



Enabling poor rural people
to overcome poverty

Republic of India

Mission Dates: 22-Apr-2013 to 10-May-2013
Document Date: July 2013
Project No. 1040
Report No: 3107-IN

Asia and Pacific Region
Programme Management Department

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**North Eastern Region Community Resource
Management Project for Upland Areas (794-IN)**

Mid Term Review report

Main report and appendices

Contents

Abbreviations and acronyms	iii
A. Introduction	1
B. Overall assessment of project implementation	1
C. Outputs and outcomes	2
D. Project implementation progress	7
E. Fiduciary aspects	10
F. Sustainability	12
G. Other	13
H. Adjustment to Project Design at Mid Term	14
I. Conclusion	14

Appendix 1: Aggregate Project Costs

Appendix 2: Detailed Cost Tables

Appendices

- Appendix 1: Summary of project status and ratings
- Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs
- Appendix 3: Summary of key actions to be taken within agreed timeframes
- Appendix 4: Physical progress measured against AWP&B, including RIMS indicators
- Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category
- Appendix 6: Compliance with legal covenants: Status of implementation
- Appendix 7: Knowledge management: Learning and Innovation
- Appendix 8: Progress against previous mission recommendations
- Appendix 9: Mission schedule and persons met
- Appendix 10: Audit Log
- Appendix 11: Summary of implementation support provided by IFAD
- Appendix 12: Validated RIMS table

Annexes

- Annex 1: Project cost and financing
- Annex 2: Simplified Template for AWPB
- Annex 3: Engaging the partner NGOs post-MTR
- Annex 4: Cumulative physical progress measured against appraisal targets at MTR (April 2013)

Abbreviations and acronyms

AAO	Assistant Accounts Officer
ADC	Autonomous District Council
AOS	Annual Outcome Survey
AWPB	Annual Work Plan and Budget
BRGF	Backward Region Grant Fund
CBBC	Community-based Bio-diversity Conservation
CBO	Community Based Organisation
CC	Community Coordinator
CCA	Community Conserved Areas
CIP	International Potato Research Center
CPM	Country Programme Manager
CRMP	Community Resource Management Plan
CRP	Community Resource Person
DF	Director Finance
DoNER	(Ministry of) Development of North Eastern Region
DRDA	District Rural Development Agency
DS	District Society
DST	District Support Team
DWS	Drinking Water System
FAA	Finance & Accounts Assistant
GI	Galvanised Iron
Gol	Government of India
ha	hectare
HR	Human Resources
IA	Internal Auditor
ICIMOD	International Centre for Integrated Mountain Development
ICO	India Country Office
IFAD	International Fund for Agriculture Development
IFPRI	International Food Policy Policy Research Institute
IGA	Income Generation Activity
INR	Indian Rupee
INRM	Integrated Natural Resource Management
IWDP	Integrated Watershed Development Programme
JRM	Joint Review Mission
km	kilometre
LCL	Low Cost Latrines
LTB	Letter To Borrower
M&E	Monitoring and Evaluation
MD	Managing Director
MGNREGA	Mahatma Gandhi National Rural Employment Guarante Act
MIS	Management Information System
MTR	Mid-Term Review
NaRMG	Natural Resource Management Group
NEC	North Eastern Council
NERCORMP	North East Region Community Resource Mngement Project
NGO	Non-Government Organisation
NHM,	National Horticulture Mission
NRLM	National Rural Livelihoods Mission
NRM	Natural Resource Management
OTELP	Orissa Tribal Empowerment and Livelihoods Project
PFS	Project Financial Statements
PNGO	Partner NGO
PRA	Participatory Rural Appraisal

PSU	Project Support Unit
RCH	Reproductive Community Health
RF	Revolving Fund
RIMS	Result Impact Management System
RKVY	Rastriya Krishi Vikas Yojana
RS	Regional Society
SCC	State Coordination Committee
SHG	Self Help Group
SO	Supervising Officer
SRI	System of Rice Intensification
ToR	Terms of Reference
TSC	Total Sanitation Campaign
UC	Utilisation Certificate
USD	United States Dollar
VDF	Village Development Fund
VEC	Village Executive Committee
WA	Withdrawal Application

A. Introduction¹

1. IFAD fielded a Mid Term Review Mission during April 22 – May 10, 2013. As per the Financing Agreement (Para 10, Schedule I) the MTR reviewed the overall project performance and its effectiveness since the previous Supervision Mission and its achievements against the AWPB 2012-13. In particular the Mission reviewed fund allocation across project components and sub-components as requested by the Project Management and revised the cost tables accordingly.
2. The Mission was split into 3 teams for field visits to cover all the 6 Project districts² across the 3 Project States, spent 10 days in the field and had discussions with community based organisations in 35 villages in 18 blocks, 30 Partner NGOs and District and State officials. People from several neighbouring project villages, NaRMGs and SHGs also participated in the discussions. The Mission teams were joined by the Managing Director of NERCORMP, Sector Specialists from the PSU, respective District Managers, DST members and PNGO personnel.
3. Financed jointly by IFAD and the North Eastern Council (NEC), Ministry of DoNER, Government of India (GoI), the goal of this 6 year project is to improve the livelihood options of economically vulnerable groups in a sustainable manner through promotion of improved livelihood opportunities and strengthening of local institutions that relate to livelihood development. The overall project objective is to improve the livelihood of vulnerable groups in the project area through improved management of their resource base. The project is being implemented in 3 States (6 districts), namely Assam (Karbi Anglong and Dima Hasao), Manipur (Senapati and Ukhrul) and Meghalaya (West Khasi Hills and West Garo Hills).
4. The IFAD loan No. 794-IN for USD 20.211 million became effective on 12 July 2010. The Project completion date is 30 September 2016 and the MTR, the subject of this Aide mémoire, was conducted during April 22-May 10, 2013.
5. The findings and recommendations of the Mission were shared in a wrap-up meeting on 9 May 2013 chaired by Mr. Ameising Luikham, IAS, Secretary NEC & Chairman, NERCORMP. The recommendations in this Aide-mémoire were discussed and agreed with the NERCORMP management team. Implementation supports in some key areas were also provided to NERCORMP during the course of supervision MTR mission.

B. Overall assessment of project implementation

6. The overall Project implementation performance is rated as satisfactory. The Project has realised 98% of the physical and financial AWPB targets on an average. The Project operates in a hilly terrain with poor communications infrastructure. It is implemented in three States that differ significantly from each other in terms of the administrative set up. The Project works with 21 tribes, each with its own language, customs and systems of land tenure and local governance. There are multiple tribes even within the domain of a single DST. Some of the project villages are situated in pockets prone to conflicts arising from rivalries between tribes that sometimes disrupt normal life. Notwithstanding these contextual complexities, the Project has successfully mobilised local communities, established strong rapport with them and initiated activities set out in the project. The PNGO and DST personnel enjoy high level of acceptability in project villages.
7. The PSU, 6 DSTs and 30 PNGOs are fully staffed. The Project has established outreach in 460 villages against the target of 400, covering 20 826 households against the target of 20 000. It has

¹ Mission composition: Mr. Deep C. Joshi (Team Leader, Livelihood, Social Sector Development, Village Development Plans & Convergence), Mr. A. M. Alam (Economist/Costab, Project Management & Rural Infrastructure), Ms Saleela Patkar (Institutions, Gender, Capacity Building, Rural Finance & Partnerships), Mr. Pratul Dube (Loan Administration/Financial Management, Procurement & Audit), Mr. Vincent Darlong, IFAD ICO (Community Biodiversity Conservation & Mission Coordination). Mr. Nigel Brett, CPM joined the Mission on 6 May 2013 for a brief interaction with the Project. Mr. L. Baite, Managing Director and senior staff from NERCORMP joined the Mission during the entire duration of field visits. Ms Meera Mishra, ICO Coordinator and Mr. S. Sriram APO, IFAD ICO attended the DEA wrap-up meeting in New Delhi on 16th May 2013. The Mission gratefully acknowledges the active participation and contributions made to this review by the Managing Director and senior staff from NERCORMP and PNGOs. The cooperation received from NEC and the three State Governments is gratefully acknowledged.

² Each of the two original project districts in Meghalaya was recently divided into two. Thus the project is now implemented in four project districts in Meghalaya, i.e., West Garo Hills, South West Garo Hills, West Khasi Hills and South West Khasi Hills. The number of project blocks and villages, however, remains unchanged, as does the number of District Support Teams.

promoted 493 NaRMGs and 1 504 SHGs with 20 578 women members. While most households are NaRMG members, a fair number of women in some villages are yet to join SHGs. Efforts need to be continued to include women from vulnerable households so far left out. CRMPs have been prepared following PRAs and project activities are underway in all project villages. The performance so far indicates the Project would achieve both the physical and financial targets.

8. In view of its objective, it is axiomatic that enhancing productivity of natural resources through improved management and introduction of new technologies and ensuring that the most vulnerable also adopt new ideas and larger investments through necessary handholding support should be the key focus areas for the Project. Also, given its short duration and limited finances, the Project needs to deepen convergence with on-going government programmes and link groups to banks so that the CBOs being promoted can continue to leverage resources in the post-project period to meet the project goal. These—improving natural resource management, ensuring vigorous participation of the most vulnerable and deepening convergence with government development programmes—require further attention of the Project. The extent to which the project objective is realised will depend on how well these three challenges are addressed in the remaining project period.

9. Recommendations of the previous JRM have been complied with or are in process. Some, e.g. those about planning and implementation of natural resource management systems, inclusion of families left out, deepening convergence, community health, alternative drinking water systems and youth development have been included in this Aide-mémoire.

10. The Project had budgeted INR 300 million for the year 2012-13, of which INR 182.90 million (60.97%) has been utilized as at December 31, 2012. Cumulatively, the expenditure till 31 December 2012 was INR 598.72 million, approximately 32.23% of the total approved project cost of INR 1 858 million (USD 41.28 million). Coherence between AWPB and project activities is rated as satisfactory.

Agreed action	Responsibility	Agreed date
1. Continue meetings with district officers of line departments around convergence under the auspices of the Chairmen of District Societies	DSTs & PSU	31 Oct 2013 & on-going
2. Review inter-household variations in use of revolving fund & social sector investments and initiate steps to correct the situation	DST & PSU	31 Jul 2013

c. Outputs and outcomes

Component 1: Capacity Building of Communities and Participatory Agencies

11. **Community institutions.** This component is rated as moderately satisfactory. SHGs and NaRMGs are the primary CBOs formed by the Project most project activities are implemented by them. Cluster Associations of NaRMGs and Cluster Federations of SHGs are now being established. CBOs met by the Mission during field visits displayed basic understanding of NaRMG and SHG functions and most expressed the ability to function with some help from PNGOs. Their performance is commensurate with their age (1.5-2.5 years). Savings rates and meeting frequencies in SHGs had increased sporadically in the year. While fewer men were present during interactions, women could articulate the general functions of NaRMGs. Key benefits recalled by communities include increased solidarity within villages and across ethnicities, increased self-confidence, access to additional livelihoods options and credit, improved health and dignity due to low cost latrines, and inclusion of women in forums that deal with matters concerning the village. While a few CBOs have started to go beyond the Project's brief, most CBOs remain oriented towards project inputs and activities. Scope exists for formation of additional SHGs with leftover households in project villages.

	Villages	NaRMGs formed	Households in NaRMGs	SHGs formed/ Adopted	Members in SHGs	Secondary CBOs	
						NaRM Assn.	SHG Fed.
Appraisal Target	400	400	20 000	2 000	20 000	-	-
Actual till MTR	460	493	20 826	1 504	20 578	42	51

12. While the response at the CBO level is encouraging, they need more facilitation and capacity building inputs to grow and function independently. The Project expects the newly created cluster federations and associations to take on social intermediation and technical support roles once the PNGOs contracts end. While PNGO capacities may not be adequate, the DSTs may not be able to

fully take over PNGO functions. Normally, clusters and federations take three to five years to stabilise with intensive capacity building; therefore the Project would need to continue to support the SHGs and NaRMGs and accordingly review the exit and sustainability strategy.

13. The computerised MIS needs to include an SHG monitoring system using data from clusters, consolidated quarterly at the districts and RS. NaRMGs also need to be monitored as they have also received Revolving Funds (RF). The MIS may be reconciled annually against audited figures.

14. **Capacity building.** Training, exposure visits and hands-on support are the methods being used for capacity building. Training programmes need to be based on adult learning principles, cover more members besides CBO representatives and conducted in smaller groups to ensure high effectiveness. For example, book writers have undergone several trainings but their skills remain low. Monitoring of the component needs to be strengthened with regard to content, methodology and effectiveness, especially at the RS level. As CBOs manage large sums in RF, they need to be strong.

15. **Partner NGO costs.** The Project has engaged the services of 30 PNGOs. The PNGOs have field offices in respective village clusters and have placed two community coordinators (CC) at each cluster whose work is supervised by a supervising officer (SO). Key tasks of the PNGO are mobilising village communities and building awareness among them about the project, organising SHGs, setting up and training village level NaRMGs, facilitating linkages with banks, creating interest groups, market linkages, establishing small processing units, etc. PNGOs are also responsible for collecting and compiling monitoring data pertaining to their clusters, covering NaRMGs and SHGs and submitting the same to the DST. The PNGOs have signed contracts offering services in accordance with specific ToR. These are renewed each year subject to satisfactory performance. Each PNGO is provided with one motor cycle and one set of office equipment and is paid INR 30 000 monthly towards all costs. The annual remuneration of PNGOs is slated to taper off, commencing from year 4 to 66%, 44% and 39%, respectively, of the annual remuneration received in year 3.

Agreed action	Responsibility	Agreed date
3. Continue PNGO services through revised ToRs and remuneration to include technical service provision	PSU	30 Sep 2013
4. Form additional SHGs with leftover households after ascertaining reasons for their exclusion.	PSU	30 Sep 2013 & on-going

Component 2: Livelihood Enhancement.

16. **Economic livelihood activities.** Overall performance in this component is rated as satisfactory. Physical and financial AWPB targets have been met or exceeded in most cases and Appraisal targets are likely to be met except in agriculture, which is an area of concern as agriculture is a key livelihood source. Achievements for key livelihood activities are tabulated below.

	Horticulture , (ha)	Vegetables, Spices, Sugarcane, (ha)	Agriculture , (ha)	Livestock , (units)	Irrigation canals, (km)	Non- farm, (units)
Appraisal Target	1 299	451	1 057	1 312	119	400
Year 2012-13	408.28	256.39	204.97	801	27.53	180
Cumulative Achieved	790.01	814.91	451.58	1 355.5	95.8	701

17. Community Resource Management Plans (CRMPs) have been prepared in all project villages through PRA. A typical CRMP consists of some basic data about the village, PRA maps, a list of broad aspirations the community have about their village, a timeline of changes they wish to bring about and year-wise listing of activities they wish to take up. The activities listed are those known to the people and available from the Project and not necessarily deduced logically from envisioned/aspired changes. CRMPs need to focus more on strategies, action plans and ways and means for bringing about changes in resource management practices, which is a key project objective. The livelihood activities taken up, while very useful and based on people's preferences, are in the nature of discrete income generating activities (IGAs), unlikely to significantly impact the management of natural resources. Highlighting this, the previous Supervision Mission had recommended that CRMPs based on integrated natural resource management principles be piloted in 5 villages in each district. The pilot villages have been identified and CRMPs need to be redrawn. This Mission reiterates the earlier recommendation.

18. Crop productivity is low in the entire region and the range of crops cultivated limited. Traditional cultivation practices continue to be followed in the region and there is much scope for improvement, including use of better seeds, seed treatment and better sowing and cultivation practices. Significant changes are yet to occur in the project area and productivity enhancement in crops as well as in other production systems and crop diversification needs more attention from the Project. These may be taken as key focus areas in the livelihoods enhancement portfolio. In villages visited in Meghalaya farmers reported wet paddy yields in valleys between 1.5 to 2.5 ton/ha, indicating considerable untapped potential for productivity enhancement.

19. Limited availability/use of draft power is a major constraint to expanding cultivation and improving farming practices and is also a source of extreme drudgery. The 2012 RIMS Baseline Survey points out that 80% households use only hand tools for cultivation. This may be a reason for widespread mono-cropping even when water is available, besides lack of know-how. The Project has introduced power tillers in a few villages and could do so on a wider scale. Improved hand tools could similarly be introduced.

20. The Mission team found considerable variation in accessing revolving funds across households in some of the project villages visited, with poorer households often lagging behind. Lack of technical support (e.g. livestock vaccination) and fear of loss in the event of failure came out as the most common reasons in discussions with concerned households. Targeting was not an issue as the groups were conscious of the need to give priority to the poorer households; inadequate support and facilitation seemed to be the reasons. This needs to be monitored closely and remedial steps taken so that the poorest are not left behind and disparities do not inadvertently get exacerbated.

21. New economic activities have been taken up by project households/groups in farm (e.g. Kuroiler chickens) as well as non-farm (rice mill, power tiller, ecotourism, etc.) sector. These have diversified available livelihood choices. The Project needs to ensure that the activities chosen are viable, would have access to support services and closely monitor the performance as requisite know-how may not be available to the communities.

22. In part due to limited budget, the Project has not been able to provide adequate technical and business training for various livelihood activities, including enhancing productivity of traditional activities. The Mission recommends enhancing the budget for technical and business training, demonstrations and exposure visits. There are now highly successful livelihood projects that combine intensive agriculture, livestock rearing, horticulture and NRM in the country that would help community leaders and project staff to benchmark their work. The Mission recommends organising exposure visits for selected community leaders, PNGO and project personnel to such projects.

23. Sustainability of changes being introduced would depend *inter alia* on availability of technical services in project villages. Given the weak extension services from government, the Project needs to train community resource persons identified by NaRMGs and set up systems for payment of their services. In order to support horticulture and forestry, nurseries may be set up in clusters of villages.

24. The M&E system captures physical and financial data about IGAs promoted. It also needs to conduct concurrent monitoring of livelihood activities to ascertain outcomes. Available data needs to be organised household-wise to ascertain differential benefits across households.

25. A preliminary draft of the strategy for participation of youth in the Project has been developed as recommended by the previous two Supervision Missions. It is in the process of being finalised.

26. **Marketing.** Most IGAs being promoted have local market and marketing support is mainly needed for vegetables, spices and fruits that are produced in bulk, certain value added products and crafts based products. Establishing market linkages and setting up marketing infrastructure are the key marketing initiatives in the project. Marketing support has been provided to facilitate buyer-seller meets and bulk-sales to urban markets. By way of marketing infrastructure the Project has promoted 156 market sheds, 6 retail outlets and 2 packaging and storage facilities for farm produce.

27. Work has begun to set up units for processing ginger and cashew nuts, feed manufacture and for poultry rearing with financial support from NEC. The Project also facilitates marketing of branded products, such as tea, honey, candles, aloe vera products under the brand name NEAT and conducts annual NEAT Fest for product promotion along with SHGs learning event.

Agreed action	Responsibility	Agreed date
5. Arrange exposure visits for community leaders, concerned PNGO and	PSU & DSTs	31 Oct 2013

project personnel to successful INRM-based livelihood projects with strong convergence and prepare CRMPs in 5 pilot villages in each project district following INRM principles through PRAs and initiate implementation of new plans.

- | | | |
|---|------------|-------------|
| 6. Take up productivity enhancement pilots for paddy and maize in 5 villages in each district. | PSU & DSTs | 30 Jun 2013 |
| 7. Develop and implement a strategy to identify and train community resource persons (CRPs) in agriculture and livestock sectors. | PSU & DSTs | 30 Sep 2013 |
| 8. Finalise and roll out strategy for youth participation in project activities | PSU & DSTs | 30 Jun 2013 |

28. Revolving fund and microcredit. Revolving Fund is to be given to SHGs and NaRMGs in instalments spread over the project period. INR 231 million has been spent under RF. Group-wise data is not available to analyse the quantum received by different CBOs and its use by them. The criteria for disbursement of these funds vary across districts. Funds budgeted for RF under AWPB have been fully disbursed, sometimes among fewer groups than budgeted and there is significant variation across groups in RF received. In many groups (Meghalaya and Assam) significant part of the RF is idle in bank accounts or as cash. The modalities for use of RF from NaRMGs also differ. The RF modalities need to be revisited and a set of common guidelines need to be developed with inputs from DSTs, maintaining equity and a ceiling in terms of the RF available per member. The revised RF guidelines, when ready, should be sent to IFAD for comments before being operationalised. In case of weak groups, the funds may be set aside till the group improves.

29. Current data on financial performance (savings, lending, idle funds, intra-group equity in loans, repayment quality) was not available as the new MIS software is not yet fully operational. This needs to be expedited as close to 30% of the project funds are intended to be disbursed to CBOs as RF.

Agreed action	Responsibility	Agreed date
9. Compile CBO level RF disbursement in all districts and analyse patterns of disbursement and usage; revise RF guidelines to ensure inter-household equity and some commonality across districts before further disbursement. Send revised guidelines to IFAD for comments.	PSU	31 Jul 2013
10. Operationalise MIS related to SHGs and NaRMGs, pending which conduct a sample review of institutional and financial performance of SHGs & NaRMGs.	PSU & DST	31 Jul 2013

Component 3: Social Sector Development

30. Performance under this component is rated as satisfactory. During 2012-13, the Project commissioned 100 gravity flow drinking water systems (DWS) of 5 000 litre capacity and 27 of 20 000 litre capacity, installed 17 km of drinking water pipelines and constructed 2 040 low cost latrines (LCL) for individual households who contributed labour and other locally available materials. Household contributions to build LCLs seemed larger, perhaps INR 1 000 to 2 500, than the Project estimate of 10% or about INR 350 per household. Being linked to beneficiary contribution, better off households have adopted LCLs much faster than the poorer. O&M training for these systems was imparted to 17 500 women and 727 men. A 20 000 DWS covers a large number of households and water is delivered through pipelines. Community contribution was about 10% of total cost as labour. Water users are responsible for O&M and each benefiting household pays INR 10 to 15 monthly towards upkeep. Water supply systems greatly benefited women and children, who would otherwise spend 2 to 3 hours daily to collect water for domestic use. An expenditure of INR 35.80 million has been incurred against the appraisal target of INR 94.5 million. The physical and financial targets against AWPB were met across all activities. Under new proposals, the PSU has included construction of 100 ring-wells, 26 tube-wells, supply of 117 km length of poly pipelines and 77 km of GI pipelines. The Project is on course to meet the appraisal targets except in case of poly pipes for drinking water where mid-term achievement is under a quarter.

31. The previous Supervision Mission had recommended developing alternate strategies for drinking water, such as hand pumps where feasible and harvesting rainwater run-off from roofs. While the Project has developed a good technical manual that covers drinking water systems and toilets, the issue of alternate water supply systems remains to be addressed. Also, to be effective, sanitation should cover all households. Since the Project does not have adequate resources to do so, convergence with the water and sanitation programme of the government should be pursued systematically. The issue of convergence is addressed in a later section.

32. The previous two Supervision Missions had recommended mapping out community health situation in project villages. The Project has conducted health camps and some data pertaining to malnutrition among children is part of the RIMS survey. Many women met in the course of field visits appeared to have symptoms of anaemia and this needs to be systematically ascertained.

Agreed action	Responsibility	Agreed date
11. Identify water scarce villages through field surveys and provide them SDW facilities, including roof water harvesting facilities.	PSU & DSTs	30 Jun 2013 & on-going
12. Ensure that LCL are provided to households that do not have these, seeking enhanced community contributions, if needed.	PSU & DSTs	30 Jun 2013 & on-going
13. Conduct surveys to ascertain prevalence of anaemia among women in project villages and develop and implement remedial strategies.	PSU & DSTs	31 Oct 2013

Component 4: Rural infrastructures and Electrification

33. This component is rated satisfactory. The Project constructed 21 semi-permanent common facility centres each with a floor space of 74 m², 11 permanent common facility centres, about 88 km of 3 m wide metalled/non-metalled inter village roads, 5 collection and aggregation centres and one causeway and installed 2 mini hydels, 634 solar-powered lamps. The project also facilitated training of over 9 250 women and 194 men on the operations and maintenance of these facilities. All these facilities were constructed by the respective village NaRM-G using the VDF. So far an expenditure of INR 100.1 million has been incurred against the appraisal target of INR 212.6 million. Under the revised proposal the PSU has excluded the construction of electric transmission lines and wind-mills.

Agreed action	Responsibility	Agreed date
14. Focus more on installation of solar-powered lamps in remote villages.	PSU & DSTs	30 Jun 2013 & on-going
15. Assess the impact of roads on local economy and develop strategy for road maintenance.	PSU & DSTs	30 Jun 2013 & on-going

34. **Convergence.** The flagship government programmes, such as MGNREGA, RKVY, NHM, IWDP, BRGF, NRLM and TSC are key areas for convergence. Effective convergence whereby NaRMGs are able to incorporate support from these in their CRMPs would enable them to continue village development activities in the post-project phase besides supplementing project resources now. The Project has made efforts by leveraging the SCCs with sporadic success so far. In Manipur the DRDAs have agreed to cover project villages under IWDP. Technical support has been provided by sectoral departments in most districts. The Manipur SCC met during the year, a meeting of SCC in Meghalaya is scheduled but the Assam Government has not yet responded.

35. The spread of the Project across three States and the fact that the flagship programmes in some of the districts are administered by the statutory Autonomous District Councils presents unique challenges for convergence. Therefore, besides revitalising the SCCs, the Project needs to engage regularly with the District Administration and the sectoral departments at the State and district level.

Component 5: Community-based Bio-diversity Conservation (CBBC)

36. The performance in this component is satisfactory. The Project has expanded the scope of this component to include community forests or village reserved forests besides sacred groves, river fish sanctuaries, orchid sanctuaries, etc. These are together termed as Community Conserved Areas (CCAs). The Project has focused in aided regeneration of these CCAs that are at different stages of degradation and/or regeneration, besides undertaking pasture development, mixed species plantations and protection/regeneration of perennial medicinal herbs and shrubs. The coverage during 2012-13 was 244 ha (against the target of 205 ha) under community biodiversity conservation in 162 villages benefiting 5 800 households across the 6 project districts. The Project also has a sub-component called Forestry Development under which it promoted planting of miscellaneous forest species, agro-forestry, bamboo and cane. During 2012-13 the Project took up forestry development over 313 ha in 224 villages involving 8 774 households. Cumulatively, the Project has covered 84% project villages (386 out of 460 villages) and 70% project households (14 574 out of 20 826 households) under forestry development sub-component. The project overall facilitated creation of 5 708 ha of CCAs across the 460 project villages (12.41 ha per village) up to mid-term. During field

visits the Mission visited some of these initiatives with well demarcated sign boards such as 8 ha Community Forest Reserve at Marem Khullen village in Ukhrul District by Pan Phung NaRMG; 10 ha CCA by Purum Likli NaRMG in Senapati District. While the project has met its AWPB targets, the average area under high value/high investment plantations such as cane, agro-forestry, afforestation, and medicinal herbs and shrubs needs to improve significantly if such plantations are to yield economic benefits along with appropriate management plans (achievements at mid-term being 1.25 ha per village on an average). Income from CCAs too needs to be tracked.

37. The Project has brought out draft guidelines for promotion and management of Community Conserved Areas as recommended by the previous Supervision Mission. The document is still work-in-progress with modifications being made based on experiences across the 6 districts with different tribal groups. Each of these tribal groups has their own traditional system of community forest/biodiversity management and the Project is largely building upon the extant indigenous systems to avoid any conflict with traditional village institutions, the customary custodians of community resources in most tribal communities. Customary practices also require infusion with adequate awareness on national and local NRM laws and regulations.

Agreed action	Responsibility	Agreed date
16. Review project strategy on CBBC/CCA from the perspective of impact and sustainability and improve real time monitoring system with regard to sustainability and income from CCAs/CBBC.	PSU	30 Aug 2013
17. Develop more intensive performance tracking system (such as survival rates, income) with appropriate management plan including benefits sharing for high value/high investment crops/systems like cane, agroforestry, afforestation and medicinal herbs.	PSU	30 Sep 2013
18. Review and update project guidelines for participatory management systems for CCAs and inputs from good practice models with emphasis on gender roles and responsibilities as well as mechanism for benefit sharing and dispute resolution.	PSU	30 Oct 2013
19. Continue to conduct legal awareness training on NRM laws, particularly forest policies and regulations of GoI/States/ADCs for the communities, especially targeting the community leaders, with the aim of converging with existing programmes in NRM.	PSU & DST	30 Oct 2013

D. Project implementation progress

38. **Project Management Performance.** The performance of this component is rated as satisfactory. Overall executive responsibility for the project is vested in the Managing Director (MD) of the NERCORMP Regional Society (RS) and the oversight responsibility with the Secretary NEC as the chairman of the RS. The MD coordinates the project implementation process, assisted by three Directors, one each for M&E, Finance, and Administration, one coordinator each for NRM and Gender, one Technical Officer and a complement of support staff. Staff attrition is nil, ensuring better institutional memory and reducing the need for frequent refresher trainings or orientation. Personnel are hired on a fixed tenure or on secondment from government agencies. Salaries and allowances of project personnel are funded by the government. The RS is also responsible for planning and implementation of interventions under NERCORMP-I, funded entirely by the government.

39. The MD is the appointing authority for all personnel and each position has ToR and rules for recruitment, which is done through open competition and in compliance with the NERCORMP service rules. The RS has comprehensive HR rules and policies and these are personnel-friendly. Training needs of personnel are assessed in a participatory manner. The system being used for annual performance appraisal of personnel contributes to the assessment of competency besides helping identify their training needs in response to the project requirements.

40. Each project district has a District Society (DS) chaired by the Deputy Commissioner. It hosts the District Support Team (DST). Staffing pattern of the DSTs is similar to that of PSU but with more positions, namely, one Project Manager, one IDO, one PTO, one BDO, one Assistant Accounts Officer, two M&E assistants, one internal auditor, one NRM organiser and support staff. There are no cases of staff attrition at the districts either, ensuring better institutional memory and quick response to field-related problems. Duties and functions of personnel are well-defined. Functions of the DS, including that of the Project Manager are reviewed by the chairman of the DS. Participating PNGOs

are hired by DSTs, with whom they have good working relationships. Payments to PNGOs are made on time subject to satisfactory performance and M&E reports from them. Working of PNGOs is supervised by DST staff through regular field visits and review of activities with NaRMGs.

41. Now that the primary tasks of forming SHGs and NaRMGs and their apex institutions have been nearly completed the challenge is to develop livelihoods and create access to markets for their produce. Given the general lack of extension services in project villages and limited knowledge of market and marketing among the target group, PNGOs should be imparted advanced training so that they can serve the target groups effectively. Alongside, potential lead farmers should be identified in each village and trained as CRPs so that they can eventually take over from the PNGOs.

Agreed action	Responsibility	Agreed date
20. Conduct technical training for staff and PNGOs on continuing basis to act as master trainers.	PSU	30 Jun 2013 & on-going
21. Revise terms of contracts of the PNGOs so as to expand their operation as master trainers for extension and technology support.	PSU & DSTs	31 Jun 2013
22. Include only the NERCORMP-II activities and interventions in AWP&B, revise it accordingly for the year 2013-14 and forward the same to IFAD and explore the possibility of using a simpler form of AWP&B template.	PSU	31 Jun 2013
23. Prepare cumulative Project Progress Reports on continuing basis containing physical and financial targets and achievements by activity, sub-component and component as part of Annual Progress Report.	PSU	30 Jun 2013 & on-going

42. Coherence between AWP&B and implementation. So far the project has used the allocated budgets effectively. The PSU and DSTs have been making all efforts to accomplish targets provided for in the AWP&B. The Project spent 73% of the budget in fiscal year 2010-11, 92% in 2011-12 and about 60% till Dec 2012 in 2012-13. Overall, the Project has realised 76% financial expenditures against the estimated budget. With respect to Appraisal estimates, the Project has achieved about 33% as of 31 Dec 2012. There has been high level of coherence between AWP&B and activities implemented by sub-components and components. With the ongoing trends of expenditures against budget estimates, the project is likely to meet the Appraisal estimates.

43. Monitoring and evaluation. Overall, M&E is rated satisfactory. Only one Annual Outcome Survey has been conducted so far in 2012 and it includes data from control groups, making it possible to see if the project has resulted in changes in survey indicators. A baseline RIMS anchor indicator survey was done in 2012. The project has generated annual progress report for the year 2012-13 but not a cumulative report on project status with analysis for the MTR. However, the PSU was able to generate the relevant data for the Mission.

