the up-scaling is successful.

12. How do IFAD's policies, procedures and resources support the implementation of the scaling up process?

IFAD's policy enabling direct supervision will be particularly useful in ensuring IFAD has a strong role in supporting scaling up.

G. ENVIRONMENTAL AND SOCIAL REVIEW NOTE (ESRN)

BRIEF DESCRIPTION OF PROJECT

1. The IFAD-supported the Jharkhand Tribal Development Project (JTDP) has been under implementation in 5 districts of Jharkhand (Ranchi, Khunti, East Singhbhum, West Singhbhum and Saraikela-Kharsawan) since 2001. The JTDP has developed and strengthened Self Help Groups (SHGs) in isolated and remote communities and has established successful demonstrations related to tribal empowerment, decentralization and livelihood improvement activities by organizing the communities into Gram Sabha and its executive wing of Gram Sabha Programme Executive Committees (GSPECs). The new project, JTELP builds on the JTDP approach while introducing some modifications to address specific challenges encountered in JTDP, as well as, reorienting specific components to facilitate enhanced impact.

2. The JTELP will channel resources to the grassroots level of administration (Gram Sabhas) as a means to decentralise decision-making powers to communities, which provides an avenue for achieving sustainable natural resource management objectives at the village level. The project will mobilize, strengthen and build the capacity of community and traditional organizations, local government bodies and service providers to assist them in managing their affairs, protect and conserve the environment and biodiversity, and open up access to entitlements of tribal peoples.

3. JTELP will be implemented in 14 TSP districts, spread over both the Chhotanagpur-Kolhan and Santhal Pargana regions. These districts are Dumka, Pakur, Sahebganj, Godda, Jamtara, Ranchi, Khunti, East Singhbhum, West Singhbhum, Saraikela-Kharsawan, Lohardaga, Latehar, Gumla and Simdega. Approximately 136,000 households in the poorest blocks in these districts will be covered on a saturation basis. Emphasis will be placed on selecting clusters of adjacent villages to create contiguity for demonstrating impact and facilitating scaling-up and will be comprised predominantly with tribal-populations. Particularly Vulnerable Tribal Groups (PTG)⁶⁷ will have a special focus.

4. **Project objective, components and activities:** Overall objective of the JTELP is to improve living conditions of Scheduled Tribes in general and PTGs in particular. Accordingly, the project will have the following four components: (i) community empowerment, (ii) integrated natural resource management, (iii) Livelihood support, and (iv) Project management.

Community empowerment: support the formation of community institutions and empower communities through mobilizing Self Help Groups (SHGs) especially women as an entry point activity. This will be complemented by mobilization and capacity building of Tola Sabhas⁶⁸ at the habitation level, and Gram Sabhas at the village level. The Gram Sabhas will converge with the Panchayats. This process of empowerment will facilitate increased engagement of villagers, especially women, in articulating their development needs and influencing decision making processes at the Panchayat level. The youth will be organised into youth groups.

Integrated natural resource management: develop food production systems and diversify livelihood options for improving food security and nutrition. This component will focus on deployment of integrated natural resource management related works, adoption of improved technologies for increasing crop yields and sustainable livestock management, and development of support services for input supply and marketing of any surplus produce.

⁶⁷ The term originally used by Gol was Primitive Tribal Groups and has now been replaced by Particularly Vulnerable Tribal Groups, with the same abbreviation.

⁶⁸ Multiple Tolas may be combined into one assembly where individual Tolas are very small.

Livelihood support: generate cash incomes by supporting sub-sector commodities that have the potential for expansion. These include broiler poultry, tasar sericulture, vegetable cultivation, lac production and horticulture. These sub-sector commodity promotion models have been tested and tried by several leading NGOs in Jharkhand, which can be replicated in the programme area. The very poor will be supported for different types of IGAs.

Project management: set up a new project management unit with a SPD, one additional project director and several project managers at the JTDS headquarters in Ranchi. This will be supported by district project management unit one in each of 14 project district.

