

India

Livelihoods and Access to Markets Project

Mid-term Review

Main report and appendices

Mission Dates: 25 June - 2 August 2018
Document Date: 29/08/2018
Project No. 1100001715
Report No. 4850-IN

Asia and the Pacific Division
Programme Management Department

Abbreviations and Acronyms

AHVOs	Animal Husbandry and Veterinary Officers
AOS	Annual Outcome Survey
APEDA	Agricultural and Processed Food Export Development Authority
APD	Additional Project Director
AWPB	Annual Work plan and Budget
BDU	Basin Development Unit
BIRD	Bankers Institute of Rural Development
BRS	Bank reconciliation statement
CEO	Chief Executive Officer
CIP	International Potato Centre
DPM	District Project Manager
DPMU	District Project Management Unit
EFC	Enterprise Facilitation Centre
ERP	Enterprise Resource Person
Eoi	Expression of Interest
FIG	Farmer Interest Group
FSD	Financial Services Division
GoM	Government of Meghalaya
IBDLP	Integrated Basin Development and Livelihoods Programme
ICAR	Indian Council of Agriculture Research
IVCS	Integrated Village Cooperative Societies
LDC	Livestock Development Centres
JCOs	Junior Cooperative Officers
KM	Knowledge Management
MBDA	Meghalaya Basin Development Authority
MBMA	Meghalaya Basin Management Agency
MCAB	Meghalaya Cooperative Apex Bank
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MI	Marketing Initiatives
MIDC	Meghalaya Industrial Development Corporation
MIE	Meghalaya Institute of Entrepreneurship
MINRM	Meghalaya Institute of Natural Resource Management
MOA	Memorandum of Agreement
MoU	Memorandum of Understanding
MWWDA	Meghalaya Wasteland and watershed Development Agency
NESAC	North eastern space application centre
NIC	National Informatics Centre
NIRD	National Institute of Rural Development
NOC	No objection certificate
NRM	Natural Resource Management
OSD	Officer on Special Duty
PACs	Primary Cooperative Societies
PD	Project Director
PG	Producer Group
PP	Procurement Plan
PRA	Participatory Rural Appraisal
RFQ	Request for quotation
SAHVOs	Senior Animal Husbandry and Livestock Officers
SCSTE	State Council for Science and Technology and Environment
SECAP	Social, Environmental and Climate Assessment Procedures
SFAC	Small Farmer Agriculture Consortium
SPMU	State Project Management Unit

SRES	State Rural Employment Society
TDS	Tax deducted at source
USD	United States Dollars
VDF	Village Development Fund
VEC	Village Employment Council
VLf	Village level Facilitators
VLRPs	Village level resource persons
WA	Withdrawal application

A. Project Overview

Region:	Asia and the Pacific Division	Project at Risk Status:	Actual problem
Country:	India	Environmental and Social Category:	B
Project Name:	Livelihoods and Access to Markets Project	Climate Risk Classification:	not available yet
Project Id:	1100001715	Executing Institution:	Meghalaya Basin Development Authority
Project Type:	Rural Development	Implementing Institutions:	not available yet
CPM:	Rasha Omar		
Project Director:	not available yet		
Project Area:	not available yet		

Approval Date	08/04/2014	Last audit receipt	27/03/2017
Signing Date	19/11/2014	Date of Last SIS Mission	02/08/2018
Entry into Force Date	09/12/2014	Number of SIS Missions	9
Available for Disbursement Date	22/05/2015	Number of extensions	0
First Disbursement Date	27/05/2015	Effectiveness lag	8 months
MTR Date	25/06/2018		
Original Completion Date	31/12/2022		
Current Completion Date	31/12/2022		
Financial Closure	not available yet		

Project total financing

IFAD Financing breakdown	IFAD	\$50,062,624
Domestic Financing breakdown	Beneficiaries	\$12,682,458
	Domestic Financing Institutions	\$29,319,395
	National Government	\$49,664,797
	Other Domestic	\$28,175,482
Co-financing breakdown,		
Project total financing		\$169,904,756

Current Mission

Mission Dates:	25 June - 2 August 2018
Days in the field:	5 days
Mission composition:	Nigel Smith, Team Leader, Meera Mishra, IFAD Country Coordinator, Sanjeev Shrestha, Value chain specialist, N Srinivasan, Rural finance specialist, Crispino Lobo, NRM Specialist, Mahendra Chhetri, Civil Engineer, A M Alam, Economist, Pradeep Shrestha, Financial Management Specialist, Sriram Sankarasubramaniam, IFAD Programme Support Analyst (Procurement)
Field sites visited:	All project districts

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		2	Assessment of the Overall Implementation Performance		2

Effectiveness and Developmental Focus	3	Project Management	2
Effectiveness	2	Quality of Project Management	2
Targeting and Outreach	4	Knowledge Management	5
Gender equality & women's participation	4	Value for Money	2
Agricultural Productivity	2	Coherence between AWPB and Implementation	1
Nutrition	3	Performance of M&E System	3
Adaptation to Climate Change	2	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	

Sustainability and Scaling-up	3	Financial Management and Execution	3
Institutions and Policy Engagement	3	Acceptable Disbursement Rate	1
Partnership-building	2	Quality of Financial Management	2
Human and Social Capital and Empowerment	4	Quality and Timeliness of Audit	3
Quality of Beneficiary Participation	4	Counterparts Funds	4
Responsiveness of Service Providers	3	Compliance with Loan Covenants	4
Environment and Natural Resource Management	2	Procurement	3
Exit Strategy	2		
Potential for Scaling-up	2		

Relevance	4
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C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

1. Meghalaya Basin Management Agency (MBMA) is the lead agency for implementing the Meghalaya Livelihoods and Access to Markets Project (LAMP). The total outlay of the project is estimated at USD 169.9 million funded by an IFAD loan of SDR 32.4 million (USD 50 million), Government of Meghalaya (GoM) contribution of USD 49.7 million, bank credit of USD 29.3 million, convergence of USD 28.2 million and beneficiary contribution of USD 12.7 million. LAMP is part of the Integrated Basin Development and Livelihoods Programme (IBDLP) of GoM and coordinated by the Meghalaya Basin Development Authority (MBDA). The project became effective on 9 December 2014 and the project completion date is scheduled for 31 December 2022. At the time of this mid-term review (MTR) mission, 45% of project duration has passed.
2. The project objective is 'higher family incomes and better quality of life in rural Meghalaya' through 'expanded and sustainable livelihood opportunities adapted to the hill environment and to the effects of climate change'. The key performance indicators for LAMP in the financing agreement include:
 1. At least 50,000 households adopt new livelihood opportunities linked to markets.
 2. 540 villages accessing services for enterprise development from government and private sector.
 3. 1,200 villages with 90,000 households implementing natural resource management plans
 4. 20,000 households report reduced time to collect domestic water
 5. 70% of Integrated Village Cooperative Societies (ICVS) are financially sustainable and have loan recovery rates of at least 95%
3. The MTR was brought forward following the third Supervision Mission of Dec 2017 at which the Project At Risk Status was assessed as an 'Actual Problem' due to the very slow progress to date and a range of concerns about implementation progress and arrangements. In preparation for the MTR, an Implementation Support Mission worked with the project in June 2018 examining institutional capacity and implementation issues. A primary objective of the MTR is therefore to work with the MBMA leadership and project teams to develop a credible turnaround plan to bring the project back on track and make adjustments to the design and implementation arrangements to enable a successful turnaround.
4. The mission worked extensively with the MBMA leadership and project team and conducted field visits covering all regions and components of the project. This Aide Memoire covers 1) an assessment of the performance of the project to date, and 2) a summary of the turnaround plan. The Aide Memoire was presented at a Wrap up Meeting on 11th July Chaired by Shri. K. N. Kumar, IAS, Additional Chief Secretary and Agriculture Production Commissioner. The Aide-Mémoire was also discussed with Mr Anwar Shaik, Director, DEA, at a wrap-up meeting held on 2 August 2018 in New Delhi, and the MTR mission recommendations were endorsed by DEA.