44. The Project uses a set of standard templates for reporting, collection and compilation of village and household level data from the field. Data is collected with respect to household resources, livelihoods, delivery of project services, project targets, achievements, etc. The data collected is exhaustive and detailed. It flows from SHGs, NaRMGs and PNGOs to DST and from DSTs to PSU. The PNGOs reported difficulties in gathering and compiling data by household. A computerised MIS system has been put in place but is not yet fully functional. The reporting requirements for different components and the process of reports generation need further refinement so that data collection and analysis is streamlined and optimised and timely and reliable reports are available to ascertain performance of various components and take timely corrective steps. The Project should tie up with IFAD grant to IFPRI for this purpose.

Agreed action	Responsibility	Agreed date
24. Review and simplify all M&E formats for effective data collection and compilation and review all M&E reports before these are sent out.	PSU & DSTs	31 Aug 2013

45. Innovations and learning. Innovations include new technologies and community initiatives in the arena of livelihoods/IGAs, social sector development and biodiversity conservation. A low cost, wood fired bakery system has been introduced as a non-farm IGA and is performing satisfactorily as there is untapped market in villages for bakery products. The Project has introduced smokeless, efficient wood stoves that reduce firewood consumption and drudgery. SRI has been introduced in

pockets in Manipur and Dima Hasao not earlier used to transplanting. Riverine fisheries conservation has been taken up by communities in one of the villages.

46. Climate and environmental focus. The Project has been focusing on environment-friendly interventions such as agro-forestry, conservation of bio-diversity and promoting community forestry under its CBCC component. Plantation and horticultural crops promoted as IGAs also facilitate soil and water conservation. However, to have significant impact, the Project would need to initiate land and water resources development at scale through INRM-based CRMPs and convergence. This is rated as moderately satisfactory.

47. Effectiveness of targeting approach. The component is rated as satisfactory. Project outreach exceeds the appraisal targets. Project villages are remote and poorly served by public services. The CBOs met in the course were on board with the policy of targeting the poorest first. However, some households have not joined NaRMGs and SHGs, especially in Meghalaya and Assam. While some of these are newly married couples who have not yet been formally enrolled in the CBOs and a few that are well off (A or B category), there are some from the target group as well. The appraisal targets should not be seen binding since these are only indicative estimates. Facilitation is needed to help the category C and D among the reluctant individuals to reconsider their decisions and facilitate their entry into the CBOs so that the most vulnerable are not left out.

Agreed action	Responsibility	Agreed date
25. Identify C & D category households not in NaRMGs and SHGs, analyse reasons for exclusion and facilitate their inclusion either in existing groups or form them into new SHGs.	PSU & DSTs	31 Oct 2013

48. Gender focus. The component is rated as satisfactory. The strategy of forming NaRMGs with equal representation of men and women has facilitated breaking of gender stereotypes by informally including women in traditional village institutions which were exclusively of men. Since there is an overlap of roles of traditional institutions and NaRMGs women get to participate in decisions regarding the village. Men also expressed that women's participation in traditional institutions enriches discussions. Training inputs have been received equally by men and women.

49. NaRMGs have been enabled to prioritise interventions to reduce women's drudgery, e.g. access to safe drinking water and low-cost latrines. The benefits included reduced drudgery for women and girls, more dignity, better hygiene and attendance at school. Participation in SHGs has increased women's bargaining power and respect within the household and village and put money in their hands. Helping non-literate members to sign their names was considered an achievement of SHGs and they value SHG meetings as it gives them personal time and space.

50. The gender mainstreaming strategy is satisfactory and encompasses administration and implementation, but has little focus on working with men. The Project held 8 training programmes on gender mainstreaming covering 91 participants (83 women).

51. The Project implementation set up is staffed mostly by men (see table below). Notwithstanding challenges of recruiting more women, the presence of women staff facilitates effective discussions on issues affecting women. PNGOs in Ukhrul, Karbi Anglong and Dima Hasao have no women staff.

	RS+DST			PNGO Supervisors			PNGO Community Coordinators		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number	88	23	111	31	4	35	73	9	82
%	79%	21%	100%	89%	11%	100%	89%	11%	100%

52. Besides filling vacancies with women when possible, CRPs need to be inducted to facilitate Reproductive and Child Health interventions and deal with issues affecting adolescent girls and malnutrition among women and children. Solutions could be worked out jointly with SHGs, NaRMGs and Federations and through convergence. The draft youth strategy needs to include issues of gender sensitisation and support to adolescents and young adults of all gender. Training to women needs to be conducted in their own language/ dialect to improve participation and comprehension.

53. The effects of gender division of work and decision making in case of livelihood activities being promoted is not clear. While it would be difficult to introduce it as a formal requirement, this could be explored informally during field visits by the RS and DST staff to create sensitivity on gender differentiated outcomes of project activities.

Agreed action	Responsibility	Agreed date
26. Develop CRPs (men and women) to work on gender issues and with youth, with women CRPs to support RCH and nutrition initiatives	PSU & DSTs	31 Oct 2013

54. **Partnerships.** Learning partnerships have been developed through IFAD's collaborations, e.g. with ICIMOD on climate change adaptation, the International Potato Centre (CIP) on root and tuber crops and with Slow Food International on preservation of indigenous food systems. Partnerships with the banking sector, important for long-term sustainability of SHGs, need to be established. The Project has drawn on the sectoral government departments for technical training in a few cases.

E. Fiduciary aspects

55. **Financial management.** Performance in Financial Management is rated as satisfactory in case of the RS and DSTs and moderately satisfactory in case of CBOs. Proper authorizations are obtained for payments made and adequate documentary evidence is available in the files. Advances are being settled promptly. There is segregation of duties in respect of persons authorizing and those recording transactions. The Project has a double entry accounting system. The books of accounts are maintained in 'Tally' software. A chart of accounts is prepared based on the activities planned in the AWPB. These account heads are grouped by each component. Transactions are recorded on a daily basis. Reconciliation of bank accounts is, however, done on a quarterly basis. This is required to be done on a monthly basis as per the Financial Regulations of the Society.

56. The DSTs have a position each of an Assistant Accounts Officer (AAO), an Internal Auditor (IA) and a Finance & Accounts Assistant. These are all in place except IA in one district (vacant since Jan 2013). The finance and accounts department at the Regional Society (RS) in Shillong is headed by Director Finance (DF) and assisted by an Assistant Accounts Officer and an Office Assistant (Accounts). The FAA at the DSTs and the AAO at the RS are responsible for maintaining the books of accounts under the supervision of the AAO at the DST and the DF at the RS. The Internal Auditor is responsible for checking the accounts of the DSTs besides those of SHGs and NaRMGs.

57. At the end of every month the DSTs submit a Receipts & Payments Statement to the RS and at the end of each quarter the DSTs submit the Receipts & Payments Statement of the DST and NaRMGs, expenditure statement by categories and by components, budget vs. expenditure statement, statement of advances to staff, bank reconciliation statement and a utilization certificate in respect of funds utilized during the quarter and the balance available at the end of the quarter.

58. Based on the data submitted by the DSTs, the RS compiles the total expenditure manually in an excel sheet for each quarter after adding its own expenditure during the period. This consolidated statement is used to prepare the Withdrawal Application (WA), submitted quarterly. The software is not used for preparing bank reconciliation statements, to consolidate the Project accounts or for budgetary control. These are done outside the system using excel formats. Training is required for the DSTs and RS in the use of Tally which can help the accountants make use of the features available in the software for budgeting, accounting and consolidation.

59. The NaRMGs and SHGs maintain records as required but there are variations across villages. Some records are well kept while others lack proper supervision from PNGOs/DSTs. Some of the discrepancies noted by the Mission in respect of SHG records are: period of loan repayment not recorded, signature of the loan recipient not obtained, loans not recorded in the Minutes Book. In some cases the figures in the activity register of NaRMGs did not match with the figures provided by the DST. The accounts of NaRMGs and SHGs have been audited by Chartered Accountants. The observations of the auditors should be conveyed to the groups to help them minimise errors during the subsequent period. In some cases SHGs keep large cash balances instead of either loaning the funds within the group or keeping these in the bank, whereas in others large amounts are kept in bank accounts without much inter-lending. SHGs do not pay interest to members on their savings/contributions. Though a system exists for record keeping some refresher training needs to be imparted to SHG and NaRMG members as well as PNGOs for proper book keeping which will help them improve the quality of book keeping.

60. Disbursement of grants to SHGs is not uniform across the project area. In some districts the disbursement is based on number of members in the SHG and in one district the same amount has been given to all SHGs irrespective of the number of members in the SHG. The Mission was

informed that the Project had a fixed amount per household over the project period and that the disparity in such disbursement would be rectified in the subsequent years. The project should follow a system of releasing funds (in instalments) to the CBOs as VDF/RF based on utilization of some predetermined percentage of funds of the earlier instalment. The unutilized funds at the end of each quarter should be reported and consolidated at the DST and RS level.

61. **Disbursement.** Performance under this section is rated as moderately satisfactory. IFAD has disbursed USD 7.456 million including the initial advance of USD 1 million. The Project has achieved a disbursement rate of 38.63% of allocation. No claim has so far been made by the Project in respect of Category I-Civil Works of Schedule 2 to the Financing Agreement though such work has been carried out by the community. Such expenditure has been claimed under Category IV- Village Development Fund. In case of Category III-Revolving Funds, the amount disbursed is taken as utilised by the Project. UC is not obtained for such funds. The Project submits WAs quarterly which generally exceeds 20%-30% of the initial allocation of USD 1 million. In accordance with the Letter to Borrower (LTB) dated April 9, 2013 from IFAD to the Government, the WA should cover at least 20%-30% of the authorized allocation or 90 days' of eligible expenditure, whichever occurs first. The Project is therefore advised either to submit monthly WAs or seek additional authorized allocation.

62. **Counterpart funds.** Performance under this segment is rated as highly satisfactory. The Government is to contribute USD 17.42 million during the project period. So far it has disbursed (inclusive of IFAD contribution) INR 771.5 million, equivalent to USD 15.2 million. If IFAD funding of USD 7.55 million is deducted from this, the share of Government amounts to USD 7.65 million or 43.95% of the total allocation. Funds from the Government are disbursed once, based on the AWPB for the year. NEC generally releases funds during July. Consequently funds to the DSTs for the first quarter are released only during July/August each year. The Mission recommends release of funds for the first quarter promptly so that project activities in the field are not hampered.

63. **Compliance with loan covenants.** Performance under this section is rated satisfactory. The Project has generally complied with all the loan covenants

64. **Procurement.** Performance under this section is rated as satisfactory in case of RS and DSTs and moderately satisfactory in case of CBOs. The Project has followed IFAD procurement guidelines. A procurement committee has been setup which undertakes all procurement. The process is validated by the Managing Director before a purchase order is placed. The Mission test checked procurement of goods and services at the RS and found that the process is transparent and well documented. Fixed Assets register has been maintained and physical verification carried out. It is required to be indexed and page numbered.

65. Community procurement guidelines have been laid down in respect of procurement by NaRMGs wherein PNGO and DST representatives are to be co-opted to the procurement committee for all procurement above INR 50 000. In some cases comparative statements have been maintained for quotations obtained and goods have been procured from the lowest cost vendor whereas in others procurement guidelines have not been followed, nor is procurement committee formed. Corrective action needs to be taken in such cases based on the report of the internal auditor.

66. **Audit.** Performance under this section is moderately satisfactory. The project has a system of internal audit in all the 6 districts for certifying the utilization certificate of the DST, NaRMGs and SHGs every quarter. The internal auditor is also required to submit quarterly reports in respect of the accounts and book keeping of the NaRMGs and SHGs which is not being regularly done. Such reports need to be regularly submitted and corrective actions are required to be taken by the DST/ PNGO in respect of the audit observations.

67. The statutory auditors' services were procured in the year 2010-11 using QCBS method and nine audit firms were empanelled for the six districts, the Regional Society and SHGs and NaRMGs. From the panel six firms are selected every year on a rotational basis. As per IFAD Project Audit Guidelines auditors should be appointed afresh every year. The Project should therefore conduct fresh empanelment for appointment of auditors for 2013-14. The audit for the year 2011-12 was submitted within the prescribed period of six months from the end of the fiscal year. The audit report is unqualified and contains the Management Letter as required. As the Project also receives funds for activities other than those in the project and a consolidated Income & Expenditure and Balance Sheet is prepared, the audited Project Financial Statements (PFS) should segregate project and non-project funds. The break-up is presently reported in respect of expenditure but not in respect of

receipts. The audit report and the PFS generally comply with the erstwhile IFAD reporting requirements. The reporting requirements of IFAD have been revised from 2012 whereby the financial statements are required to be prepared in accordance with the prescribed format of International Public Sector Accounting Standards (IPSAS). The Project is advised to follow the IFAD guidelines in this regard. The test check of the audited accounts of SHGs and NaRMGs revealed some errors in reporting, such as interest earned by NaRMGs and SHGs not recorded as income but shown in the Balance Sheet as liability, income from group activity shown as income whereas expenditure on the same not shown as expenditure but reflected in the Balance Sheet.

Agreed action	Responsibility	Agreed date
27. Conduct training for representatives of SHGs, NaRMGs and PNGOs in book keeping and periodic review of the books.	DSTs & PSU	31 Jul 2013
28. Submit WAs more frequently or seek additional Authorized Allocation from IFAD.	PSU	30 Jun 2013
29. Ensure timely submission of internal audit reports and compliance with the observations in the report.	PSU & DSTs	31 Jul 2013

F. Sustainability

68. **Institution building.** The SHGs organised by the Project and supported by way of training and financial assistance are likely to be able to continue in the post-project period. Almost all members have been actively taking part in SHG meetings and decision making processes. They have started internal lending and savings which would facilitate sustainability of their operations. These are economically viable. Only a few SHGs have been linked to banks to augment their finances. The Project would need to facilitate their convergence with NRLM as and when it is rolled out in the Project Districts. NaRMGs have gained some experience in group management and project implementation and would be able to continue to function at the present level. However, for continued growth, they would need to be linked to extant flagship government programmes.

69. **Empowerment & social sustainability.** The SHGs and NaRMGs have become platforms for women and men to work together for development of their villages and to extend mutual support. Such opportunities did not earlier exist and are highly appreciated by communities. Planning and implementing development activities initiated by the Project has largely been the focus of these formations so far. Some of the SHG federations met by the Mission spoke of taking up 'social issues' such as alcohol abuse but did not have ideas about how to address them. Further handholding support, outside exposure and guidance would be needed for the CBOs to take up issues internal to the community that affect them, as well as to leverage services and entitlements from public agencies. While the basic institutional platforms now exist, the communities lack the know-how, skills and experience to become advocacy and demand groups.

70. **Quality of beneficiary participation.** Planning and implementation is done through people's participation with guidance and support from PNGOs. Project activities are entirely implemented by NaRMGs. The Mission came across examples of reviews conducted by the CBOs of progression of households across wealth-ranking categories, though they had not worked out ways to enhance effectiveness. For instance, a majority of the poorest had not progressed to the next higher category but the CBOs concerned had not explored if they could do something to change the situation.

71. **Responsiveness of service providers.** Technical service provision to enhance livelihoods and continued work towards improving resource management remains a challenge. Discussions with the poorest households in the course of field visits lead the Mission to conclude that the poorest often do not adopt new and potentially remunerative economic activities for lack of assured technical support. As government extension services have limited outreach, a way forward is to train individuals from project villages as community resource persons (CRPs) as recommended by the Mission. This would also require continuation of PNGOs till project completion.

72. **Exit strategy.** The Project has prepared an Exit and Sustainability strategy as recommended by the previous Supervision Mission. It envisages that in the post-project period NaRMGs would leverage resources from government programmes and NaRMGs and SHGs would also leverage funds from the corpus created through savings and the revolving fund granted by the Project and from banks. These resources, it is envisaged, would support the various IGAs taken up by individual households. The strategy document does not provide quantitative projections to ascertain viability. The groups have modest corpus and it is unlikely to grow significantly as member savings and

savings potential are modest and bank credit has not been leveraged. Progress in leveraging government programmes has been limited so far. Investments towards improving the management of natural resources, the bedrock of the economy in project villages, have been minuscule. Focused attention is yet to be paid to enhance farm productivity. The notable outcomes so far that is likely to endure are functioning CBOs (NaRMGs and SHGs), modest financial corpus with CBOs, various IGAs and modest social sector infrastructure (village roads, low cost toilets and drinking water).

73. Two scenarios can be envisioned. In one, the CBOs continue to carry forward the activities presently promoted—save into and borrow from the corpus that has been created, take up modest IGAs that can be supported with the limited corpus, take up community/social development initiatives (including resource conservation through own efforts) that require advocacy but little finances, and opportunistically use government programmes as and when they come to the village in the normal course. This appears entirely sustainable, would lead to modest improvements in economic situation of households and is unlikely to set them (especially the less entrepreneurial) on a growth path. In the second, the growth scenario, SHGs are constructively linked to NRLM, NaRMGs systematically take up natural resource development activities based on revised CRMPs by leveraging government programmes (e.g. MGNREGA, RKVY, BRGF, IWMP, etc.) and households begin using more productive farming and livestock rearing technologies and have robust links to fair markets. To achieve this, the Project would need to work in a focused way on issues of convergence, NRM, productivity enhancement, further strengthening of CBOs to become entrepreneurial and outward looking and developing a pool of technical resource persons in villages. There are obvious risks as convergence is not under the control of the Project, NRM is a long term enterprise and NRLM is yet to be launched in the field. The Project needs to deliberate on these and other possibilities and refine the exit strategy, detailing out concrete outcome projections that can be objectively evaluated.

74. Potential for scaling up. The key elements of the project, namely, organising women into SHGs and the entire village into NaRMG as a democratic village development organisation, introduction of thrift and credit, various IGAs and participation of NGOs in project implementation are scalable. These are now fairly widespread in the country. The VEC created to implement MGNREGA in the State of Meghalaya was fashioned after the NaRMG.

Agreed action	Responsibility	Agreed date
30. Revise exit strategy, exploring alternative scenarios and provide concrete outcome projections	PSU	31 Oct 2013

G. Other

75. Impact on physical and financial assets. The Project has provided revolving funds ranging from INR 50 000 to INR 200 000 to 1 504 SHGs, totalling INR 178.78 million, and to 493 NaRMGs in the order of INR 50 000, totalling INR 52 million. The SHGs have enabled women to save on a weekly, fortnightly or monthly basis, savings ranging from INR 10 to 50 a month. Nearly 6 000 households have constructed low cost toilets with project assistance. Other physical assets include drinking water systems, village access roads, as well as income generating assets such as irrigation facilities, livestock, horticulture and small non-farm enterprises.

76. Impact on food security. According to the Annual Outcome Survey report for 2012 (AOS 2012), 63% households reported to be more food secure, 25% unchanged and 12% less food secure; the situation in non-project villages was 28%, 65% and 7%, respectively. Data on the extent of change is in the process of being analysed.

77. Impact on incomes. The AOS 2012 reports greater diversity of income sources among households in project villages compared to those outside. In the course of interaction with communities the Mission found consistent evidence of a few households having graduated from the 'poorest' to the 'less poor' category, and from the latter to 'not so poor' category. Data on income changes is being analysed. According to the AOS 2012 significantly more people in project villages reported increases in income compared to those outside, and the reverse for decline in income.

78. Policy impact. It is perhaps too early to expect significant policy impact and none were reported. However, the Project has commissioned a Policy Impact Study based on composite NERCORMP interventions. Funded by NEC, the report of this study is expected in July 2013.

79. **Other impacts.** Participation in formal community forums (NaRMG), better access to credit and improvement in sanitation and hygiene were some of the areas of positive impact women highlighted strongly in the course of interaction with the Mission during field visits.

H. Adjustments to Project Design at Mid-Term

80. The key design changes recommended at MTR are: (i) extending contracts for all 30 PNGOs till project completion, including training of CRPs/lead farmers for effective technology support and extension; (ii) all sub-components under Component 2, except revolving fund to be merged to ensure greater flexibility in implementation; (iii) Components 3 and 4 to be merged (v) sub-components (a) and (b) under Component 5 to be merged (iv) scaling down the revolving fund on the basis of actual use of fund; (v) reallocating civil works category to the VDF category; (vi) adding more interventions under social and community infrastructure but dropping electricity transmission lines, wind-mills, etc. and updating unit costs; (vii) enhancing global unit costs for non-farm sector and other IGAs.

81. Following amendments to the Financing Agreement may be needed:

- (a) Category (I) Civil Works to be merged with Category (IV) Village Development Fund.
- (b) Clause 1 (b) of Schedule 2 to be modified to read: "Revolving Funds" means eligible expenditures for grants to NaRM-Gs and SHGs for economic livelihood activities.

82. The Borrower needs to write to IFAD to seek these changes.

I. Conclusion

83. The Project has established outreach in all the target villages that are physically dispersed, remote and poorly connected. It has mobilised communities to participate in the project, organised NaRMGs encompassing almost all households and SHGs enrolling women from a majority of households. There is high level of acceptance of the Project and strong goodwill towards it. In a region with poor to abysmal banking services, all project households now have access to modest sums of credit from revolving funds given to SHGs and NaRMGs. The Project has supported IGAs and created basic social services infrastructure, such as drinking water facilities and low cost toilets.

84. Improving the management of natural resources—the bedrock of rural livelihoods in the project area—is the principal project objective. This includes developing the potential of land and water resources and enhancing productivity of agriculture and other natural resource-based production systems, such as livestock rearing, horticulture, etc. These need more focused attention in village planning and action. The Project needs to help NaRMGs redraw plans with such an orientation.

85. The Project needs to continue to work at State and District levels to bring about convergence with various government programmes to augment resources and to ensure continuation of project initiated activities in the post-project period by CBOs. Success in this would have a strong bearing on growth and sustainability of the development processes and outcomes triggered by the Project.

86. The Project needs to ascertain the extent of benefits being derived by the poorest and take steps to enhance their participation where lacking. This may require continued engagement with such households and facilitation at the CBO and PNGO levels.

87. With the course corrections recommended in this Aide-mémoire, the Project is likely to be implemented in a timely manner and meet its objectives.

Notation

This Aide-mémoire is endorsed as the official document of the proceedings of the wrap-up meeting held on 9 May 2013 at Shillong, Meghalaya, India, chaired by the Secretary, North Eastern Council, Ministry of DoNER, Government of India as Representative of the Borrower. The main findings of the MTR have been discussed with the IFAD Mission members and Project Staff.

Appendix 1: Summary of project status and ratings

Basic Facts

Country	India	Project ID	1040	Loan/DSF Grant No.	444
Project	North Eastern Region Community Resource Management Project for Upland Areas			Top-up Loan/DSF Grant	794
Date of Update	10-May-2013				
Supervising Inst.	IFAD/IFAD				
No. of Supervisions	11	No. of Implementation Support/Follow-up missions	5		
Last Supervision	18-Mar-2012	Last Implementation Support/Follow-up mission	31-Dec-2012		

					USD million	Disb. rate %
Approval	29-Apr-1997			Total financing		
Agreement	20-May-1997	Effectiveness lag	22.2	IFAD Total	21.11	
Entry into force	23-Feb-1999 & 10-Jul-2010	PAR value	Not at risk	IFAD loan	21.11	35.5%
First disbursement				DSF grant		
MTR	17-May-2002 & 10-May-2013	Last amendment		IFAD grant		
Original completion	28-Sep-1999	Last audit	09-Sep-2012	Domestic Total	16.66	
Current completion	30-Sep-2016			Beneficiaries	1.33	.33%
Original closing	28-Sep-1999			Government (National)	13.33	4.35%
Current closing	31-Mar-2017			Domes. Fin. Inst.	2.00	
No. of extensions	1			External Cofinancing Total		

Project Performance Ratings

North Eastern Region Community Resource Management Project for Upland Areas (794-IN)
Supervision report (Mid-Term Review) - Mission dates: 22-Apr-2013 to 10-May-2013

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Capacity Building	4	4	1. Institution building (organizations, etc.)	4	4
2. Economic Livelihood Activities	5	5	2. Empowerment	5	5
3. Biodiversity	5	5	3. Quality of beneficiary participation	4	4
4. Social Sector Activities	5	5	4. Responsiveness of service providers	4	4
5. Village Roads and Electrification	5	5	5. Exit strategy (readiness and quality)	3	4
			6. Potential for scaling up and replication	5	5

Overall Assessment and Risk Profile

Rationale for implementation progress rating
The overall implementation progress rating is satisfactory; all staffs in PSU, DST and partner NGOs are in place with zero staff attrition; AWPB has been prepared and submitted as per IFAD's RO-AWPB format; activities have been identified, planned and target sets on the basis of bottom-up community resource management plan (which may require more improvement) but within the overall objectives of the project. The financial management systems are in place; M&E systems are much improved, with even

NaRMG reporting its activities through a format, MIS under test run, baseline survey done, RIMS reports and Annual Outcome Survey for 2012 completed and submitted to IFAD. The coherence between AWPB and implementation progress meeting over 98% of annual physical and financial targets. With highly satisfactory counterpart funding, community ownership of the programme activities as well as implementation pace and quality at the community levels are satisfactory.

C.5 Likelihood of achieving the development objectives (section B3 and B4)

4

4

Rationale for development objectives rating

Support provided by LPA (NEC) is highly satisfactory; supports from State Govts that would determine critical sustainability, remain at variance. While there are rooms for improvement in the CRMP to address INRM to sustain livelihoods, capacity building of communities and project staffs too need to be addressed including in their appreciation of INRM. The quality of NGOs support and performance too could be further enhanced through appropriate strategic guidance and support from PSU and DSTs. Community leaders and change makers with appropriate representation by women within the communities are being addressed along with further capacity building to become more effective community leaders, as also community resource persons.

C.6 **Risks** Short description of major risks for each section and their impact on achievement of development objectives and sustainability

Fiduciary aspects	Need for improving quality of record keeping and maintenance of registers / documentation as per standard FM practices with emphasis on internal control systems in the DSTs; need for use of Tally software with capacity building for respective DSTs staffs; refresher procurement required for DSTs; more practical approach to community procurement methods.
Project implementation progress	Two programme districts (both the districts in Assam) remain unpredictable with internal low intensity conflicts or group rivalries often leading to bandhs; such situations could impact project implementation progress. Capacity of selected staffs, NGOs and community leaders or Community Resource Persons (CRP) need to be addressed that could otherwise impact implementation progress.
Outputs and outcomes	Staff and NGO ability to think and act out of box as per community demands and needs on the basis of integrated natural resources principles remain much to be desired; technical line department support too remain weak.
Sustainability	Convergence with national flagship programme such as MGNREGS at village level remain weak; capacity of CBOs particularly NaRMGs to manage itself as an organisation need strengthening; closer understanding and liaison between traditional village institutions and CBOs require strengthening; diversity of land tenure systems is a challenge, yet there is the needs for practical solution for equitable land access and distribution for land-based livelihoods sustainability; technical interventions both for planning and implementation at village level need strengthening from project; SHGs capacities for full utilization of their revolving funds remain weak due to inherent remoteness, lack of opportunities and illiteracy.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Exit cum Sustainability Strategy	The document prepared needs to be made practically workable with timeline for implementation or adoption. Convergence with MGNREGS (and other programmes such as NRLM) at village level could be one the best sustainable strategy for exit of the project; towards this end, the capacity of NaRMGs need further attention. Strengthen coordination with state government and line departments.	Action initiated; revised exit strategy by 31 Oct 2013	
Convergence	Convergence is another strategy for sustainability and exit. Project has convergence target for finance; convergence is also needed at planning and implementation stage. Convergence with MGNREGS and NRLM would in turn ensure sustainability beyond the project life. NaRMGs need further capacity for achieving convergence at village level such as planning and implementation for MGNREGS. Policy support and strategic guidance from PSU and DST to communities	On-going	

India

North Eastern Region Community Resource Management Project for Upland Areas (794-IN)
Supervision report (Mid-Term Review) - Mission dates: 22-Apr-2013 to 10-May-2013

	or NaRMGs require further attention.		
Project management	Project Implementation Manual and Logframe require revision	Complete by 31 Oct 2013	
Fiduciary	Need for improved internal control in the DSTs along with improved record keeping and documentation as per FM practices; tally software in the DSTs; refresher procurement training for the DSTs.	Complete by 31 Oct 2013	
Capacity building of CBOs (SHGs and NaRMGs)	Finalize project strategy for federations of CBOs; address the capacity building of CBOs in organisational management and life skills.	Conclude by 31 Oct 2013	
Gender Mainstreaming	Gender strategy prepared; document women empowerment and participation in decision making.	Complete by Oct 2013	
Knowledge Management	KM strategy made; document good practices; organise knowledge and learning events particularly for community to community.	On-going	
Monitoring and Evaluation	Analysis of progress data in all sectors in progress reports.	On-going	
Livelihoods enhancement	Revisit CRMPs to upgrade into INRM; strategies for youth as target groups need to be initiated.	Complete by 31 Oct 2013	
Social sector development	Explore alternative sources of drinking water supply; enhance staff & community awareness on social sector schemes of the govt; strengthen focus on health, sanitation and nutritional issues.	On-going; complete by 31 Oct 2013	
Rural infrastructures	Strengthen community maintenance processes of village/rural infrastructures; development guidelines for the same.	Complete by 31 Oct 2013	
Community biodiversity conservation	Revise guidelines for management of CCAs; conduct legal literacy for communities particularly on NRM laws and regulations; track performance of high value high investment crops.	On-going; complete by 31 Oct 2013	
Additional observations			

Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

Narrative Summary	Key Performance Indicators	Achievement at MTR	Risks/Assumptions
A. PROJECT GOAL			
To improve the livelihood options of economically vulnerable groups in a sustainable manner through the promotion of improved livelihood opportunities and strengthening of local institutions that relate to livelihood development	<ul style="list-style-type: none"> - 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. - At least 75% households that have access to safe drinking water, sanitation and markets. 	<ul style="list-style-type: none"> -No data available -No data available -63% hh have improved food security & incomes - No data 	Political stability; Non-interference by vested interests in selection of NGOs and other implementing partners; NEC and GOI continue the poverty reduction programmes.
B. PROJECT PURPOSE			
Incomes of about 20,000 rural households improved by upscaling the NERCORM approaches, organising rural women into 2000 self-sustaining SHGs, communities to 400 NaRM-G and 6 apex organisations empowering them through training and capacity building.	<ul style="list-style-type: none"> - Changes in wealth ranking of at least 75% of target groups. - At least 75% targeted HHs reporting increased incomes from diversified activities. - 75 % increase in average HH incomes. - At least 75% of Target group perception about NERCORMP interventions is positive. - Livelihoods plans made and operational by village - At least 90% of women SHGs engaged in savings and credit. - At least 85% of SHGs and NaRM-Gs are effectively functional - Women perceptions about NERCORMP interventions are positive. 	<ul style="list-style-type: none"> -56% of target groups -58% of target groups -56% of target groups -50% views positive - no data - yes - most SHGs & NaRMGs are functional -yes 	Favourable government policies on rural development continue. Credible NGOs exist
C. COMPONENTS OUTCOME and OUTPUTS			
COMPONENT 1: BUILDING THE CAPACITY OF PARTICIPATING AGENCIES			

Narrative Summary	Key Performance Indicators	Achievement at MTR	Risks/Assumptions
Sub-component -1.1. Community & Other stakeholders capacity building			
OUTCOME: Capacity of the grassroots institutions, communities and NGOs and that of the staff of RS and DS improved through training, exposure visits and workshop	-Increased awareness among communities -Increased community's participation -Improved staff performance: adherence to schedule -Improved NGOs performance: adherence to schedule -Timely submission of Reports	-Submitted on time -Submitted on time -Submitted on time -Submitted on time -No data on case studies	Favourable response from the Community and their leaders, NGOs, target groups
OUTPUTS:			
1.1.1 About 2000 SHGs covering 20000 HHs formed	-Number of villages covered and agreements signed;	-460 villages covered	Adequate number of training institutes exists and facilities are available;
1.1.2 NaRM-G organised in 400 villages	-Number of staff capacitated by gender	-No data	
1.1.3 Short trainings organised to RS, DS, NGOs & CBOs	-Number of grassroots institutions capacitated by type and category	-494 NaRMGs & 1504 SHGs	
1.1.4 Some 400 trainings conducted on NRM to communities	-Number of exposure visits arranged by type, location and category	-52 exposure visits	
1.1.5 About 400 PRA conducted	-Number of female participants by type of institution and category of training	-29 training to NGOs	
1.1.6 Some 90 exposure visits organised for staff & communities		-125 training on NRM;	
1.1.7 Some 50 NGOs' staff trained			
Sub-component - 1.2: Support to Participating NGOs			
OUTCOME: RNGOs were engaged and capacitated to provide services to the target groups and CBOs.	-Number of CBOs organised and capacitated -Number of SHGs organised -Number of NaRM-G organised -% of women in SHGs and NaRM-Gs	-494 NaRMGs -1504 SHGs -494 NaRMGs -about 50% women in NaRMGs and over 90% in SHGs	Target group willing to participate in the programme activities and have enough time to attend group meetings; Human resources for successful interventions available.
OUTPUTS:			
1.2.1 Services of 50 FNGOs engaged and deployed	-Number of NGOs recruited and deployed	-MoU with 30 NGOs	Committed number of NGOs exists
1.2.2 Some 12 training organised to NGO staff	-Number of NGO staff trained	-17 training for NGOs	
1.2.3 Some 12 exposure visits organised for NGO staff	-Number of female staff trained	-12 exposure visits	
	-Number of HH & villages covered	-20826 hh & 460 villages covered	
COMPONENT 2: LIVELIHOODS ENHANCEMENT			