MAJOR SITE CHARACTERISTICS

Socio-cultural context

5. Jharkhand has a population of 32.9 million and accounts for 2.72% of India's population (Census of India 2011). The average annual population growth in Jharkhand has remained the same between the periods 2001-2005 and 2006-2010 and the population growth is expected to slow down in the next five years. Of the 32.9 million, 28% are Scheduled Tribes (STs), 12% Scheduled Castes (SCs) and 60% are other communities. The ST's make up over 30% of the total tribal population of India. The majority of the tribal belong to *Ho, Santhal, Pahariya, Munda, Oraon and Lohra*. Out of thirty (30) Scheduled Tribes notified for the State, Santhal is the most populous tribe constituting 34% of the total ST population of the State followed by Oraon, Munda and Ho respectively. The state also has 9 tribal groups notified as PTGs forming about 18% (???) of the tribal population in the state.

6. Employment and income generating opportunities continue to be lacking in the State. Among the newly formed States, Jharkhand has the highest percentage of unemployed for more than six months of the year. The percentage of main workers is considerably lower than the national average with a difference of almost 7%. While the percentage of population below the poverty line has decreased from 43.96% in 1999 - 2000 to 33.15% in 2001- 2005, it still remains considerably higher than the national average of 21.76% and remains a key concern for the State.

7. Impacts in the health sector mirror the situation of poverty where the infant mortality rates have reduced very marginally from 50 in 2005 to 46 in 2008. The overall literacy rate stands at 62% and lags behind all other newly formed States⁶⁹. There are concerns relating to the widening gap between general (62.1%) and tribal (42%) literacy rates as well as gender gaps in literacy rates.

8. Agriculture is the mainstay for majority of the people in Jharkhand. However, the sector has experienced a negative growth in past decade and still has not seen a reversal. Agriculture continues to be mostly rainfed and irrigation facilities are limited.

9. High dependence on natural resources, low investment, low productivity and inadequate irrigation facilities additionally constrained with small and marginal land holdings is what characterizes the agricultural context in Jharkhand, leading to poor food security outcomes. Around 28.3% of the workers are cultivators but most of them are small (with a land holding of 2 hectares or less), and marginal farmers (with a land holding of 1 ha or less) comprising 17% and 63% of total farmers, respectively. However, these groups own only 17% and 21% of the cultivated area respectively, which speaks of the inequality of landownership in the State. The average size of landholding is 1.58 ha.

10. The Jharkhand is highly undulating terrain with expansive rolling topography. It is differentiated into Uplands, Medium uplands, Medium lowlands, and Lowlands. The uplands are the least fertile whereas the lowlands are the most fertile. About 70% of the total uplands and medium uplands are owned by the poor farmers. Agricultural production is greatly dependant on the monsoon and is susceptible to variability in rainfall patterns.

11. Broadly, tribal livelihood systems follow the topography and can be classified into three types: First 'forest dependent upland' systems (approx. 20%) are usually located in upper catchment hilly areas. Second, 'mixed' systems (approx. 65%), which are usually located in the middle watersheds and in partially hilly areas, have communities depending less on forests and are primarily reliant on agriculture. Farming is mainly paddy and some vegetable cultivation. Third, 'lowland' systems (approx. 15%) are located in lower watershed areas. The communities in this system extend into the lower

⁶⁹ The newly formed states are Chhattisgarh (carved out of Madhya Pradesh), Uttarakhand (carved out of Uttar Pradesh) and Jharkhand (carved out of Bihar)

plains and have relatively little access to forest resources. They tend to be more multi-ethnic, have smaller but more intensively farmed land holdings and own more cattle. Thus the tribal livelihood systems are a combination of agriculture, forests and wage labour. Due to very small landholdings and very low productivity of the land, most households eke out a living by maintaining a diversified pattern of occupations; no single activity provides sufficient resources to entirely ensure their livelihood.

12. The rich endowment of mineral resources in the state has led to significant diversion of public land for industrial and commercial projects. As a consequence, the infrastructure layout of the State has been largely determined on servicing the needs of industry and less so on responding the priorities of farming communities.

13. In recognition of the challenges faced by STs, there are several policies and programmes that have been designed to address some of the historical barriers to development. The following is a list of several of the programmes:

- Birsa Munda Awas Yojna (Birsa Munda Housing Scheme) for PTGs
- Ayurvedic Health Centre Scheme for STs
- Health Centres for Pahariya PTGs
- Ashram/Eklavya schools for ST students
- Chief Minister's Special Food Security Scheme for PTGs
- Vocational training scheme for Paharia PTGs
- Lac Development Scheme for ST
- Mid-day Meal Scheme for the Paharia PTG students
- Pre-metric Scholarship for Students of SC, ST and Others
- Janshree Bima Yojna - special life insurance scheme for the PTGs.