Key Mission Agreements and Conclusions

1. Little progress has been made towards the development objectives despite 45% of time passed. Physical progress in almost all areas is limited, and extremely so in some areas critical to achieving the project development objective – especially around the Enterprise Facilitation Centres. For natural resource management and rural finance, progress has begun to increase since mid-2017, and while these are now moving in a positive direction, they are well behind plan at present. Only the road construction is ahead of plan, but even this may have limited impact as it was intended to support and follow cluster and market development not precede it. It is, however, noted that some improved performance has been seen in the last 12 months but this is not sufficient to bring the project back on track, nor address some of the major issues in the project, as outlined below.
2. Considering the key performance indicators of the project, and the associated precursors measures that may indicate likely progress towards the ultimate development objectives, there is very limited progress to date as described under 'effectiveness' below.

D. Overview and Project Progress

Considering the key performance indicators of the project and the associated precursors measures that may indicate likely progress towards the ultimate development objectives, there is very limited progress to date, for example:

- Natural resource management 821 INRM plans have been prepared and the balance will be completed this year. Most Village Resource Maps/ Catchment Plans (1,189) are yet to be prepared.
- Progress on Component 1 covering these objectives is rated as unsatisfactory (2).
- 821 INRM plans have been prepared and the balance will be completed this year. Most Village Resource Maps/ Catchment Plans (1,189) are yet to be prepared.
- While a well thought out methodology for data collection has been developed, data collected has not been analysed and collated except for developing a Priority Listing of NRM works to be undertaken ("Dream Map/List"). To date, works undertaken are mostly small including spring boxes, water stands, tree planting, small check weirs etc. undertaken using the VDF with very limited convergence.
- Thus, while there is some progress in the field and good technical expertise at the central level, there is a need to strengthen the activities especially at the village level to ensure true ownership from communities in pro-actively managing their natural resources into the future to conserve their water, soil and bio-diversity resources and develop and sustainably manage them in ways that provide the foundation for prosperous growth of their natural-resource based livelihoods.
- Economic objectives: With most EFCs having been running for 5 yrs, there is clear evidence that EFC concept is not effective as currently practiced. Across all 40 EFCs, since the first EFCs which were established in 2013, there have been a total of 63,310 registrations of people looking for services and only 1.4% have adopted the training/services received.
- Livestock activities, implemented by MIE, have established 70 of 120 target livestock development centres (LDC). As with EFCs, the model implemented is untested and highly unlikely to deliver a sustainable impact. Excessive costs and small coverage mean the project has established highly unsustainable LDCs that may even adversely impact the development of more sustainable community-based services.
- Integrated production and marketing activities show greater promise. The project has completed around 24 initial interventions, ranging from market exposure visits, trial trades, aggregation and packaging. The objective now must be to scale-up these activities focusing on the most promising commodities by applying a more systematic inclusive supply chain development approach to the development of these clusters.
- Road construction has rushed ahead of plan. At MTR, 69km were completed and 147 km were under construction or nearing completion which together represents 87% of the total target. It is unclear how the roads built meet the project objective; while they may improve general communication into some hamlets, they are unlikely to contribute to the development of competitive local supply chains and clusters.
- Initial engagements have started in 14 markets (target 54 markets), with the objective of building trust with market owners as an entry point to promote reforms in market operation and governance. This approach seems sound given the local market context and role of local market owners. The future focus should continue to try to engage in improvements in governance and operating practice while also having more explicit coordination to support the development of wholesale trade markets serving the priority commodity clusters and supply chains.
- Overall progress in these areas is highly unsatisfactory (1). Enterprise development via EFCs and livestock service are rated 1, with road construction rated as 2. None of these activities can be expected to make a significant contribution to the project's development objectives yet these 3 activities alone account for 53% of the entire planned project investment of IFAD and government (excl. convergence). In contrast, the smaller activities on integrated production and marketing and market upgrading are moderately satisfactory (4).

Rural finance objectives: To date 71 IVCS have been registered (24% of the end of project target (EOP) of 300). These IVCS have to date got 3197 members (2.6% vs EOP Target of 120000 members), average around 45 members but growing rapidly as all are still in their first year of operation.

- Almost all progress has been made in the last 12 months. As such, the outreach and overall component progress is expected to continue to advance rapidly. In general, the IVCS activities have been the best implemented of the main project activities to date.
- The overall approach is sound and builds on well proven practices from elsewhere in India and the wider region to address weaknesses in the supply of financial services in rural areas. The project has established effective partnerships with the Department of Cooperation at state and local levels and has strengthened its specialist RF staffing in the districts. Consequently, the mobilization of IVCS is now progressing reasonably well both in terms of numbers and quality of mobilization, despite the relatively low numeric performance at MTR.
- Progress in this sub-component under Component 2 is moderately unsatisfactory 3, primarily due to significant delays in starting the activities. Progress is however expected to improve rapidly in the coming period given the strength of the team and partnerships and the already established pipeline of activities.

1. The project objectives remain highly relevant, especially if the project can continue to accelerate delivery of its NRM and rural finance activities and relaunch its economic activities using proven approaches that address the real economic opportunities in project areas, building on the positive intervention in IPM.
2. The low performance to date stems from issues in design and implementation. Specially, the very low performance in the economic area is the result of a complex design compounded by disjointed implementation. In the case of NRM and rural finance, the core design and approaches remain relevant and hence implementation issues have been the primary source of delays.
3. Notwithstanding the internal issues, the wider context gives grounds for optimism that the project could still

significantly deliver against its development objectives due to three highly favourable factors:

- o Communities in project areas have substantial social capital and cohesion, increasing the likelihood of successful community institutions being able to be developed in support of the NRM, economic and rural finance objectives.
 - o A strong and diverse portfolio of opportunities exists in natural resource-based supply chains accessible to large numbers of households driven by the agro-climatic diversity, proximity to markets (within and outside the state) and strong economic growth of the state (~9%p.a.).
 - o Quality of the staff is generally high at all levels of the project.
4. Given the generally favourable background conditions, the low performance across all aspects suggests that there have been significant challenges in management systems and practices. Consequently, any realistic turnaround plan must quickly address the shortcomings in management in parallel to tackling the technical issues in the components, especially in the economic activities.
 5. The recent appointment of a dedicated CEO of MBMA as the Project Director (PD), supported by a newly appointed fulltime Assistant PD (APD) and the move to make all senior management positions fulltime is a positive first step to begin to address the management issues and increases the likelihood that the structural issues in the project can now begin to be tackled.

LAMP Turnaround

1. To bring the project back on track, significant improvements are urgently needed in project management and restructuring the work now covered under the new Component 3 on Inclusive Supply Chains and Enterprise Development. Further strengthening and acceleration is also needed on INRM and rural finance to capitalize on the foundation that have been established in the last 12 months. This will take a sustained intensive effort from management and project staff and the next 18 months will be a critical period. During this period, the new CLLMP project will also begin to be rolled-out. This will put increased pressure on the MBMA management at a critical period for the LAMP turnaround. GOM and IFAD must provide frequent close monitoring and responsive support throughout this period.
2. **Project development objectives, key performance indicators, locations and completion date** remain unchanged.
3. **Costs and financing:** Project financing of US\$ 50.1 million from an IFAD loan and US\$49.7 million from government (excluding convergence) remain unchanged. A re-allocation between expenditure categories will be required.
4. **Updated component structure:** LAMP will now be implemented in three major components supported by a strong knowledge management platform as summarized below. Further details of the future arrangements in each component are included in the Annexes.

Project management

1. LAMP project management and team structures will be streamlined and strengthened. Three principal changes will be introduced:
 1. A Senior Management Team (SMT) will be established to take joint responsibility in supporting the PD in overall project delivery and strengthen coordination within all aspects of project delivery. A specific Terms of Reference will be agreed for the SMT.
 2. Clearly delineate between technical management within components versus general management within a particular district. In support of this, a newly established layer of regional management will strengthen the presence of senior management in the field.
 3. All components will now have dedicated staff at central, regional and district/block level with primary reporting lines via the component management structure. Day-to-day general management in districts will continue via the District Project Managers.
2. Accountability for the delivery of component results will primarily rest with the Component management teams. Component management teams, via the Regional component coordinators, will lead the development of the annual work plans and budgets for their respective component in each block/district. This will ensure technical consistency and coordination across the project. This shall be done in a participatory process with the full engagement of district component and general management team (i.e. District Project Managers, BDOs, DCs). DPMs shall have a particular responsibility in this process to advise and facilitate practical opportunities for convergence in support of planned activities and ensure local issues are adequately considered in the planned activities. District-wise AWPBs for each component will be consolidated into a district AWPB to be submitted to the SMT for approval through the regular process.
3. District Project Managers will be responsible for the day-to-day general management of the project activities in their district in-line with the approved District AWPB, including monitoring and reporting of physical and financial aspects. They will have a primary responsibility for maximizing convergence in support of project activities and ensuring close coordination with other departments and programmes in the local area. Technical supervision and backstopping of the component staff in the district/block will be provided by the Regional Component Coordinators. Funds will be released on a quarterly basis to districts and approval for specific activities will be done under the sanction of DCs. DPMs will continue to report to both the DC and SMT. Reporting to the SMT will be via Regional Project Managers who will ensure the effective day-to-day operation of project activities in districts in their region and coordinate with DCs and other key local stakeholders.
4. All staff will have clearly defined roles and responsibilities and clear lines of accountability. Immediately once the MTR recommendations are agreed, all staff ToRs will be reviewed and updated to bring them in line with the new structures and roles.