Narrative Summary	Key Performance Indicators	Achievement at MTR	Risks/Assumptions
Sub-component- 2.1: Economic Livelihood Activities			
OUTCOME: Target groups' incomes enhanced through a range of farm and non-farm activities using participatory approaches and adopting sustainable use of land and other resources.	<ul style="list-style-type: none"> -% increase in HH incomes of target groups -Diversification in sources of incomes -Increase in assets accumulation of participating HHs -% of women reporting reduction in drudgery 	<ul style="list-style-type: none"> -72% hh reported increases in incomes -over 50% hh have diversified incomes -No data 	Positive response from the communities; Support from the concerned line agencies; Market demand exists; communities willing to contribute 30% of costs
OUTPUTS:			
2.1.1 Some 1200 ha horticulture units developed	-Area developed by crop type	-1628 ha horti crops	
2.1.2 Some 160 mushroom units supported	-Number of mushroom units supported	-3 mushroom units	
2.1.3 Some 960 apiculture units supported	-Number of apiculture units supported	-21 apiculture unit	
2.1.4 Some 800 vermi-compost units supported	-Number of vermin-compost units supported	-xx vermin-units	
2.1.5 About 1340 ha crops supported	-Area under crop agriculture support by type	-415 ha under crops	
2.1.6 Over 110 units of paddy cum pisciculture units supported	- Area and number of paddy-pisciculture units	- 36 units of fish/paddy	
2.1.7 About 1300 piggery, goatery, ducks, dairy units supported	-Number of livestock units supported by type	-1355 livestock units	
2.1.8 Some 6000 m irrigation channels constructed	-Number, length and area covered	-9.6 km of canal completed	
2.1.9 Technology transfer on new & improved farming practices	-Number and type of technology disseminated	-No data	
2.1.10 Some 400 units of non-farm enterprises supported	-Number of NFE supported	-701 NFE supported	
	- Number of beneficiaries by type and category		
	-% of women beneficiaries by type & category		
Sub-component- 2.2: Revolving Fund & Micro-credit			
OUTCOME: Access of the communities to rural financial and credit services enhanced.	<ul style="list-style-type: none"> -% of HHs availing credit services from SHG and NaRM-Gs -Loan outstanding by type of institution -% recovery of loans -Average interest rates applied and clients perceptions 	<ul style="list-style-type: none"> -69% hh avail credit from SHG & NaRMGs -No data -over 54% -24% per year -clients are happy 	Credible MFIs exist and they are willing to operate in remote area locations
OUTPUTS:			
2.2.1 Over 2000 SHGs have improved access to micro-credit	-Number of SHG have access to credit	-1504 SHGs have access	
2.2.2 Some 400 NaRM-G have access to credit support	-Number of NaRM-G have access to credit	- 254 NaRMGs have	
2.2.3 Some 6 local MFIs set up and their capacity enhanced	-Number of MFIs set up	-Nil	
	-Number of accounts MFIs operating	-Not applicable	
	-Number of loan accounts by type of CBO	-No data	
	-Number of individual clients benefited	-No data	
	-Number of women clients benefited	-No data	

Narrative Summary	Key Performance Indicators	Achievement at MTR	Risks/Assumptions
COMPONENT 3: SOCIAL SECTOR DEVELOPMENT			
Sub-component- 3.1: Drinking water supply, community health care and sanitation			
OUTCOME: Access of the communities to safe drinking water improved and better sanitation provided with effective community participation.	-% HH increase in access to safe drinking water - % of HH reporting improved sanitation -% of community participation in O&M of facilities created. -% of women reporting saving of time - People's perception about the benefits -% HHs reporting health improvement	-No data	Potential for developing gravity DWS exists; communities willing to participatory approaches and accept responsibility for O&M
OUTPUTS:			
3.1.1 Some 300 gravity DWS units of 5000 lit capacity installed	-Number of gravity DWS units installed	-238 units installed	
3.1.2 Some 100 gravity DWS units of 20000 lit capacity installed	-Number of large, gravity DWS units installed	-50 units installed	
3.1.3 Over 400 km of poly pipelines installed	-Number and lengths of polylines installed	-92 km polylines	
3.1.4 Nearly 14000 low cost latrines (LCL) constructed	-Number of LCL constructed	-5495 LCL constructed	
	-Number of villages benefited	-No data	
	-Number of HHs benefited	-5495 hh benefited	
COMPONENT 4: RURAL ROADS AND RURAL ELECTRIFICATION			
Sub-component- 4.1: Village roads and rural electrification			
OUTCOME: Access of the communities to markets, health services and education and energy improved and enhanced.	-% increase in marketable produce -% improvement in health, perception of people -% HHs reporting income increases due to market access - overall perception of people	-No data -No data -At least 65% hh -Very positive	Potential for development exists; communities willing to participatory approaches and accept responsibility for O&M
OUTPUTS:			
4.1.1 About 110 kacha & 18 pucca CFC constructed	-Number of CFCs constructed	-33 CFC constructed	
4.1.2 Nearly 120 km of rural roads constructed	-Number & length of roads constructed	-88 km constructed	
4.1.3 Some 12 micro-hydel units installed	-Number of micro-hydels installed	-63 minihydels installed	
4.1.4 Some 6 windmills installed	-Number of windmills constructed	-Nil	
4.1.5 Some 6 solar power system installed	-Number of solar power system installed	-634 solar lamps provided	
4.1.6 Six solar/windmill power plants installed	-Number of villages benefited	-No data	
4.1.7 About 36 km transmission lines provided	-Number of HHs benefited	-No data	
COMPONENT 5: COMMUNITY-BASED BIODIVERSITY CONSERVATION AND COMMUNICATION			
Sub-component- 5.1: Bio-diversity conservation and research			
OUTCOME: Natural resources and biological diversity conserved, and environmentally sustainable production systems introduced.	-% of people aware of new production systems introduced.	-73% hh aware -No data	Line departments identify potential sites; grassroots

Narrative Summary	Key Performance Indicators	Achievement at MTR	Risks/Assumptions
OUTPUTS: 5.1.1 About 1280 ha of regeneration, herbs and MAP and pasture plots are promoted as research and demo plots	-Income increases of landless HHs -Area demonstrated by type and village -Number of beneficiaries benefited -Number of women benefited	-447 ha of regeneration -No data -No data	institutions and communities take interest
Sub-component- 5.2: Forestry development			
OUTCOME: Environmentally sustainable, community-acceptable NTFP and forestry production systems introduced and good practices demonstrated to village communities	-% of people aware of the technology demonstrated. -% increase in NTFP -Income increases of landless HHs	-No data -No data -No data	Line departments identify potential sites; grassroots institutions and communities take interest
OUTPUTS: 5.2.1 Some 800 ha of NTFP plantations demonstrated 5.2.2 About 1400 ha of agro-forestry units demonstrated	-Area planted to NTFP by type & village -Area put to agro-forestry by type & village -Number of beneficiaries benefited -Number of women benefited	-241 ha under NTFP -491 ha under forestry -No data -No data	
Sub-component- 5.3: Communication and knowledge management			
OUTCOME: Information and knowledge sharing on good practices and production systems between communities enhanced and disseminated	% of target group aware of bio-diversity conservation. % of people adopted the technology demonstrated	-No data -No data	Communication improves project performance. Communities show interest in new ideas and opportunities
OUTPUTS: 5.3.1 Some 20 staff received training on KM 5.3.2 Some 6 events of media exposure organised 5.3.3 Some 22 news letters brought out 5.3.4 Success stories & good practices documented & published 5.3.5 Two or more video documents produced 5.3.6 Some 4 NEAT Festivals organised	-Number of staff trained by type and gender -Number of media events organised -Number of news letters launched -Number of documents disseminated -Number of video documents produced -Number of NEAT festival organised	-13 training on KM -one training on video -2 news letters launched -At least 4 manuals -Nil - 2 NEAT festivals	

Appendix 3: Summary of key actions to be taken within agreed timeframes

Action Area	Action Agreed	Date	Whom	Progress
Project Implementation				
Overall assessment of project performance	1. Continue meetings with district officers of line departments around convergence under the auspices of the Chairmen of District Societies	31 Oct 2013 & on-going	DSTs with PSU support	
	2. Review inter-household variations in use of revolving fund & social sector investments and initiate steps to correct the situation	31 Jul 2013	DST & PSU	
Outputs				
Component 1: Capacity building of communities & participatory agencies	3. Continue PNGO services through revised ToRs and remuneration to include technical service provision	30 Sep 2013	PSU	
	4. Form additional SHGs with leftover households after ascertaining reasons for their exclusion.	30 Sep 2013 & on-going	PSU	
Component 2: Livelihood Enhancement	5. Arrange exposure visits for community leaders, concerned PNGO and project personnel to successful INRM-based livelihood projects with strong convergence and prepare CRMPs in 5 pilot villages in each project district following INRM principles through PRAs and initiate implementation of new plans.	31 Oct 2013	PSU & DSTs	
	6. Take up productivity enhancement pilots for paddy and maize in 5 villages in each district.	30 Jun 2013	PSU & DSTs	
	7. Develop and implement a strategy to identify and train community resource persons (CRPs) in agriculture and livestock sectors.	30 Sep 2013	PSU & DSTs	
	8. Finalise and roll out strategy for youth participation in project activities	30 Jun 2013	PSU & DSTs	
Revolving fund and microcredit	9. Compile CBO level RF disbursement in all districts and analyse patterns of disbursement and usage; revise RF guidelines to ensure inter-household equity and some commonality across districts	31 Jul 2013	PSU	

	before further disbursement. Send revised guidelines to IFAD for comments.				
	10. Operationalise MIS related to SHGs and NaRMGs, pending which conduct a sample review of institutional and financial performance of SHGs & NaRMGs.	31 Jul 2013	PSU & DST		
Component 3: Social sector development	11. Identify water scarce villages through field surveys and provide them SDW facilities, including roof water harvesting facilities.		PSU & DSTs		
	12. Ensure that LCLs are provided to households that do not have these, seeking enhanced community contributions, if needed.	30 Jun 2013 & on-going	30 Jun 2013 & on-going		Identifications of HHs have been done.
	13. Conduct surveys to ascertain prevalence of anaemia among women in project villages and develop and implement remedial strategies.	31 Oct 2013	PSU & DSTs		
Component 4: Rural infrastructures and electrification	14. Focus more on installation of solar-powered lamps in remote villages.	30 Jun 2013 & on-going	PSU & DSTs		Demands for solar lamps are high; villages identified; convergence under exploration for co-funding solar lamps. DSTs have initiated to make assessment.
	15. Assess the impact of roads on local economy and develop strategy for road maintenance.	30 Jun 2013 & on-going	PSU & DSTs		
Component 5: Community based Biodiversity Conservation	16. Review project strategy on CBBC/CCA from the perspective of impact and sustainability and improve real time monitoring system with regard to sustainability and income from CCAs/CBBC.	30 Aug 2013	PSU & DSTs		
	17. Develop more intensive performance tracking system (such as survival rates, income) with appropriate management plan including benefits sharing for high value/high investment crops/systems like cane, agroforestry, afforestation and medicinal herbs.	30 Sep 2013	PSU		
	18. Review and update project guidelines for participatory management systems for CCAs and inputs from good practice models with emphasis on gender roles and responsibilities as well as mechanism for benefit sharing and dispute	30 Oct 2013	PSU		

	resolution.			
	19. Continue to conduct legal awareness training on NRM laws, particularly forest policies and regulations of GoI/States/ADCs for the communities, especially targeting the community leaders, with the aim of converging with existing programmes in NRM.	30 Oct 2013	PSU	
Project Management Performance	20. Conduct technical training for staff and PNGOs on continuing basis to act as master trainers.	30 Jun 2013 & on-going	PSU & DST	Current AWPB gives provision; training impacts under assessment.
	21. Revise terms of contracts of the PNGOs so as to expand their operation as master trainers for extension and technology support.	31 Jun 2013	PSU	
	22. Include only the NERCORMP-II activities and interventions in AWP&B, revise it accordingly for the year 2013-14 and forward the same to IFAD and explore the possibility of using a simpler form of AWP&B template.	31 Jun 2013	PSU, DST	
	23. Prepare cumulative Project Progress Reports on continuing basis containing physical and financial targets and achievements by activity, sub-component and component as part of Annual Progress Report.	30 Jun 2013 & on-going	PSU	Cumulative data at Mid-Term Review compiled; some data require verification or completion as seen in logframe progress. Project to undertake data collection as per logframe indicators to report results/achievements.
Monitoring & Evaluation	24. Review and simplify all M&E formats for effective data collection and compilation and review all M&E reports before these are sent out.	31 Aug 2013	PSU, DST	
Effectiveness of targeting approach	25. Identify C & D category households not in NaRMGs and SHGs, analyse reasons for exclusion and facilitate their inclusion either in existing groups or form them into new SHGs.	31 Oct 2013	PSU & DST	
Gender focus	26. Develop CRPs (men and women) to work on gender issues and with youth, with women CRPs	31 Oct 2013	PSU & DST	

		to support RCH and nutrition initiatives		
Sustainability	27.	Revise exit strategy, exploring alternative scenarios and provide concrete outcome projections	31 Oct 2013	PSU
Fiduciary Aspects	28.	Conduct training for representatives of SHGs, NaRMGs and PNGOs in book keeping and periodic review of the books.	31 Jul 2013	DST, PSU
	29.	Submit WAs more frequently or seek additional Authorized Allocation from IFAD.	30 Jun 2013	PSU
	30.	Ensure timely submission of internal audit reports and compliance with the observations in the report.	31 Jul 2013	PSU, DST

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

Period: 12-Jul-2010 to 31-Mar-2013				
Impact and Outcomes	Indicators (with global target if available)	Achievements (as per M&E data)	RIMS Rating	
			(by Project)	(by supervision mission)
Impact level				
Overall Goal To improve the livelihood options of economically vulnerable groups in a sustainable manner through the promotion of improved livelihood opportunities and strengthening of local institutions that relate to livelihood development	<ul style="list-style-type: none">- 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. At least 75% households that have access to safe drinking water, sanitation and markets			
Project Purpose Incomes of about 20,000 rural households improved by upscaling the NERCORM approaches, organising rural women into 2000 self sustaining SHGs, communities to 400 NaRM-G and 6 apex organisations empowering them through training and capacity building.	<ul style="list-style-type: none">- Changes in wealth ranking of at least 75% of target groups.- At least 75% targeted HHs reporting increased incomes from diversified activities.- 75 % increase in average HH incomes- At least 75% of Target group perception about NERCORMP interventions is positive- Livelihoods plans made and operational by village- At least 90% of women SHGs engaged in savings and credit- At least 85% of SHGs and NaRM-Gs are effectively functional- Women perceptions about NERCORMP interventions are positive	<ul style="list-style-type: none">- 1504 SHGs- 20826 Households- 494 NaRM-Gs- 460 villages		
Outcome level				
<i>Component 1</i> : Capacity of the grassroots institutions, communities and NGOs and that of the staff of RS and DS improved through training, exposure visits and workshop	<ul style="list-style-type: none">- Increased awareness among communities- Increased community's participation- Improved staff performance: adherence to schedule- Improved NGOs performance: adherence to schedule Timely submission of Reports			
<i>Component 2</i> : NGOs were engaged and capacitated to provide services to the target groups and CBOs.	<ul style="list-style-type: none">- Number of CBOs organised and capacitated- Number of SHGs organised			

	- Number of NaRM-G organised % of women in SHGs and NaRM-Gs			
<i>Component 3:</i> Target groups' incomes enhanced through a range of farm and non-farm activities using participatory approaches and adopting sustainable use of land and other resources	- % increase in HH incomes of target groups - Diversification in sources of incomes - Increase in assets accumulation of participating HHs % of women reporting reduction in drudgery			
<i>Component 4:</i> Access of the communities to rural financial and credit services enhanced	- % of HHs availing credit services from SHG and NaRM-Gs - Loan outstanding by type of institution - % recovery of loans Average interest rates applied and clients perceptions			
<i>Component 5:</i> Access of the communities to safe drinking water improved and better sanitation provided with effective community participation.	- % HH increase in access to safe drinking water - % of HH reporting improved sanitation - % of community participation in O&M of facilities created. - % of women reporting saving of time - People's perception about the benefits % HHs reporting health improvement			
<i>Component 6:</i> Access of the communities to markets, health services and education and energy improved and enhanced.	- % increase in marketable produce - % improvement in health, perception of people - % HHs reporting income increases due to market access overall perception of People			
<i>Component 7:</i> Natural resources and biological diversity conserved, and environmentally sustainable production systems introduced.	- % of people aware of new production systems introduced. - Income increases of landless HHs			
<i>Component 8:</i> Environmentally sustainable, community-acceptable NTFP and forestry production systems introduced and good practices demonstrated to village communities	- % of people aware of the technology demonstrated. - % increase in NTFP - Income increases of landless HHs			
<i>Component 9:</i> Information and knowledge sharing on good practices and production systems between communities enhanced and disseminated	- % of target group aware of bio-diversity conservation. - % of people adopted the technology demonstrated			

Output level							
Outputs by component	Indicator	(Physical) Targets					
		AWP&B (planned)	Actual (achieved)	%	Appraisal (Global)	Cumulative (so far)	%
Component 1 - Sub-component 1.1 Community & Other stakeholders capacity building							
<i>Output 1.1.1</i> Staffs of Partner NGOs trained in community mobilisation & PRA	- 126 trainings will be imparted to the project CBO and Partner NGOs	410	368	90	156	1745	1118
<i>Output 1.1.2</i> Staff training of PSU & DST	- 214 trainings will be carried out for project staff and stakeholders	39	39	100	214	39	18.22
<i>Output 1.1.3</i> Trainings for NaRM-Gs and SHGs	- Some 400 PRA exercises will be carried out - 30 Training on Entrepreneurship & skill development - 36 Training on Horticulture activity - 24 Training on MAP - 30 Training on Animal husbandry and dairy - 24 Training on Sericulture - 24 Training on Khadi and village industry training - 24 Training on Fishery - 24 Training on Non farm sector - 24 Training on Exposure visit - 12 Training on Masionary training to CBOs - 2 Training on renueable energy & rural electrification - 4 Training on Skill development for para professionals - 2 Training on value addition	6 6 6 6 5 5 5 6 6 6 6 1 5	7 10 9 8 6 5 6 12 7 7 6 8	117 167 150 133 120 100 120 200 117 117 600 160	400 30 36 24 30 24 24 24 24 24 12 24 2 4	486 13 29 17 21 6 5 17 12 13 7 6 1	122 43 81 71 70 25 21 71 50 54 58 300 700
Component 1 - Sub-component 1.2 Support to FNGOs							
<i>Output 1.2.1</i> Local Partners performed task as per MoU	30 NGO recruited in assisting project implementation	30	30	100	30	30	100
Component 2 - Sub-component 2.1 Economic Livelihood Activities							
<i>Output 2.1.1:</i> Farm Based: Horticulture : Farmers supported financially to undertake horticulture activities	1760 units (1760 hactars) financed	665.43	664.67	99.88	1760	1628.42	92.52
<i>Output 2.1.2:</i> Farm Based: Mushroom: Farmers supported financially to undertake development of mushroom units	168 mushroom units financed	1	1	100	168	3	1.78
<i>Output 2.1.3:</i> Farm Based: Apiculture: Farmers supported financially to undertake development of apiculture units	844 apiculture units financed	21	21	100	844	21	2.48
<i>Output 2.1.4:</i> Farm Based: Vermi- compost: Farmers supported financially to undertake development of vermi-	669 vermi-compost units financed				669		

compost units							
<i>Output 2.1.5:</i> Farm Based: Agriculture field crops : Farmers supported financially to undertake development of field crop activities	1257 ha of agriculture field crops financed	180	180	100	1257	415.58	33.06
<i>Output 2.1.6:</i> Farm Based: Paddy cum pisciculture: Farmers supported financially to undertake development of paddy cum pisciculture units	128 units of paddy cum pisciculture units financed supported	25	25	100	128	36	28.12
<i>Output 2.1.7:</i> Farm Based: Livestock: Farmers supported financially to undertake development of livestock units	1143 livestock based activities financed	593	596	100	1143	1355	118.54
<i>Output 2.1.8:</i> Farm Based: Irrigation: Farmers supported financially to undertake development of irrigation canals	119 km irrigation channels constructed	27.53	28.97	105.23	119	95.80	80.50
<i>Output 2.1.9:</i> Technology transfer on new & improved farming practices							
<i>Output 2.1.10:</i> Non- Farm Based: Farmers supported financially to undertake development of Non- Farm activities	400 units of non-farm enterprises financed	175	180	102.85	400	701	175.25
Component 2 - Sub-component 2.2 Revolving Fund & Micro-credit							
<i>Output 2.2.1:</i> Revolving fund & Micro credit: SHGs having access to revolving funds for micro credit	2000 SHGs have improved access to micro-credit	1470	1363	92.72	2000	1363	68.15
<i>Output 2.2.2:</i> Revolving fund & Micro credit: NaRM-Gs having access to revolving funds for micro credit	400 NaRM-G have access to credit support	396	395	99.74	400	395	98.75
<i>Output 2.2.3:</i> Revolving fund & Micro credit: Apex SHGs turning into MFIs and having access to revolving funds for micro credit	6 local MFIs set up and their capacity enhanced				6		
COMPONENT 3 – Sub-component 3.1 SOCIAL SECTOR DEVELOPMENT							
<i>Output 3.1.1:</i> Safe drinking water: NaRM-Gs supported financially to undertake safe drinking water activities	300 gravity DWS units of 5000 lit capacity financed	100	100	100	300	238	79.33
<i>Output 3.1.2:</i> Safe drinking water: NaRM-Gs supported financially to undertake safe drinking water activities	Some 102 gravity DWS units of 20000 lit capacity financed	27	34	125.92	102	50	49
<i>Output 3.1.3:</i> Safe drinking water: NaRM-Gs supported financially to undertake safe drinking water activities through poly pipelines	402 km of poly pipelines financed	16.8	16.8	100	402	91.8	22.83
<i>Output 3.1.4:</i> Low cost Latrines: Households supported financially to undertake low cost latrines	14000 low cost latrines financed	2040	2040	100	14000	5495	39.25
COMPONENT 4- Sub-component 4.1 RURAL ROADS AND RURAL ELECTRIFICATION							
<i>Output 4.1.1:</i> Village Roads: NaRM-Gs supported financially to construct Common Facility Centres (CFC)	114 kacha & 24 pucca CFCs financed	12 kacha, 5 pacca	12 kacha, 5pacca	100	114 kacha, 24 pacca	21 kacha, 11 pacca	23.18
<i>Output 4.1.2:</i> Rural Roads: NaRM-Gs supported	139 km of rural roads financed	34.63	34.5	99.62	139	87.84	63.19

financially in constructing rural roads							
<i>Output 4.1.3: Rural Electrification: NaRM-Gs supported financially in establishing micro-hydel units</i>	12 micro-hydel units financed				12	63	
<i>8.33Output 4.1.4: Rural Electrification: NaRM-Gs supported financially in establishing windmill units</i>	6 windmills financed				6		
<i>Output 4.1.5: Rural Electrification: NaRM-Gs supported financially in establishing solar power systems</i>	6 solar power system financed	6	49	816.66	6	634	10566
<i>Output 4.1.6: Rural Electrification: NaRM-Gs supported financially in establishing wind mills and solar power systems</i>	6 solar power and windmills financed				6		
<i>Output 4.1.7: Rural Electrification: NaRM-Gs supported financially in establishing transmission lines</i>	36 km transmission lines financed				36		
COMPONENT 5 – Sub-component5.1 COMMUNITY-BASED BIODIVERSITY CONSERVATION AND COMMUNICATION							
<i>Outcome 5.1.1: Biodiversity Conservation & Research: Communities supported financially to develop regeneration, herbs and MAP and pasture plots are promoted as research and</i>	1306 ha of regeneration, herbs and MAP and pasture plots are promoted as research and demo plots	204	204.1	100	1306	447.1	34.23
Sub-component- 5.2: Forestry development							
<i>Output 5.2.1 Forestry Development: Communities supported financially to establish NTFP plantations</i>	584 ha of NTFP plantations financed	97.83	97.83	100	584	241.34	41.32
<i>Output 5.2.2: Forestry Development: Communities supported financially in establishing forestry development and small scale engineering works</i>	1406 ha of forestry development and small scale engineering works financed	215.86	215.86	100	1406	491.3	34.94
Sub-component- 5.3: Communication and knowledge management							
<i>Output 5.3.1: Communications & KM: Project staff receiving training on communications and KM</i>	20 staff received training on KM	10	10	100	20	13	65
<i>Output 5.3.2: Communications & KM: Media persons exposed to project activities</i>	6 events of media exposure financed				6		
<i>Output 5.3.3: Communications & KM: Project will organise Neat Fest for SHG members</i>	4 NEAT Festivals financed	1	1	100	4	2	50
<i>Output 5.3.4: Communications & KM: Project will produce Newsletters on quarterly basis</i>	22 news letters financed	2	2	100	22	2	9
<i>Output 5.3.5: Communications & KM: Project will document and produce success stories & good practices</i>	Success stories & good practices documented & published						
<i>Output 5.3.6: Communications & KM: Project will finance in the production of Video documentaries</i>	Two or more video documents financed						

Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

Table 5A: Financial performance by financier as at 30-04-2103

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	20,211	7,546	37.34%
Government	17,415	7,653	43.95%
Financial Institutions	2,056	-	-
Community Contribution	1,602	326	20.35%
Total	41,284	15,525	37.61%

Table 5B: Financial performance by financier by component (USD '000) as at 31-12-2012

Component	IFAD loan			Government			Financial Institutions			Community			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Capacity Building	1,567	312	19.89	2,373	827	34.84	-	-	-	-	-	-	3,941	1,138	28.89
Economic Livelihood Activities	11,729	4,854	41.38	2,866	1,213	42.33	2,056	-	-	954	210	22.00	17,606	6,277	35.65
Social Sector Activities	1,727	364	21.08	559	91	16.28	-	-	-	226	30	13.47	2,512	486	19.33
Village Road and Rural Electrification	4,176	933	22.34	1,465	233	15.92	-	-	-	422	82	19.44	6,063	1,248	20.59
Community based biodiversity	1,011	196	19.39	241	73	30.17	-	-	-	-	4	-	1,252	273	21.78

conservation (NRM)															
Project Management	-	-	-	9,910	2,805	28.30	-	-	-	-	-	9,910	2,805	28.30	
Total	20,210	6,659	32.95	17,414	5,242	30.10	2,056	-	-	1,602	326	20.37	41,284	12,227	29.62

Table 5C: IFAD loan disbursements (SDR, as at 30-04-13)

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I	Civil Works	1,250,000	-	-	-	1,250,000.00	-
II	Training, Technical Assistance and Consultants	1,300,000	-	219,940.42	-	1,080,059.58	16.92
III	Revolving Funds	4,250,000	-	1,987,791.54	-	2,262,208.46	46.77
IV	Village Development Funds	4,540,000	-	2,032,725.81	-	2,507,274.19	44.77
V	Unallocated	1,260,000	-	-	-	1,260,000.00	-
	Initial deposit	-	-	6,27,462.80	-	(627,462.80)	100.00
	Total	12,600,000	-	4,867,920.57	-	7,732,079.43	38.63

Figure 1: IFAD loan/grant disbursement, comparisons between original and revised allocations and actual disbursement

India

North Eastern Region Community Resource Management Project for Upland Areas (794-IN)

Supervision report (Mid-Term Review) - Mission dates: 22-Apr-2013 to 10-May-2013

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section 7.01(b)	(i) <i>Annual Work Plans and Budgets.</i> (a) The Project shall be implemented on the basis of an Annual Work Plan and Budget (AWPB). The LPA shall prepare the a draft AWPB based on the draft AWPBs prepared by the various Project Parties. Each draft Project AWPB shall include, among other things, a detailed description of the planned Project activities during the coming Project Year, a Procurement Plan and the sources and uses of funds.	Ongoing	Complied with	
	(ii) Before each Project Year, the LPA shall submit the draft Project AWPB to the Fund for comments no later than sixty days before the beginning of the relevant Project Year. If the Fund does not comment on the draft Project AWPB within thirty days of receipt, the AWPB shall be deemed acceptable by the Fund.	January 31, 2013	Complied with – January 31, 2013	
Section 7.05	<i>Procurement.</i> Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower/ Recipient's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines. Each Procurement Plan shall identify procedures which must be implemented by the Borrower/ Recipient in order to ensure consistency with the IFAD Procurement Guidelines.	Ongoing	Complied with	
Section 7.08	<i>Insurance.</i> (a) The Borrower/Recipient or the LPA shall insure all goods and buildings used in the Project against risks and in such amounts as shall be consistent with sound commercial practice. (b) The Borrower/Recipient or the LPA shall insure the goods imported for the Project which are financed by the Financing against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation in accordance with sound commercial practice.	Ongoing	Complied with	
Section 7.11	<i>Key Project Personnel.</i> The Borrower/ Recipient or the LPA shall appoint the Project Director and all other key Project personnel in the manner specified in the Agreement or otherwise approved by the Fund. All key Project personnel shall have qualifications and experience specified in the Agreement or otherwise approved by the Fund. The Borrower/ Recipient shall exercise best efforts to ensure continuity in key Project personnel throughout the Project Implementation Period. The Borrower/ Recipient or the LPA shall insure key Project personnel against health and accident risks to the extent consistent with sound commercial practice or its customary practice in respect of its national civil service, whichever is appropriate.	Ongoing	Complied with	
Section 7.13	<i>Allocation of Project Resources.</i> The Borrower/ Recipient and the Project Parties shall ensure that the resources and benefits of the Project, to the fullest extent	Ongoing	Complied with	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	practicable, are allocated among the Target Population using gender disaggregated methods.			
Section 7.14	<i>Environmental Factors.</i> The Borrower/ Recipient and the Project Parties shall take all reasonable measures to ensure that the Project is carried out with due diligence in regard to environmental factors and in conformity with the national environmental laws and any other international treaties to which the Project Member State may be a party. In particular, the Project Parties shall maintain appropriate pest management practices under the Project and, to that end, the Borrower shall ensure that pesticides procured under the Programme do not include any pesticide either proscribed by the International Code of Conduct on the Distribution and Use of Pesticides of the Food and Agriculture Organisation of the United Nations (FAO), as amended from time to time, or listed in Tables 1 (Extremely Hazardous) and 2 (Highly Hazardous) of the WHO Recommended Classification of Pesticides by Hazard and Classification 1996-1997, as amended.	Ongoing	Complied with	
Section 8.01	<i>Implementation Records.</i> The Borrower/ Recipient shall ensure that the Project Parties maintain records and documents adequate to reflect their operations in implementing the Project (including, but not limited to, copies or originals of all correspondence, minutes of meetings and all documents relating to procurement) until the Project Completion Date, and shall retain such records and documents for at least ten years thereafter.	Ongoing	Complied with	
Section 8.02	<i>Monitoring of Project Implementation</i> The LPA shall: (a) establish and thereafter maintain an appropriate information management system in accordance with the Fund's Guide for Project Monitoring and Evaluation with which it shall continuously monitor the Project; (b) during the Project Implementation Period, gather all data and other relevant information (including any and all information requested by the Fund) necessary to monitor the progress of implementation of the Project and the achievement of its objectives; and (c) during the Project Implementation Period and for at least ten years thereafter, adequately store such information, and, promptly upon request, make such information available to the Fund and its representatives and agents.	Ongoing	Complied with. System has been established and data is being fed into the system.	
Section 8.03	<i>Progress Report and Mid-Term Reviews:</i> (a) The Borrower/Recipient or the LPA The Borrower/Recipient or the LPA The LPA shall furnish to the Fund periodic progress reports on the Project, in such form and substance as the Fund shall reasonably request. At a minimum, such reports shall address (i) quantitative and qualitative progress made in implementing the Project and achieving its objectives, (ii)	Ongoing	Complied with	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	problems encountered during the reporting period (iii) steps taken or proposed to be taken to remedy these problems and (iv) the proposed programme of activities and the progress expected during the following reporting period.			
Section 9.01	<i>Financial Records.</i> The Project Parties shall maintain separate accounts and records in accordance with consistently maintained appropriate accounting practices adequate 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 years thereafter.	Ongoing	Complied with – The societies also record amounts recd from the Govt in respect of other schemes in the same books.	
Section 9.02	<i>Financial Statements.</i> The Borrower Recipient shall deliver to the Fund detailed financial statements of the operations, resources and expenditures related to the Project for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund and deliver such financial statements to the Fund within four months of the end of each Fiscal Year.	July 31, 2012 and every year thereafter	Complied with on 30-07-2012	
Section 9.03	<i>Audit of Accounts</i> The Borrower/ Recipient shall: (a) each Fiscal Year, have the accounts relating to the Project audited in accordance with the auditing standards acceptable to the Fund and the Fund's "Guidelines on Programme Audits (for Borrowers' Use)" by independent auditors acceptable to the Fund; (b) within six months of the end of each Fiscal Year, furnish to the Fund a certified copy of the audit report. The Borrower/ Recipient shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof;	September 30, 2012 and every year thereafter	Complied with on 24-09-2012	
Section 10.03	<i>Visit, Inspections and Enquiries</i> The Borrower/ Recipient and the Project Parties shall enable agents and representatives of the Fund from time to time to; (a) visit and inspect the Project, including any and all sites, works, equipment and other goods used for Project-related purposes; (b) examine the originals and take copies of any data, accounts, records and documents relevant to the Financing, the Project, or any other Project Party; and (c) visit, communicate with and make enquiries of all Project personnel and any staff member of the Project Party.	Ongoing	Complied with	
Section 10.03	<i>Visit, Inspections and Enquiries</i> The Borrower/ Recipient and the Project Parties shall enable agents and representatives of the Fund from time to time to; (a) visit and inspect the Project, including any and all sites, works, equipment and other goods used for Project-related purposes; (b) examine the originals and take copies of any data, accounts, records and	Ongoing	Complied with	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	documents relevant to the Financing, the Project, or any other Project Party; and (c) visit, communicate with and make enquiries of all Project personnel and any staff member of the Project Party.			
Section 10.05	Evaluations of the Project The Borrower/ Recipient and each Project Parties shall facilitate all evaluations and reviews of the Project that the Fund may carry out during the Project Implementation Period and for ten years thereafter.	Ongoing	Complied with	
	Additional General Conditions No withdrawal shall be made from the Loan Account until audit observations, if any, outstanding for a period exceeding twelve months from the date of receipt of the management letter prepared by the external auditors relating to the activities falling under NERCORMP, shall have been clarified and addressed to the satisfaction of the Fund.	After completion of first year's audit	Complied with	
	Additional Specific Condition No withdrawal shall be made from the Loan Account in respect of all categories of the Allocation Table, except Category II (Training, Technical Assistance and Consultants) until the Project Implementation Manual referred to in paragraph 11, Schedule I of the Financing Agreement shall have been duly amended and finalized by the LPA to the satisfaction of the Fund.	Prior to withdrawal	PIM is revised	
	Special Covenants 1. The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Borrower's relevant national policies and of the Fund's relevant policies including, but not limited to, the Fund's Policy on Engagement with Indigenous Peoples	Ongoing	Complied with	
	2. In line with the geographical targeting strategy followed by NERCORMP, the Lead Project Agency shall cause the Regional Society to endeavour that all villages selected by the District Administration(s) be aligned to the criteria agreed with the Fund and specified in the NERCORMP design documents, as amended from time to time.	Ongoing	Complied with	
	3. In line with the targeting strategy followed by NERCORMP, the Lead Project Agency shall cause the Regional Society to endeavour that all partner NGOs, SHG Federations and NaRM-G Cluster Associations contracted under the Project be selected according to the criteria agreed with the Fund and specified in the NERCORMP design documents, as amended from time to time.	Ongoing	Complied with	
	4. The Borrower and the Lead Project Agency shall undertake a review of the effectiveness of management, administrative, financial and auditing arrangements, jointly with the Fund, no later than the end of the first year of the effective date of the New Project. The Borrower shall ensure that the recommendations resulting from such review are implemented within the specified time therefor so as not to adversely affect	Ongoing	Complied with	

India

North Eastern Region Community Resource Management Project for Upland Areas (794-IN)

Supervision report (Mid-Term Review) - Mission dates: 22-Apr-2013 to 10-May-2013

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	effective implementation of NERCORMP-II			

Appendix 7: Knowledge management: Learning and Innovation

Learning: What has worked particularly well in this project during this period? What have been the reasons for this?