14. There are a few policies which have been specially designed and implemented for the development of women and these are: (i) Mukhya Mantri Kanyadaan Yojna; (ii) Integrated Child Development Service (ICDS) Scheme, (iii) Urban Women Self - Help Programme Scheme, etc.

15. Likewise, there are programmes to address the issues of unemployment among the rural youth and these include: (i) Swarnajayanti Gram Swarozgar Yojna; (ii) Swarna Jayanti Shahari Rojgar Yojana (SJSRY): Urban Self Employment Programme Scheme; (iii) Swarna Jayanti Shahari Rojgar Yojana (SJSRY): Urban Wage Employment Programme (UWEP); (iv) Skill Training for Employment Promotion amongst Urban Poor (STEP- UP) Scheme.

Natural resource endowment

16. Jharkhand is rich in natural resources and is geographically composed of four plateaus⁷⁰ which lend to its characteristic undulating terrain. The plateaus are rich in minerals like granite, gneisses, schists and Dharwar rocks. Mineral resources such as iron, coal, copper, mica, bauxite, fire clay, graphite, kyanite, sillimanite, lime stone and uranium are also abundant in the region. The soils are mostly acidic⁷¹ and their productivity is very low. Fresh water resources⁷² are relatively abundant with a number of major rivers originating or crossing the state in addition to a few large water reservoirs being available.

17. Forests contribute significantly to the resource richness of the State with about 29.6% coverage spread across an area of 23,605.47 Sq.Km⁷³. The forests are composed of Tropical Dry Deciduous Forest, Moist Deciduous Forest, Dry Peninsular Forest and Dry Mixed Deciduous Forest. The Forests of the State form catchments of the three main rivers — Koel, Damodar and

⁷⁰ Four plateaus: Chotanagpur plateau, Higher Ranchi plateau (2500 – 3600 feet above sea level), Ranchi plateau and the Lower Chotanagpur plateau. Other plateaus; Rajmahal hills and Kaimur plateau.

⁷¹ Approximately 49% of soil of the total geographical area is extremely or strongly acidic with pH values of less than 5.5, and approximately another 36% is moderately to slightly acidic with a pH value lying in the range of 5.6 to 6.5.

⁷² Main water resources of the region are the rivers Ganges, Damodar, Mayurakshi, Barakar, Koel, Sankh, Sone, Auranga Kharkai, Swarnarekha, Gumani and Batane. Water reservoirs include Lake Dimna, Jayanti Sarowar, Topchanchi, Hazaribagh and Kanke Dam Hudco.

⁷³ Of the 23,605.47 Km² of forests, 18.83% are Reserved Forests and 81.14% Protected Forests, the rest 0.03% being unclassified forests.

Subernarekha. The main vegetation in this region comprises moist deciduous and dry deciduous forests with Sal and bamboo as the dominant vegetation.

Climate change impacts

18. Jharkhand is situated in the Tropical Monsoon climatic region. Average temperature of the State is 25°C, which varies greatly because of varying elevations of different plateaus. During winters, the State is affected by the cold waves with temperature less than 5°C. Average annual rainfall is 1400 mm with more than four-fifth of rainfall occurring between June and September. The climate can be characterised as dry semi-humid to humid semi-arid.

19. Analysis of temperature since 1970 indicate that there has been a trend of increasing temperature for the Chhotanagpur region while in the Santhal–Pargana region higher temperatures were experienced during the years 1972 – 74 and in 2003. Of importance however, is a trend of increasing temperature for both regions during the critical agricultural months of June, July and August. Incidences of flash floods are becoming frequent in recent times due to large scale deforestation, soil compaction, erosion of river embankments, and spread of population and general disturbance of the hydro-geological system.

ISSUES IN NATURAL RESOURCE MANAGEMENT

20. **Conditions of natural resources:** Approximately 85% of soil is acidic and poor in fertility. The degradation of forest areas have further contributed to the depletion of soil fertility as the system of nutrient recycling has been disrupted. Agricultural productivity is therefore poor due to depleted soil nutrients. About 29.61% of the geographic area of the state is classified as forests. In some areas over 60% of Protected Forests are degraded – in many cases devoid of any tree cover. The extent of historic forest degradation is easily observable especially in the Santhal – Pargana region where there are large areas that have no vegetation other than patchy grasslands.