5. Regional teams – covering components and general management, will provide close support and technical guidance of implementation. They will be co-located to facilitate real coordination and harmonization between the three components.

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		
Component 3 11. Launch the newly restructured Component 3, as outlined in the Annex, with current IPM team leading	PMU	07/2018
INRM and RF 12. Implement technical improvement in INRM and RF components as outlined in the Annex	PMU	07/2018
23. Loan linkages to project households Take responsibility for linking project households with banks and financial institutions for the different loan requirements and also provide suitable investment advice on the right sources and availability of other soft/grant funding wherever feasible	FSD	07/2018
25. Release of corpus Fund Corpus fund should release to only those IVCS that are more than six months old, have collected shares from at least fifty members an amount not less than Rs 50,000 and the savings and share capital put together is more than Rs 100,000.	FSD	07/2018
27. Linkage with Banks for bulk loans to IVCS In consultation with NCAB and other willing banks, suitable guidelines for IVCS desiring to borrow bulk funds for on-lending to members should be prepared. The IVCS should be trained for accessing borrowings from banks. FSD should also facilitate linkage of IVCS with the banks for their bulk fund requirements.	FSD	07/2018
28. Links with NABARD The relationship with NABARD should be strengthened; Rural finance bank linkage officers in the districts should coordinate NABARD bank linkage for project households.	FSD	07/2018
29. Reconstitution of core committee The core committee on IVCS may be reconstituted with NABARD as a new member and dropping those members who are not connected with the component.	FSD	07/2018
Senior Management Team 1. Establish Senior Management Team will clear terms of reference to jointly lead LAMP turnaround	PD	08/2018
Organizational structure 2. Implement new project team and organizational structure and reporting as per Appendix 4	PD	08/2018

Terms of Reference 3. Review and update all Terms of Reference in line with the new LAMP project structure (Appendix 4)	PMU	08/2018
Delegation of responsibilities 4. Delegate authority and responsibility to staff at appropriate levels and institute a system of reviews to ensure progress is regularly monitored. This could be (i) quarterly by CEO MBDA of the PMU (ii) monthly by PD of all PMU staff (iii) weekly by sector leads of their teams. With the delegation of powers it may be useful to have individual workplans.	PMU	08/2018
Implementation arrangements 6. Provide reorientation to all current and new staff on LAMP turnaround and updated approaches, structures and implementation arrangements – covering both technical aspects as well as updated management, planning and approval process and greater decentralization. Should also include (i) overall cogent understanding of the project (ii) their roles and responsibilities (iii) need and strategy for convergence (iv) reporting requirements.	PMU	08/2018
AWPB 8. Revise AWPB based on MTR agreements. Submit for GOM and IFAD approval. IFAD to provide approval/feedback within 5 working days of receipt of AWPB.	PMU	08/2018
Consolidate district level and state level AWPB 9. Introduce bottom-up planning process beginning from the village upwards with district level AWPBs and state level AWPB consolidated into project AWPB. Component management teams to lead this process in each component in each district.	PMU	08/2018
Comp 1: NRM 18. Develop a “Pedagogy of Action” which systematically and sequentially spells out outcomes with benchmarks/ standards to be achieved in specific time periods; actions to be taken to realise these; resources to be provided or competencies acquired; and persons responsible for delivering the mandated outcomes are identified, empowered and adequately resourced	PMU	08/2018
Comp 1: NRM 19. Put in place a performance and accountability system that incentivises staff to implement the Pedagogy of Action. This should include weekly and monthly Action Plans of staff which are monitored on a weekly/ fortnightly basis.	PMU	08/2018
Comp 1: NRM ncrease budget allocation to VDF to a base level of up to INR6.00 Lakhs per village. Minimum conditions to be met by VEC to receive funds: Minimum beneficiary contribution =15% and Minimum convergence of 1.3 x the amount of funds taken from LAMP.	PMU	08/2018
Timely release of funding for FY 18/19 13. GOM to approve and release of GOM funding for LAMP FY18/19 on timely basis	PMU	09/2018

Comp 1: NRM 15. Review village plan development process (INRMPs and VRMs) to ensure they are of good quality and ensure that VRMs clearly indicate proposed measures and interventions which are geo-tagged and which follow a ridge-to-valley approach.	PMU	09/2018
Comp 1: NRM 16. Partnership with Departments: Updated MOU with Soil and Water Conservation Dept	PMU	09/2018
Comp 1: NRM 21. VEC operating fund: temporarily suspend disbursement to villages and review approach to scheduling of release of funds to VEC. Total allocation per VEC increased to Rs. 2.4 lakhs – including Rs. 60,000 per year x 3 years plus Rs. 60,000 for agriculture development given in the first year.	PMU	09/2018
Staffing To accelerate the pace of work and take additional role of loan linkage and investment advisory, place one staff each for IVCS and loan facilitation in the 11 districts. The identification and placement of staff should be prioritised	FSD-HR	09/2018
26. Business plans All existing IVCS should be trained in a skill workshop with the support of BIRD on preparation of business plans; by End September 2018, all the registered IVCS should have submitted their plans to FSD for vetting and approval. As part of the business plan workshop, pricing of loans and terms under which loans can be offered to members should also be covered. Guidelines should be issued to IVCS on loan operations, pending finalisation of the loans manual.	FSD	09/2018
Staffing 7. Revise the salary and compensation package offered to project personnel to uplift morale, reduce turnover and improve project performance in line with the prevalent salary structures in particular the CLLMP and NRLM staff salaries.	PMU	10/2018
Financing 10. Decentralise financial powers to the district level: Once the AWPBs have been sanctioned, funds be released to the BDUs on a quarterly basis. Do away with task based activity approval system.	GoM	10/2018
Comp 1: NRM 14. The Chief Secretary to write a letter to the Secretaries of relevant Departments and Autonomous District Councils/DCs of the NRM districts instructing them to mandatorily include NRM-related works proposed by project related VECs in the AWPB, prioritise them in developmental schemes and extend administrative and manpower support to the project.	GoM	10/2018
Recruitment 5. Recruit additional staff in line with the new structure through professional recruitment process for all positions	PMU	11/2018

Comp 1: NRM 17. Undertake sustained measures to familiarise communities, project staff and local resource persons with the concept and practice of catchment management and build their capacities to undertake the same.	PMU	01/2019
30. Financial literacy for IVCS members Financial literacy training for all IVCS members should be provided as agreed in accordance with details indicated in the technical annex. Three modules to be covered: i) household economy, ii) household enterprise, iii) group enterprise. Total approximate contact time for training around 60+ hours (20-25 hrs per module)	FSD	03/2019
22. Accelerated completion of formation Prepare and implement a plan for formation of 150 IVCS by March 2019 and completing the remaining 150 IVCS by December 2019	FSD	12/2019
31. Extending coverage Once 300 IVCS and attached villages are identified, detailed review of gaps in coverage and develop locally specific strategy to extend coverage as much as possible to villages not already covered.	FSD	12/2019

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus		
Effectiveness	Rating: 2	Previous rating: 4

Justification of rating

23. Implementation of all components has been significantly delayed throughout project implementation. NRM and rural finance have started to progress in the last 12 months but are far behind at 2-20% of physical progress against various key measures. Economic activities and results have substantively failed, delivering around 1.1% of key logframe target and will struggle to reach even 10% if not fully restructured. This is dragging the whole project down. The problems in the economic activities were only partly acknowledged at the start of the MTR and hence no credible mitigation measures introduced before MTR.