-
- **Developing a sense of ownership among the project communities:**
 - a. Regular orientation and strengthening the existing CBOs i.e. NaRM-G and SHG by the Project and PNGOs.
 - b. Formulation of their Community Resource Management Plan (CRMP) based on the need and requirement particularly identifying livelihoods and income generating activities (though there is room for improvement of the CRMP to address issues of INRM).
 - c. Implementation of activities particularly in social and infrastructure sectors by communities has helped to bring about a strong sense of ownership as these requirements were identified and implemented by the communities.
 - **Developing Asset Maintenance Fund:** The reasons are:-
 - a. Communities have started collecting funds towards maintenance of assets created for sustainability of their interventions.
 - **Change in Perception of the villagers towards NRM:** The reasons are:-
 - a. Communities are today better aware on environmental issues which has facilitated in the protection of catchment areas through community conserved areas where rules and regulations have been formulated by all villages on how to better manage their natural resources.
 - b. Awareness in low return/productivity of shifting cultivation as compared to permanent cultivation; areas under shifting cultivation is reducing as the families now have alternative sources of income through project interventions.
 - **Institutions:** The establishment of CBOs i.e. NaRM-Gs and SHGs has helped to bring both men and women under the same platform to plan and implement activities in a more effective way. It has facilitated in the empowerment of women and has ensured transparency and accountability at the village level.
 - **Marketing:** Collective marketing through the CBOs on agriculture and horticulture crops has helped communities to get higher returns on their produces. Entrepreneurship skills have been imparted which encouraged communities to take up income generating activities at the household level along with diversification of income sources.
 - **Social sector and infrastructure:** Construction of infrastructures for safe drinking water supply and Low cost latrines have helped in raising the dignity of women and reducing their drudgery particularly for collecting drinking water daily. Having access to water has facilitated in the establishment of kitchen gardens where households have better access to nutritious food, also positively impacting on their health and hygiene. Inter village roads are facilitating easier access to local markets to sell their farm and nonfarm products. The youth are able to access better schools in other neighbouring villages due to the improved transport network.
-

Learning: What has not worked so well? What have been the reasons?

1. **Maintenance of Books of Accounts:** The reasons are :-
 - a. High illiteracy rate.
 - b. Too many different types of books to be maintained as indicators of functioning groups.
 2. **Convergence:** The reasons are:-
 - a. Linkages with line departments continue to be a challenge for many communities that are remote and not well connected with roads.
 - b. Extend and intensity of required co-ordination between the stakeholders and the line departments remain weak.
 3. **Marketing:** Marketing remains a challenge due to scattered products and volume of produce/ products not reaching commercial mass; project villages being remote and not properly connected by roads leading to high transportation cost; many communities remaining weak in their bargaining power.
 4. **NRM :**
 - Lack of resource persons and skill in livestock management and agricultural productivity with limited training / weak extension services from line department due to geographical conditions of the area and poor road connectivity are some of the constraints faced by the communities.
 - Sourcing and transportation of quality planting materials remain a challenge, in turn, impacting the Project's ability to expand adequate areas under high quality plantations.
-

Innovation: Describe any interesting innovation noted during supervision

- **Traditional Propagation Technique of Pear Plantation:** In Kungripi village in Karbi Anglong district of Assam, the communities practice an innovative way of propagation of pear fruits. Mature branches from a mature pear tree are cut, a pit of 3ft deep is dug and water is added to make a muddy mixture (often organic manure is also added). The branch is then planted with the support of a bamboo stand so that the planted branches are not disturbed for rooting. The benefit of this technique is that it bears fruit faster than other methods. This technique can be practised even during dry seasons and it is observed the survival rate of the plants is high. This method can also be replicated some other fruit trees. As all the project districts have almost similar agro-climatic conditions, this innovation can be adopted and replicated.
- **Drip irrigation: Bamboo drip irrigation** is a traditional technique of irrigating the fields which is practiced in Meghalaya. During 2012-13, two groups namely, Matchinang Songma and Jangkari NaRMG were selected to create Demonstration Plots measuring an area of 1 acre and 1.5 acre respectively. Both the groups have installed an online drip irrigation system which is a scientific replica of traditional bamboo drip irrigation in the area where they are growing vegetables, nursery for plantations etc are done. The drip irrigation system has increased the production of vegetable and other crops through the year, especially during the dry season. At present a dwarf variety of bananas have been cultivated along with the drip irrigation. These activities have been perceived as an innovation by the communities and are expecting a good yield. Many other communities/ villages are approaching the project to replicate this model in their areas.



Online drip irrigation system in Gonchudare Village. Photo by: Jangkari NaRMG.

Innovation: How might this be replicated by others, or upscaled here?

Since, all the project districts have almost similar agro-climatic features the aforementioned innovations may be adopted and replicated as well. With respect to drip irrigation, the Project needs to work out strategies for supply and services for drip irrigation materials. Community Resource Persons can be trained in installing drip irrigation system linking with availability of sufficient water. Drip irrigation can also reduce the work load of farmers significantly. The Project staff would do well to visit OTELP Project in Odisha where low-cost micro-irrigation (along with organic liquid fertilizer) has been successfully demonstrated, promoted and upscaled through SCAMPIS project. Land productivity ought to be addressed to take best advantage of any micro-irrigation, be it drip irrigation or any other form of micro-irrigation along with provision or availability of low-cost/easily replaceable micro-irrigation materials.

Appendix 8: Progress against Previous Mission Recommendations.

Action area	Agreed action	Agreed Date for action to be taken	Whom	Progress in completion of action
Overall Assessment of Implementation Progress	1. Arrange exposure visits for PSU, DST and PNGO staff concerned with NRM and community leaders to successful INRM experiments	30 Jun 2012	PSU, DSTs	Exposures have been organized at the district level.
	2. Conduct workshops for all staff and PNGOs on government schemes relevant for NRM and their modalities and conduct similar workshops for NaRMG and SHG leaders before MTR.	30 Jun 2012	PSU, DSTs	Workshops on government schemes have been organized at the district level.
Capacity Building of Staff, CBOs & PNGOs	3. Finalize strategy and plans about CBO federations and conduct workshop on further development of CBOs, including federating them, with external facilitation.	31 May 2012	PSU	Workshop has been conducted on the CBO federations strategy and the draft strategy has been prepared and finalized and is being implemented at the field level.
	4. Prepare training plan and mobilize resources for training and capacity building of DST and PNGO staff in institution building.	30 Sep 2012	PSU	Training need assessment has been completed for the staff and training has carried out
Livelihoods Enhancement	5. Pilot INRM in five villages in each district with help from suitable external resource persons.	30 Nov 2012	PSU, DST	Presently, five villages each in all the 6 (six) NERCORMP districts have been identified to establish pilot INRM model.
	6. Develop a concept note to work with youth as a target group for suitable amendments in the Project at MTR.	31 Dec 2012	PSU	Concept note has been prepared
	7. Strengthen financial management capacities in SHGs, NaRMGs and federations through additional trainings or C2C learning processes.	31 Aug 2012	PSU	A 3 days training of the SHGs & NaRMGs along with DST staff was conducted in the month of April 2012
	8. Arrange exposure visits for concerned staff to successful financial federations, restructure apex institutions and build	31 Dec 2012	PSU	Carried out one external exposure visit to APMAS, Hyderabad and RGVN, Guwahati.

	governance and operational capacities in them with external expert technical support.			
Social Sector Development	9. Explore alternate sources of drinking water supply, such as hand pumps and rainwater harvesting for villages on ridges.	31 Dec 2012	PSU	Training conducted on rural infrastructure development covering alternative safe drinking water supply systems. A technical Handbook for Rural Infrastructure has been published
	10. Conduct a workshop for DST and PNGO staff on available government social sector schemes and their modalities.	30 Jun 2012	PSU	Workshops have been organized at the project districts
	11. Develop community health profiles through PRAs in sample villages and develop strategies for intervention in the sector for inclusion in the Project at the time of MTR.	31 Dec 2012	PSU, DSTs	Health camps have been organized across the districts. Steps have been initiated and additional information will be extracted from the RIMS survey.
Rural Roads & Rural Electrification	12. Revitalise the State and District coordination mechanisms and take up the issue of convergence	Starting from 30 April 2012	PSU	Meeting of the State coordinating committee for Manipur state has been held. For Assam and Meghalaya it is being held regularly at the district level
Community-based Biodiversity Conservation	13. Formulate guidelines for preparing participatory management systems for CCAs.	30 Jun 2012	PSU	PSU has developed guidelines for preparing participatory management systems for CCAs .
	14. Conduct legal awareness training on NRM laws, particularly forest policies and acts of Gol/States/ADCs for the communities.	31 Dec 2012	PSU & DST	DSTs have conducted legal awareness training on cluster basis. Tool kits provided by IFAD has been circulated to all districts.
Project Management	15. Update PIM to include new sections on project management, convergence, handholding, exit strategy and CRMP guidelines.	31 Dec 2012	PSU	PIM has been updated
M&E	16. Initiate participatory M&E by all NaRMGs using data from the Activity Register and modify the Register to capture relevant data.	31 May 2012	PSU and DSTs	Revisions have been made in the activity register and both the project team and partner NGOs have actively initiated participatory M&E.
	17. Incorporate issues arising from analysis and interpretation of MIS data at DS and	From second quarter 2012	PSU and DSTs	Data from the MIS system is being used to prepare quarterly, half yearly and

	RS levels in Quarterly Review Reports for corrective action.			annual reports and monitoring of ongoing activities.
	18. Incorporate analysis of subcomponent progress against annual and global targets, corrective actions, lessons and best practices in all thematic and cross-cutting areas in Annual Progress Reports.	30 Apr 2012	PSU and DSTs	Annual report for 2011-12 was prepared on the basis of the JRM feedback. Copy of the same had been submitted to IFAD in April 2012.
	19. Complete the baseline RIMS and Annual Outcome Survey	30 Jun 2012	PSU	Baseline RIMS survey has been completed and submitted to IFAD. Mid term RIMS impact survey will be carried out by end of this year.
Gender Focus	20. Review and finalise the gender strategy and action plan to roll it out and conduct a workshop for all management personnel and IDOs on the same.	30 Jun 2012	PSU	Gender strategy and policy has been finalized and shared with the DSTs.
	21. Document case studies reflecting attitudinal changes in Village Authorities vis-à-vis inclusion of women and overall impact in decision making processes.	31 Dec 2012	PSU	Project has commissioned a third party agency to carry out a policy impact study which will capture case studies on the agreed action.
Poverty Focus	22. Conduct a rapid assessment to understand which households are left out, why some opt out and develop strategies to include them.	31 Aug 2012	PSU	As the project has targeted approximately 50 to 100 households in each village, the beneficiaries in larger villages have been identified through the wealth ranking exercise. As the project has achieved more than its target households, there is no scope to take on additional households.
Knowledge Management	23. Revise the KM strategy and action plan; and conduct DST and Project level workshops to share and consolidate lessons.	30 Jun 2012	PSU	Workshops for the DST and PSU have been conducted and necessary revisions have been made.
Fiduciary	24. Ensure record keeping and maintenance of registers/documentation at DS' as per financial management practices, emphasizing internal controls; change the internal audit procedure for DS'.	30 Jun 2012	PSU	DS' have been communicated to take necessary actions. Accordingly training to the DS staff have been carried out on July 2 to 5, 2012.
	25. Introduce Tally software in the Districts	30 Jun 2012	PSU	All districts have been informed to

	where accounts are being maintained manually with adequate training for the staff			comply.
	26. Conduct refresher training on procurement processes for DST staff; DST staff to sensitise NaRMGs on community procurement methods.	30 Jul 2012	PSU, DST	Trainings at the district level have been conducted to sensitize the communities on procurement methods.
Sustainability / Exit Strategy	27. Further refine the exit strategy, spelling out details and time lines.	31 Dec 2012	PSU	Exit strategy has been refined, which would require further improvement to address emerging issues and opportunities.

Appendix 9: Mission Schedule and Persons Met

(a) Mission schedules & List of villages visited

Date	Assam		Manipur		Meghalaya		Remarks
	Karbi Anglong	Dima Hasao	Ukhrul	Senapati	West Garo Hill	West Khasi Hill	
22-4-13							Mission, divided into 3 groups, arrives at Imphal (Manipur), Hamren (Assam) & Tura (Meghalaya)
23-4-13	Field Visit and interaction with Community in Rongchek-II Village and in Tharvelango Viilage.		Field Visit and interaction with community members in Lamlai Chingphei Village and Chepu Yaolen Village		Field Visit and interaction with community members in Marakapara Village and Ulubari Village		(a) In Karbi Anglong: Representatives from 6 NaRMGs and 13 SHGs participated the interaction with the MTR Team. (b) In Ukhrul: Leaders from 10 NaRMGs and 15 SHGs interacted with the MTR Team. About 90 community members attended meeting with MTR mission. (c) In West Garo Hill: Members from 8 NaRMGs and 15 SHG participated the interaction with the MTR Team.
24-4-13	Field Visit and interaction with Community in Pusari (H) Village and in Amsai -I Viilage.		Meeting with Line department, Partner NGO and DST Staff in Ukhrul followed with Field Visit and interaction with community members in Lunshang Village.		Field Visit and interaction with community members in Aigre Apal Village and Madarigre Village		(a) In Karbi Anglong: 8 NarMGs and 14 SHGa participated in the interaction with the MTR Team. (b) In Ukhrul: About 120 members from 5 NaRMGs and 20 SHGs interacted with the mission; (c) In West Garo Hill members from 6 NaRMGs and 10 SHGs attended the meeting with mission team.
25-4-13	Field Visit and interaction with Community in Sambeparai Village and in		Field Visit and interaction with community members in Razai Village and		Field Visit and interaction with community members in Jebalgre Village		(a) In Kabi Anglong: Mission met with members from 6 NaRMGs and 11 SHGs; (b) In Ukhrul, mission met with members from 10 NaRMGs and 20 SHG; (c) In West Garo Hill: Mission met

	Karbi Langpi Village followed by Meeting with Line Department at Circuit House in Hamren		Lunghar Village.		and Ganol Songma Village followed with site visit to Aloe Vera and Tea Factory Units. Evening session followed with Meeting with DC, Line Department, NGO and DST Staff.		representatives from 7 NaRMGs and 13 SHG.
26-4-13				Meeting with Deputy Commissioner, Line department, Partner NGO and with DST Staff in Senapati.			In Senapati: Meeting with Deputy Commissioner, Line department, Partner NGO and with DST Staff in Senapati.
27-4-13		Field Visit and interaction with community members in Daudong Village and Chudining Village.		Field Visit and interaction with community members in Makhel Village and New Maram Village followed with site visit to INRM at New Maram.		Field Visit and interaction with community members in Mawblei Mawjnoin Village and Mawlaisiyem Village followed with Federation Meeting at Mawlaisiyem Village.	(a) In Dima Hasao: Mission interacted with representatives from 6 NaRMGs and 15 SHGs; (b) In Senapati: Mission met with 14 NaRMGs and 30 SHGs leaders; (c) In West Khasi Hill: Mission met with 11 NaRMGs and 15 SHGs representatives.
28-4-13	SUNDAY						Travelling
29-4-13		Field Visit and interaction with community members in Hojai Village and Dimadai		Field Visit and interaction with community members in Sinam Kom Village and		Field Visit and interaction with community members in Pungsyniang Village and Tengri	(a) In Dima Hasao: Mission met with 6 NaRMGs and 8 SHGs leaders; (b) In Senapati: representatives from 8 NaRMGs and 10 SHGs interacted with the mission; (c) In West Khasi Hill, leaders from 6 NaRMGs and 12 SHGs

		Wapu Village.		Purum Likli and Sadu Koireng Village followed with site visit to INRM at Purum Likli.		Village under Mawphrynai Cluster.	interacted with the mission.
30-4-13		Field Visit and interaction with community members in Choto Labang Village and Choto Langlai Village followed with Wrap up meeting with DST Staffs.		Field Visit and interaction with community members in S Lajiang Village and Aigejang and Sadu Chiru Village followed with site visit to demo plot in S laijang, INRM at Aigejang Village..		Field Visit and interaction with community members in Robah Village and Tiehtaliar Village under Rangdakhew and Mawiong Cluster.	Representatives from 6 NaRMGs and 12 SHG in Dima Hasao; 10 NaRMGs and 16 SHGs in Senapati district and 6 NaRMGs and 10 SHGs in West Khasi Hills interacted with the mission.
01-5-13	Arrival to Shillong						
02-5-13	Meeting with PSU; discussion with each sector head.						
03-5-13	Report writing; team meeting.						
04-5-13	Meeting with PSU; discussion with each sector head.						
05-5-13	Report writing; team meeting.						
06-5-13	Report writing; team meeting; meeting at PSU with Nigel, mission members and project staff.						
07-5-13	Report writing.						
08-5-13	Report writing; debriefing with NERCORMP PSU.						
09-5-13	Wrap-up meeting with Secretary, NEC cum Chairman, NERCORMP; final review with PSU, NERCORMP on the agreed actions, etc.						
10-5-13	Mission departs						

PEOPLE MET IN THE PROJECT VILLAGES³

I. Manipur State

A. Ukhrul District:

Date 23-04-2013:

1. Mr. Paolal Baite, headman, Lamlai Chingphei Village. 2. Mr Paokholun Baite, CO Lamlai Chingphei Village. 3. Ms. M Yangshila, Chairperson, Ngarumsak SHG Thoyee Village. 4. Ms Helam Chongloi, Secretary Chullou SHG, Mpulsohoi Village. 5. Ms. Chuimeirin, Chairperson SHG Federation, Litan Sareikhong.

Date 24-04-2013:

1. Mr. K.A Shimreiwung, Headman, Lungshang Village. 2. Ms. A.S Angela, Chairperson Reichon SHG Federation. 3. Ms. RK Sorinchan, Secretary Ngachonmi NaRMG and 4. KW Worshim, CO Nungshong CT.

Date 25-04-2013:

1. Mr. Shimdhar Vashum, headman, Razai Khunou Village. 2. Ms. Varejoy Vashum, Chairperso SHG Federation, 3. Mingthingla, Chairperson SHG Federation, 4. Ms. Martha, Chairperson SHG and Ms. Ningreichon, Secretary SHG Federation.

B. Senapati District:

Date 26-04-2013:

1. Mr. P.K. Jha, IAS, Chairman and Deputy Commissioner, SEDCORMS, Senapati. 2. Partner NGO: Mr. Khaimang Haokip from IRDWA-M, SEEDS, REDS, IRMA and KADA. 3. Line Department: Dr. Bonny from Veterinary, Mr. Pangniba, Assistant Engineer from DRDA, and officer from Forestry/Agriculture department and Mr. MS. Jerome, ACCORDS MFI.

Date 27-04-2013:

1. Mr. Joseph, Secretary from Ragiim NaRMG of New Maram, 2. Mr. Kangdi, Village Authority from Ragiim NaRMG of New Maram, 3. Mrs. Shiina, Ex president from Labapui SHG federation of Maram Khullen, 4. Mr. Solomon, Chairman from Ramlong NaRMG, 5. Mr. Joseph from Kabinam NaRMG, 6. Mr. Pagi from Kamlipou NaRMG, 7. Mr. Taruba from Ragiim NaRMG of New Maram, 8. Mr. Baiba from Kabinam NaRMG, 9. Mr. Thohrii Loli from Mao Marafii NaRMG, 10. Mr. Thohrii from Ntamei NaRMG.

Date 29-04-2013:

1. Mr. Robinson Kom Secretary from Maibung Kom NaRMG, 2. Mr. Alen, Secretary from Sinam Kom, 4. Mr. Jangam Haokip, Chairman from P. Khonomphai NaRMG, 5. Mrs. Hoinem, Chairperson from Kholneng SHG of P. Khonompha, 6. Mrs. Khupchaichon from Sinai SHG of Sinai Kom, 7. Mrs. Jangthoi, Chairperson from Warpi SHG of Lairok Kom, 8. Mrs. Neinu, Secretary from Pumkhat SHG o f Maibung Kom, 9. Mr. Laiwon Chungpa from Sinam Kom NaRMG, 10. Mr. Khupchingam, Chairman from Maibung kom NaRMG.

³ Only list of key people/community leaders met are mentioned. In reality, every village visited had a gathering of 100-200 people on an average including people attending from neighbouring project villages.

Date 30-04-2013:

1. Mr. Ngamsei Haokip, Chairman of S. Laijang NaRMG, 2. Mrs. Kimneihing Chullou Lom SHG of S. Laijang, 3. Mrs. Bidyapati, Secretary Monsaumael SHG of Kharam NaRMG, 4. Mrs. Ajoklu Elizabeth SHG of Khonglong-II, 5. Mr. Satsei, Chairman Sehjang NaRMG, 6. Mr. Vumjang Haokip, Secretary Kotlen NaRMG, 7. Mr. Jajingchon, Chairman of Sadu chiru NaRMG, 8. Mr. Japuihang Bungte Khullen NaRMG, 9. Mrs. Pakhol, Treasurer Sajal NaRMG, 10. Mr. Dingai, secretary Sangai NamkaoNorth Cachar Hill District.

II. Meghalaya State

A. West Garo Hill

Date 23-04-2013:

1. Shri Gresus Marak, Secretary Jakusan NaRMGs, 2. Shri Meningbat Sangma Secretary Nature NaRMGs, 3. Shri Akshoy Koch, Secretary Novorotna NaRMGs, 4. Smt Memosha Marak 5. Smt Jenna Marak SHG Members.

Date 24-04-2013:

1. Shri Tengsengbirth Marak, Secretary Aigre Apal Ramitha NaRMGs, 2. Shri Genonsing Marak, Secretary Madarigre Green Hills NaRMGs, 3. Shri Gobin Sangma, SHG Member, 4. Shri Nallekson Sangma, SHG Member, 5. Shri Oswald Sangma, SHG Member

Date 25-04-2013:

1. Shri Dinendro Sangma, Secretary Baldang Angsu NaRMGs, 2. Shri Gobeng Sangma, Secretary Chijingjang NaRMGs, 3. Shri Philip Marak, NaRMG Member, 4. Shri Nongjan Areng, NaRMG Member, 5. Shri Jinderson Sangma, NaRMG Member.

B. West Khasi Hills:

Date: 27-04-2013

1. Smt. Diodis Thongni, Secretary Banroi SHG, 2. Smt. Egina lawphniaw, Secretary Lamlynti SHG, 3. Mr. Mestarlant Lyngdoh, Secretary Rohbah NaRM-G, 4. Smt. Trisna Marbaniang, Myntoi SHG Member, 5. Smt. Dhiapmon Nongsiej, Myntoi SHG, 6. Smt. Basuklang Basaiawmoit, latreilang SHG

Date: 29-04-2013

1. Mr. Blendarson Lawriniang, NaRM-G, 2. Mr. Martin Kurbah, NaRM-G, 3. Smt. Bleri Nongrang, NaRM-G, 4. Shri. Evening Lyngkhai, Secy Peitlang NaRM-G, 5. Smt. Wellfree Lyngkhai, Treasurer Peitlang SHG, 6. Smt. Wissilian Lyngkhai, NaRM-G Member.

Date: 30-04-2013

1. Shri. Michael Marthong, Mawblei Majnoin NaRM-G, 2. Shri. Roybok lawsai, Mawblei Majnoin NaRM-G, 3. Shri. Sporing K. Bani, Mawblei Majnoin NaRM-G, 4. Santina Syiemlieh, Mawlaisiem Cluster SHG Federation, 5. Justina Marwein, Mawlaisiem Cluster SHG Federation, 6. Marcellyne Synlyne, Mawlaisiem Cluster SHG Federation.

III. Assam State

A. Karbi Anglong District:

Date: 23-04-2013

1. Florence Amsong , President Thinudan NaRM-G, 2. Bidyasing Hanse, Secretary Sankur NaRM-G, 3. Dhonsing Kramsa, Secretary Hailangso NaRMG, 4. Kache Teronpi, Member Mirmanai SHG, 7. Cicilia Pumah President Angkor SHG Federation, 8. Kaje Pumah President Sita SHG, 9. Holindro Hanse, President Umpanai II NaRM-G. 10. Mojasing Bey President Tharvelangso NaRM-G.

Date: 24-04-2013

1. Theresa Timungpi, Member. 2. Pogan Hokai NarMG President. 3. Lunse Bey, SHG Secretary, 4. Meris Amsong, NarmG Treasurer, 5. Browel Khumdeit SHG Member, 6. Philina Amsong, SHG Member, 7. Anita Kholar SHG Member, 8. Huntora Malang SHG Member.

Date: 25-04-2013

1. Pogon Hukai, President Amsai-I Narmg, 2. Khodorsing Amsih, Vice President Narmgs Tharakhunji, 3. Lunse Bey, SHG Secretary of Putsari Hindu, 4. Montu Kholar, Asst. Secretary Amkhalam, 5. Meris Amsong, Tresurer of Romphom NarMG, 6. Nis Maslai, Member of NarMGs Amsai-I, 7. Anita Kholar, Member of Moro SHG, 8. Korela Khumdeit Member of Romphom SHG, 9. Rani Lekthepi, Member of Putsari Hindu NarMGs, 10. Gojen Pumah, Member of Khablangkhunji NarMGs, 11. Philina Amsong, Member of Umsathrih SHG.

B. Dima Hasao Hill District.

Date: 27-04-13

1. Amila Naiding, President WAI SHG, 2. Ronika Kemprai, President JUDAO SHG, 3. Probila Langthasa, President DANGMAI SHG, 4. Nchilungbuile, Secretary PUNGCHUMBAU SHG, 5. Heusuapile, Secretary BAMEBAU SHG, 6. Kihungle, Secretary NANGBE SHG.

Date: 29-04-13

1. Solmodi hagjer, President BAUSMAILAINANG SHG, 2. Nilima Hojai, President JONSMAIDI SHG, 3. Pondila Hojai, President THERLING SHG, 4. Sopnari Langthasa, Secretary BOATHAI SHG, 5. Bijotha Dibragede, Secretary MUHNAI SHG, 6. Montae Naiding, Secretary DHAINA SHG.

Date: 30-04-13

1. Theresa Hansapi, President SAMPHRI SHG, 2. Jasinta Timungpi, President KLIRTHANG SHG, 3. Hampila Ronghipi, President RASENGKEME SHG, 4. Kasha Tokbipi, Secretary MONJIRSO SHG, 5. Kachelish Ronghipi, Secretary MIRDALIN SHG, 6. Wenish Terangpi, Secretary KAIKEME SHG.