21. **Conditions of villages and homesteads:** The villages and homesteads of STs are dilapidated and with poor hygienic conditions. Livestock and human habitations are virtually together and manure litters the compounds and roadways. Similarly, due to a lack of household sanitation the backyard or neighbouring bush is used as toilet facilities. These unhygienic conditions pose grave health risks to both the human and livestock.

22. **Food nutrient deficit and alcoholism:** Rainfed harvests provide at best 6 months of food security – primarily rice. There is a serious lack of nutrition. This has particular implications for newborns and children under the age of 7 as their cognitive abilities are being compromised irreversibly.

23. There is widespread alcoholism among adult males. This is contributing to the undermining of agricultural productivity and food security. A corollary problem of alcoholism is domestic violence particularly wife abuse; considered a widespread problem reported by many field workers.

24. **Mining operations:** Although Jharkhand is rich in coal and is one of the main suppliers it does not have a linkage to its own resources for setting up a thermal power station in the State. Moreover, strip-mining of coal in the Damodar valley has contributed to one of the most polluted rivers in the world. This is an example of a development pathway that not only drains natural resources from the State but leaves significant pollution in its wake with adverse impacts on the social well-being of local communities. Among the project districts proposed and operational (work in progress) iron ore and coal mining projects are focused in the southern districts of Ranchi, Khunti, Saraikela-Kharsawan, West Singhbhum and East Singhbhum districts. While most of these projects have been planned on government owned land, a few have concessions fall on tribal or forest land.

25. **Land tenure and policy frameworks:** There are a number of Acts and Policies that have bearing on STs and their traditional livelihood options. The introduction of the Panchayat (Extension to Scheduled Areas) Act (PESA) 1996 allows for the formation of Panchayats in tribal areas and decentralises powers of defining social and economic development priorities to the Gram Sabha and Panchayat, as well as, implementation responsibilities by the Panchayat at the village level.

26. The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act 2006 and no. 2 of 2007 (popularly referred to as the Forest Rights Act or FRA) were enacted to

correct the “historic injustice done to forest-dwelling communities”. The Act recognises and provides significant rights and authority to STs and Other Traditional Forest Dwellers.

27. Although the FRA supersedes all other forest related Acts it is still unclear at the lower levels of the Forest Department as to the changes that the FRA calls for; as such, the Forest Conservation Act 1980 with Amendments in 1988 continues to hold sway and exclusionary regulations continue to dominate.

28. About 60% of the Protected Forest Areas on which the tribal enjoy usufruct rights are degraded and impact the livelihood of the tribal communities dependent on forest produce. Joint Forest Management (JFM) which was constituted in 1989 is currently the only government programme that seeks to establish a management partnership between local communities and the Forest Department for rehabilitating or managing Protected Forest Areas. There have been mixed results in its implementation however, largely due to conflicting resource management objectives between the Forest Department and local communities; unclear, inconsistent and incomplete transfer of rights from State to communities; information and power asymmetries between Forest Department and communities; and unaccountability of Forest Department at the local level leading to widespread irregularities.

29. **Environmental and social opportunities:** While there are several negative environmental impacts on local communities due to land degradation, deforestation and climate change, with the support of NGOs and external partners, resourceful farmers have been responding to these challenges in innovative ways. They have been refining traditional methods or experimenting with new approaches to be able to better contend with the variability that they are facing. Potential social and environmental impacts and risks of the JTELP are summarised in Table below