Log-Frame Analysis & Main Issues of Effectiveness

1. A revised project logframe is presented in Appendix 1. An analysis of progress against previous logframe is summarized below.

INRM

1. Key targets: 1,200 villages with 90,000 households implementing NRM plans; 20,000 households reporting reduced time to collect domestic water among other impacts.
2. To date, of 1350 INRMPs to be prepared, 821 have been prepared. Most Village Resource Maps/ Catchment Plans (1,189) are yet to be prepared. Funds have been released to 295 villages and works begun in 173 villages. So, approx 6.5% of expected project supported works across both waves of investment have begun. It's not clear how these investments contribute to reduced time to collect domestic water.

Economics:

1. Key targets: Increased income for 50,000 households adopting new livelihood opportunities linked to markets and 540 villages accessing service for enterprise development.
2. The flagship Enterprise Facilitation Centres were envisaged as the primary mechanism for this - providing business development services to households to take new market-driven opportunities. To date, 542 individuals who registered with EFCs in LAMP blocks have applied the training and support they received contributing just 1.1% of the target. This is clear evidence that the core EFC concept is not effective as currently practiced. Across all 40 EFCs to date, since establishment of first EFCs in 2013, there have been 63,310 registrations; yet only 881 people have applied the training received – a conversion rate of 1.4%..
3. Integrated production and marketing activities show greater promise. Clusters with growth potential have been identified covering 17 commodities in 54 clusters with 145 groups mobilized to date. Many of the commodities identified have good market growth potential and profitable opportunities for inclusive smallholder-based supply chain development.
4. Road construction has rushed ahead of plan. At MTR 69km completed and 147 km under construction or nearing completion which together represent 87% of the target. However, majority of roads inspected at MTR do not appear to meet the project objectives at design 1) ensure markets are well connected to the road networks to enable goods to be moved in and out of the markets, or 2) provide access from production clusters to markets.

Rural finance:

1. Key targets: 70% of Integrated Village Cooperative Societies (ICVS) are financially sustainable and have loan recovery rates of at least 95% and IVCS have 90,000 savers and 60,000 Borrowers.
2. To date 71 IVCS have registered (24% of the end of project target (EOP) of 300). These IVCS have got 3197 members (2.6% vs EOP Target of 120000 members), average 45 members but growing rapidly. At design, combined membership was expected to reach 40,000 members by end Yr3. Thus actual achievement is only 8% of that expected at this stage of the project.
3. Almost all of this progress has been made in the last 12 months. Outreach and overall component progress is expected to continue to advance rapidly. In general, IVCS activities have been the best implemented to date.
4. The overall approach is sound and builds on proven practices. LAMP has established effective partnerships with Department of Cooperation and strengthened its specialist RF staffing in the districts. Hence, mobilization of IVCS is progressing well in terms of numbers and quality despite the relatively low numeric performance at MTR. As such, despite the delays in the initial stages, the current workflow and planning are on-track to achieve the designed outcomes and project objectives at completion.

Development Focus		
Targeting and Outreach	Rating: 4	Previous rating: 4

Justification of rating

35. The project adopts an inclusive targeting approach within its supported communities, such that IVCS membership and participation in NRM PRA and planning has been open to all. The selection and targeting of roads has been less clear and less well targeted.

Main issues

1. For rural finance, the IVCS are targeting the intended households in villages and reaching out to women, poor and other vulnerable sections. The services offered are equitable and do not discriminate between members and are designed to provide access to financial & other services for all economic activities carried out.
2. However, road construction which was intended to support the development of market linkage for supported clusters and other economic activities, appears to have been rushed ahead of all other economic activities and many of the roads do not connect producers to markets in a way that is likely to increase economic opportunities.

Gender equality & women's participation

Rating: 4

Previous rating: 4

Justification of rating

38. Project has competent gender team which prepared a Gender Strategy and Action Plan and gender modules which have been included in the different trainings at all levels for INRM, IVCS, EFC etc. However, gender team was merged with EFC team and at present there is no Gender Unit in LAMP. Accordingly, no action was taken on any of the agreed actions of the last SM including exposure visit to MAVIM in Maharashtra and information dissemination on Vishakha Guidelines to address issues of sexual harassment at workplace. Women's participation in programmes is notable. The project has ensured that gender issues are covered in training by including a module on gender in all trainings and also by ensuring women are covered in almost equal numbers in the trainings.

Main issues

Women continue to remain in very low numbers in decision making bodies at community level. There are very few women in leadership roles in IVCS.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Gender Prepare a cadre of women leaders by training all women members of IVCS Governing Council so that when the opportunity arises they could take up the Secretary or Chairperson's role.	PMU	08/2018
Gender Focal Person's roles and tasks should be clearly defined at state and district levels, even if there is no separate Gender Team.	PMU	08/2018

Agricultural Productivity

Rating: 2

Previous rating: 4

Justification of rating

40. Less than 450 individuals are reported to have applied agriculture-related training from the 5,600 who have received production related training under LAMP. This implies an average adoption rate of only 7.5%. With such small number applying training, there is little chance that the project has had any measurable impact on agricultural productivity in its communities to date.

Main issues

There are evidently major problems in the design, targeting, delivery and follow-up of agriculture production related training delivered via EFC.

Nutrition

Rating: 3

Justification of rating

42. 42. Nutrition-centred activities play only a small part in the project, via INRM activities envisaged as increased food production due to increased irrigation. To date, very few nutrition sensitive activities have been implemented via the INRM planning process and very few irrigation works.

Main issues

Project has not yet implemented any activities that could have an impact on nutrition such as promotion of homestead gardens; collection/ use of NTFPs and production of nutrition dense crops under INRM; integration of nutrition awareness in relevant training programmes.

Adaptation to Climate Change	Rating: 2	Previous rating: 4
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Justification of rating

43. The project has a dedicated component focused on NRM and climate adaptation issues. The overall approach is sound and quite comprehensive but has been very slow to start up and has not yet taken off in any meaningful sense. However, rapid improvements are now expected if the adjustments agreed in this mission are implemented.

Main issues

There is a need to accelerate the rollout of the INRM component and strengthen the ownership of communities in the process.

b. Sustainability and Scaling up

Institutions and Policy Engagement	Rating: 3	Previous rating: 4
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Justification of rating

45. The project has had limited influence on the policy framework through the enhancement of smallholder participation in policy processes. However, in the case of rural finance, higher level institutions such as the Apex Cooperative Bank Department that regulates IVCS is actively engaged ; and changes necessary to regulation and processes are being addressed in a positive, problem solving mode.

46. Institutions such as IVCS are at a nascent stage but show potential for sustainability.

Main issues

Project lacks the systems to generate and utilise evidence to support policy work as well as clarity of purpose with regards to policy level interventions.

Partnership-building	Rating: 2
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Justification of rating

47. LAMP has performed poorly in developing meaningful partnership beyond its immediate network in MBDA. This is particularly evident in the lack of convergence across all aspects of the project. The only exception is in rural finance, where there is a strong partnership with the Dept of Cooperation and efforts to establish partnerships with the Apex Bank and other banks that needs to be further deepened. Partnership with Bankers Institute of Rural Development for technical services has been found to have positive influence on implementation quality as well as speed. The project intends to continue the partnership for a longer period.

Main issues

Staff are not oriented or capacitated to undertake convergence with relevant departments even though the BDUs are strategically placed under the DCs. It is also largely an issue of mindset where the tendency is to implement in a project mode using just project funds.

Human and Social Capital and Empowerment	Rating: 4	Previous rating: 4
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Justification of rating

48. Progress has been made, especially in the capacity building of the management teams of the first batch of IVCS and some support on INRMP preparation via VEC. The ownership and participation in project activities is high including

through IVCS and VECs which holds the promise of achieving empowerment goals.

49. There is scope for building greater human capital and viable community institutions in each of the three pillars of the project, including the development of cadres of relevant para professionals in each area.

Main issues

Even though otherwise active, women still not in leadership/ management roles in new or old community institutions.

Quality of Beneficiary Participation	Rating: 4	Previous rating: 5
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Justification of rating

50. Beneficiary participation via the INRM and IVCS mobilization process has been generally strong, but participation in final decision making for INRM requires improvement. Member enrolment with share capital contribution in IVCS has been encouraging. Savings mobilisation has commenced and impression from the field is one of strong participation of members in IVCS as it provides doorstep financial services hitherto not available. Participation in selection of road locations has not materialized, though contribution to road construction has been strong (both in financial terms and in labour contribution).