Appendix 10: Audit Log

Audit for the FY 2010-2011 and 2011-2012

Table of Summary of Audit Observations

Financial Year	Audit observations as per Audit Report		Audit observations Settled		Audit observations Outstanding	
	Numbers	Value	Numbers	Value	Numbers	Value
		(INR)		(INR)		(INR)
2010-11	55		55			Nil
2011-12	46		46			Nil
2012-13						
2013-14						
2014-15						
2015-16						
2016-17						

LOG OF AUDIT OBSERVATIONS/PARAS

SI No.	Financial Year	Class: Serious/ General	AUDIT OBSERVATION	Total Amount per observation (INR)	Action taken by the project/PMU (Reply para wise)	Present status (Auditors validation result) a) Implemented/settled b) Partially Settled c) Not settled-outstanding	Total amount not settled/ Outstanding (INR)
1	2	3	5	6	7	8	9
			WGHCRMS, West Garo Hills - Meghalaya				
			NaRM-G Audit Observation – (in case of some NaRMGs)				

1	2011-12	General	i) Casting mistake in Cash Book.		The casting mistakes have been rectified during the course of audit and further book keeping training are being provided to the groups.	settled	
2	2011-12	General	ii) Group contribution is not sufficient to meet the administrative expenses of the group.		Groups have been trained to keep their administrative expenses lower than their group earnings. The groups have also been asked to make up the excess administrative expenses from their contribution.	settled	
			KCRMS, West Khasi Hills - Meghalaya				
			NaRM-G Audit Observation – (in case of some NaRMGs)				
3	2011-12	General	i) Books of Accounts were not inked and vetted by a competent authority.		a) Instruction has been given to all CBOs through NGO staff at DST co-ordination meeting to rectify the errors made during F Y 2011-2012. b) Training will be conducted in all cluster on Finance and Accounts on due course of time.	settled	
4	2011-12	General	ii) Various payment vouchers were not in proper form or not produced for verification.		a) Instruction has been given to all CBOs through NGO staff at DST co-ordination meeting to rectify the errors made during F Y 2011-2012. b) Training will be conducted in all cluster on Finance and Accounts on due course of time.	settled	
5	2011-12	General	iii) Attendance Register of meeting was not available for verification.		a) Instruction has been given to all CBOs through NGO staff at DST co-ordination meeting to rectify the errors made during F Y 2011-2012. b) Training will be conducted in all cluster on Finance and Accounts on due course of time.	settled	
6	2011-12	General	iv) Some of the books of Accounts not produce for verification.		a) Instruction has been given to all CBOs through NGO staff at DST co-ordination meeting to rectify the errors made during F Y 2011-2012. b) Training will be conducted in all cluster on Finance and Accounts on due course of time.	settled	
7	2011-12	General	v) Some NaRM-Gs are retaining high amount of Cash in hand.		Instruction has been given for not to keep high amount of cash in hand in future.	settled	
8	2011-12	General	vi) Acknowledgement of receipts of payments was not in some cases in labour register.		Instruction has been given for acknowledgement of receipts of every payments made in labour register	settled	
			NCHCRMS, Dima Hasao- Assam				

57

13	2011-12	General	iv) During our Audit of DST we came across and amount of Rs. 58,696.00 and Rs. 30,000.00 was paid to Tarongpi Enterprise for which no money receipt were produced for verification.		Money receipts of the same has been collected & is available for verification	settled	
14	2011-12	General	v) An amount of Rs. 1,83,350.00 & Rs. 1,51,700.00 were paid to a particular employee as advance on 28/09/2011 for which no proper clarification was given to us.		The amount budgtd under "Demonstration & Technology Transfer" has been released to NRMO for implementation/establishment of Demo plot in diffent porject villages. The advance has been released only to the related sector head in DS, NRMO in absent of PTO (post was vacant that time), to faciliate timely implemenation of the seasonal activity, purhcase of improved material in single lot for different groups to avail competetive price.	settled	
15	2011-12	General	vi) As observed by us actual utilizations of funds given to Individual beneficiaries need to be closely monitored. We have come across cases where money was paid for which simple money receipts were provided.		Monitoring system including Internal Audit is in place for verification of fund utilisation. As the Project villages are in remote areas proper / "PAKKA receipts" will be difficult to get and so NaRM-Gs are maintaining "Kaccha" vouchers only. But the matter have been discussed & NaRM-Gs are printing money receipt books & letter head etc. to make the transactions more Authentic.	settled	
			NaRM-G Audit Observation – (in case of some NaRMGs)				
16	2011-12	General	i) Loan above Rs 5000 are not supported by revenue ticket.		AS the project villages are in remote areas, post offices are very far. But, the matter has been discussed at community level & DST will facilitate to make it available.	settled	
17	2011-12	General	ii) NaRM G was maintaining huge cash balance in hand. Excess cash in hand to be deposited in bank.		Though there is a excess cash balance with the CBOs in sometime, the same has been utilised in the subsequent months and rest were duly deposited in the banks. Due to long distance of villages from bank many a times excess cash in hand not deposited in bank every week.	settled	
18	2011-12	General	iii) Loan recovery is not regular in most of the cases.		The matter has been discussed in DST & NGO meeting and refresher trainings on financial managements will be provided.	settled	

19	2011-12	General	iv) Opening Cheque in Transit of Rs. 12000/- is yet to be credited in Bank A/c.		The cheque has been issued to ICA, Apex of SHGs as their seed funds. The same was cancelled later on and issued fresh cheque as the group did not presented it in bank within valid time frame.	settled	
20	2011-12	General	v) Books & Vouchers are not properly maintained.		The matter has been discussed in DST & NGO meeting and refresher training will be provided to the groups on book mainatenance and vocuhers.	settled	
21	2011-12	General	vi) Bank pass book not updated.		Due to some technical difficulties from the bankers side some of the bank pass books were not updated before audit. It is being updated and available for verification.	settled	
22	2011-12	General	vii) Audit Report of last year was not presented for verification.		Some SHGs did not turn up for audit in the last financial year (2010-11) and so only internal audit report is available for these groups.	settled	
23	2011-12	General	viii) Most of the supporting registers and vouchers were not available.		The matter has been discussed in DST & NGO meeting and refresher trainings on financial managements, record maintenance will be provided.	settled	
24	2011-12	General	ix) Due to non maintenance of stock register opening/closing stock could not be ascertained.		The matter has been discussed with BDO-KACRMS, & training provided to the groups on maintenance of stock register alongwith other book keeping training.	settled	
25	2011-12	General	x) As the entity was not audited last year , balance is adjusted with general fund.		Some SHGs did not turn up for audit in the last financial year (2010-11) and so only internal audit report is available for these groups.	settled	
26	2011-12	General	xi) List of Beneficiaries for Below Poverty Line was not availaible.		The List of BPL families are not available in NaRM-G level, it is being maintained by DST. The same is available for verification in DS office.	settled	
27	2011-12	General	xii) During the course of our audit we found that no proper quotation were found while purchasing aloe vera plants and bee keeping equipments and also open bid was not called for on purchase of above Rs.100000.00. And also payment were made in cash on above Rs.20000.00.		The community groups are following the community procurement procedure which is aggred by IFAD and it simplified the process for coomunities to maintain where no open bid or quotation required. The community members selceted in group meeting will collect rate/ price for required item, recorded in plain paper and compare to take purchase decision.	settled	

28	2011-12	General	xiii) Huge amount of grant still to be utilized.		The matter has been discussed in DS level meeting with NGO and decided to facilitate/guide community groups in timely utilisation of unutilised fund with groups.	settled	
29	2011-12	General	xiv) Out of 16 Clusters loan was provided was to 5 clusters only.		The grant released to the groups based on performance. The other clusters will be provided training to built their capacity before release of fund.	settled	
30	2011-12	General	xv) During the year ICA has provided as advance of Rs 144200 to DST for conducting SHG mela. Out of which Rs. 36,860 is still lying as advanced to DST.		The advance has been settled in due course after completion of the activity.	settled	
			SEDCORMS, Senapati -Manipur				
			NaRM-G Audit Observation – (in case of some NaRMGs)				
31	2011-12	General	i) The practice of maintaining katcha/internal vouchers to be minimised to the extent possible.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided.	settled	
32	2011-12	General	ii) Maintenance of books of account need improvement. And Vouchers for various payments are not in proper form.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided.	settled	
33	2011-12	General	iii) Overwritings in the cash book to be avoided.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided.	settled	
34	2011-12	General	iv) Vouchers are not produce for verifications.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided to the groups on importance of producing registers at the time of audit.	settled	
35	2011-12	General	v) Discrepancy of Rs.322/- in the Bank opening balance as per records which need to be reconcile/adjusted in future.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and facilitate for correction.	settled	
36	2011-12	General	vi) Community contribution register not produce for verification.		The matter has been discussed in DS level meeting with NGOs and through Checking and verification will be conducted during Internal Audit and training will be provided.	settled	

37	2011-12	General	vii) Discrepancy of Rs.60,360/- in the Opening balance of DD in transit as per records which remains unadjusted ,need to be reconcile/adjusted in future.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and facilitate for correction/reconciliation.	settled	
38	2011-12	General	viii) Bank transactions not properly recorded in the cash book.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided.	settled	
39	2011-12	General	ix) Bank Pass Book not updated for verification.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided.	settled	
40	2011-12	General	x) Loan disbursement and recovery register not produced for verification.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided to the groups on importance of producing registers at the time of audit.	settled	
41	2011-12	General	xi) Ledger was not maintained.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided.	settled	
			UDCRMS, Ukhrul - Manipur				
			NaRM-G Audit Observation – (in case of some NaRMGs)				
42	2011-12	General	i) Members Contribution and Interest Income were not adequate to meet the administrative expenses.		Project Advised NaRM-Gs to judiciously used their contribution, saving & other income like IGA interest for administrative Exps. The said matter has been appraised to the community during review meeting	settled	
43	2011-12	General	ii) Loan Register has not been maintained properly. Loans disbursed and repayment thereof during the year has not fully recorded in the Loan Register. Balance confirmation.		we appraised them to write loan book properly and formulate balance loan confirmation system	settled	
44	2011-12	General	iii) Necessary supporting like Registration Certificate etc for the Bolero Pick-up Van Rs 9 Lakh were not made available to us for verification.		Two Bolero pick up were procured by the Cluster Ass.. Rs. 4,50,000/- each were supported to two CA under Table X through UDANCA. The remaining (Shortage) amount were contributed by the CA & Apex. The ownership of said vehicle lies with the beneficiaries of those two CA and not with the Apex.	settled	

45	2011-12	General	iv) Maintenance of books of account need improvement. Voucher for various Payments are not in proper form.		a) Giving Book & Accountancy Training b) Appraised NaRMG to collect genuine voucher all expense except village level purchase(where it is not possible to issue voucher/ receipt.	settled	
46	2011-12	General	v) Loan Register was not available for verification.		we appraised them to bring loan book at the time of audit	settled	

SI No.	Financial Year	Class: Serious/General	AUDIT OBSERVATION	Total Amount per observation (INR)	Action taken by the project/PMU (Reply para wise)	Present status (Auditors validation result) a) Implemented/settled b) Partially Settled c) Not settled-outstanding	Total amount not settled/ Outstanding (INR)
1	2	3	5	6	7	8	9
			WGHCRMS NaRM-G, SHG, Cluster & Federation Audit Observation – (in case of some groups)				
1	2010-11	General	i) Casting mistake in Cash Book.		i) The casting mistake have been rectified during the course of audit and further book keeping training are being provided to the group.	Settled	
2	2010-11	General	ii) Group contribution is not sufficient to meet the administrative expenses of the group.		ii) Groups have been trained to keep their administrative expenses lower than their group earnings. The groups have also been asked to make up the excess administrative expense from their contribution.	Settled	
			KCRMS NaRM-G, SHG, Cluster & Federation Audit Observation – (in case of some groups)				

3	2010-11	General	i) Books of accounts maintained in local language.		i) Training for CBO's is going on for maintenance of Books of Accounts w.e.f 2 nd August'11 till end of November'11 in every cluster.	Settled	
4	2010-11	General	ii) Maintenance of Books of accounts need improvement.		ii) Training for CBO's is going on for maintenance of Books of Accounts w.e.f 2 nd August'11 till end of November'11 in every cluster.	Settled	
5	2010-11	General	iii) Vouchers for various payments are not in proper form.		iii) Training for CBO's is going on for maintenance of Books of Accounts w.e.f 2 nd August'11 till end of November'11 in every cluster.	Settled	
6	2010-11	General	iv) Books of accounts is not authenticated by competent authority.		iv) Training for CBO's is going on for maintenance of Books of Accounts w.e.f 2 nd August'11 till end of November'11 in every cluster.	Settled	
7	2010-11	General	v) No depreciation has been provided on furniture of JFAFMCS, Makhyrwat and Kyllang Development Society, Mairang.		v) Instruction has been given to rectify and to provide necessary document for depreciation of assets on next audit.	Settled	
8	2010-11	General	vi) There is difference of Rs. 12,827/- in the opening balance under the head investment in community assets as shown in the balance sheet and schedule of JFAFMCS, Makhyrwat.		vi) Instruction has been given for rectification of the community asserts register and schedule by the end of the financial year.	Settled	
			NCHCRMS, Dima Hasao District Society				

9	2010-11	General	i) As observed by us actual utilisation of funds given to individual beneficiaries needs to be closely monitored. We have come across cases where money was paid for which simple money receipts was provided.		i) The work have been monitored by DST. The DST directly transferred the fund to the Group A/c vide a/c payee cheque and the groups select the beneficiaries on priority basis and they released the amount to the individual. As per general practice the group provided the utilization certificate/monitoring report after utilization of fund (Quarterly). Since individual beneficiaries did not have any printed or proper money receipt, signed/ thumb impression were collected on plain paper and countersigned by the concerned group office bearers. Therefore it is directed to the group vide letter No. NC/IFAD/DS-CC/N-I/2011-12/722 Dated 5.9.11 to collect actual utilisation certificate from the concern beneficiaries in the UC format provided from the District.	Settled	
			NCHCRMS, NaRM-G, SHG, Cluster & Federation Audit Observation – (in case of some groups)				

10	2010-11	General	i) As we observed no proper printed voucher was there for every NaRM-G and Cash Book & Ledger need to properly updated.		i) As per practice the fund was generally transferred to the group and all purchases was done by the group itself. Since, no registered farm/nursery is available in the district, the group generally purchased goods from local market or nearby villages, where is is not possible to get printed vouchers since most of the local/village vendors does not do business regularly. To solve this problem, the district society has already taken action to set up 2 (two) nos Central nursery at New Sangbar & Lungketbau and to bring in the Line department to supply. Further the District Society also directed to the concern Cluster, Federation and NGO to take necessary action to purchase goods from the registered farm (Meeting Date 19/8/11, 20/8/11 and 5/9/11) with regards to the properly update of Cash Book & Ledger. The District Society had already organized a training programme on financial management on 24 th & 25 th August 2011	Settled	
			KACRMS, Karbi Anglong District Society				
11	2010-11	General	i) There is too much delay in releasing the fund to the beneficiary and most of the cheques issued have not been received by the beneficiary.		i) We received the fund as on last week of the year ended 2010-2011, so it was delay for releasing the fund and the beneficiaries were not received the fund in time. Although the beneficiary has received the cheque but they can not update the bank pass book as bank has changed the old account no as per CBS norms which effects the implementation of work. Now we release the fund in time and also look this matter seriously in near future	Settled	

12	2010-11	General	ii) Fund released under Agri and Allied Sector Scheme lacks adequate documentary evidence. Funds have been released without any proof of identity of the beneficiary.		ii) Before release of Agril and allied fund, we send a copy of BPL list to NERCORMP, shillong and after approval of BPL list we disbursh the fund to BPL families accordingly. Other evidence like block level we also took for verification of beneficiaries except village headman certificate which will take immediately and continuing it in near future.	Settled	
13	2010-11	General	iii) Expenses of the society does not conform to Annual Action Plan in case of Office and running maintenance expenses, NGO motorcycle and PRA		iii) Due to quality of Motorcycle and registration including Insurance etc. we were bound to spent excess amount which we adjusted in the same table. Accordingly regarding PRA, office running expenses we spend excess amount due to price hike of the goods and adjusted the excess amount within the same table which will not effect total budgetary expenditure.	Settled	
14	2010-11	General	iv) Office rent agreement has expired on 31.03,2010 and need to be renewed.		iv) Office rent agreement was expired on 31-3-2010,after that the owner of the house was not agreed to provide us the house within the amount of Rs 6000/- (Our Budgetary amount/Month) and gave a letter to vacate the house within August, 2011. accordingly we shifted our office premises to a new building.	Settled	
15	2010-11	General	v) Report on PRA conducted at villages, Technology transfer support, Training conducted and as well as Tour report of the staff has not been properly maintained.		v) PRA, Technology transfer support, Training were conducted as well as tour report of the stuff (tour register) is now properly maintained and rectified the previous one as per norms.	Settled	
16	2010-11	General	vi) Settlement of TA claim should be made on completion of the tour and on submission of the tour report. There is a diversion in this respect.		vi) TA/DA was claimed quarterly by the staff as per the tour register and now instructed to claim monthly within the first week of preceding month, otherwise no claim can be settled if it is not submitted in time along with proper evidence (Like Monthly Tour diary etc)	Settled	
			KACRMS NaRM-G, SHG, Cluster & Federation Audit Observation – (in case of some groups)				

17	2010-11	General	i) Most of the books of accounts and vouchers of NaRM-Gs/SHGs have not been vetted by appropriate authority.		i) Discussed in NaRM-G level and CBOs are practising now and moreover 70% groups have already rectified as only they need to put signature and seal.	Settled	
18	2010-11	General	ii) Most of vouchers were not available for verification.		ii) CBOs used to purchase the stationeries, meeting requirements, etc from village shops - where it is not possible to get the memos. Now they are maintaining 'KACCHA" vouchers approved by respective President/Secretaries.	Settled	
19	2010-11	General	iii) Schedule of loan to members was not available for verification and as such as the opening balance of loan to members cannot be ascertained - hence it is assumed that the loan repaid is the opening balance of the loan.		iii) As there were no project support and no Audit in between 2007-08 & 2009-10. The CBOs were not maintained the books properly, - Now, Training from DST has been conducted and they will practice in proper manner	Settled	
20	2010-11	General	iv) Minute book was not available for verification.		iv) As there were no project support and no Audit in between 2007-08 & 2009-10. The CBOs were not maintained the books properly, - Now, Training from DST has been conducted and they will practice in proper manner. In some cases the office bearers have been changed and the new president or secretary unable to get the old books.	Settled	
21	2010-11	General	v) As bank loan statement was not available for verification - the opening balance of loan cannot be ascertained, hence the amount repaid to the bank has been kept in the suspense account.		v) The matter has been discussed in the cluster level and updation of bank statements are going on- it will be made available during next Audit.	Settled	
22	2010-11	General	vi) Cash book was not inked.		vi) The NaRM-G Members thought it will be easier for them. But they are now writing by pen instead of pencils as the matter and its consequences are described to them.	Settled	
23	2010-11	General	vii) The amount lying in cash is on the higher side.		vii) The same has been deposited to bank and now they are stick to the Cash Retention Limit (Rs. 10,000/-)	Settled	
24	2010-11	General	viii) The documentary evidences as regards contribution from SHG Federation was not available for verification.		viii) Money receipts counter foil are now available with ICA for verification	Settled	

25	2010-11	General	ix) The contribution by the SHG federation as seed money to ICA has not been supported by an agreement whereby the contribution will be refunded or interest will be paid on the seed money not sure.		ix) Contribution by the SHG federation as a seed money to ICA has been made with an agreement where clearly written the money will be refunded after 5 years with interest as per agreement.	Settled	
26	2010-11	General	x) Staff salary of KAKA (Association) does not tally with salary register.		x) KAKA is paying the So & CCs some amount more to meet the fuel expenses but in the register they use to write the amount approved by DST. The same will be adjusted against transportation	Settled	
			SEDCORMS, Senapati District Society				
27	2010-11	General	i) Rs. 10,000/- was given as an advance to M/s J & D Oil Agency, Senapati (Opening Balance) for POL against which no contract has been signed.		i) Contract will be signed by Sept 2011 as suggested.	Settled	
28	2010-11	General	ii) Separate Bank Ledger has not been maintained by the concern official.		ii) Separate Bank Ledger will be maintained and updated from the current financial year, 2011-12	Settled	
29	2010-11	General	iii) Rs. 15,000/- & Rs. 35,000/- was given as an advance on 28/2/11 and 24/3/11 vide cheque no. 007462 & 314780 respectively to M/s P.P. Stationeries for supply of office stationery items whereas goods received vide bill no. 276 & 357 dated. 28/3/11 & 31/3/11 respectively. Thus, advance issued without taking any irrevocable guarantee.		iii) The materials have been received fully and in the future the supplier will be approached to provide the same at the time of procurement.	Settled	
30	2010-11	General	iv) Rs. 60,000/- was paid on 31/3/11 vide cheque no. 314797 and vr. No. 169 for Organic Farming Training A/c. Again, this cheque is shown in the Bank Reconciliation Statement as on 31/3/11 as a cheque issued but not presented for payment. However, as per the pass book (and also as per the cheque issued register) this cheque was withdrawn in cash (as per self withdrawn) on 27/4/11.		iv) Due to time constraint the said training was entrusted and conducted by N'Kidinai SHG Federation by engaging a resource person on dt.18th.-19th.Mar'11, from their own fund. Due to late release of fund from RS, the reimbursement was made and cheque issued on 31/3/11. Later, it was found that the federation had encashed the cheque on 27/4/11. This matter has been seriously viewed and the same will not be repeated in future	Settled	

India

North Eastern Region Community Resource Management Project for Upland Areas (794-IN)
Supervision report (Mid-Term Review) - Mission dates: 22-Apr-2013 to 10-May-2013

31	2010-11	General	v) Generator log book has not been maintained by the concern official.		v) As suggested by Auditors the same has been initiated immediately.	Settled	
32	2010-11	General	vi) Except money receipt, no bills were found against advertisement expenses paid to news papers. Thus, we were unable to confirm the expenditure.		vi) Bills against advertisement expenses will be collected within September 2011.	Settled	
33	2010-11	General	vii) Rs. 2,30,045/- was paid on 7/2/11 vide cheque no. 007449 and vr. No.118 to M/s Manipur Motors for purchase of 5 nos. motorcycles of NGO's against which neither bill not delivery challan were found for verification. Again, Registration Certificate was found for only 4 motorcycle (i.e. MN-06SA-3440, 3439, 3443 & 3441). Moreover, no distribution details as well as insurance policy were found. Further, the DTO Office has asked to collect smart cards for vehicle after 2 months from registration date (i.e. 14/2/11) which has not been complied with.		vii) All the necessary documents suggested by the auditors will be collected by 30th.Sept,11. And the procedural lapses will be updated within the same time.	Settled	
34	2010-11	General	vii) Rs. 62,050/- was paid on 21/2/11 vide cheque no. 007454 and vr. No. 126 for PRA Workshop for NGO's conducted from 14th to 16th February,2011 against which daily training attendance as well as mess attendance records were not maintained by the concern official.		vii) Training attendance are normally kept in the concern file, whereas the DSA payment details with the same list are enclosed with other vouchers to finance section. And maintaining Mess Attendance has never been introduced. As suggested, the same will be followed in future trainings.	Settled	
35	2010-11	General	viii) Rs. 11,000/- was adjusted on 9/4/10 vide vr. No. 01 to Project Manager for TA/DA to Guwahati against which no tour diary was maintained.		viii) Tour dairy towards Guwahati visit by Project Manager has been submitted as per advised from Auditors.	Settled	

36	2010-11	General	<p>ix) <u>During the course of our audit, we have observed the following intra diversion:</u> Chipralou NaRM-G under SEEDS Cluster 17,500/- Amount diverted from Low Cost Latrine to Farmers Calender</p> <p>Chithailou NaRM-G under SEEDS Cluster 17,500/- Amount diverted from Low Cost Latrine to Farmers Calender</p> <p>Souveilounii NaRM-G under SEEDS Cluster 17,500/- Amount diverted from Low Cost Latrine to Farmers Calender</p> <p>SOudoulounee NaRM-G under SEEDS Cluster 17,500/- Amount diverted from Low Cost Latrine to Farmers Calender</p> <p>Kamalong NaRM-G under IRDWA-M Cluster 37,500/- Amount diverted from Mix Plantation to Rapeseed Demo</p> <p>Ramtinglong NaRM-G under IRDWA-M Cluster 37,500/- Amount diverted from Mix Plantation to Rapeseed Demo</p> <p>Kasuijoi NaRM-G under IRDWA-M Cluster 43,330/- Amount diverted from Mix Plantation to Piggery by Rs. 30, to Farmers Calendar by Rs. 18,300/- & to Rapeseed Demo by Rs. 25,000/-</p>		ix) A Total of Rs.1,88,330/- (One lakh eighty eight thousand three hundred and thirty) only has been released in excess of AWPB under Table-3 and Table-5. The mistake has been found during the time of preparing RO-AWPB and accordingly the excess amount reflected has been rectified in the individual NaRMGs Books of Accounts and reconciled with AWPB and RO-AWPB during the Audit. The activities has been implemented as per the changes made according to AWPB.	Settled	
			SEDCORMS, NaRM-G, SHG, Cluster & Federation Audit Observation – (in case of some groups)				
37	2010-11	General	i) Cash book has not been signed and certified by the concern NaRM-G		i) It has been initiated and will be completed by 30th.Sept,'11.	Settled	
38	2010-11	General	ii) No quotation was found against material purchase of low cost latrine etc.		ii) Quotations will be collected from the respective firm wherever necessary by 15th.October,2011.	Settled	
39	2010-11	General	iii) No utilisation as well as work completion certificate was found against construction of low cost latrine. Moreover no money receipt was found against payment received by		iii) Monitoring report showing the utilisation and work completion report of the NaRMG was not available at the time of Audit for verification due to MA's outstation	Settled	

			beneficiary.		engagement on official work.		
40	2010-11	General	iv) Stock book was not maintained against stationary purchased.		iv) Stock Register will be introduce immediately as suggested	Settled	
41	2010-11	General	v) None of the vouchers were produced to us for verification at the time of audit.		v) A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2011-12.(I,e, by 15th.October, 2011)	Settled	
42	2010-11	General	vi) Members contribution register was not maintained by the concern NaRM-G/not produced for verification.		vi) A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2011-12.(I,e, by 15th.October, 2011)	Settled	
43	2010-11	General	vii) All payments were made through cash by the concern NaRM-G		vii) A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2011-12.(I,e, by 15th.October, 2011)	Settled	
44	2010-11	General	viii) Loan register not produced to us for verification.		viii) A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2011-12.(I,e, by 15th.October, 2011)	Settled	
45	2010-11	General	ix) No voucher was found against administrative expenses.		ix) A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2011-12.(I,e, by 15th.October, 2011)	Settled	
46	2010-11	General	x) Money receipt was not issued against members contribution.		x) A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2011-12.(I,e, by 15th.October, 2011)	Settled	
47	2010-11	General	xi) Loan register was not maintained in proper format by the concern NaRM-G.		xi) A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2011-12.(I,e, by 15th.October, 2011)	Settled	
48	2010-11	General	xii) No meeting attendance register was found for verification.		xii) A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2011-12.(I,e, by 15th.October, 2011)	Settled	
49	2010-11	General	xiii) Loan disbursement record not matching with Cash Book		xiii) A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2011-12.(I,e, by 15th.October, 2011)	Settled	
50	2010-11	General	xiv) Most of payment and expenditure not produced for verification.		xiv) A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2011-12.(I,e, by 15th.October, 2011)	Settled	
			UDCRMS, Ukhrul District Society				

			NaRM-G, SHG, Cluster & Federation Audit Observation – (in case of some groups)				
51	2010-11	General	i) Members contribution and other income are inadequate to meet the administrative expenses.		i) Project advised groups to judiciously used their contribution, saving and other income like IGA interest for administrative expenses.	Settled	
52	2010-11	General	ii) Community contribution towards project activities by way of free labour was nil during the year.		ii) Even though there was labour contribution from most of the groups, they failed to reflect in the register. Currently, training on Book-keeping and accounts is under way.	Settled	
53	2010-11	General	iii) loan disbursement and repayment thereof during the year has recorded in the loan register. In case of some groups, balance confirmation from borrowers were not obtained.		iii) Formulate balance loan confirmation system.	Settled	
54	2010-11	General	iv) Maintenance of books of accounts need improvement.		iv) Giving book and accountancy training	Settled	
55	2010-11	General	v) Maintenance of measurement/log book for each activities should be strengthen.		v) Initiated by DST in consultation with Line Department.	Settled	

Appendix 11: Summary of implementation support provided by IFAD

1. Mr. Dhrubajyoti Nath attended the IFAD National Workshop on Finance held in New Delhi on 6 & 7 September 2012.
2. Ms. Dimple S Das, Communication Officer attended the workshop on Gender and Knowledge Management organised by IFAD and PTSLP, Tamil Nadu, in Chennai from 1st- 5th October 2012.
3. Mr. Adrian Marbaniang, (Dir M&E) attended the training on M&E organized by IFAD in Pune from October 8-10 2012.
4. ICO reviewed and provided comments on ROAWPB
5. ICO reviewed and provided comments/suggestions on annual RIMS reporting and Annual Outcome Survey
6. ICO reviewed on Annual Progress Reports and provided useful suggestion.
7. Project MD attended TPRM (tripartite review meeting) organised by DEA/Gol and IFAD.
8. ICO proactively engaged with the project to bring out case studies on good practices for India Country Newsletters.
9. ICO shared the ToR for MTR and provided support in preparation of the project documents and mission programmes.
10. ICO processed the WA of NERCORMP
11. ICO reviewed the ToR of the audit requirements and also reviewed the audit report of the project.

Support provided by Supervision Mission

In the course of field visits and supervision, the Mission provided the following inputs as part of the implementation support to the project:

- **Design of Diversion Weirs:** The Mission visited a diversion weir being constructed for irrigation in a village in West Garo Hills district. The construction was being done by the NaRMG. No provision had been made for an apron and the crest of the weir was level with one of the stream embankments that extended into a paddy field. The absence of the apron would result in scouring of the toe of the structure and might eventually lead to toppling. Once the weir runs full, water would escape from the side embankment and eventually create a side gully. The Mission explained the principle of designing such weirs and advised the NaRMG leaders and DST members to create an earthen embankment to protect the side flank and create an apron below the weir, using cement concrete and stones.
- **Seed Selection for Paddy and other crops:** In the course of discussions about paddy cultivation practices and yields the Mission explained to the NaRMG leaders and DST members how strong paddy and other seeds could be separated from the weak seeds and chaff by using saline water. A fresh egg is put into half a bucket of clean water, salt is mixed in the water till the egg begins to float. The egg is removed and seed put into the water. The seed that floats is weak and is removed while the seed that sinks to the bottom is strong seed and taken out for sowing/nursery raising.
- **Managing SHG Funds:** In several SHGs met in the course of field visits significant idle cash had been kept in savings accounts that earn a low rate of interest (under 4%). The Mission explained to SHG members and DST team various instruments, such as Term Deposits and Cash-Credit Limits available from banks and to explore and use those to maximise returns on funds not needed by the groups in the short run.
- **Making Community Resource Management Plans (CRMPs):** Using the village resource maps prepared by NaRMGs, the Mission demonstrated through an interactive exercise conducted with NaRMG members how INRM based CRMPs could be made.
- **Community based Biodiversity Conservation:** Mission provided guidance to the project on improving the scope of the community based rules and regulations for CCAs by including elements that are preventive, prohibitive, punitive, appreciative, extractive, regenerative,

facilitative and explorative in order to realize social, economic and environmental benefits from conservation initiatives with orientation towards pro-nature, pro-women, pro-poor, and pro-equity.

- Fiduciary aspects: Mission provided supported on various issues of financial management such as (a) Loan repayment period to be recorded in the Loan Register, (b) Loans disbursed and repaid to be recorded in the Minutes Book of the CBOs, (c) Managing funds by CBOs by not keeping large unutilized cash balances, (d) Preparation of bank reconciliation statements by DSTs and RS using the accounting software, (e) Use of cost centre facility in the accounting software to determine the expenditure by category, and (f) Use of soft copies of the data from the districts to consolidate accounts at the RS.
- Project management, costab and rural infrastructures: Mission provided support in (a) suggesting modifications to AWPB with simplified format incorporating codes for tracking expenditures; (b) developing location specific cost estimates for social and community infrastructures as project is spread in three different states with different cost norms; (c) need for revisiting PNGO contracts and their ToRs; (d) prepared and explained the post-MTR cost tables; (e) updating PIM.
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Appendix 12: Validated RIMS table

FIRST LEVEL RESULTS											
Results			Unit	Period ending: 31.12.2011		Period ending 31.12.2012			Cumulative		
				AWP&B	Actual	% of AWPB	AWP&B	Actual	% of AWPB	Appraisal	% of Appraisal
Total Outreach											
		Households receiving project services	Number	20,000	6,212	31%				20,000	104%
		Groups receiving project services	Number	1,319	1,319	100%	149	149	100	2,000	75%
		Communities receiving project services	Number	466	466	100%				400	115%
Component	Sub Component										
Component Name	Sub Component Name										
Building the capacity of participating agencies	Community and other stakeholders capacity building										
		People trained in crop production and technologies	Male	300	340	113%	170	179	105.29	700	93%
			Female	300	321	107%	500	538	107.6	700	142%
		People trained in livestock production and	Male	120	94	78%	280	288	102.86	400	96%

Livelihood Enhancement	Support to FNGO's	technologies										
		People trained in fish production and technologies	Female	80	37	46%	220	229	104.09	200	266	133%
			Male	175	111	63%	55	65	118.18	250	176	70%
			Female	175	104	59%	20	26	130	250	130	52%
		Saving and credit groups formed/strengthened	Number	1,319	1,319	100%	149	149	100	2,000	1,468	73%
		Saving and credit groups with women in leadership position	Number	1,319	1,319	100%	149	149	100	2,000	1,468	73%
		People trained in post-production, processing and marketing	Male	100	103	103%	90	96	106.67	270	199	74%
			Female	80	80	100%	180	189	105	270	269	100%
		People trained in business and entrepreneurship skills	Male	40	40	100%	150	152	101.33	225	192	85%
			Female	40	45	113%	180	183	101.67	225	228	101%
		Natural resources management groups formed/strengthened	Number	128	128	100%				400	495	124%
		Staff of service providers trained	Male	75	74	99%	110	126	114.55			
			Female	15	13	87%	25	37	148			
Economic Livelihood Activities												
Fish pond constructed/rehabilitated	Number	5		0%	64	30	46.88	169	39	23%		
Households receiving animals from restocking/redistribution	Number	3,000	3,034	101%	2000	2072	103.6	18,000	9,022	50%		
Active borrowers (disaggregated by gender)	Female	10,692	10,692	100%	20000	20010	100.05	20,000	30,702	154%		

	Value of gross loan portfolio	USD		1423540			1673891			30,97,431	
	People in saving and credit groups formed/strengthened	Female	13,190	18,466	140%	1490	2086	140	20,000	20,552	103%
Social Sector	Drinking water systems constructed/rehabilitated	Number	116	27	23%	143	205	143.36	402	321	80%
	Other social infrastructure constructed/rehabilitated	Number	2,697	1,936	72%	2694	2224	82.55	14,000	4,921	35%
Infrastructure	Roads constructed	KM	27	16	59%	36	45	124.75	139	81	58%
	Storage facilities constructed/rehabilitated	Number	11	10	91%	27	29	107.41	138	39	28%

ANNEX 1

PROJECTS COSTS AND FINANCING

NERCORMP II : MTR

I. INTRODUCTION

1 This Annex describes the estimated project costs, based on the information collected during the course of the mission's discussions with the PSU in Shillong. The FAO/World Bank COSTAB version 32 was used to calculate the total Project costs and proposed financing schedules, procurement plans and expenditure accounts.