POTENTIAL SOCIAL AND ENVIRONMENTAL IMPACTS AND RISKS

Project Components Activities	Social/Environmental Impacts	Risks	Risk mitigation
Community empowerment: Formation SHGs, PECs, Gram sabha and tola sabha; capacity building and special support to PTGs.	No adverse social or environmental impacts	Possibilities of some households left out; non-BPL households left out;	Project will use an inclusive approach to minimise any negative impacts.
<u>INRM</u> : GSRMLP plans prepared; implementation of plans; land and water management; crop diversification and construction of FSC.	No adverse social or environmental impacts;	Chances of conflicts between user groups of small-scale irrigation structures and WHS; over-exploitation of groundwater, use of harmful PP chemicals; Intensification of agriculture during winter/early summer by some farmers following improved land/water management could lead to conflict with others who practice free grazing of cattle/livestock during this season.	All sites for small-scale irrigation selected based on community consultation and technical feasibility and facilitated by NGOs; during crop demonstrations use of PP chemicals explained and oversight by NGOs through CRPs; crop planning based on land use plans. Appropriate social agreement at the Tola/Gram Sabha between the agriculture farmers and livestock farmers.
<u>Livelihood support</u> : Income generating activities to PTGs, integrated production and market support and vocational training.	No adverse social or environmental impacts	Over-exploitation of soil and water resources; over-grazing; excessive use of chemical fertilisers; use of harmful PP chemicals; productivity decline due to inadequate rainfall	Development plans will be based of resources potential; over-grazing will be avoided through community-awareness, training; coping low rainfall conditions with shifts in cropping patterns

ENVIRONMENTAL CATEGORY

Policy, Legal and Institutional Framework

30. **Environment assessment:** The GoI recognises the need to pursue development policies and strategies that are environmentally friendly, so as to ensure sustainable development. The environment policy is articulated in the 'National Conservation Strategy and Policy Statement on Environment and Sustainable Development' prepared and issued by the Ministry of Environment and Forests in 1992. The strategy defines the priorities for conservation of natural resources namely: (i) regeneration and rehabilitation of habitats and threatened species; (ii) securing the participation of civil society; and (iii) ensuring the benefits of biological resources to local communities. India is a signatory to International Agreements and Conventions on Biological Diversity and Desertification.

31. The principal legislation regulating the use of environment and natural resources in India are:

- The Panchayats Act to Scheduled Areas; which deals with the socio-economic development of Tribal communities;
- The Forest Conservation Act 1980 (last amended in 1991); which controls the delineation of forest areas for non-forest uses;
- The Wildlife Protection Act 1972 (last amended in 2006); which provides guidelines for the management of wildlife and protected areas by both the central government and the states in the respective areas under their jurisdiction; and
- The Environment Act 1986 (amended in 1993); which deals exclusively with environmental issues and regulations throughout the country. The Central Government's Environmental Assessment Policy states that all policies, programmes, and projects, including formal land-use activities, which may have a significant impact on the environment, must be subjected to an Environmental Impact Assessment (EIA).

32. In addition to these national laws, each state has its own legislation. Major constraints to the implementation of the laws include ineffective enforcement, low penalties and level of public participation, and inadequate institutional capacity and human resource development. The various line ministries/departments create a further problem through overlapping responsibilities thus hampering the enforcement of the relevant policies and acts.

33. **Institutional framework:** The institutional set-up involves a number of national, regional and state institutions responsible for the management of the environment and natural resources in the Programme area. At the National level, the Ministry of Forests and Environment is responsible to oversee the implementation of the Environment Action Plan and the three latter aforementioned Acts. A National Afforestation and Eco-Development Board was established to coordinate the rehabilitation of degraded forests in the country. The Forest Department, through its District Forest Officers, is responsible for the management of the state forests. Village community participation in forestry is encouraged through Joint Forest Management (JFM) programmes. At the state level, the Welfare Department is responsible for empowering the tribal communities to gain greater control over their own development and to manage their natural resources. However, both the constitution and various laws related to tribal rights (intended to benefit the tribal populations) are not comprehensive and thus work against the interest of the tribal.

34. The project will empower some of the existing grassroots institutions including the Panchayats and the Gram Sabhas. At the village level, the Gram Sabha, recognised as the legal body in the Panchayat Act, has the power to lay down principles and priorities in village development, approve development plans and programmes and manage natural resources (land, water, forests and minor minerals) within their jurisdiction.

35. **National Environmental Assessment Guidelines:** Central government has prescribed requirements for EIA before certain activities are taken up. These prescriptions are intended to assess the environmental implications of projects in terms of their location, suitability of technology, efficiency in resource utilisation and recycling etc. Of particular relevance to natural resources are deforestation and loss of flora and fauna including gene pool reserves, and land degradation.