Main issues

Awareness about all components of the project is not reaching all community members. Participation in enterprise development needs to be strengthened.

Responsiveness of Service Providers	Rating: 3	Previous rating: 4
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Justification of rating

51. The quality of service providers has been extremely variable. In general those providing support on RF have been general good and well received. In particular, BIRD has been diligent and fully responsive to the needs of the project. Its support in different forms has been found timely and relevant.

52. On livestock, the quality of services provided by MIE has been very poor.

Main issues

There are a range of small service providers of mixed value to the project and their work should be rationalized in line with the reorganization of the project post MTR

Environment and Natural Resource Management	Rating: 2	Previous rating: 4
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Justification of rating

53. The project has a dedicated main component focused on NRM and climate adaptation issues. The overall approach is sound and quite comprehensive but has been very slow to start up and has not yet taken off in any meaningful sense. However, rapid improvements are now expected if the adjustments agreed in this mission are implemented.

Main issues

Rating is 2 due to very slow progress to date. Project has also not been able to successfully converge with other government programmes to implement large scale NRM activities despite development of plans.

Exit Strategy	Rating: 2	Previous rating: 5
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Justification of rating

54. No clear exit strategy has as yet been developed for LAMP as a whole.

55. However, for rural finance the approach has been designed and implemented from the outset with a sustainable exit strategy in mind. IVCS are formed to be long term institutions. While during the remaining project period till end 2022 they would be built up to be independently operational, higher financing institutions and regulator, as part of their mandate, would continue work with these societies. Keeping their mandate in mind, these external partners have been brought on board from the design stage and continue to be involved in the core committee to drive implementation of rural finance component. The exit strategy for this component is in place and likely to be effective but will need close monitoring.

Main issues

Components working in silos and work on other components not yet started in right earnestness.

Potential for Scaling-up	Rating: 2	Previous rating: 5
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Justification of rating

56. So far there is no evidence of scaling of project innovations or initiatives as impacts are not yet visible.
57. Notwithstanding the lack of evidence of impacts if the IVCS can demonstrate their viability and sustainability then they have potential for scaling up not just in this state but more widely in North East which have similar problems of access to financial services. Within the state there is already a demand from some non-project blocks for setting up IVCS. In some locations, villages have started to set up similar societies. So it is now critical to demonstrate sustainability of IVCS.

Main issues

The project must first demonstrate clear and credible impact before it could be a candidate for scaling up.

c. Project Management

Quality of Project Management	Rating: 2	Previous rating: 4
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Justification of rating

58. There has been no action on many of the recommendations of the last SM, on important project management issues. However, the state government has recently appointed a full time APD and has also separated the roles of the CEO MBDA and PD, appointing Mr Sahay as the full time PD of Megha LAMP whereas the CEO MBDA is a separate officer. The state has also promptly responded to the recommendation of the Mission in June 2018 and appointed a full time APD for Megha LAMP.
59. Notwithstanding the recent actions, project management remains the biggest risk to overall project delivery.
60. With the launch of World Bank funded CLLMP, there is risk of the situation becoming more complex.
61. A new organizational structure has been proposed to streamline project management (Appendix 4).

Main issues

Major current issues include:

1. Complex reporting lines, non-linear and dual reporting lines continue to exist despite recommendations of the last Mission to set up a team to review and address this. As the state did not take action on this, IFAD fielded a one person mission in June to analyse the situation, prepare a report and present it to the Planning Department.
2. Individual staff capacity is high and needs to be better harnessed for enhancing performance of the project. Currently their efforts and energies are dissipated.
3. Decision making continues to remain highly centralised. Field/ BDU staff are not involved in AWPB planning. No action taken on recommendation of 2017 SM.
4. No delegation of power to field staff. BDU staff are either directed by the DCs or the OSDs/ sector Managers. Task based fund release system. No action taken in this regard on the recommendation of the 2017 SM. This has resulted in staff members having a piecemeal view of the project and not being able to understand how their work contributes to the achievement of the project goal and objectives.
5. BDU staff lack clear understanding on the implementation of various project components. Need for Guidelines including for convergence.
6. Staff in the field feel demoralised because of little decision making power, low salaries and scarce opportunities for career growth

Agreed Action	Responsibility	Agreed Date
Project Management		
Appointment of technical staff All new professional staff engagement for EFCs, BDUs and State level except for financial management need to have agriculture, horticulture and livestock background.	Governing Board of MBDA /MBMA	01/2018
45. Project management : With the launch of the World Bank financed CLLMP, create a common service hub to undertake cross cutting functions (Administration, Finance and Accounting, Human Resources, Procurement, and M&E and Knowledge Management) required for both LAMP and CLLMP.	PMU	08/2018

Knowledge Management

Rating: 5

Previous rating: 5

Justification of rating

63. This aspect of the project continues to be a high performer by constantly supporting the implementation of other components as well as bringing visibility to the project.

64. The KM team has identified one staff at each BDU as a KM nodal person to perform two roles (i) identify good practices and innovations and inform the KM teams which then documents these (ii) provide inputs to the KM team on the demands/needs of the community. This way the KM team has its ears fully tuned in to the needs of the project. KM team has produced a number of training modules/ learning videos for the communities on topics identified by the ERPs/ BDUs, a number of pamphlets, learning materials etc as well as documentation of good practices. Quality of products are good and being constantly refined.

Main issues

Greater alignment between KM and M&E would provide a stronger platform for evidence-based management of the project for results.

Agreed Action	Responsibility	Agreed Date
Project Management		
KM With CLLMP being implemented, KM team will serve both the projects and will act as a bridge between the two projects for learning.	PMU	08/2018
KM For future KM team could play an important role in generating information for Convergence. Accordingly, the team could collect information on all relevant government schemes for the project beneficiaries related to INRM, IPM, IVCS; convert these into simple information brochures and make them available to field functionaries and communities to enable them to access the benefits from the government schemes.	PMU	08/2018

Value for Money

Rating: 2

Justification of rating

66. Three major elements of the project (enterprise development, roads and livestock services) are expected to deliver minimal impacts (potentially less than 10% of key economic impact targets) despite accounting for 53% of total planned government and IFAD investment. Such substantial reductions and delays in the benefit stream significantly reduce the expected value for money.

Main issues

1. EFCs are a key element of the expected impact mechanism and have performed extremely poorly – delivering a very small fraction of the expected impacts despite operating for up to 5 years in some cases. In the case of roads, these have not been located in order to connect production clusters to markets and so are expected to have

limited economic impacts.

2. Given the significant restructuring of the project at MTR, the new EFA was prepared for the restructured LAMP (see Technical Paper on Economic and Financial Analysis included in Appendix 4). Cost-benefit analysis method was used for the economic analysis of the project, using three indicators to assess the overall performance of the project, namely (i) economic internal rate of return (IRR), (ii) net present value (NPV), and (iii) benefit cost ratio (BCR). These were estimated using a 20 year incremental cash flows of benefit and cost streams. According to the details presented in Appendix 4, overall Project IRR is 25%. The estimated NPV for a 7.5% discount rate is INR 8,787 million and the BCR of 1.76. A positive NPV under the current Opportunity Cost of Capital (OCC) of 7.5% and even at a 20% discounted rate indicates that the project investments are robust. However, only after project year 8, perceptible change in average incomes of the participating households will be noticed.
3. Sensitivity analysis confirms that the Project remains robust both to decreases in benefits and increases in costs. None the less, the project is more sensitive to decline in benefits than increases in costs. Decrease in benefits may be brought about by a decline in output prices, or a failure in achieving projected yields or outputs. It is noted that the project area often experiences natural calamities and also damages to crops by wild animals and therefore there are possibilities of decline in benefits happening more often. But under extreme case scenario of costs increases by 20% and benefits decline by 20% over the base-case, an IRR of 12% is obtained with a NPV of 2378 million and BCR of 1.17 and this illustrates that the project investments are sound and robust.
4. Comparison with design stage EFA indicators: In order to compare the EFA indicators of ex-ante and post MTR, (i) summary cash flow series of ex-ante EFA were adjusted to June 2018 price level using India's GDP inflator and (ii) the discount rate of 7.5% was used. Resulting comparisons are presented in the table below.