A. Physical and Price Contingencies and exchange rates

2 As the proposed project is on a project mode and physical quantities are lump sum and not specified, no physical contingency has been applied in all cases. As the project has been using standard unit costs in allocating funds to NaRMGs and SHGs, at the instant of the PSU, no price contingencies were used. Local inflation during Project years has been assumed at 5%. Foreign inflation rate has been assumed at 2%. All unit costs are in local currency values i.e. Indian Rupees (INR) and were updated at MTR. The exchange rate at Appraisal was INR 45 to USD 1.00 (May 2010) and rates used for other years are given below. The Project costs estimates, and conversions from current USD values into INR are calculated using the constant purchasing power exchange rate (INR/USD). Both foreign and local inflation rates are compounded at mid-year.

B. Taxes and Duties

3 Taxes and duties have been estimated using the prevailing market prices. Training, surveys and studies are contracted or sourced out and contracted entities are responsible of their local tax liabilities, and a flat rate of 5% has been assumed. A tax rate of 30% has been assumed for vehicles and between 5 and 10% all office equipment such as computers, printers etc. Although salaries are taxed at applicable tax rates, no taxes are separately indicated.

C. Cumulative disbursement & expenditures

4 The project became effective in July 2010 and its completion is scheduled on 30 Sept 2016 with a loan closing date of 31 March 2017. As on date a sum of SDR 4.87 million including the initial deposit of SDR 627,463 has been disbursed against the total loan amount of SDR 12.6 million. This accounts for 38.63%. The cumulative expenditures, as of 31 Dec 2012 is INR 598.7 million as against the budgeted estimates of INR 778.5 million. This is about 77% and each year the project is capable of using between 60% and 90% of its AWP&B estimates.

D. Project Life and Components

5 The Project is scheduled for a SIX-year implementation but stretched over 7 fiscal years. The project has 5 components and 9 sub-components: The COSTAB has therefore been structured accordingly and as shown below:

Table 1: NERCORMP-II Detailed Cost Tables

Component	Sub-components	Table No
1.Capacity Building of Communities and Participatory Agencies		
	-Stakeholders Capacity Building	1 A
	-Support to NGOs	1 B
2. Economic Livelihoods Activities		2 A
	-Livelihoods Activities	
	-Revolving Funds to NaRMGs & SHGs	2 B
3. Social and Community Infrastructure		
	Social and community infrastructure	3
4. Community-based Biodiversity Conservation		
	-Bio-diversity conservation & agro-forestry	4 A
	-Knowledge management & communication	4 B
5. Project Management		
	-Project Support Unit, Shillong	5 A
	-District Support Teams	5 B

6 Component objectives are sought to be attained through the implementation of each of the above sub-components. The costs presented in COSTAB Tables comprise all taxes and duties; these include duties and levies and all taxes that will be drawn from the counterpart funds.

E. Expenditure, Procurement & Disbursement Categories

7 The types of investments proposed under each Expenditure Account are presented in Table below in order to facilitate interpretation of the expenditure account:

Table-2: Expenditure, Procurement and Disbursement Accounts

Expenditure Account	Procurement Accounts	Disbursement Accounts
1. Vehicles & equipment	Vehicles & equipment	100% Govt financing
2. Training	Training	I. TA, training & capacity building
3. Capacity building	Capacity building	I. TA, training & capacity building
4. Technical Assistance	Technical Assistance	I. TA, training & capacity building
5. Village development fund	Village development fund	III. Village development fund
6. Revolving Fund	Revolving Fund	II. Revolving fund
7. Incremental O&M costs	Incremental O&M cost	100% Govt financing

F. Unit Costs

8 Unit costs have always been input in Indian Rupees, INR. Cost estimates are based on updated unit costs the mission received from the PSU, Shillong. These unit costs vary considerably between districts. In certain instances a lump sum allocations have been computed so as to give flexibility in procurement or for the implementation of such activity/task. *These are therefore, subject to changes and revision at the time of preparing annual work plan and budgets (AWPB).*

II. PROJECT COMPONENT COSTS

A. Project Component Costs

9 Project investments are re-organized into FIVE major components as detailed in Table 2 above. Total Project Costs at Appraisal and MTR are shown in Table-3 below. All expenditures and project costs are incurred in local currency unit.

Table-3: Comparison of Project Component Costs at Appraisal and MTR
(Amount in million INR)

Project Component	Appraisal	MTR
1. Capacity building of community and other stakeholders	177.32	195.20
2. Economic livelihoods activities	792.25	721.70
3. Social and community infrastructure	385.87	392.10
4. Community-based biodiversity conservation	56.35	53.40
5. Project management	445.95	361.20
Total amount in million INR	<u>1857.74</u>	<u>1723.6</u>
Total amount in 000 USD	41.28	32.95

The Aggregate Project Cost Summary is presented in [Appendix-1](#) and the Detailed cost Tables are presented in [Appendix-2](#).

B. Project Component Costs by Expenditure Category

10 Project Costs by Expenditure Categories are presented in [Appendix 1](#). Village Development Fund category represents the single largest Project expenditure category at (46%) of the total Project costs, followed by incremental O&M cost (21%), revolving fund (21%) incremental operating costs (21%) and capacity building, training and technical assistance (12%). Expenditure accounts are presented in [Appendix 1](#).

D. Project Component Costs by Disbursement Category

11 Disbursement accounts, derived from the expenditure accounts described above, provide the basis for determining the financing plan for the Project. Disbursement accounts and the financing rules for all financiers are presented in [Appendix 1](#).

III. PROJECT COMPONENT FINANCING

12 The financiers for the Project are IFAD, Government of India through NEC and the project beneficiaries. The default financing rules adopted for each of the disbursement accounts is summarised in Table below.

Table-4 Financing Plan by Component

India
NERCORMP- II MTR
Disbursement Accounts by Financiers

(USD '000)										
	GOI/NEC		IFAD		Community		Total		Local (Excl. Taxes)	Duties & Taxes
	Amount	%	Amount	%	Amount	%	Amount	%		
1. TA, CS & Training	1,465	37.1	2,483	62.9	-	-	3,948	12.0	3,940	8
2. Revolving fund	1,380	20.0	5,522	80.0	-	-	6,902	20.9	6,902	-
3. Village Development Fund	1,554	10.3	12,129	80.0	1,472	9.7	15,154	46.0	15,154	-
4. Vehicles & equipment	258	100.0	-	-	-	-	258	0.8	177	81
5. Incremental O&M costs	6,694	100.0	-	-	-	-	6,694	20.3	6,172	522
Total PROJECT COSTS	11,351	34.4	20,133	61.1	1,472	4.5	32,956	100.0	32,344	612

When the financing rules outlined above are applied, IFAD will finance 61%, and the government 34.4%, which includes duties and taxes and the project beneficiaries and communities about 4.5%.

A. Procurement Procedures

13 Procurement of goods and services financed by the IFAD loan are carried out in accordance with IFAD Procurement Guidelines. There is no procurement package in the project suitable for International Competitive Bidding Procedures. Procurement of all contracts financed by the project will follow the IFAD procurement guidelines. Whenever possible, items will be bulked into sizeable bid packages to make procurement more cost-effective.

14 The PSU procured the vehicles and equipment at the project start up. At the instance of the PSU, the DSTs procured the NGO services. The procurement of all other goods and services financed by the IFAD loan is the responsibility of the PSU or the implementing agencies. All material inputs that are required for demonstrations and training are procured using the community procurement procedure.

B. Accounts and Audit

15 **Accounts:** The PSU maintains appropriate financial records and accounts in accordance with the Financial Regulation of NERCRM Society as approved by IFAD and amended from time to time. These accounts will follow generally accepted accounting practices and will reflect the progress of the project and identify its resources, operations and expenditures. The project accounts are maintained separately from any routine budget account or other externally funded project account. The PSU consolidate the project accounts and submit annual financial statements of project expenditures for each fiscal year to IFAD.

16 **Audit:** The PSU appoints independent external auditor (an audit firm) acceptable to IFAD to audit the project accounts, including the IFAD and government contribution to the project in accordance with International Standards on Auditing. The PSU maintains a panel of auditors recruited using approved procedures.

C. Flow of Funds

17 Funds from the IFAD loan flows from the Loan Account at IFAD to a Special Account maintained in USD operated by the MoF, GoI. From MoF, the funds are transferred to DoNER and to NEC and to NERCRM Society. On request from the PSU and in accordance with approved project AWPBs, DoNER advances the IFAD loan funds to NEC. Funds from the project accounts finance the activities included in approved AWPB, executed under contracts between PSU and all other eligible parties and other agencies. The respective DSTs have their District project account. Each assisted SHG; NaRM-G have their bank accounts.

IV. ADJUSTMENTS TO PROJECT DESIGN AT MTR

88. The key design changes recommended at MTR are

- a) Extending contracts for all 30 PNGOs till project completion, including training of Community Resource Persons, lead farmers for effective technology support and extension; (ii)
- b) All sub-components under Component 2, except revolving fund to be merged to ensure greater flexibility during implementation;
- c) Revolving Fund will be a separate sub-component of Component 2 and allocations to revolving fund is called down
- d) Components 3 and 4 to be merged (v) sub-components (a) and (b) under Component 5 to be merged
- e) Reallocating civil works category to the VDF category;
- f) Adding more interventions under social and community infrastructure but dropping electricity transmission lines, wind-mills, etc. and
- g) Updating unit costs and enhancing global unit costs for non-farm sector and other IGAs.
- h) Excluding price contingencies as the PSU has been passing on funds based on unit costs
- i) Following amendments to the Financing Agreement may be needed:
- j) Category (I) Civil Works to be merged with Category (IV) Village Development Fund.

Clause 1 (b) of Schedule 2 to be modified to read: "Revolving Funds" means eligible expenditures for grants to NaRM-Gs and SHGs for onlending to SHGs for economic livelihood activities.

Proposed reallocations: Suggested reallocations of Loan Proceeds at MTR: The Table below sets forth the Categories of Eligible Expenditures to be financed by IFAD Loan and the reallocation of the amounts of the loans to each category and the percentages of expenditures for items to be financed in each Category.

Table-5 : Summary Details of Loan Reallocations and Disbursement at MTR

Category	Loan Amount Allocated (expressed in SDR)	Loan Amount Reallocated at MTR (expressed in SDR)	Percentage of Eligible Expenditures to be financed by IFAD	Cumulative disbursement c/ as on 31/12/2012 (expressed in SDR)
I Civil Works	1,250,000	0	100% net of taxes, of government and beneficiaries contributions	0
II. Training, Technical Assistance and Consultants	1,300,000	1,553,500	100% net of taxes	219,940
III. Revolving Funds a/	4,250,000	3,455,800	100% net of taxes, of government contributions and of contributions from Financial Institutions	1,987,791
IV Village Development Funds b/	4,540,000	7,590,700	100% net of taxes and of Government contributions	2,032,726
Unallocated	1,260,000	0		0
Total	12,600,000	12,600,000		4,867,920

a/ "Revolving Funds" means eligible expenditures for GRANTS to NaRM-Gs and SHGs for onlending to SHGs for economic livelihood activities; and

b/ "Village Development Funds" means eligible expenditures for grants to NaRM-Gs for economic livelihood activities, social sector activities, village roads and rural electrification;

c/ Including the initial deposit of SDR 627,463 to the designated account

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1 APPENDIX 1: AGGREGATE PROJECT COSTS

List of Tables

- 1. Component Project Cost Summary**
- 2. Procurement Arrangements by Procurement Methods**
- 3. Procurement Accounts by Year**
- 4. Procurement Accounts by financiers**
- 5. Disbursement Accounts by Financiers**
- 6. Expenditure Accounts by Financiers**
- 7. Expenditure Accounts Project Cost Summary**
- 8. Project costs summary**
- 9. Project Components by Year**
- 10. Components by financiers**
- 11. Expenditure Accounts by Year**

India NERCORMP- II MTR Components Project Cost Summary		(INR '000)	(USD '000)	% Total Base Costs
		Total	Total	
A. Capacity Building				
1. Stakeholders Capacity Building		55,387	1,231	3
2. Facilitating NGO Cost		139,772	3,106	8
Subtotal Capacity Building		195,159	4,337	11
B. Economic Livelihood Activities				
1. Livelihoods enhancement		371,691	8,260	22
2. Revolving Fund support		350,000	7,778	20
Subtotal Economic Livelihood Activities		721,691	16,038	42
C. Community Infrastructure Facilities				
1. Drinking Water, health, sanitation		392,088	8,713	23
Subtotal Community Infrastructure Facilities		392,088	8,713	23
D. Bio-diversity conservation				
1. Bio-diversity conservation		40,612	902	2
3. Knowledge management & Communication		12,822	285	1
Subtotal Bio-diversity conservation		53,434	1,187	3
E. Project Management				
1. Programme Support Unit		101,370	2,253	6
2. Development Support Teams		259,822	5,774	15
Subtotal Project Management		361,191	8,026	21
Total BASELINE COSTS		1,723,564	38,301	100

India
NERCORMP- II MTR
Procurement Arrangements
(INR '000)

	Procurement Method					N.B.F.	Total
	Consulting Services	Local Shopping	Force Account	Community Participation in Procurement	Financial Intermediaries		
A. Equipment	-	420 (378)	-	-	-	12,340	12,760 (378)
B. Training	-	-	760 (740)	-	-	-	760 (740)
C. Capacity Building	-	167,779 (119,592)	3,000 (3,000)	29,972 (3,000)	-	-	200,751 (125,592)
D. Community Labour	-	-	-	-	-	-	-
E. Materials	-	-	-	-	-	-	-
F. Technical Assistance	-	-	-	34,044 (27,535)	-	-	34,044 (27,535)
G. Consultant Services	6,050 (5,848)	-	-	-	-	-	6,050 (5,848)
H. Village Development Fund	-	-	-	770,347 (616,278)	-	-	770,347 (616,278)
I. Revolving Fund	-	-	-	-	350,000 (280,000)	-	350,000 (280,000)
J. Operating cost /a	-	-	-	-	-	348,851	348,851
Total	6,050 (5,848)	168,199 (119,970)	3,760 (3,740)	834,364 (646,813)	350,000 (280,000)	361,191 -	1,723,564 (1,056,370)

Note: Figures in parenthesis are the respective amounts financed by IFAD
/a Incremental operating cost

India
NERCORMP- II MTR
Procurement Accounts by Years
(INR '000)

	Totals Including Contingencies							Total
	10/11	11/12	12/13	13/14	14/15	15/16	16/17	
1. Equipment	7,540	420	4,800	-	-	-	-	12,760
2. Training	260	60	260	60	60	60	-	760
3. Capacity Building	21,962	28,243	26,814	38,454	41,804	38,648	4,825	200,751
6. Technical Assistance	3,608	4,598	6,769	10,027	6,576	2,466	-	34,044
7. Consultant Services	1,000	1,300	-	-	1,000	2,750	-	6,050
8. Village Development Fund	40,214	117,489	181,917	207,854	149,197	73,676	-	770,347
9. Revolving Fund	78,380	110,338	30,630	59,326	63,326	8,000	-	350,000
10. Operating cost /a	53,643	53,643	53,643	53,643	53,643	53,643	26,992	348,851
Total	206,608	316,091	304,833	369,365	315,606	179,244	31,817	1,723,564

\a Incremental operating cost

India
NERCORMP- II MTR
Procurement Accounts by Financiers

	(INR '000)										
	GOI/NEC		IFAD		Community		Total		For. Exch.	Local (Excl. Taxes)	Duties & Taxes
	Amount	%	Amount	%	Amount	%	Amount	%			
1. Equipment	12,382	97.0	378	3.0	-	-	12,760	0.7	-	8,798	3,962
2. Training	20	2.6	740	97.4	-	-	760	-	-	740	20
3. Capacity Building	75,160	37.4	125,592	62.6	-	-	200,751	11.6	-	200,564	188
6. Technical Assistance	3,254	9.6	27,535	80.9	3,254	9.6	34,044	2.0	-	34,044	-
7. Consultant Services	203	3.3	5,848	96.7	-	-	6,050	0.4	-	5,848	203
8. Village Development Fund	79,185	10.3	616,278	80.0	74,885	9.7	770,347	44.7	-	770,347	-
9. Revolving Fund	70,000	20.0	280,000	80.0	-	-	350,000	20.3	-	350,000	-
10. Operating cost /a	348,851	100.0	-	-	-	-	348,851	20.2	-	321,644	27,208
Total PROJECT COSTS	589,055	34.2	1,056,370	61.3	78,139	4.5	1,723,564	100.0	-	1,691,985	31,580

	(USD '000)										
	GOI/NEC		IFAD		Community		Total		For. Exch.	Local (Excl. Taxes)	Duties & Taxes
	Amount	%	Amount	%	Amount	%	Amount	%			
1. Equipment											
2. Training	259	97.2	8	2.8	-	-	267	0.8	-	184	82
3. Capacity Building	0	2.7	15	97.3	-	-	15	-	-	15	0
6. Technical Assistance	1,460	38.3	2,348	61.7	-	-	3,809	11.6	-	3,805	3
7. Consultant Services	62	9.6	523	80.9	62	9.6	647	2.0	-	647	-
8. Village Development Fund	4	3.2	113	96.8	-	-	116	0.4	-	113	4
9. Revolving Fund	1,492	10.3	11,606	80.0	1,410	9.7	14,507	44.0	-	14,507	-
10. Operating cost /a	1,380	20.0	5,522	80.0	-	-	6,902	20.9	-	6,902	-
Total PROJECT COSTS	6,694	100.0	-	-	-	-	6,694	20.3	-	6,172	522
	11,351	34.4	20,133	61.1	1,472	4.5	32,956	100.0	-	32,344	612

\a Incremental operating cost

India
NERCORMP- II MTR
Disbursement Accounts by Financiers

	(USD '000)									
	GOI/NEC		IFAD		Community		Total		Local (Excl. Taxes)	Duties & Taxes
	Amount	%	Amount	%	Amount	%	Amount	%		
1. TA, CS & Training	1,465	37.1	2,483	62.9	-	-	3,948	12.0	3,940	8
2. Revolving fund	1,380	20.0	5,522	80.0	-	-	6,902	20.9	6,902	-
3. Village Development Fund	1,554	10.3	12,129	80.0	1,472	9.7	15,154	46.0	15,154	-
4. Vehicles & equipment	258	100.0	-	-	-	-	258	0.8	177	81
5. Incrementaal O&M costs	6,694	100.0	-	-	-	-	6,694	20.3	6,172	522
Total PROJECT COSTS	11,351	34.4	20,133	61.1	1,472	4.5	32,956	100.0	32,344	612

India
NERCORMP- II MTR
Expenditure Accounts by Financiers

Expenditure Accounts by Financiers	(INR '000)										
	GOI/NEC		IFAD		Community		Total		For. Exch.	Local (Excl. Taxes)	Duties & Taxes
	Amount	%	Amount	%	Amount	%	Amount	%			
I. Investment Costs											
A. Equipment	12,382	97.0	378	3.0	-	-	12,760	0.7	-	8,798	3,962
B. Training	3,424	7.5	38,877	85.3	3,254	7.1	45,556	2.6	-	45,386	170
D. Capacity Building	75,002	39.4	115,347	60.6	-	-	190,349	11.0	-	190,319	30
E. Technical Assistance	210	5.0	3,990	95.0	-	-	4,200	0.2	-	3,990	210
G. Village Development Funds	149,185	13.3	897,778	80.0	74,885	6.7	1,121,847	65.1	-	1,121,847	-
Total Investment Costs	240,204	17.5	1,056,370	76.8	78,139	5.7	1,374,713	79.8	-	1,370,341	4,372
II. Recurrent Costs											
A. Incremental O&M	348,851	100.0	-	-	-	-	348,851	20.2	-	321,644	27,208
Total Recurrent Costs	348,851	100.0	-	-	-	-	348,851	20.2	-	321,644	27,208
Total PROJECT COSTS	589,055	34.2	1,056,370	61.3	78,139	4.5	1,723,564	100.0	-	1,691,985	31,580

	(USD '000)										
	GOI/NEC		IFAD		Community		Total		For. Exch.	Local (Excl. Taxes)	Duties & Taxes
	Amount	%	Amount	%	Amount	%	Amount	%			
I. Investment Costs											
A. Equipment	259	97.2	8	2.8	-	-	267	0.8	-	184	82
B. Training	65	7.5	736	85.3	62	7.2	863	2.6	-	860	3
D. Capacity Building	1,457	40.3	2,161	59.7	-	-	3,618	11.0	-	3,618	1
E. Technical Assistance	4	5.0	74	95.0	-	-	78	0.2	-	74	4
G. Village Development Funds	2,872	13.4	17,155	80.0	1,410	6.6	21,437	65.0	-	21,437	-
Total Investment Costs	4,657	17.7	20,133	76.7	1,472	5.6	26,262	79.7	-	26,172	90
II. Recurrent Costs											
A. Incremental O&M	6,694	100.0	-	-	-	-	6,694	20.3	-	6,172	522
Total Recurrent Costs	6,694	100.0	-	-	-	-	6,694	20.3	-	6,172	522
Total PROJECT COSTS	11,351	34.4	20,133	61.1	1,472	4.5	32,956	100.0	-	32,344	612

India								
NERCORMP- II MTR								
Expenditure Accounts Project Cost Summ	(INR '000)			(USD '000)			%	% Total
	Local	Foreign	Total	Local	Foreign	Total	Foreign Exchange	Base Costs
I. Investment Costs								
A. Equipment	12,760	-	12,760	284	-	284	-	1
B. Training	45,556	-	45,556	1,012	-	1,012	-	3
D. Capacity Building	190,349	-	190,349	4,230	-	4,230	-	11
E. Technical Assistance	4,200	-	4,200	93	-	93	-	-
G. Village Development Funds	1,121,847	-	1,121,847	24,930	-	24,930	-	65
Total Investment Costs	1,374,713	-	1,374,713	30,549	-	30,549	-	80
II. Recurrent Costs								
A. Incremental O&M	348,851	-	348,851	7,752	-	7,752	-	20
Total Recurrent Costs	348,851	-	348,851	7,752	-	7,752	-	20
Total BASELINE COSTS	1,723,564	-	1,723,564	38,301	-	38,301	-	100

India
NERCORMP- II MTR
Project Cost Summary
(USD '000)

	Cost Including Contingencies	% of Total	IFAD Financing	% Financing
A. Capacity Building				
1. Stakeholders Capacity Building	1,073	3.3	1,068	99.5
2. Facilitating NGO Cost	2,635	8.0	1,178	44.7
Subtotal Capacity Building	3,708	11.3	2,247	60.6
B. Economic Livelihood Activities				
1. Livelihoods enhancement	7,007	21.3	5,606	80.0
2. Revolving Fund support	6,902	20.9	5,522	80.0
Subtotal Economic Livelihood Activities	13,909	42.2	11,127	80.0
C. Community Infrastructure Facilities				
1. Drinking Water, health, sanitation	7,374	22.4	5,899	80.0
Subtotal Community Infrastructure Facilities	7,374	22.4	5,899	80.0
D. Bio-diversity conservation				
1. Bio-diversity conservation	772	2.3	623	80.7
3. Knowledge management & Communication	240	0.7	237	98.5
Subtotal Bio-diversity conservation	1,013	3.1	860	84.9
E. Project Management				
1. Programme Support Unit	1,943	5.9	-	-
2. Development Support Teams	5,009	15.2	-	-
Subtotal Project Management	6,952	21.1	-	-
Total PROJECT COSTS	32,956	100.0	20,133	61.1

India
North Eastern Region Community Resource Management Project for Upland Areas (794-IN)
Supervision report (Mid-Term Review) - Mission dates: 22-Apr-2013 to 10-May-2013

India
NERCORMP- II MTR
Project Components by Year

Project Components by Year	Base Cost (INR '000)							Base Cost (USD '000)								
	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total
A. Capacity Building																
1. Stakeholders Capacity Building	10,852	9,721	6,892	6,926	11,476	9,520	-	55,387	241	216	153	154	255	212	-	1,231
2. Facilitating NGO Cost	12,000	18,000	18,000	29,306	29,306	29,306	3,853	139,772	267	400	400	651	651	651	86	3,106
Subtotal Capacity Building	22,852	27,721	24,892	36,232	40,782	38,826	3,853	195,159	508	616	553	805	906	863	86	4,337
B. Economic Livelihood Activities																
1. Livelihoods enhancement	24,740	56,219	68,400	94,958	80,707	46,668	-	371,691	550	1,249	1,520	2,110	1,793	1,037	-	8,260
2. Revolving Fund support	78,380	110,338	30,630	59,326	63,326	8,000	-	350,000	1,742	2,452	681	1,318	1,407	178	-	7,778
Subtotal Economic Livelihood Activities	103,120	166,557	99,030	154,284	144,033	54,668	-	721,691	2,292	3,701	2,201	3,429	3,201	1,215	-	16,038
C. Community Infrastructure Facilities																
1. Drinking Water, health, sanitation	14,605	60,087	112,333	111,115	67,381	26,568	-	392,088	325	1,335	2,496	2,469	1,497	590	-	8,713
Subtotal Community Infrastructure Facilities	14,605	60,087	112,333	111,115	67,381	26,568	-	392,088	325	1,335	2,496	2,469	1,497	590	-	8,713
D. Bio-diversity conservation																
1. Bio-diversity conservation	4,478	5,781	7,953	11,809	7,685	2,907	-	40,612	100	128	177	262	171	65	-	902
3. Knowledge management & Communication	370	2,302	2,182	2,282	2,082	2,632	972	12,822	8	51	48	51	46	58	22	285
Subtotal Bio-diversity conservation	4,848	8,083	10,135	14,091	9,767	5,539	972	53,434	108	180	225	313	217	123	22	1,187
E. Project Management																
1. Programme Support Unit	15,853	14,253	14,253	14,253	14,253	14,253	14,253	101,370	352	317	317	317	317	317	317	2,253
2. Development Support Teams	45,330	39,390	44,190	39,390	39,390	39,390	12,739	259,822	1,007	875	982	875	875	875	283	5,774
Subtotal Project Management	61,183	53,643	58,443	53,643	53,643	53,643	26,992	361,191	1,360	1,192	1,299	1,192	1,192	1,192	600	8,026
Total BASELINE COSTS	206,608	316,091	304,833	369,365	315,606	179,244	31,817	1,723,564	4,591	7,024	6,774	8,208	7,013	3,983	707	38,301

India
North Eastern Region Community Resource Management Project for Upland Areas (794-IN)
Supervision report (Mid-Term Review) - Mission dates: 22-Apr-2013 to 10-May-2013

India										(USD '000)													
NERCORMP- II MTR																							
Components by Financiers																							
(INR '000)																							
GOI/NEC		IFAD		Community		Total		Local (Excl. Taxes)		Duties & Taxes		GOI/NEC		IFAD		Community		Total		Local (Excl. Taxes)		Duties & Taxes	
Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
A. Capacity Building																							
1. Stakeholders Capacity Building		260	0.5	55,127	99.5	-	-	55,387	3.2	55,127	260	5	0.5	1,068	99.5	-	-	1,073	3.3	1,068	5	-	-
2. Facilitating NGO Cost		74,972	53.6	64,800	46.4	-	-	139,772	8.1	139,772	-	1,457	55.3	1,178	44.7	-	-	2,635	8.0	2,635	-	-	-
Subtotal Capacity Building		75,232	38.5	119,927	61.5	-	-	195,159	11.3	194,899	260	1,462	39.4	2,247	60.6	-	-	3,708	11.3	3,703	5	-	-
B. Economic Livelihood Activities																							
1. Livelihoods enhancement		39,319	10.6	297,353	80.0	35,019	9.4	371,691	21.6	371,691	-	742	10.6	5,606	80.0	660	9.4	7,007	21.3	7,007	-	-	-
2. Revolving Fund support		70,000	20.0	280,000	80.0	-	-	350,000	20.3	350,000	-	1,380	20.0	5,522	80.0	-	-	6,902	20.9	6,902	-	-	-
Subtotal Economic Livelihood Activities		109,319	15.1	577,353	80.0	35,019	4.9	721,691	41.9	721,691	-	2,122	15.3	11,127	80.0	660	4.7	13,909	42.2	13,909	-	-	-
C. Community Infrastructure Facilities																							
1. Drinking Water, health, sanitation		39,209	10.0	313,670	80.0	39,209	10.0	392,088	22.7	392,088	-	737	10.0	5,899	80.0	737	10.0	7,374	22.4	7,374	-	-	-
D. Bio-diversity conservation																							
1. Bio-diversity conservation		3,911	9.6	32,790	80.7	3,911	9.6	40,612	2.4	40,612	-	74	9.6	623	80.7	74	9.6	772	2.3	772	-	-	-
3. Knowledge management & Communication		192	1.5	12,630	98.5	-	-	12,822	0.7	12,630	192	4	1.5	237	98.5	-	-	240	0.7	237	4	-	-
Subtotal Bio-diversity conservation		4,103	7.7	45,420	85.0	3,911	7.3	53,434	3.1	53,242	192	78	7.7	860	84.9	74	7.4	1,013	3.1	1,009	4	-	-
E. Project Management																							
1. Programme Support Unit		101,370	100.0	-	-	-	-	101,370	5.9	90,392	10,978	1,943	100.0	-	-	-	-	1,943	5.9	1,731	212	-	-
2. Development Support Teams		259,822	100.0	-	-	-	-	259,822	15.1	239,672	20,150	5,009	100.0	-	-	-	-	5,009	15.2	4,617	392	-	-
Subtotal Project Management		361,191	100.0	-	-	-	-	361,191	21.0	330,064	31,128	6,952	100.0	-	-	-	-	6,952	21.1	6,349	603	-	-
Total PROJECT COSTS		589,055	34.2	1,056,370	61.3	78,139	4.5	1,723,564	100.0	1,691,985	31,580	11,351	34.4	20,133	61.1	1,472	4.5	32,956	100.0	32,344	612	-	-

India
NERCORMP- II MTR
Expenditure Accounts by Years

Expenditure Accounts by Years	Totals Including Contingencies (INR '000)							
	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total
I. Investment Costs								
A. Equipment	7,540	420	4,800	-	-	-	-	12,760
B. Training	4,213	6,515	8,686	11,844	8,193	5,133	972	45,556
D. Capacity Building	22,367	27,686	24,407	36,197	39,747	36,091	3,853	190,349
E. Technical Assistance	250	-	250	-	1,000	2,700	-	4,200
G. Village Development Funds	118,594	227,827	213,047	267,680	213,023	81,676	-	1,121,847
Total Investment Costs	152,965	262,448	251,190	315,722	261,963	125,601	4,825	1,374,713
II. Recurrent Costs								
A. Incremental O&M	53,643	53,643	53,643	53,643	53,643	53,643	26,992	348,851
Total Recurrent Costs	53,643	53,643	53,643	53,643	53,643	53,643	26,992	348,851
Total PROJECT COSTS	206,608	316,091	304,833	369,365	315,606	179,244	31,817	1,723,564

	Totals Including Contingencies (USD '000)							
	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total
I. Investment Costs								
A. Equipment	168	8	91	-	-	-	-	267
B. Training	94	130	164	215	149	93	18	863
D. Capacity Building	497	554	461	658	723	656	70	3,618
E. Technical Assistance	6	-	5	-	18	49	-	78
G. Village Development Funds	2,635	4,557	4,020	4,867	3,873	1,485	-	21,437
Total Investment Costs	3,399	5,249	4,739	5,740	4,763	2,284	88	26,262
II. Recurrent Costs								
A. Incremental O&M	1,192	1,073	1,012	975	975	975	491	6,694
Total Recurrent Costs	1,192	1,073	1,012	975	975	975	491	6,694
Total PROJECT COSTS	4,591	6,322	5,752	6,716	5,738	3,259	578	32,956