36. **IFAD EA administrative Procedures:** As for all IFAD initiated projects, the project design has been subject to IFAD's own internal EA process. This ESRN comprises the first step in this process.

37. **Conservation and Biodiversity:** India participates in many international agreements and programmes concerned with aspects of nature conservation and sustainable development. These range from legal instruments such as the Convention on Biological Diversity, which place obligations on those nations which become contracting parties, to scientific programmes such as the UNESCO Man and the Biosphere Programme, a global programme of international scientific cooperation. Examples of agreements and programmes with which India is collaborating include:

Convention on International Trade in Endangered Species (CITES). Since India became a party to CITES on 18th October 1976 it has provided data annually to the CITES secretariat on the trade of endangered species through its CITES Management Authority.

World Heritage Convention: India ratified the World Heritage Convention in 1977 and since then five natural sites have been inscribed as areas of outstanding universal value. These sites are: Kaziranga National Park Keoladco National Park; Manas National Park; Sundarbans National Park; Nanda Devi National Park.

Convention on Biological Diversity: India signed the Convention on Biological Diversity on 5th June 1992. Ratified it on 18th February 1994 and brought it into force on 19th May 1994. This convention will provide a framework for the sustainable management and conservation of India's natural resources.

Ramsar (Wetlands) Convention: India has been a contracted party to the Ramsar Convention since 1st February 1982. India has now six sites covering some 192,973 hectares of important wetlands.

Environmental Category

38. The JTELP is not likely to have any adverse environment impacts on the project area and instead will have beneficial impacts through the development of an environmentally sensitive approach including the development of plantations, community forestry etc. However, it is by requirement classified as **Category B** as it will operate in fragile areas with poor quality soils.

COMPONENTS REQUIRING ENVIRONMENTAL & SOCIAL ASSESSMENT (ESA)

39. There is no need for further information for completing the ESA. However for drafting of the Project Implementation Manual (PIM) the Appraisal Mission may need to articulate more specific details that will require further information gathering. There are no components that will require an ESA

RECOMMENDED FEATURES OF PROJECT DESIGN AND IMPLEMENTATION TO IMPROVE NRM AND MITIGATE ENVIRONMENTAL CONCERNS

40. One of the key innovations of the JTDP was the development of the Gram Sabha Resource Management Plan (GSRMP). This element needs to be further strengthened in JTELP and an integrated natural resource management (INRM) approach needs to be adopted for avoiding conflicting resource management objectives, factoring in climate change and building long-term sustainability. While a site specific INRM model will need to be developed the following are a few elements that need a sharp focus on:

- (a) Extraction of water for irrigation without undermining the overall hydro-geological system and affecting river and stream aquatic life and habitat. Furthermore, irrigation interventions need to be cognizant of downstream users and ensure water availability during dry periods.
- (b) While in some cases the judicious use of chemical fertilizers may be needed to enhance soil fertility, it is preferable that organic options be pursued as it can contribute to improving soil structure and water holding capacity.

- (c) Community forestry activities need to factor in human/animal conflict issues and avoid exotic tree species that are capable of widespread natural regeneration. NTFP extraction from forests should be undertaken with a view to ensuring long-term sustainability of the product.
- (d) Clearly defined exclusionary rights of households or communities with relation to specific pasture areas for minimizing conflicts and where possible emphasizing on stall feeding as an alternative to free range grazing.
- (e) Construction of rural roads to remote settlements should be carefully planned and should be designed to minimize negative impact on the adjacent environment and where possible to leverage benefits such as water harvesting.
- (f) Identify where mining operations are in the vicinity of the project area and assess the potential negative impacts of the mining operations on the success of the INRM plan and propose mitigation measures.

MONITORING ASPECTS

41. The monitoring indicators will need to be articulated once the project activities are finalized. However, in addition to the Results Information Management System (RIMS) indicators, more appropriate set of indicators may be chosen based on the activities selected. Environment auditing has been incorporated in the M&E framework.