Particulars	Ex-ante EFA Indicators	Post-MTR EFA indicators
IRR	25%	25%
NPV million, discounted at 7.5%	15,417	8,787
BCR discounted at 7.5%	1.4	1.76
Benefits lagged by 2 years:		
IRR	18%	19%
NPV million, discounted at 7.5%	13,398	6,292
BCR discounted at 7.5%	1.31	1.54

- *It is noted that there was nearly nil outcome achievement during period prior to MTR and thus all benefits are accounted for during the post MTR implementation period; number of out reached households also nearly halved as EFC could not register any growth and nor the livestock development. This scenario has adversely affected the post-MTR NPV values significantly. Although, there are no changes in IRR, NPV under post-MTR scenarios nearly halved. This was not the scenario of "benefits lagging" as no corresponding investments were made by the project.*

Coherence between AWPB and Implementation

Rating: 1

Previous rating: 3

Justification of rating

72. Financial achievement vs AWPB was just 12% in 2017/18 and has also averaged only 12% since the start of the project. There are major problems in both the preparation and adherence to the AWPB as a key management tool. This has been a persistent problem since the start of the project with no improvement in this area and no measures evident to address this prior to MTR.

AWPB Inputs and Outputs Review and Implementation Progress

The AWPBs bear little resemblance to actual implementation. The project has consistently delivered only around 12% of financial progress against its approved AWPBs. More complete data on physical and financial performance of AWPB 17/18 and cumulative to date is included in the Appendix. It is noted that almost the only area that is ahead of plan are project management costs.

It is evident that previous AWPBs have been prepared in a heavily top-down manner with little connection to ground realities. There is a need to entirely overhaul how the AWPB is prepared with more substantive bottom-up input and accountability for delivery clearly assigned within the component management teams and DPMUs.

The lack of delivery of previous AWPB may also create challenges in the coming years in securing sufficient and timely funds from GoM based on future plans, given the lack of credibility of previous plans.

Performance of M&E System

Rating: 3

Previous rating: 4

Justification of rating

76. M&E system primarily reports on progress only at the level of physical targets. Despite a competent M&E team and regular data collection, project managers appear to make little use of M&E information for planning and/or decision-making. Annual Outcome survey has been completed as also an evaluation of EFCs but these have not visibly led to management decision to address performance issues.

M&E System Review

1. A general M&E system is in place and an MIS has been developed and was ready to be launched just prior to MTR. The M&E team is able to report on a wide range of data across the project, though most is related to activities, input and outputs rather than result and outcomes. At present, data is collected and submitted by the respective technical teams in the fields using agreed reporting templates. There is no harmonized data collection and reporting system across the project. The definition of Outreach currently applied by the PMU is extremely broad and does not reflect the actual number of people who have received real services as opposed to either registering with the EFCs or attending an awareness meeting.
2. As the project is restructured post-MTR, there is a need for:
 1. greater focus on tracking and reporting of progress towards the project target results and development objectives – stemming from the highest levels of management and the newly constituted Senior Management Team
 2. more specialist understanding of the modalities and impact logic in each of the three main components and the associated M&E process, data and analysis required by each component team for them to be able to effectively manage outcomes and results. This requires tracking well designed intermediate indicators relevant to each component in addition to those needed for the logframe.

Updating the expected systems for data generation, collection, validation and entry into the MIS (which will also have to be updated). A large majority of data collection and entry into the MIS in the new Comp 2: Rural Finance and Comp 3: Inclusive supply chain and enterprise development should be done by beneficiaries themselves – specifically via laptops/tablets supplied by LAMP to the IVCS and Business Literacy Facilitators. The M&E framework and process and MIS will need to be updated to enable this.

Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)

Rating:

SECAP Review

Not relevant.

d. Financial Management & Execution

Disbursement by financier

Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	Beneficiaries	\$12,682,458		
	Domestic Financing Institutions	\$29,319,395		
	National Government	\$49,664,797		

	Other Domestic	\$28,175,482		
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Acceptable Disbursement Rate	Rating: 1	Previous rating: 2
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Justification of rating

The project is in its 4th year of implementation and its disbursement rate is 5.30% till 30 June 2018 based on actual disbursement by IFAD but expenditures are 7.47% based on expenses incurred up to 30 June 2018 which is 17.79% of the target of 42%. The expenditures including advances considered to have been spent are 24.64% of the allocated fund. The operating cost is high causing over spent by SDR 185,000 based on proposed expenses by 30 September 2018.

Main issues

- As of 30 June 2018, the total disbursement is SDR 72 million under IFAD loan, which is about 5.30% of the total fund allocation of SDR 32.40 million. The expenditures of SDR 704,780 (Rs.68.41 million) incurred from 1 October 2017 to 30 June 2018 and outstanding expenditures for the period of 1 April 2017 to 30 September 2017 are yet to be claimed after adjustment of advances and amounts claimed under wrong category at the exchange rate of Rs.97.0695 per SDR prevailing on 6 July 2018. The disbursement including expenditures yet to be disbursed comes to SDR 2.42 which is 7.47% of allocated amount under IFAD loan. The advances of Rs.930 million (USD 13.54 million equivalent to SDR 9.58 million) given to various institutions and individuals for implementation of project activities are outstanding as on 30 June 2018. It is informed that most of the advances have been spent especially for road construction. The expenditures may increase up to SDR 7.98 million including advances of SDR 5.56 million assuming expense. The disbursement should have been at least 42% of the total project allocation while the actual expenditure is only 7.47% which is 17.79% achievement of the target of 42%. Even assuming advances as expenditures, the disbursement comes to 24.64% which is about 58.67% of target. The details of disbursements made by IFAD and fund balance as on 30 June 2018 are given in Appendix 1.
- The estimated expenses up to 30 September 2018 is SDR 9.10 million (USD 12.82 million) and projected cost of proposed activities after mid-term review is SDR 23.20 million (USD 32.70 million). There will be shortfall in category equipment and materials, training, grants and subsidies, and operating costs which will require reallocation of fund based on final proposed cost estimate. The operating cost will exceed the allocated amount by SDR 185,000 based on proposed expenses by 30 September 2018.

The Project has been claiming some of the advances and also training expenses under goods, services and input due to misunderstanding and wrong category percentage mentioned in the AWPB. The project has submitted WAs 13 & 14 for the second and third quarter of FY 2017-18 & WA 15 for the outstanding expenses for the period from 1 April 2016 to 30 September 2017 for Rs. 48.93 million, which have been rejected and project has been requested to adjust advances already paid and correct wrong classification of expenses and submit one WA for all pending expenses incurred up to 31 March 2018. The project is also advised to review expenses claimed under wrong category in the WA already disbursed and submit separate WA for adjustment. The Meghalaya Institute of Entrepreneurship (MIE) had claimed expenditure incurred for other project and also for the prior project period, which was rejected by the project. A review of the statement of expenditures had indicated various financial issues. Hence, the advance of Rs.95.02 million given to the MIE should be adjusted based on audit to be conducted by the project auditor to ascertain expenses incurred for the LAMP activities and balance amount should be refunded.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
WA preparation Prepare one WA No 13 for expenditures to be claimed up to 31 March 2018 classifying expenditures to the appropriate category as per the financing agreement	PD/APD/ Manager – Finance	08/2018
Adjustment of excess claimed amount The excess amount claimed from IFAD for advances should be adjusted from expenditures in the next WA No 13.	PD/APD/ Manager – Finance	08/2018
Audit of MIE for settlement of advance MIE accounts for expenditures incurred for LAMP activities should be audited by the project auditor and advance should be settled for eligible expenditures incurred for the project. Excess funds released to MIE should be refunded to LAMP.	DDG-MIE and Megha-LAMP	08/2018
Adjustment of amount claimed under wrong category Expenses claimed and disbursed for under wrong category especially training expenses under goods, service & input should be adjusted submitting separate WA to IFAD.	PD/APD/ Manager – Finance	08/2018

Fiduciary Aspects

Quality of Financial Management

Rating: 2

Previous rating: 2

Justification of rating

The financial management and procurement manuals are yet to be finalized. There are some mistakes in the project financial statements of FY 2016-17. The project has not prepared interim quarterly financial statements .