APPENDIX 2: Detailed Cost Tables

Table-1	Component 1A: Stakeholders Capacity Building
Table-2	Component 1 B: Support to NGOs
Table-3	Component 2 A: Livelihoods Enhancement
Table-4	Component 2 B: Revolving Fund
Table-5	Component 3: Social/Community infrastructure
Table-6	Component 4A: Bio-diversity Conservation & Forestry development
Table-7	Component 4 B: Knowledge Management & Communication
Table-8	Component 5 A: Project Support Unit
Table-9	Component 5 B: District Support Teams

Table 1: Component 1 A: Stakeholders Capacity Building

		Quantities								Unit Cost		Base Cost (INR '000)								Other Accounts	
		Unit	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total	(INR)	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total	Disb. Acct.	Fin. Rule
I. Investment Costs																					
A. Regional Society																					
1. Finance & Accounts																					
Staff training	training	1	1	1	1	1	1	1	-	6	35,000	35	35	35	35	35	35	-	210	CAB_DA	IFAD (100%)
Quarterly review	training	4	4	4	4	4	4	4	-	24	10,000	40	40	40	40	40	40	-	240	CAB_DA	IFAD (100%)
Outstation training	training	1	-	1	-	1	-	-	-	3	120,000	120	-	120	-	120	-	-	360	CAB_DA	IFAD (100%)
Subtotal Finance & Accounts												195	75	195	75	195	75	-	810		
2. Marketing																					
Research studies	study	1	-	1	-	1	-	-	-	3	50,000	50	-	50	-	50	-	-	150	CAB_DA	IFAD (100%)
Inhouse training	training	2	2	2	2	-	-	-	-	8	10,000	20	20	20	20	-	-	-	80	CAB_DA	IFAD (100%)
Outstation training	training	2	1	2	1	1	-	-	-	7	66,000	132	66	132	66	66	-	-	462	CAB_DA	IFAD (100%)
Exposure visits	visits	1	-	1	-	1	-	-	-	3	200,000	200	-	200	-	200	-	-	600	CAB_DA	IFAD (100%)
Subtotal Marketing												402	86	402	86	316	-	-	1,292		
3. Micro-finance																					
Staff training	training	-	1	6	-	6	6	-	-	19	35,000	-	35	210	-	210	210	-	665	CAB_DA	IFAD (100%)
Exposure visits	visit	-	1	-	-	1	-	-	-	2	50,000	-	50	-	-	50	-	-	100	CAB_DA	IFAD (100%)
Workshop on micro-finance	workshop	-	1	-	-	-	1	-	-	2	50,000	-	50	-	-	-	50	-	100	CAB_DA	IFAD (100%)
Impact study	study	-	-	-	1	-	1	-	-	2	250,000	-	-	-	250	-	250	-	500	CAB_DA	IFAD (100%)
Subtotal Micro-finance												-	135	210	250	260	510	-	1,365		
4. Gender aspects																					
Staff training	training	1	1	1	-	-	-	-	-	3	50,000	50	50	50	-	-	-	-	150	CAB_DA	IFAD (100%)
Exposure visit	visit	-	1	-	1	-	-	-	-	2	200,000	-	200	-	200	-	-	-	400	CAB_DA	IFAD (100%)
Gender & NGO workshop	workshop	-	1	-	1	-	-	-	-	2	200,000	-	200	-	200	-	-	-	400	CAB_DA	IFAD (100%)
Impact studies	study	-	-	-	-	1	-	-	-	1	250,000	-	-	-	-	250	-	-	250	CAB_DA	IFAD (100%)
Subtotal Gender aspects												50	450	50	400	250	-	-	1,200		
5. Skill training																					
Masonry training to CBOs	training	-	-	-	3	3	-	-	-	6	100,000	-	-	-	300	300	-	-	600	CAB_DA	IFAD (100%)
Training on renewable energy	training	-	4	-	-	4	-	-	-	8	10,000	-	40	-	-	40	-	-	80	CAB_DA	IFAD (100%)
Skills devt to para professional	training	-	2	-	2	-	-	-	-	4	100,000	-	200	-	200	-	-	-	400	CAB_DA	IFAD (100%)
Training on value addition	training	1	1	1	1	1	1	-	-	6	50,000	50	50	50	50	50	50	-	300	CAB_DA	IFAD (100%)
Subtotal Skill training												50	290	50	550	390	50	-	1,380		
6. Admin & Personnel																					
Project planning & evaluation	training	1	1	1	1	1	1	-	-	6	50,000	50	50	50	50	50	50	-	300	CAB_DA	IFAD (100%)
Organisation & management	training	1	1	1	1	1	1	-	-	6	30,000	30	30	30	30	30	30	-	180	CAB_DA	IFAD (100%)
Proposals & reports preparation	training	-	1	-	1	1	-	-	-	3	100,000	-	100	-	100	100	-	-	300	CAB_DA	IFAD (100%)
Subtotal Admin & Personnel												80	180	80	180	180	80	-	780		
7. Unspecified activities	Lumpsum											-	-	-	-	1,500	1,000	-	2,500	CAB_DA	IFAD (100%)
Subtotal Regional Society												777	1,216	987	1,541	3,091	1,715	-	9,327		
B. District Societies																					
NGO staff training	training	2	2	2	2	2	2	-	-	12	20,000	40	40	40	40	40	40	-	240	CAB_DA	IFAD (100%)
Exposure visits to NGOs	visits	-	2	2	2	-	-	-	-	6	100,000	-	200	200	200	-	-	-	600	CAB_DA	IFAD (100%)
PRA exercises	survey	300	100	-	-	-	-	-	-	400	15,000	4,500	1,500	-	-	-	-	-	6,000	CAB_DA	IFAD (100%)
Group formation & capacity building	training	24	24	24	12	12	-	-	-	96	35,000	840	840	840	420	420	-	-	3,360	CAB_DA	IFAD (100%)
Exposure visits to NRMG & SHG /a	visits	12	12	12	12	12	-	-	-	60	50,000	600	600	600	600	600	-	-	3,000	CAB_DA	IFAD (100%)
Training on market issues	training	-	12	12	12	12	6	-	-	54	20,000	-	240	240	240	240	120	-	1,080	CAB_DA	IFAD (100%)
Training on micro-credit	training	-	12	12	12	12	1	-	-	49	20,000	-	240	240	240	240	20	-	980	CAB_DA	IFAD (100%)
Training on health & sanitation	training	12	12	12	12	12	6	-	-	66	20,000	240	240	240	240	240	120	-	1,320	CAB_DA	IFAD (100%)
Unspecified /b	Lumpsum											-	-	-	-	2,500	2,000	-	4,500	CAB_DA	IFAD (100%)
Subtotal District Societies												6,220	3,900	2,400	1,980	4,280	2,300	-	21,080		

Continued Table 1: Component 1 A: Stakeholders Capacity Building

India
North Eastern Region Community Resource Management Project for Upland Areas (794-IN)
Supervision report (Mid-Term Review) - Mission dates: 22-Apr-2013 to 10-May-2013

India
NERCORMP- II MTR
Table 1. Component 1 A: Stakeholders Capacity Building
Detailed Costs

Detailed Costs																					Other Accounts	
	Unit	Quantities							Total	Unit Cost (INR)	Base Cost (INR '000)							Total	Disb.			
		10/11	11/12	12/13	13/14	14/15	15/16	16/17			10/11	11/12	12/13	13/14	14/15	15/16	16/17		Acct.	Fin. Rule		
I. Investment Costs																						
C. NRM Training																						
1. Regional Society Budget																						
General awareness	Training	1	1	1	1	1	1	1	-	6	20,000	20	20	20	20	20	-	120	CAB_DA	IFAD (100%)		
Entrepreneurship devt	training	1	1	1	1	1	1	1	-	6	35,000	35	35	35	35	35	-	210	CAB_DA	IFAD (100%)		
Skills development	training	1	1	1	1	1	1	1	-	6	35,000	35	35	35	35	35	-	210	CAB_DA	IFAD (100%)		
Horticulture training	training	1	1	1	1	1	1	1	-	6	20,000	20	20	20	20	20	-	120	CAB_DA	IFAD (100%)		
MAP training /c	training	1	1	1	1	1	1	1	-	6	20,000	20	20	20	20	20	-	120	CAB_DA	IFAD (100%)		
Animal husbandry & dairy	training	1	1	1	1	1	1	1	-	6	35,000	35	35	35	35	35	-	210	CAB_DA	IFAD (100%)		
Sericulture	training	1	1	1	1	1	1	1	-	6	20,000	20	20	20	20	20	-	120	CAB_DA	IFAD (100%)		
KVIC training	training	1	1	1	1	1	1	1	-	6	35,000	35	35	35	35	35	-	210	CAB_DA	IFAD (100%)		
Fishery	training	1	1	1	1	1	1	1	-	6	20,000	20	20	20	20	20	-	120	CAB_DA	IFAD (100%)		
Non-farm sector	training	1	1	1	1	1	1	1	-	6	30,000	30	30	30	30	30	-	180	CAB_DA	IFAD (100%)		
Exposure visits	visits	-	1	-	1	-	-	-	-	2	300,000	-	300	-	300	-	-	600	CAB_DA	IFAD (100%)		
Subtotal Regional Society Budget												270	570	270	570	270	270	-	2,220			
2. District Society Budgets																						
General awareness camp	Training	6	6	6	6	6	6	6	-	36	20,000	120	120	120	120	120	-	720	CAB_DA	IFAD (100%)		
Entrepreneurship devt	training	6	6	6	6	6	6	6	-	36	40,000	240	240	240	240	240	-	1,440	CAB_DA	IFAD (100%)		
Skills development	training	6	6	6	6	6	6	6	-	36	40,000	240	240	240	240	240	-	1,440	CAB_DA	IFAD (100%)		
Horticulture activities	training	6	6	6	6	6	6	6	-	36	20,000	120	120	120	120	120	-	720	CAB_DA	IFAD (100%)		
MAP training /d	training	6	6	6	6	6	6	6	-	36	20,000	120	120	120	120	120	-	720	CAB_DA	IFAD (100%)		
Animal husbandry & dairy	training	6	6	6	6	6	6	6	-	36	40,000	240	240	240	240	240	-	1,440	CAB_DA	IFAD (100%)		
Sericulture	training	6	6	6	6	6	6	6	-	36	20,000	120	120	120	120	120	-	720	CAB_DA	IFAD (100%)		
KVIC training	training	6	6	6	6	6	6	6	-	36	40,000	240	240	240	240	240	-	1,440	CAB_DA	IFAD (100%)		
Fishery	training	6	6	6	6	6	6	6	-	36	20,000	120	120	120	120	120	-	720	CAB_DA	IFAD (100%)		
Non-farm sector	training	16	16	16	16	16	16	16	-	96	30,000	480	480	480	480	480	-	2,880	CAB_DA	IFAD (100%)		
Exposure visits	visits	-	4	4	4	4	-	-	-	16	150,000	-	600	600	600	-	-	2,400	CAB_DA	IFAD (100%)		
Subtotal District Society Budgets												2,040	2,640	2,640	2,640	2,640	2,040	-	14,640			
Subtotal NRM Training												2,310	3,210	2,910	3,210	2,910	2,310	-	16,860			
D. Monitoring & Evaluation																						
1. Monitoring & Evaluation																						
Training on M&E	training	1	1	1	1	1	1	1	-	6	35,000	35	35	35	35	35	-	210	CAB_DA	IFAD (100%)		
M&E system management	System	-	-	-	1	1	1	-	-	3	50,000	-	-	-	50	50	-	150	CAB_DA	IFAD (100%)		
Training on RIMS & baseline	training	1	-	1	-	-	1	-	-	3	250,000	250	-	250	-	250	-	750	CAB_DA	IFAD (100%)		
RIMS survey	survey	-	1	-	-	-	-	1	-	2	300,000	-	300	-	-	300	-	600	CAB_DA	IFAD (100%)		
Quarterly review meeting	meeting	4	4	4	4	4	4	-	-	24	15,000	60	60	60	60	60	-	360	CAB_DA	IFAD (100%)		
Exposure visits	visits	1	-	1	-	-	-	-	-	2	200,000	200	-	200	-	-	-	400	CAB_DA	IFAD (100%)		
Baseline survey	survey	1	1	-	-	-	-	-	-	2	1,000,000	1,000	1,000	-	-	-	-	2,000	CAB_DA	IFAD (100%)		
Annual Outcome Surveys	Year	-	-	1	1	1	1	-	-	4	50,000	-	-	50	50	50	-	200	CAB_DA	IFAD (100%)		
Studies /e	survey	-	-	-	-	1	-	-	-	1	1,000,000	-	-	-	1,000	-	-	1,000	CAB_DA	IFAD (100%)		
Endline survey	survey	-	-	-	-	-	1	-	-	1	1,200,000	-	-	-	-	1,200	-	1,200	CAB_DA	IFAD (100%)		
Project completion report	survey	-	-	-	-	-	1	-	-	1	1,250,000	-	-	-	-	1,250	-	1,250	CAB_DA	IFAD (100%)		
Subtotal Monitoring & Evaluation												1,545	1,395	595	195	1,195	3,195	-	8,120			
Total												10,852	9,721	6,892	6,926	11,476	9,520	-	55,387			

1a inter-village and inter-state visits
1b To cover any unspecified activities
1c MAP, medicinal and aromatic plants
1d MAP, Medicinal and aromatic plants
1e Unspecified

Table 2: Component 1 B: Support to NGOs

India
NERCORMP- II MTR

Table 2. Component 1 B: Support to NGOs

Detailed Costs

Detailed Costs																	Other Accounts			
Unit	Quantities								Unit Cost (INR)	Base Cost (INR '000)								Disb. Acct.	Fin. Rule	
	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total		10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total			
I. Investment Costs																				
A. Govt/NEC support																				
Support to NGOs /a	year										12,000	18,000	18,000	-	-	-	-	48,000	CAB_DA	Govt
Village Community Organisers /b	village	-	-	-	494	494	494	247	1,729	15,600	-	-	-	7,706	7,706	7,706	3,853	26,972	CAB_DA	Govt
Subtotal Govt/NEC support																				
											12,000	18,000	18,000	7,706	7,706	7,706	3,853	74,972		
B. IFAD support																				
Support to NGOs/post MTR /c	NGO unit	-	-	-	30	30	30	-	90	720,000	-	-	-	21,600	21,600	21,600	-	64,800	CAB_DA	IFAD (100%)
Total											12,000	18,000	18,000	29,306	29,306	29,306	3,853	139,772		

/a Each NGO unit will cover about 400 HH; Each unit receives 100% support for first 3 year

/b 2 VCOs per NaRMG; one each for SHG & NRM; honorarium INR 600/month/VCO and rest for travel and meeting expenditure

Funds released through NaRMGs

Selection of VCOs by NaRMGs facilitated by NGOs

/c Payment to NGO enhanced by 20% from April 2013; financing rule 100% IFAD

NGOs services retained till project completion

Table-3: Component 2 A: Livelihoods Enhancement

India
NERCORMP- II MTR
Table 3. Component-2 A: Livelihoods Enhancement
Detailed Costs

Detailed Costs										Base Cost (INR '000)										Other Accounts	
Unit	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total	(INR)	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total	Disb. Acct.	Fin. Rule		
I. Investment Costs																					
A. Annual crops, Livestock & Fishery																					
Paddy	ha	10	16	16	64	46	32	-	184	30,000	300	480	480	1,920	1,380	960	-	5,520	VDF_DA IFAD (80%), BEN(10%)		
Maize	ha	-	-	57	88	64	44	-	253	21,475	-	-	1,224	1,890	1,374	945	-	5,433	VDF_DA IFAD (80%), BEN(10%)		
Oilseeds & pulses /a	ha	-	40	112	144	106	72	-	474	26,050	-	1,042	2,918	3,751	2,761	1,876	-	12,348	VDF_DA IFAD (80%), BEN(10%)		
Fishery unit /b	ha	21	20	31	40	29	20	-	161	47,730	1,002	955	1,480	1,909	1,384	955	-	7,685	VDF_DA IFAD (80%), BEN(10%)		
Paddy-cum-Fisheries /c	ha	9	15	11	30	22	15	-	102	63,010	567	945	693	1,890	1,386	945	-	6,427	VDF_DA IFAD (80%), BEN(10%)		
Poultry units /d	No	50	58	50	-	-	-	-	158	60,320	3,016	3,499	3,016	-	-	-	-	9,531	VDF_DA IFAD (80%), BEN(10%)		
Dairy units /e	No	5	7	10	14	11	-	-	47	131,300	657	919	1,313	1,838	1,444	-	-	6,171	VDF_DA IFAD (80%), BEN(10%)		
Piggery unit /f	No	150	300	386	-	-	-	-	836	16,530	2,480	4,959	6,381	-	-	-	-	13,819	VDF_DA IFAD (80%), BEN(10%)		
Goatery units /g	No	70	70	64	82	60	-	-	346	22,610	1,583	1,583	1,447	1,854	1,357	-	-	7,823	VDF_DA IFAD (80%), BEN(10%)		
Duck-farming units /h	No	30	30	46	118	86	59	-	369	16,140	484	484	742	1,905	1,388	952	-	5,956	VDF_DA IFAD (80%), BEN(10%)		
Unspecified interventions	Lumpsum	-	-	-	-	-	-	-	-	-	-	-	6,000	5,000	5,000	-	16,000	VDF_DA IFAD (80%), BEN(10%)			
Subtotal Annual crops, Livestock & Fishery										10,088	14,865	19,693	22,957	17,475	11,633	-	96,712				
B. Horticulture crops																					
Kiwi planting /i	ha	-	7	7	15	15	-	-	44	155,020	-	1,085	1,085	2,325	2,325	-	-	6,821	VDF_DA IFAD (80%), BEN(10%)		
Banana /j	ha	5	15	15	15	12	12	-	74	64,580	323	969	969	969	775	775	-	4,779	VDF_DA IFAD (80%), BEN(10%)		
Pine Apple /k	ha	30	30	38	40	40	40	-	218	105,640	3,169	3,169	4,014	4,226	4,226	4,226	-	23,030	VDF_DA IFAD (80%), BEN(10%)		
Grapes /l	ha	-	-	-	15	15	15	-	45	85,820	-	-	-	1,287	1,287	1,287	-	3,862	VDF_DA IFAD (80%), BEN(10%)		
Oranges /m	ha	-	75	82	90	90	90	-	427	32,615	-	2,446	2,674	2,935	2,935	2,935	-	13,927	VDF_DA IFAD (80%), BEN(10%)		
Spices crops /n	ha	-	150	157	150	150	-	-	607	56,570	-	8,486	8,881	8,486	8,486	-	-	34,338	VDF_DA IFAD (80%), BEN(10%)		
Parkia /o	ha	-	34	34	30	30	30	-	158	33,920	-	1,153	1,153	1,018	1,018	1,018	-	5,359	VDF_DA IFAD (80%), BEN(10%)		
Areca nut /p	ha	7	15	15	15	15	15	-	82	57,790	405	867	867	867	867	867	-	4,739	VDF_DA IFAD (80%), BEN(10%)		
Leafy vegetables	ha	6	15	16	17	13	7	-	74	60,830	365	912	973	1,034	791	426	-	4,501	VDF_DA IFAD (80%), BEN(10%)		
Root vegetables /q	ha	6	17	17	17	14	8	-	79	56,670	340	963	963	963	793	453	-	4,477	VDF_DA IFAD (80%), BEN(10%)		
Tea /r	ha	-	3	12	12	12	12	-	51	163,240	-	490	1,959	1,959	1,959	1,959	-	8,325	VDF_DA IFAD (80%), BEN(10%)		
Mushroom	42 kg unit	-	-	3	24	24	24	-	75	51,850	-	-	156	1,244	1,244	1,244	-	3,889	VDF_DA IFAD (80%), BEN(10%)		
Apiculture /s	No	-	-	20	170	150	75	-	415	14,340	-	-	287	2,438	2,151	1,076	-	5,951	VDF_DA IFAD (80%), BEN(10%)		
Vermi-compost /t	No	-	-	-	90	60	40	-	190	13,080	-	-	-	1,177	785	523	-	2,485	VDF_DA IFAD (80%), BEN(10%)		
MAP /u	ha	-	-	2	12	12	12	-	38	162,900	-	-	326	1,955	1,955	1,955	-	6,190	VDF_DA IFAD (80%), BEN(10%)		
Rubber	ha	-	-	30	30	30	30	-	120	57,790	-	-	1,734	1,734	1,734	1,734	-	6,935	VDF_DA IFAD (80%), BEN(10%)		
Subtotal Horticulture crops										4,602	20,540	26,042	34,616	33,330	20,477	-	139,608				

Table-3: Component 2 A: Livelihoods Enhancement

India																				
NERCOMP- II MTR																				
Table 3. Component-2 A: Liveslihoods Enhancement																				
Detailed Costs																				
		Quantities								Unit Cost	Base Cost (INR '000)								Other Accounts	
Unit		10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total	(INR)	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total	Disb. Acct.	Fin. Rule
I. Investment Costs																				
C. Minor Irrigation																				
Canal construction /v	km	-	0.6	1.2	10.4	11.3	10.1	-	33.6	420,000	-	252	504	4,368	4,746	4,242	-	14,112	VDF_DA	IFAD (80%), BEN(10%)
Canal headwork /w	No	-	-	-	46	34	16	-	96	130,000	-	-	-	5,980	4,420	2,080	-	12,480	VDF_DA	IFAD (80%), BEN(10%)
Terrace construction	ha	-	300	300	300	300	300	-	1,500	24,120	-	7,236	7,236	7,236	7,236	7,236	-	36,180	VDF_DA	IFAD (80%), BEN(10%)
Subtotal Minor Irrigation											-	7,488	7,740	17,584	16,402	13,558	-	62,772		
D. Technology transfer		LS									2,000	4,000	4,000	6,000	3,000	1,000	-	20,000	VDF_DA	IFAD (80%)
E. Support for preparation of CRMPs		village	-	-	-	30	-	-	30	50,000	-	-	-	1,500	-	-	-	1,500	VDF_DA	IFAD (80%)
F. Non-farm sector /x																				
Micro-enterprises	No	160	161	129	200	150	-	-	800	25,000	4,000	4,025	3,225	5,000	3,750	-	-	20,000	VDF_DA	IFAD (80%), BEN(10%)
Small enterprises	No	34	38	66	50	50	-	-	238	75,000	2,550	2,850	4,950	3,750	3,750	-	-	17,850	VDF_DA	IFAD (80%), BEN(10%)
Medium-scale enterprises	No	10	8	10	12	10	-	-	50	150,000	1,500	1,200	1,500	1,800	1,500	-	-	7,500	VDF_DA	IFAD (80%), BEN(10%)
Large-scale enterprises	No	-	5	5	7	6	-	-	23	250,000	-	1,250	1,250	1,750	1,500	-	-	5,750	VDF_DA	IFAD (80%), BEN(10%)
Subtotal Non-farm sector											8,050	9,325	10,925	12,300	10,500	-	-	51,100		
Total											24,740	56,219	68,400	94,958	80,707	46,668	-	371,691		

\a Includes soy bean, groundnut, peas,beans etc
\b Each unit has 12000 fingerlings
\c 25% area will be under fisheries; about 3000 fingerlings farmed
\d Each poultry unit includes 215 chicks
\e each dairy unit includes 2 Jersey cattle
\f Each unit includes 2 female and 1 male piglets
\g Each unit consists of 8 Does and 1 buck
\h Each unit includes 45 ducks and 5 drakes
\i About 400 kiwi plants per ha;
\j About 1700 suckers per ha
\k Some 43500 plants per ha
\l Only table variety grapes would be promoted

\m Mandarin variety; 670 seedlings per ha
\n Such as turmeric, ginger, chilli etc
\o Parkia: 690 plants per ha
\p Areca: Some 1370 plants per ha
\q such as potato, carrots, raddish etc
\r Tea: 15870 plants per ha
\s each unit of 10 bee boxes; annual production is 240 litre or 200 litre of processed honey.
\t Annual production of a unit is 20 ton from 10 pits and 4 batches
\u Medicinal & aromatic plants under farmers' field condition
\v of stone masonry of 2x2x3 size
\w 2.5 m wide
\x includes a wide range of activities like processing, handicrafts, pottery, carpentry etc

Table-4: Component 2 B: Revolving Funds

India
NERCORMP- II MTR

Table 4. Component-2 B: Revolving Fund /a

Detailed Costs

Table 4: Component 2 B: Revolving Fund and Detailed Costs																				
Quantities										Unit Cost (INR)	Base Cost (INR '000)							Other Accounts		
Unit	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total	10/11		11/12	12/13	13/14	14/15	15/16	16/17	Total	Disb. Acct.	Fin. Rule	
I. Investment Costs																				
A. Revolving fund support /b	SHG										55,880	60,838	24,230	55,326	55,326	-	-	251,600	RF_DA	IFAD(80%)
B. Support to NaRM-G /c	Nos	150	330	16	-	-	-	-	496	150,000	22,500	49,500	2,400	-	-	-	-	74,400	RF_DA	IFAD(80%)
C. Support to MFIs /d	No	-	-	1	1	2	2	-	6	4,000,000	-	-	4,000	4,000	8,000	8,000	-	24,000	RF_DA	IFAD(80%)
Total											78,380	110,338	30,630	59,326	63,326	8,000	-	350,000		

/a RF will be providedd to SHG/NaRM-G depending on their business plan. They will onlend the fund to their members

/b at the rate of INR 17,000/household;

/c NaRM-G will be use the RF onlend to its members on terms and conditions mutually acceptable by DS

/d Promotion of SHG federations, NaRM-G cluster associations into MFIs

Table 5: Component 3: Social and Community Infrastructure

India
NERCORMP- II MTR

Table 5. Component-3: Social / Community infrastructure

Detailed Costs

		Quantities								Unit Cost	Base Cost (INR '000)								Disb.		Other Accounts
Unit		10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total	(INR)	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total	Acct.	Fin. Rule	
I. Investment Costs																					
A. Social infrastructure																					
Safe Drinking Water Unit: 5000 lit /a	Nos	60	100	78	62	-	-	-	300	55,000	3,300	5,500	4,290	3,410	-	-	-	16,500	VDF_DA	IFAD (80%), BEN (10%)	
Safe Drinking water unit: 20000 lit /b	No	-	20	30	50	-	-	-	100	115,000	-	2,300	3,450	5,750	-	-	-	11,500	VDF_DA	IFAD (80%), BEN (10%)	
Installation of Polyline Pipes /c	km	20	30	42	66	51	-	-	209	45,000	900	1,350	1,890	2,970	2,295	-	-	9,405	VDF_DA	IFAD (80%), BEN (10%)	
GI pipes /d	km	-	-	-	66	11	-	-	77	109,000	-	-	-	7,194	1,199	-	-	8,393	VDF_DA	IFAD (80%), BEN (10%)	
Ringwells /e	Nos	-	-	-	39	30	30	-	99	50,000	-	-	-	1,950	1,500	1,500	-	4,950	VDF_DA	IFAD (80%), BEN (10%)	
Tubewells /f	Nos	-	-	-	12	12	2	-	26	115,000	-	-	-	1,380	1,380	230	-	2,990	VDF_DA	IFAD (80%), BEN (10%)	
Low cost latrine /g	Nos	1,830	1,830	1,840	4,250	4,250	-	-	14,000	3,500	6,405	6,405	6,440	14,875	14,875	-	-	49,000	VDF_DA	IFAD (80%), BEN (10%)	
Subtotal Social infrastructure											10,605	15,555	16,070	37,529	21,249	1,730	-	102,738			
B. Community infrastructure																					
Common Facilities Centre /h	CFC units	10	11	40	40	-	-	-	101	400,000	4,000	4,400	16,000	16,000	-	-	-	40,400	VDF_DA	IFAD (80%), BEN (10%)	
Common Facility Centre /i	CFC units	-	2	4	5	7	-	-	18	960,000	-	1,920	3,840	4,800	6,720	-	-	17,280	VDF_DA	IFAD (80%), BEN (10%)	
WBM village road /j	No	-	20	40	27	20	13	-	120	1,210,580	-	24,212	48,423	32,686	24,212	15,738	-	145,270	VDF_DA	IFAD (80%), BEN (10%)	
Box culvert	No	-	20	40	27	20	13	-	120	400,000	-	8,000	16,000	10,800	8,000	5,200	-	48,000	VDF_DA	IFAD (80%), BEN (10%)	
Pipe culverts /k	Nos	-	100	200	135	100	65	-	600	60,000	-	6,000	12,000	8,100	6,000	3,900	-	36,000	VDF_DA	IFAD (80%), BEN (10%)	
5 kw Solar Power	No	-	-	-	3	3	-	-	6	400,000	-	-	-	1,200	1,200	-	-	2,400	VDF_DA	IFAD (80%), BEN (10%)	
Subtotal Community infrastructure											4,000	44,532	96,263	73,586	46,132	24,838	-	289,350			
Total											14,605	60,087	112,333	111,115	67,381	26,568	-	392,088			

^a 5000 lit capacity

^b 20,000 litre capacity reservoir, fed by gravity

^c 25 mm dia pipes

^d 25 mm pipes

^e 7.5 m deep wells

^f 30 m deep wells

^g 12 sq ft area

^h each katcha CFC with a 74 m2 area

ⁱ Each pucca CFC will have a 74 m2

^j 3 m wide

^k 4 m length; at least 5 culverts per km distance

I. Investment Costs

la 2000 plants per ha; regeneration of perennial herbs & shrubs of medicinal value.
lb Pastures and silvopasture development as demo plots
lc 1100 plants per ha area of trees of medicinal value

Table 7: Component 4 B: Knowledge Management & Communication

India
NERCORMP- II MTR

Table 7. Component-4 B: Knowledge management & Communication

Detailed Costs

Detailed Costs																		Other Accounts		
	Unit	Quantities							Unit Cost (INR)	Base Cost (INR '000)							Disb. Acct.	Fin. Rule		
		10/11	11/12	12/13	13/14	14/15	15/16	16/17		Total	10/11	11/12	12/13	13/14	14/15	15/16			16/17	Total
I. Investment Costs																				
A. Video & camera	set	-	7	-	-	-	-	-	7	60,000	-	420	-	-	-	-	-	420	CAB_DA	IFAD (100%)
B. KM Training	Training	1	1	1	1	1	1	-	6	30,000	30	30	30	30	30	30	-	180	CAB_DA	IFAD (100%)
C. Staff training on KM /a	Training	1	1	1	1	1	1	-	6	30,000	30	30	30	30	30	30	-	180	CAB_DA	IFAD (100%)
D. Training for DS & NGOs /b	training	1	1	1	1	1	1	-	6	100,000	100	100	100	100	100	100	-	600	CAB_DA	IFAD (100%)
E. Videoproduction training	training	-	1	1	-	-	-	-	2	100,000	-	100	100	-	-	-	-	200	CAB_DA	IFAD (100%)
F. Neat Festival	Nos	-	1	1	1	1	-	-	4	150,000	-	150	150	150	-	-	-	600	CAB_DA	IFAD (100%)
G. Media exposure	Events	-	-	3	-	3	-	-	6	100,000	-	-	300	-	300	-	-	600	CAB_DA	IFAD (100%)
H. Production of News letters	No	2	4	4	4	4	4	4	26	30,000	60	120	120	120	120	120	-	780	CAB_DA	IFAD (100%)
I. Printing of formats & study papers /c	Job	-	1	1	1	1	1	-	5	500,000	-	500	500	500	500	500	-	2,500	CAB_DA	IFAD (100%)
J. Printing of IEC Posters	LS	-	1	1	1	1	1	1	6	202,000	-	202	202	202	202	202	202	1,212	CAB_DA	IFAD (100%)
K. Publications	LS	-	-	-	-	-	-	-	-	-	-	500	500	500	500	500	500	3,000	CAB_DA	IFAD (100%)
L. Website & maintenance	LS	-	-	-	-	-	-	-	-	-	50	50	50	50	50	50	50	350	CAB_DA	IFAD (100%)
M. Video-documentary	No	-	-	-	1	-	2	-	3	500,000	-	-	-	500	-	1,000	-	1,500	CAB_DA	IFAD (100%)
N. Others	LS	-	-	-	-	-	-	-	-	-	100	100	100	100	100	100	700	CAB_DA	IFAD (100%)	
Total											370	2,302	2,182	2,282	2,082	2,632	972	12,822		

^{1a} For the RS and DS staff
^{1b} on knowledge management
^{1c} For publication

Table 8: Component 5 A: Project Support Unit

India
NERCORMP- II MTR
Table 8. Component-5 A: Programme Support Unit
Detailed Costs