CONSULTATION WITH BENEFICIARIES, CIVIL SOCIETY AND GENERAL PUBLIC

42. The mission has been holding discussions and consultation with all stakeholders at various levels and also with the intended beneficiaries at the grassroots level. The mission started its work in Ranchi on 10 January with a meeting attended by a number of staff from the Jharkhand Tribal Development Society. The mission later met with the State Programme Director, JTDP. The mission then split into three teams and visited seven tribal districts between 15 and 23 January. This also included a visit to International Livestock Research Institute (ILRI) project in Jama, Dumka district. Apart from visiting the activities of the ongoing IFAD supported JTDP, the teams visited activities of the Indian Council of Agriculture Research (ICAR) Horticulture Research Centre in Ranchi and NGO livelihood projects as well as research centres and other agencies. On returning to Ranchi the mission had meetings with other government agencies and NGOs Associations. On 1 February, the mission had meetings with the Secretary, Welfare Department and discussed with him its broad findings.

ANNEX 13: PROJECT READINESS CHECKLIST

The Government's project readiness checklist has been completed below, showing the current status of each checklist item:

	Milestones	Action points / points to check	Agency responsible	Current status
1	Before sending a project proposal to DEA, GoI			
	Checklist for conception stage	i. The concept note identifies clearly defined components of the project, activities, cost estimates and implementing agencies, coordinating mechanism in case of multiple agencies.	Project submitting agency	All are included in the Project Design Report
		ii. Lessons learned from the previous projects implemented in the sector have been incorporated.	Project submitting agency	Included as Annex 3
		iii. The project preparation milestones, in months, taking the date of posing as the zero date, have been identified.	Project submitting agency	Key dates are in Appraisal Mission Aide Memoire
2	Before posing the project			
		i. Project has been cleared by DEA	DEA	Done
		ii. The approvals of Planning Commission, Line Ministry and Dept of Expenditure, Budget Division, as required in the specific case, have been obtained.	Project submitting agency	Cleared by Planning Commission & MoTA ⁷⁴
3	Before Appraisal			
	SPMU/DPMUs	i. Institutional structure for project implementation and funds flow arrangement defined and agreed with DEA	Lead Project Agency (LPA)	Proposals in design report
		ii. Designation of state SPMU/ DPMU staff completed and core staff from the project assigned. Key project staff (project director, procurement, FM,) should be identified early in the project cycle.	LPA	Staff structure and list in Design Report
		iii. Tenure of key staff should be, to the extent possible, for three years or more	LPA	Could be included in Loan Agreement
	Procurement plan and actions	iv. Procurement plan for the project detailing contract packages, modes of procurement, pre-requisites for awarding the contracts, approval flow chart, decision making structure and schedule for each contract to be in place.	LPA	Procurement plan included in draft PIM
		v. Terms of reference (ToR) for all consultancy contracts including Project Management consultants, shortlist of consultants / consulting firms and documents for pre-qualification of contractors are prepared and approved by IFAD	LPA	ToR included in draft PIM
		vi. RFP for major / critical consultancies and contracts issued.	LPA	Draft RFPs included in PIM
	Relief and Resettlement plans and ESSN	vii. Bidding documents for all contracts to be awarded during first 18 months should be prepared, approved and issued.	LPA	PIM includes ToR for FNGO and RNGO service providers
		viii. Budgeting for at least 30% of land acquisition and resettlement requirements has been made. Land acquisition / pre-construction activities, including utility shifting and tree cutting, where relevant, have started.	LPA	No land acquisition is envisaged
		ix. Land acquisition and resettlement plans are ready, where relevant.	LPA	No land acquisition is envisaged
		x. Relief and Resettlement Plan, where relevant, for the first two years of the project implementation should be finalised and confirmation that R&R activities are aligned with the Procurement Plan, to be conveyed.	LPA	No land acquisition is envisaged

⁷⁴ JTDS has informed that the concept note for JTDP II (now JTELP) was cleared by Planning Commission and Ministry of Tribal Affairs.