Main issues

- The accounts were maintained and financial statements were prepared manually using excel spreadsheet up to FY 2017-18. Accounts are being maintained in tally software with effect from 1 April 2018 and accounts of FY 2017-18 were also maintained in Tally software from excel sheet. The Tally software does not have features of entering budget and directly generating category expense report. Currently, the withdrawal applications are prepared extracting category expenses report of each component and obtaining expenses report in the WA format from all DPMUs. The financial management and procurement manuals are yet to be finalized. There is no chief finance officer after contract of consultant OSD-Finance is not renewed. The project has recruited one deputy finance controller who joined the project on 18 July 2018. Bank reconciliation statements are prepared on monthly basis using tally software at the SPMU and all DPMUs. There are some mistakes in the project financial statements of FY 2016-17. The project has not prepared interim quarterly financial statements.
- The GoM releases funds in tranches without any fixed period. For each item of expenditure, the approval is provided by the SPMU for which funds are sanctioned and released. Advances are provided to some of DPMs for PRA exercise of INRMP, training and other village level activities instead of responsible staff. The advances have been given to various entities without entering MOU and specifying the terms of conditions of implementation of activities. Some of the advances of individuals have not been settled for almost two years. The advances of Rs.3.00 million per KM have been given for road construction to the BDUs and SRES. The BDOs are submitting supporting documents of Rs.3.00 million incurred for purchase of construction materials, hiring equipment and labour charges for construction of one KM road without comparing quantity of materials purchased with the estimated quantities and lack of uniformity in quantity of materials used for construction of each KM. One bridge at Rs.3.00 million was constructed instead of road without justification.
- The mission reviewed the project expenditures of six months (October 2017 to March 2018) and on sample basis of remaining months of April 2017 to June 2018 of SPMU and DPMUs with supporting documents and filing system and found some internal control weaknesses. They are: (i) invoices for road construction in the name of individual instead of BDO, (ii) no inspection report of the equipments purchased, (iii) either no attendance sheets of participants or less than the number billed for food expenses, (iv) most of the food expenses and vehicle charges are on plain paper receipts, (v) no invoice and receipt of Rs.35,360 (IFAD share) of refreshment expenses, (vi) no acknowledgement of goods distributed to farmers producers organizations, (vii) payment of consultancy fee @Rs.22,000/month to 4 persons assigned by National Informatics Center for MIS development

instead to the NIC, (viii) expenses of Rs.16,224 (IFAD share) incurred for filing return of MBMA accounted to the LAMP, (ix) accounted travel expenses of Rs.38,131 (IFAD share) without supporting, (x) claim of advances in WA, (xi) almost same handwriting in payees' signatures for participants allowance payment of Rs, 65,110 (IFAD share) for business Counseling Camps, (xii) server, desktop computer, software, printer and UPS purchased in Jan 2018 not recorded in fixed assets register, (xiii) goods received is acknowledged by signing on Challan by procurement staff instead of issuing goods received note, and (xiv) "PAID" stamp on voucher instead of affixing on the supporting documents. The internal audit of the project accounts has not been conducted.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Quarterly reports Obtain financial reports from DPMUs and prepare consolidated quarterly Interim Financial Reports (IFR) in the prescribed format for submission to the IFAD.	PD/APD/Finance Manager	07/2018
funds flow Release quarterly budget to MBDA based on cash forecast and provide quarterly budget to the DPMUs based on AWPB and quarterly financial report adjusting fund balance. Pay VDF and operating fund to the VECs directly.	PD/APD/Finance Manager	07/2018
prepare vouchers The DPMUs should print vouchers of all financial transactions and file chronological order with supporting documents.	PD/APD/finance manager	07/2018
Settlement of advance Develop policy to settle advance within 30 days after completion of activities by individual and institutions and settle outstanding advances for activities already completed immediately.	PD/APD/Finance Manager	08/2018
Human resource in financial management Designate one Chief Finance Officer, one Finance Officer, one compliance Officer and two dedicated Account Assistants (Administrative Associates) in the SPMU for the project.	BoD/PD	08/2018
Internal Audit Appoint independent professional auditor to conduct internal audit of the project on quarterly basis from FY 2018-19 and to submit internal audit report to the BoD for taking corrective measures.	BoD/PD	09/2018
Settlement of road construction advance The expenditures incurred for road construction are to be settled based on supporting documents of the actual expenses or estimates of quantities whichever is lower.	PD/APD/Finance Manager	09/2018
Tally customization Customize Tally software to input budget for comparison of actual expenses and generate expense report based on category.	Finance Manager	09/2018
Training to Finance staff Provide financial management training to the finance staff relating to accounting of project expenses to correct account heads and category and preparation of AWPB, WA, Interim Financial Report (IFR), and project financial statements.	PD/APD/finance manager	09/2018

Justification of rating

The audit reports of FY 2016/17 were submitted beyond deadline on 16 Oct 2017. The audited PFS have been prepared in accordance with financial reporting of IFAD financed projects on accrual basis but some of amounts reported are not correct and not tallying with each other which have not been pointed out by the auditor. The auditor has reported some internal control weaknesses in the management letter. The project has not submitted management reply to audit observations.

Main issues

During the year 2015-16, the audited Project Financial Statement (PFS) and the audit report were submitted in March 2017 (six months beyond the stipulated time). For the year 2016-17, the auditor issued unqualified audit reports on PFS. The audited PFS have been prepared in accordance with IFAD Handbook for financial reporting of IFAD financed projects on accrual basis but some of amounts reported are not correct and not tallying with each other. (1) The amounts reported for access to market and project management unit under IFAD credit and government funds do not tally with amounts reported in annex - 2 in statement of operating performance (By component). (2) Replenishment amounts to SA reported in statement of comparison of actual budget by component do not tally with SOE - withdrawal application statement and the amount has not been reported in statement of comparison of actual budget by category. (3) Interest of Rs.1,022,500 earned on saving accounts of DPMUs has not been reported. (5) Information required have not been reported in the notes to the financial statements. The auditor has reported some substantial internal control weaknesses in the management letter.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
external audit Prepare the PFS of FY 2017-18 in accordance with IFAD Handbook for financial reporting of IFAD financed projects and submit within stipulated time.	PD/APD/finance manager	09/2018
scope of audit Prepare ToR for the audit based on IFAD Handbook for auditing of IFAD financed projects and obtain approval of the IFAD. Increase the scope of audit to cover 100% audit of transactions of the project.	PD/APD/finance manager/auditor	09/2018

Justification of rating

The GoM pre-finances the expenses of the project without mentioning the amount of GoM and IFAD share and the GoM share is being accounted based on the financing percentage specified in the Financing Agreement. The GoM has been providing counterpart funds as and when required based on the expenditures incurred and fund balance instead of total amount in the beginning of the fiscal year as per AWPB. There is no system of capturing expenditures incurred for convergence by other government offices, beneficiaries contribution and loan provided to the beneficiaries by the bank.

Main issues

- The GoM pre-finances the expenses of the project without mentioning the amount of GoM and IFAD share. The project received Rs.140 million for GoM and IFAD share in the FY 2015-16 but did not receive any fund in FY 2016-17 due to fund balance of Rs.185.82 million of FY 2015-16 and expenditures of Rs.93.07 million incurred in the FY 2016-17. GoM disbursed Rs.1,515 million in the FY 2017-18 against revised budget of Rs.1,475.80 million. There is fund balance of Rs.135.83 at SPMU as on 30 June 2018 excluding fund balance of Rs.209.43 million at DPMUs which was given for VDF and operating fund to the DPMUs. The budget of Rs.1,320.07 million for GoM and IFAD share has been approved by the BoD for FY 2018-19. The GoM share is being accounted based on the financing percentage specified in the Financing Agreement. The expenditures of 191.23 million from GoM share excluding advances have been incurred up to 30 June 2018. The GoM has been providing counterpart funds as and when required based on the expenditures incurred and fund balance instead of total amount in the beginning of the fiscal year as per AWPB.

There is no system of capturing expenditures incurred for convergence by other government offices and hence it is not reported. The Integrated Village Cooperative Society Limited has so far not received loan from banks. There is also lack

of reporting of contributions made by the beneficiaries. The project should develop system of obtaining statement of expenditures incurred by the government offices for convergence, contribution made by the beneficiaries for integrated NRM and livelihood support activities, and loan provided to the beneficiaries by the bank.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Reporting of contribution Develop system of reporting of expenditures incurred by other government offices for convergence, the contributions made by the beneficiaries and loan provided by the bank.	PD/APD/manager finance	08/2018

Compliance with Loan Covenants

Rating: 4

Previous rating: 3

Justification of rating

92. The project has complied with most of the covenants of Financing Agreement, Letter to the Borrower/Recipient and General Conditions for Agricultural Development Financing except few provisions which are required to be complied with for implementation of project activities as per AWPB and procurement plan, maintaining financial discipline and reporting financial progress.