										Unit Cost										Base Cost (INR '000)			Other Accou	
										Unit Cost (INR)														
	Unit	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total		10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total	Disb. Acct.	Fin. Rule				
I. Investment Costs																								
A. Vehicles & equipment																								
Field vehicles 4WD	Nos	2	-	-	-	-	-	-	2	800,000	1,600	-	-	-	-	-	-	1,600	EQUIP_DA	GOVT				
Total Investment Costs											1,600	-	-	-	-	-	-	1,600						
II. Recurrent Costs																								
A. Staff salary																								
Project Coordinator/ MD	pers_year	1	1	1	1	1	1	1	7	1,279,800	1,280	1,280	1,280	1,280	1,280	1,280	1,280	8,959	OM_DA	GOVT				
Director M&E	Pers_year	1	1	1	1	1	1	1	7	720,000	720	720	720	720	720	720	720	5,040	OM_DA	GOVT				
Director (Admin & procurement)	Pers_year	1	1	1	1	1	1	1	7	720,000	720	720	720	720	720	720	720	5,040	OM_DA	GOVT				
Director (Finance & Accounts)	Pers_year	1	1	1	1	1	1	1	7	720,000	720	720	720	720	720	720	720	5,040	OM_DA	GOVT				
NRM Coordinator	pers_year	1	1	1	1	1	1	1	7	612,000	612	612	612	612	612	612	612	4,284	OM_DA	GOVT				
Gender & NGO coordinator	pers_year	1	1	1	1	1	1	1	7	612,000	612	612	612	612	612	612	612	4,284	OM_DA	GOVT				
Asst Accounts Officer	pers_year	1	1	1	1	1	1	1	7	492,000	492	492	492	492	492	492	492	3,444	OM_DA	GOVT				
Marketing coordinator	pers_year	1	1	1	1	1	1	1	7	436,800	437	437	437	437	437	437	437	3,058	OM_DA	GOVT				
Admin officer	pers_year	1	1	1	1	1	1	1	7	436,800	437	437	437	437	437	437	437	3,058	OM_DA	GOVT				
Communication Officer	pers_year	1	1	1	1	1	1	1	7	423,600	424	424	424	424	424	424	424	2,965	OM_DA	GOVT				
Micro-credit Officer	pers_year	1	1	1	1	1	1	1	7	423,600	424	424	424	424	424	424	424	2,965	OM_DA	GOVT				
Sytem Administrator	pers_year	1	1	1	1	1	1	1	7	423,600	424	424	424	424	424	424	424	2,965	OM_DA	GOVT				
Project Fellows	pers_year	2	2	2	2	2	2	2	14	401,830	804	804	804	804	804	804	804	5,626	OM_DA	GOVT				
Secretarial Assts	pers_year	2	2	2	2	2	2	2	14	362,400	725	725	725	725	725	725	725	5,074	OM_DA	GOVT				
Office Assts	pers_year	2	2	2	2	2	2	2	14	267,240	534	534	534	534	534	534	534	3,741	OM_DA	GOVT				
Drivers	pers_year	5	5	5	5	5	5	5	35	219,600	1,098	1,098	1,098	1,098	1,098	1,098	1,098	7,686	OM_DA	GOVT				
Office Attendants	pers_year	2	2	2	2	2	2	2	14	163,200	326	326	326	326	326	326	326	2,285	OM_DA	GOVT				
Office Attendants /a	pers_year	4	4	4	4	4	4	4	28	163,200	653	653	653	653	653	653	653	4,570	OM_DA	GOVT				
Subtotal Staff salary											11,440	11,440	11,440	11,440	11,440	11,440	11,440	80,082						
B. Office expenditures																								
Vehicle expenditure	Year	1	1	1	1	1	1	1	7	800,000	800	800	800	800	800	800	800	5,600	OM_DA	GOVT				
Travels	Year	1	1	1	1	1	1	1	7	1,212,500	1,213	1,213	1,213	1,213	1,213	1,213	1,213	8,488	OM_DA	GOVT				
Office maintenance	Year	1	1	1	1	1	1	1	7	800,000	800	800	800	800	800	800	800	5,600	OM_DA	GOVT				
Subtotal Office expenditures											2,813	2,813	2,813	2,813	2,813	2,813	2,813	19,688						
Total Recurrent Costs											14,253	14,253	14,253	14,253	14,253	14,253	14,253	99,770						
Total											15,853	14,253	14,253	14,253	14,253	14,253	14,253	101,370						

/a Includes one cleaner and one security guard

Table 9: Component 5 B: District Support Teams

India		NERCORMP- II MTR																	Other Account	
Table 9. Component-5 B: District Support Teams		Detailed Costs																	Fin. Rule	
		Quantities							Unit Cost	Base Cost (INR '000)										
	Unit	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total	(INR)	10/11	11/12	12/13	13/14	14/15	15/16	16/17	Total	Disb. Acct.	
I. Investment Costs																				
A. Vehicles & equipment																				
Field vehicles 4WD	Nos	6	-	6	-	-	-	-	12	800,000	4,800	-	4,800	-	-	-	-	9,600	EQUIP_DA	GOVT
Laptops	Nos	6	-	-	-	-	-	-	6	50,000	300	-	-	-	-	-	-	300	EQUIP_DA	GOVT
Desktop & printers	Nos	12	-	-	-	-	-	-	12	50,000	600	-	-	-	-	-	-	600	EQUIP_DA	GOVT
Furniture set	set	12	-	-	-	-	-	-	12	20,000	240	-	-	-	-	-	-	240	EQUIP_DA	GOVT
Total Investment Costs																				
II. Recurrent Costs																				
A. Staff salary																				
Project Managers	pers_year	6	6	6	6	6	6	6	42	672,000	4,032	4,032	4,032	4,032	4,032	4,032	4,032	28,224	OM_DA	GOVT
Project technical officers	Pers_year	6	6	6	6	6	6	0.5	36.5	414,000	2,484	2,484	2,484	2,484	2,484	2,484	207	15,111	OM_DA	GOVT
Business Dev Officers	Pers_year	6	6	6	6	6	6	0.5	36.5	555,400	3,332	3,332	3,332	3,332	3,332	3,332	278	20,272	OM_DA	GOVT
Sr Accountants	pers_year	6	6	6	6	6	6	6	42	458,040	2,748	2,748	2,748	2,748	2,748	2,748	2,748	19,238	OM_DA	GOVT
NRM Organisers	Pers_year	6	6	6	6	6	6	0.5	36.5	458,040	2,748	2,748	2,748	2,748	2,748	2,748	229	16,718	OM_DA	GOVT
Inst. Dev Organiser	Pers_year	6	6	6	6	6	6	0.5	36.5	366,460	2,199	2,199	2,199	2,199	2,199	2,199	183	13,376	OM_DA	GOVT
Internal auditors	pers_year	6	6	6	6	6	6	0.5	36.5	377,040	2,262	2,262	2,262	2,262	2,262	2,262	189	13,762	OM_DA	GOVT
Monitoring Asst -I	Pers_year	6	6	6	6	6	6	0.5	36.5	250,400	1,502	1,502	1,502	1,502	1,502	1,502	125	9,140	OM_DA	GOVT
M&E Asst-II	Pers_year	6	6	6	6	6	6	0.5	36.5	250,400	1,502	1,502	1,502	1,502	1,502	1,502	125	9,140	OM_DA	GOVT
Secretarials Asst	Pers_year	6	6	6	6	6	6	0.5	36.5	250,400	1,502	1,502	1,502	1,502	1,502	1,502	125	9,140	OM_DA	GOVT
Finance Account Assts	Pers_year	6	6	6	6	6	6	6	42	250,400	1,502	1,502	1,502	1,502	1,502	1,502	1,502	10,517	OM_DA	GOVT
Drivers	Pers_year	12	12	12	12	12	12	6	78	205,000	2,460	2,460	2,460	2,460	2,460	2,460	1,230	15,990	OM_DA	GOVT
Attendants	Pers_year	6	6	6	6	6	6	6	42	152,500	915	915	915	915	915	915	915	6,405	OM_DA	GOVT
Subtotal Staff salary																				
B. Office expenditures																				
Vehicle expenditure	office	6	6	6	6	6	6	0.5	36.5	500,000	3,000	3,000	3,000	3,000	3,000	3,000	250	18,250	OM_DA	GOVT
Travels	office	6	6	6	6	6	6	0.5	36.5	700,000	4,200	4,200	4,200	4,200	4,200	4,200	350	25,550	OM_DA	GOVT
Office maintenance	office	6	6	6	6	6	6	0.5	36.5	500,000	3,000	3,000	3,000	3,000	3,000	3,000	250	18,250	OM_DA	GOVT
Subtotal Office expenditures																				
Total Recurrent Costs																				
Total																				

ANNEX 2: SIMPLIFIED TEMPLATE FOR AWP&B

SUGGESTED, SIMPLIFIED AWP&B

INDIA: NERCORMP-II

AWPB: 2013/14

Component:

Subcomponent:1.1

[illegible]

Notes:

- 1 Please Input values in highlighted (yellow) area under Column G only
- 2 If unit costs to be modified, input values in column F
- 3 Avoid changing formulae, font size for getting better print out.
- 4 Columns EA, DA & PA can be hidden at the time of printing
- 5 Use A 4 landscape for printing
- 6 Financing plans are based on "costab financing rules; do not change them"
- 7 Achievement is cumulative

EA	Expenditure Account as defined in costab
DA	Disbursement Account as defined in costaab
PA	Procurement Account as defined in costab

ANNEX 3: ENGAGING THE PARTNER NGOS POST MTR

A. Lessons from NERCORMP-I

Key lessons from NERCORMP-I are as below.

- NGOs facilitated community mobilisation and assisted in the formation of CBOs and conducting M&E very effectively.
- Criteria used for the selection of NGOs enabled the project in getting teams of competent and committed NGOs.
- But the training and capacity building arrangements were not adequate and more training and exposure visits should have been organised for them as that would have helped in faster implementation of various project interventions.
- Early and premature phasing out of the services of NGO created difficulties for the communities as the communities were not ready to shoulder the new responsibilities but at the same time, there is a strong need to let the community grow on their own. This would call for a change in strategy in engaging the services of NGOs accordingly and the NGOs' services may be engaged for a longer duration.
- Service charges to the NGO should commensurate with the nature of tasks assigned to them. While, it is necessary to enhance their service charges, it must be ensured that they pay their staff adequate compensation. In this context, the DS should satisfy itself with the terms and conditions of procuring the services of NGOs.
- Untimely releases of fund created difficulties for the NGOs in the field and these hampered the programme implementation on the ground and this must be set right to the extent possible.

The Project has engaged 30 Partner NGOs in its six districts. These NGOs were recruited by the respective DST using approved procurement procedures. List of PNGOs working in the respective project area districts is given Table below:

State	District	Name of Partner NGO
Assam	Karbi Anglong	1. Rural Area Development Society 2. Mukak Cherap Aterank 3. Karbi Anglong Kangthur Asang 4. Jirsong Development Society 5. Klirdap Welfare Society
	Dima Hassao	1. Waimajing 2. Society for All Round Development 3. Community Resource Management Service 4. Backward Area Development Society 5. Beacon Area Upliftment Society
Manipur	Ukhrul	1. Fraternity Green Cross (VVD) 2. Participatory Action for Sustainable Development Organisation (PASDO) 3. People Action for Rural Development Association 4. Mana Cluster Association 5. Ngasunmi Cluster Association

	Senapati	1. Integrated Rural Management Association 2. Konghom Area Development Association 3. Rural Economic Development Society 4. Socio Economic & Environment Development Services 5. Integrated Rural Development Welfare Association
Meghalaya	West Khasi Hills	1. Kyllang Development Society 2. Western Cultural Social Welfare Association 3. Maharam Syiemship Development Society 4. Joint Federation and Association Farmer's Marketing & Consumers Society
	West Garo Hills	1. Bethany Society 2. Socio- Economic Welfare Society 3. Achik Evangelical Association 4. Women's Economic Development Society 5. Achik Welfare Society

The DSTs have entered into MOU with each PNGO with mutually acceptable terms of references.

B. Role of PNGOs

Each NGO Partner was expected to cover some 400 households located in about 7 to 10 villages. On exceptional cases, a few NGO Partners may be required to cover some 200 to 300 households within 5 or 6 villages; may be due to difficult terrain conditions. The NGOs are initially engaged for a period of 3 year under specific terms of reference. Later, their services are to be extended but with a revised terms of reference with reduced work load and service charges.

The PNGOs play crucial role as project partners in project implementation. Broad responsibilities of NGOs during their initial 3 year period are:

- Community mobilization of how many villages / groups / business activities;
- Assessing the strengths and weakness of the existing community institutions and negotiating the necessary modification or establishing new institutions with the community;
- Assisting the community to address equity issues;
- Ensuring an orientation towards the poor by the community institutions and ensuring participation of the marginalized groups in all project activities;
- Mobilizing and capacity building amongst the women to facilitate their participation in the participatory planning process and management of the implementation of project activities and their integration into decision making process in the community;
- Awareness raising with the community to resource management issues and preparing the community to participate in the interactive process of drawing up a comprehensive community resource management plans or micro-plans/village plans for the village.
- Training the SHGs, NaRM-Gs, JFMCs in awareness raising, participatory planning, etc and training the executive officers of these institutions in management, accounts, democratic processes, etc.

- Mobilizing women and other community members for the formation of self-help groups (SHGs), building the capacity of SHGs for credit management and assisting them in linking to government line department, banks and other financial agencies.
- Guiding and facilitating the work of the DST and associated experts in the participatory exercises for the development of the micro-plan and providing additional on-the-job training to government staff in PRA techniques.

The functional role of NGO Partners after their 3 year initial service will be revised and this will mainly focus from village level to cluster level. Key tasks will include: strengthening NaRM-G cluster associations and SHG federations, credit linkages of SHGs, creation of interest groups at cluster levels, market linkages, and establishment of small processing units and support of business oriented approach to the community and more importantly provision of technical services including extension support services in selected core areas.

The project supports the strengthening of the NGO movement by extending assistance beyond the project's NGOs partners. The project also funds training NGOs who are enlisted under the Project on aspects relating to participatory processes, self-help groups, joint forest management committees and gender sensitization together with exposure visits to enable NGOs to learn from experiences elsewhere in the country.

Under post MTR scenarios, all PNGOs will be provided value-based advanced training on extension technology packages so that they could act as master trainers to the village community organisers/ workers.

C. Engaging the services of PNGOs: Current Process

The project invites proposals from NGOs interested in collaborating in the implementation of the project through advertisements. Selection of NGOs with the right orientation and experience is crucial for the success of the project and the project therefore evaluated the performance, outlook and attitudes of the NGOs. Before selecting an NGO, the project makes sure that an NGO is reliable and committed, that it has the potential to achieve the project's objectives and it is in harmony with the project's emphasis on participatory processes and institution building.

A formal contract is signed between the NGO and the DST clearly specifying the objectives and the underlying principles and spirit of the project together with a clear statement of the tasks of the NGO incorporated in a detailed terms of reference. The contract stipulates reporting requirements on progress expected from the NGO and its obligation to attend review and planning meetings for the project as requested.

The NGO is advised and guided to submit a quarterly work plan accompanied by a progress report of the previous quarter. Advance payment was made for the purchase of the motorcycles, furniture and other small items of equipment together with a 50% of the salary and administrative costs. The release of the remaining 50% depended on the achievement of key indicators related to the quality of the community institutions but which would include the provisions of training to communities as per the required schedule. The contracts specify that the NGOs give equal opportunities to women in employment with equitable service rules.

D. Engaging the services of PNGOs: post MTR

The project supports the strengthening of the NGO movement by extending assistance beyond the project's NGOs partners. The project also funds training NGOs who are enlisted under the Project on aspects relating to participatory processes, self-help groups, joint forest management committees and gender sensitization together with exposure visits to enable NGOs to learn from experiences elsewhere in the country. Under post MTR scenarios, all PNGOs will be provided value-based advanced training on extension technology packages so that they could act as master trainers to the village community organisers/ workers. Accordingly the MOUs of all PNGOs would be revised vide its Clause 32, Modification of MoU.

As prices have been increasing since 2010 when service charges were agreed between PNGOs and the project, it is proposed to enhance the service charges by 67%. Unit cost breakdown is given in Table below:

#	Expenditure Item	Monthly charges (Amount in INR)	
		Current contract	Proposed changes
1	Salary & allowances for SO (one/cluster)	8,500	10,200
2	Salary & allowances for CCs (Two CCs/cluster)	11,000	13,200
3	Fuel & maintenance of motor cycle (one)	4,000	4,800
4	Office running cost (one cluster)	3,500	4,200
5	NGO service charges per cluster	3,000	3,600
	Total amount	30,000	36,000

The proposed rates of payment will be applicable from May 2013. The PNGOs will be paid full amount for the remaining three year period, ie till project completion. The amount payable to PNGOs will not be scaled down as contained in their current contract. The entire expenditure of PNGO payment effective from May 2013 will be reimbursed from IFAD loan amount. The amended PNGO contract incorporating enlarged roles of PNGO should be sent to IFAD ICO for information and confirmation.

E. Village Community Coordinators

As soon as PNGOs contracts or MoUs are revised and amended and approved, the PSU with the support of DSTs and respective PNGOs will identify at least 2 village community coordinators or workers (i) one for SHG and (ii) the other for NRM for the purposes of further training and extension support services to the target group. At least one of the VCCs should be a woman. These VCCs work closely with the cluster level PNGOs.

The selection of these VCCs should be carried out in a transparent manner but in close consultation with the respective NaRMG. The selected VCCs would be provided advanced training on core areas of development. Each VCC would receive an honorarium of INR 600/month during the reminder period of the Project. On an average a NaRMG would receive a sum of INR 15,600/year depending up on number of households to be serviced. Provisions have been made for all 494 NaRMGs. These would be fully funded out of the GoI/NEC budget.

#	Expenditure Item	Amount/year/ NaRMG (INR)
1	Honorarium to SHG VCC	7,200
2	Honorarium to NRM VCC	7,200
3	Travel/meeting expenses	1,200
	Total	15,600

ANNEX - 4: CUMULATIVE PHYSICAL PROGRESS MEASURED AGAINST APPRAISAL TARGETS AT MTR (April 2013)

Component/Subcomponent/Activity	Indicator	Unit	Cumulative Actual	Appraisal Targets	% achievement	# of persons trained	
						Male	Female
Component-1 A: Building the capacity of Participating Agencies	Number of villages covered	INR 000	19,698	410,000		38,852	39,320
	Number of participants						
Community:							
PRA exercises	Number of villages covered	Number	460	400	115%		
Project orientation to new villages		Number	21	23	91%		
Group formation & capacity building (SHGs)	Number of groups formed & trained	Number	1504	2000	75%		
Group formation & capacity building (NaRMG)	Number of groups formed & trained	Number	494	400	123%		
Exposure visits to NaRMGs & SHGs	Number participants	Number	26	14	186%		
Training of NGO staff	Number of staff trained	Number	17	20	85%		
Exposure visits for NGO staff	Number of participants	Number	12	11	109%		
Capacity building for NaRMG & SHG	Number of participants	Number	1427	73	19.54%		
Training of community organisers		Number	0	0			
Vision building training		Number	17	17	100%		
Book-keeping training		Number	17	17	100%		
PSU staff:							
Finance & Accounts section:							
Training of project staff	Number of staff trained	Number	32	32	100%		
Quarterly review on finance & accounts	Number of reviews held	Number	6	24	25%		
Outstation training & exposure visits	Number of visits organised	Number	0	2	0%		
M&E section:							
Training on M&E		Number	6	6	100%		
Training on RIMS & baseline survey		Number	1	1	100%		
RIMS impact survey		Number	0	1	0%		
Quarterly review meetings		Number	6	24	25%		
Baseline survey		Number	1	1	100%		
M&E system setting up		Number	1	1	100%		
MTR survey		Number	0	1	0%		
Endline survey		Number	0	1	0%		
PCR survey		Number	0	1	0%		
Exposure visits		Number	1	1	100%		
Marketing section							
Training/trade fairs etc			10	10	100%		
Market exposure, linkages etc			1	3	33%		
Advertisement, promotions			0	0	0		

Component/Subcomponent/Activity	Indicator	Unit	Cumulative Actual	Appraisal Targets	% achievement	# of persons trained	
						Male	Female
Product launch, offers				0	0		
Leaflets, brochures				0	0		
Training on market related issue				10			
Micro-finance							
Staff training			4	4	100%		
Exposure visits			2	20	10%		
Workshop on micro-credit		Number	1	1	100%		
Training on micro-credit at clusters		Number	2	2	100%		
Gender aspects:							
Staff training			1	1	100%		
Exposure visits			1	1	100%		
Workshop on gender & NGO management			6	6	100%		
Impact studies			0	1	0%		
Skills training:							
Masonry training to CBOs			7	18	39%		
Training on renewable energy			6	12	50%		
Skills training to para-professionals			1	4	25%		
Training on value-addition			0	6	0%		
Admin & personnel							
Project planning & evaluation			1	6	17%		
Organisation & management			6	6	100%		
Proposals & reports preparation			1	3	33%		
NRM sector: PSU							
General awareness camps				6			
Entrepreneurship development			11	6	183%		
Skills development			5	6	83%		
Horticulture training			0	6	0		
MAP training			0	6	0		
Animal husbandry & dairy			0	6	0		
Sericulture			0	6	0		
KVIC training			0	6	0		
Fishery			0	6	0		
Non-farm sector			1	3	33%		
Exposure visits			10	3	300%		
NRM sector: DSTs							
General awareness camps				36	0		
Entrepreneurship development				36	0		
Skills development				36	0		

Component/Subcomponent/Activity	Indicator	Unit	Cumulative Actual	Appraisal Targets	% achievement	# of persons trained	
						Male	Female
Horticulture training			29	36	80%		
MAP training			17	36	47%		
Animal husbandry & dairy			21	36	58%		
Sericulture			6	36	17%		
KVIC training			5	36	14%		
Fishery			17	36	47%		
Non-farm sector			12	144	8%		
Exposure visits			13	24	54%		
DST staff							
NGO staff training	Number of staff participated	persons		12	0		
Exposure visits to NGO staff		Number		6	0		
PRA exercises	Number of villages covered	villages	460	400	115%		
Group formation & capacity building				96	0		
Exposure visits to NaRMGs & SHGs	Number of persons participated	Number		60	0		
Training on market-related issues	Number of staff participated	Number	14	54	26%		
Training on micro-credit	Number of staff participated	Number	26	49	53%		
Training on health & sanitation	Number of staff participated	Number	27	66	41%		
Entrepreneurship development & skills	Number of staff participated	Number	13	0			
Component 1 B: Support to PNGOs		INR 000	51,041	75,000	68%	164	37
MoU with PNGOs	Number of MoU agreed	Number	50	50	100%		
NGO office facilities	# of PNGO field offices set up	Number	50	50	100%		
NGO field vehicles, motor cycles	# of motor cycles provided	Number	50	50	100%		
Component-2 A: Livelihoods enhancement		INR 000		342,000		607	11,592
Crops & livestock		# of households benefited					
Paddy	Area developed	Ha	33	184	18%		
Maize	Area developed	Ha	67	253	26%		
Oilseeds & pulses	Area developed	Ha	311	474	66%		
Fishery units	Area developed	Number	55	161	34%		
Paddy cum fish culture	Area developed	Ha	36	102	35%		
Poultry units	Units supported	Number	158	158	100%		
Piggery units	Units supported	Number	786	836	94%		
Dairy units	Units supported	Number	29	47	62%		
Goatery units	Units supported	Number	201	346	58%		
Duck farming units	Units supported	Number	106	369	29%		
Other livestock units	Units supported	Number	20	0	100%		
Livelihoods: Horticulture crops		# of households benefited					
Kiwi plating	Area developed	Ha	13	24	54%		

Component/Subcomponent/Activity	Indicator	Unit	Cumulative Actual	Appraisal Targets	% achievement	# of persons trained	
						Male	Female
Banana	Area developed	Ha	175	70	250%		
Pine apple	Area developed	Ha	98	188	52%		
Grapes	Area developed	Ha	0	30	0		
Oranges	Area developed	Ha	166	157	105%		
Spices, ginger, turmeric, chillies, wild pepper	Area developed	Ha	357	607	42%		
Parkia	Area developed	Ha	69	158	44%		
Arecanut	Area developed	ha	118	57	207%		
Leafy vegetables	Area developed	Ha	240	74	324%		
Root vegetables	Area developed	Ha	209	79	264%		
Tea	Area developed	Ha	29	27	107%		
MAPs, aloe vera	Area developed	Ha	2	32	6%		
Eri	Area developed	Ha		0			
Rubber	Area developed	Ha	30	0	100%		
Litchi	Area developed	Ha	57	0	100%		
Coconut	Area developed	Ha	7	0	100%		
Sugarcane	Area developed	Ha	8	0	100%		
Mushroom units	Units supported	Number	3	33	10%		
Apiculture units	Units supported	Number	20	415	5%		
Vermin-compost units	Units supported	Number	0	190	0		
Tree tomato	Area developed	Ha	10	0	100%		
Other plantations	Area developed	ha	4	0	100%		
Livelihoods: Minor irrigation	# of households benefited	INR				202	6,552
Canal construction	Area developed	Km	9.6	9.6	100%		
Canal headwork	Number of units	Number	0	66	0		
Terrace construction	Area developed	ha	520	1600	33%		
Livelihoods: Technology transfer	# of households benefited					296	14,934
New improved practices		number	115	0			
SRI on rice	Area demonstrated	ha	89	0			
Cashew nut cultivation	Area demonstrated	ha	1.5	0			
Integrated farming systems	Area demonstrated	ha	18	0			
Pig-breeding unit	Units demonstrated	number	4	0			
Broiler units	Units demonstrated	number	4	0			
Agro-forestry	Area demonstrated	ha	2.3	0			
Strawberry	Area demonstrated	ha	0.5	0			
Apiculture	Units demonstrated	number	117	0			
Grapes	Area demonstrated	ha	1	0			
Pepper	Area demonstrated	ha	1	0			
Floriculture	Area demonstrated	ha	1	0			

Component/Subcomponent/Activity	Indicator	Unit	Cumulative Actual	Appraisal Targets	% achievement	# of persons trained	
						Male	Female
Bokasi	Units demonstrated	unit	2	0			
Kitchen gardens	Units demonstrated	unit	1	0			
Nursery units	Units demonstrated	unit	1	0			
Initiation of NRM techniques	Units demonstrated	number	1	0			
Turkey birds	Units demonstrated	units	2	0			
Demo on mushroom cultivation	Units demonstrated		7	0			
Demo on duck/fishery farming	Units demonstrated		2	0			
Demo on model dairy	Units demonstrated	number	1	0			
Demo on WHSs	Units demonstrated	number	6	0			
Demo on kitchen gardens	Units demonstrated	number	6	0			
Demo on eri-rearing	Units demonstrated		1	0			
Dem on vermin-compost	Units demonstrated		1	0			
Demo on low cost poly house	Units demonstrated		1	0			
Zero energy cool chamber	Units demonstrated		1	0			
Demo on SALT	Units demonstrated		1	0			
Demo on mixed farming	Units demonstrated		4	0			
TOT on kingfisher grass live	Units demonstrated		23	0			
Farmer calendars	# of calendars provided		6100	0			
Demo on rape seed cultivation	# of units demonstrated		6	0			
Pamphlets & brochures	# of brochures distributed		5000	0			
Improved chulla (stoves)	# of chullas provided		24	0			
Terafil Water filter base	# of water filter demonstrated		1	0			
Demo on watershed management	# of watershed demo		1	0			
Training on packages of practices	Units demonstrated		60	0			
Livelihoods: Non-farm enterprises	# of households benefited					94	1,590
Bakery units	# of units supported		14	0			
Bamboo splitting units	# of units supported		2	0			
Barbershop, beauty parlours	# of units supported		17	0			
Blacksmith unit	# of units supported		17	0			
Broom-making units	# of units supported		10	0			
Carpentry units	# of units supported		61	0			
Cobblers	# of units supported		12	0			
Grocery shops	# of units supported		105	0			
General stores	# of units supported		4	0			
Electricians	# of units supported		21	0			
Hand-made soap units	# of units supported		7	0			
Handicraft units	# of units supported		17	0			
Lorry/pick up vans	# of units supported		8	0			

Component/Subcomponent/Activity	Indicator	Unit	Cumulative Actual	Appraisal Targets	% achievement	# of persons trained	
						Male	Female
Masonry units	# of units supported		47	0			
Muga silk-reeling units	# of units supported		7	0			
Rice mills	# of units supported		64	0			
Small business enterprises	# of units supported		68	0			
Tailoring	# of units supported		97	0			
Weaving units	# of units supported		28	0			
Woodcraft	# of units supported		9	0			
Vermin-compost units	# of units supported		12	0			
Low cost generators	# of units supported		1	0			
Power tillers	# of units supported		1	0			
Spice-grinding units	# of units supported		1	0			
Ecotourism	# of units supported		1	0			
Sign-board making	# of units supported		68	0			
Garage unit	# of units supported		0	0			
Fruit-processing unit	# of units supported		1	0			
Component 2 B Revolving fund/ Micro-credit		INR 000	201,080	354,000	57%	1,233	39,979
Revolving fund to SHGs	Number of SHG supported	SHG	1504	2000	75%		
Revolving funds to NaRMGs	Number of NaRMGs supported	NaRMG	494	400	123%		
NaRMGs access to credit	# of NaRMGs have access	number	494	400	123%		
Setting of local MFI units	# of MFIs set up & facilitated	number	0	6	0%		
Component 3: Social Sector development		INR 000	35,799	102,738	35%	405	5,495
Construction of DWS gravity units	# of units supported	number	238	300	79%		
Construction of DWS large units	# of units supported	Number	50	100	50%		
Poly pipelines installed	Km length pipelines provided	KM	92	209	44%		
Low cost latrines constructed	# of units supported	number	5495	14,000	39%		
Provision of GI pipes	Km length pipelines provided	km	0	77	0		
Construction of ring-wells	# of units supported		0	99	0		
Construction of tube-wells	# of units supported		0	26	0		
Component 4: Rural roads & electrification		INR 000	100,123	250,000	40%	194	9,250
CFC semi-permanent	# of units supported	number	21	101	21%		
CFC permanent structure	# of units supported	number	11	18	61%		
WBM village roads	Number of roads supported	km	88	120	73%		
Box culverts	# of units supported	number	0	120	0		
Pipe culverts	# of units supported	number	0	600	0		
Solar power unit	# of units supported	number	634	634	100%		
Micro-hydel units	# of units supported	number	62	65	95%		
Causeway	# of units supported	number	1	0			

Component/Subcomponent/Activity	Indicator	Unit	Cumulative Actual	Appraisal Targets	% achievement	# of persons trained	
						Male	Female
Collection centres	# of units supported	number	5	0			
Component 5: Community-based biodiversity conservation and Communication				41,000		394	11,763
Component 5 A Biodiversity & forestry development							
Aided natural generation	Area developed	ha	135	412	32%		
Artificial generation	Area developed	ha	58	205	28%		
Regeneration of herbs & MAPs	Area developed	ha	46	155	30%		
Pasture development & silviculture	Area developed	ha	30	229	13%		
Mixed planting of medicinal value	Area developed	ha	138	273	49%		
Construction of fish sanctuary	Area & # developed	number	1	0			
NTFP demo:							
Bamboo planting	Area developed	ha	91	172	53%		
Broomgrass	Area developed	ha	62	246	25%		
Cane	Area developed	ha	6	90	7%		
Agro-forestry	Area developed	ha	82	135	61%		
Forestry development							
Afforestation	Area developed	ha	131	179	73%		
Regeneration	Area developed	ha	118	389	30%		
SWC bench terraces	Area developed	ha	108	176	61%		
SWC contour bunding	Area developed	ha	135	478	28%		
Research study on marketing of MFP		number	0	3	0		
Component 5 B: Communication & Knowledge Management							
Purchase of video & camera	# of unit procured	units	7	7	100%		
KM training to PSU staff	# of training organised		2	6	33%		
KM training to DST & NGO staff	# of training organised		9	6	150%		
Training on video-production	# of doc produced		1	2	50%		
NEAT festivals	# of events organised	events	1	4	25%		
Media exposure	# of events organised	events	0	6	0		
Production of News Letters	# of news letters produced		0	22	0		
Printing of formats and study reports	# of reports printed		0	5	0		
Printing of IEC posters	# of IEC posters printed		0	5	0		
Publications		LS					
Website maintenance		LS					
Video-documentation		LS		2			

Component/Subcomponent/Activity	Indicator	Unit	Cumulative Actual	Appraisal Targets	% achievement	# of persons trained	
						Male	Female