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	Milestones	Action points / points to check	Agency responsible	Current status
		xi. Environmental Management for the first two years of project implementation has been finalised. Complete IEE/EIA and secure approval of MFI.	LPA	ESSSN is in Annex 12 of the Design Report
4	Before loan negotiations			
	Institutional arrangement and HR	i. Necessary budget / counterpart fund provision has been made.	LPA	Done
		ii. Key policy and institutional reforms, if critical to the successful completion of the project, should be implemented prior to negotiations.	LPA	None are envisaged
		iii. Project Implementation Plan / Administration Manual / Memorandum covering scope, organisation and its ToR, procurement, budgeting, disbursement, reporting and auditing arrangement has been finalised.	LPA	Draft PIM is completed
		iv. Project Management consultant, if critical to the successful implementation of the project, should be in place before negotiations.	LPA	Not envisaged
	Implementation readiness	v. At least 50% of land acquisition (if required) to be completed.	LPA	No land acquisition is envisaged
		vi. All statutory clearances like environmental / forest clearances are in place.	LPA	Not envisaged
		vii. Administrative clearances for temporary use of land i.e. right of way taken	LPA	Not envisaged
		viii. Administrative approval for shifting of utilities taken	LPA	Not envisaged
		ix. Bids for contract worth at least 30% of the project cost (or the first phase) are received and award finalised prior to negotiations.	LPA	Assurances obtained at wrap up meeting
		x. Establish (a) Financial Management System, (b) auditing arrangement and (c) system of oversight.	LPA	Should be done
5	Before loan signing			
	Ready to go	i. Award of contracts for consultancy services to be completed and at least 30% contracts for civil works, if applicable, to be awarded before signing of the loan.	LPA	Not envisaged
		ii. Entire SPMU / DPMU in place.	LPA	Should be in place from January 2013 onwards
6	Before loan effectiveness			
		Legal opinions taken	DEA	To be done
7	Start up workshop			
		To be organised in January 2013	LPA	Agreed at wrap up
8	Implementation Supervision Plan			
	Start up mission	Implementation Support mission in June 2013	IFAD ICO	
		First supervision mission in November 2013	IFAD & LPA	
		Implementation Support mission in June 2014	IFAD ICO	
		Second supervision mission in November 2014	IFAD & LPA	
		Implementation Support mission in June 2015	IFAD ICO	
		Third supervision mission in November 2015	IFAD & LPA	
		Implementation Support mission in June 2016	IFAD ICO	
	MTR mission	MTR supervision mission in April/May 2016	IFAD & LPA	
		Implementation Support mission in April 2017	IFAD ICO	
		Fifth supervision mission in November 2017	IFAD & LPA	
		Implementation Support mission in June 2018	IFAD ICO	
		Sixth supervision mission in November 2018	IFAD & LPA	
		Implementation Support mission in June 2019	IFAD ICO	
		Seventh supervision mission in November 2019	IFAD & LPA	
		Implementation Support mission in June 2020	IFAD ICO	
		Eight supervision mission in November 2020	IFAD & LPA	
		Implementation Support mission in June 2021	IFAD ICO	
	PCR mission	PCR mission October 2021	IFAD	

ANNEX 14: CONTENTS OF PROJECT LIFE FILES

1. Inception Mission Aide Memoire
 2. Inception Mission Report
 3. Formulation mission Aide Memoire
 4. Design document: Formulation Main Report
 5. Appraisal mission Aide Memoire
 6. Design document: Appraisal Main Report
 7. Design document: Working Papers and PIM
- Working paper 1: Issues in Tribal Development
Working paper 2: Poverty and Gender and Targeting
Working paper 3: Natural Resources and Agriculture
Working paper 4: Community Institutions Development
Working paper 5: Integrated Natural Resource Management
Working paper 6: Livelihoods Support
Working paper 7: Monitoring and Evaluation
Working paper 8: Knowledge Management
Working paper 9: Project Costs and Financing
Working paper 10: Economic and Financial Analysis
Working paper 11: Environmental and Social Review Note
Working paper 12: SHG and Financial Services
Project Implementation Manual

Study Reports and other documents:

1. Designing Adaptation to Climate Change by TERI
2. Background Paper on Fishery Sector
3. Poverty and Gender a Study by Institute of Human Development, New Delhi
4. Study Report on Tasar Sericulture Sector by PRADAN, Ranchi
5. Study Report on Vegetables and Agriculture by PRADAN, Ranchi
6. Study Report on Broiler Poultry Sector by PRADAN, Ranchi
7. Study Report on Mango Horticulture by PRADAN, Ranchi
8. Study Report on Lac Sector by PRADAN, Ranchi
9. Study Report on Goat Sector by PRADAN, Ranchi
10. Tribal Population by Block, District- a Statistical Summary
11. Study Report on the Operational Procedures of MGNREGS
12. JTDS Progress Report, May 2011