Main issues

The project has mostly complied with the financing agreement covenants but some of the provision of the Financing Agreement, Letter to the Borrower/recipient and General Conditions for Agricultural Development Financing are yet to be complied with. Financial management and procurement manuals have not yet been finalized. The road and market infrastructure works to be constructed through contractors and consulting engineers but the 21 KMs road and one bridge are being constructed by BDO and 228 KMs road by State Rural Employment Society without prior approval of the IFAD. The village level LAMP NRM activities to be implemented through the VECs are also being implemented through Meghalaya State Watershed & Wasteland Development Agency. The audit is being conducted by the auditor appointed by the Office of the Comptroller and Auditor General of India instead of conducting by OCAG and audit reports are reviewed by OCAG to check whether supplementary audit is required or not. The auditor for FY 2017-18 to be appointed within 120 days after the beginning of each fiscal year was appointed by OCAG on 21 August 2017. The procurement plan is not updated and submitted to IFAD for no objection. All direct contracts for goods and civil works and single source selection for service providers are awarded without obtaining prior approval of the IFAD and entering an agreement/MOU. The register of contracts is not submitted to IFAD Country Program Manager on monthly basis. Equipment and project staff except vehicle and motorbikes have not been insured. The MIS as per IFAD's Guide is still being developed. Some of the plans, design, standards, reports, contract documents, specifications and schedules relating to the project and material modifications subsequently made therein are not being submitted to the IFAD. The audit reports of FY 2016-17 issued on 2 Sept 2017 by the auditor were submitted on 16 Oct 2017 after due date. The details of compliance with loan covenants are given in Appendix 3.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Compliance with loan covenants The project should prepare plan to comply with the provision of the Financing Agreement, Letter to the Borrower/recipient and General Conditions for Agricultural Development Financing.	PD/APD/Manager –Finance	09/2018

Procurement

Procurement

Rating: 3

Previous rating: 3

Justification of rating

94. Implementation of the approved procurement plan is affected by delays and poor planning. The procurement plan is not monitored and updated during the year. The agreed actions for procurement in the last Supervision Mission are yet to be completed.

Procurement Review

After the last Supervision Mission, there were only minor procurement undertaken by the project besides printing of KM

After the last supervision mission, there were only minor procurement undertaken by the project besides printing of RVI materials. Last Supervision Mission found that the single source contracts with Government agencies (SRES, NIC, etc.) were issued with a letter of intent/work order without elaborating on the description of services required and contract conditions. These single source engagement were also not submitted to IFAD for no objection. IFAD recommended that the understanding reached through letters of intent should be regularised by a formal contract in the contract template. The Mission reviewed the contract for SRES, NIC, INR and suggested modifications. After modifications, the project should submit these for IFAD no objection and proceed with signing. The single source contract with Bankers Institute of Rural Development, as a continuation of earlier contract, was submitted to IFAD for no objection and IFAD reviewed and provided no objection.

The procurement manual for the project is yet to be finalised even at MTR. As a result, the procurement unit is not fully aware of the templates, documentation and the processes. The procurement unit consists of two Assistant Manager level staff, who have been provided with minimal training. The Procurement unit does not get advance information on the technical aspects of the planned procurement from the hiring units and confirmation of the requirements are also conveyed very late. The mission recommends that the project engage a full time qualified procurement professional to assist the project.

The consolidated procurement plan for the year 2018-19 should be updated in line with MTR recommendations and submitted to IFAD for no objection.

Contract management continues to be weak; provisions of contracts are not understood thus inadequately monitored. The contract registers and logs are not adequately updated. IFAD recommends that contract registers and logs are updated regularly from the start of the project, and submitted to IFAD on a quarterly basis. In spite of large activity of construction of rural roads and improvement of markets, the project has not engaged any Consulting Engineer to undertake tests and validate the quality of the construction.

Currently there are high level of risks in procurement function of the project and the project has to undertake priority steps to mitigate the risks and strengthen the procurement functions.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
68. Finalise and submit pending contracts All contracts for single source selection of government agencies to be finalised and submitted to IFAD for no objection. As these are engagement of government agencies and some basic documentation is done, the costs are eligible financing subject to formalising the arrangements.	07/2018	07/2018
66. Engaging a Procurement Officer A full time qualified Procurement Officer, conversant with IFI Procurement Principles and Processes.	PD/APD/	09/2018
65. Finalising the Procurement Manual Prepare a Procurement Manual consistent with IFAD Procurement Guidelines and Procurement Handbook, elaborating the processes and standard templates. The project could refer to a Manual prepared by other IFAD projects in India for guidance. DEA issued manuals could also be referred to.	PD/APD/	10/2018

F. Relevance

Relevance

Rating: 4

Justification of rating

100. The project objectives remain relevant, especially if the project can continue to accelerate delivery of its NRM and rural finance activities and relaunch its economic activities using proven approaches that address the real economic opportunities in project areas, building on the positive interventions in IPM.

Main issues

The principal problem in relevance is in the lack of delivery and progress towards results in major parts of the project which substantially undermines its current relevance

G. Lessons Learned

Performance

1. The principal lesson to draw from LAMP's early struggles is that it is extremely risky for IFAD and its government partners to invest at a large scale in projects which central approach is untested and for which there is reasonable external experience to raise doubts about its likely effectiveness no matter how much confidence the project promoters claim to have. In the event that projects are approved with significant elements that are untested or highly questionable, it is incumbent on IFAD and the government partners to closely monitor real performance and take early corrective measures if performance is not as expected, well before mid-term as substantial funds and time may already have been wasted.

H. Agreed Actions

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Overview and Project Progress		
Component 3 11. Launch the newly restructured Component 3, as outlined in the Annex, with current IPM team leading	PMU	07/2018
INRM and RF 12. Implement technical improvement in INRM and RF components as outlined in the Annex	PMU	07/2018
23. Loan linkages to project households Take responsibility for linking project households with banks and financial institutions for the different loan requirements and also provide suitable investment advice on the right sources and availability of other soft/grant funding wherever feasible	FSD	07/2018
25. Release of corpus Fund Corpus fund should release to only those IVCS that are more than six months old, have collected shares from at least fifty members an amount not less than Rs 50,000 and the savings and share capital put together is more than Rs 100,000.	FSD	07/2018
27. Linkage with Banks for bulk loans to IVCS In consultation with NCAB and other willing banks, suitable guidelines for IVCS desiring to borrow bulk funds for on-lending to members should be prepared. The IVCS should be trained for accessing borrowings from banks. FSD should also facilitate linkage of IVCS with the banks for their bulk fund requirements.	FSD	07/2018
28. Links with NABARD The relationship with NABARD should be strengthened; Rural finance bank linkage officers in the districts should coordinate NABARD bank linkage for project households.	FSD	07/2018
29. Reconstitution of core committee The core committee on IVCS may be reconstituted with NABARD as a new member and dropping those members who are not connected with the component.	FSD	07/2018

Senior Management Team 1. Establish Senior Management Team will clear terms of reference to jointly lead LAMP turnaround	PD	08/2018
Organizational structure 2. Implement new project team and organizational structure and reporting as per Appendix 4	PD	08/2018
Terms of Reference 3. Review and update all Terms of Reference in line with the new LAMP project structure (Appendix 4)	PMU	08/2018
Delegation of responsibilities 4. Delegate authority and responsibility to staff at appropriate levels and institute a system of reviews to ensure progress is regularly monitored. This could be (i) quarterly by CEO MBDA of the PMU (ii) monthly by PD of all PMU staff (iii) weekly by sector leads of their teams. With the delegation of powers it may be useful to have individual workplans.	PMU	08/2018
Implementation arrangements 6. Provide reorientation to all current and new staff on LAMP turnaround and updated approaches, structures and implementation arrangements – covering both technical aspects as well as updated management, planning and approval process and greater decentralization. Should also include (i) overall cogent understanding of the project (ii) their roles and responsibilities (iii) need and strategy for convergence (iv) reporting requirements.	PMU	08/2018
AWPB 8. Revise AWPB based on MTR agreements. Submit for GOM and IFAD approval. IFAD to provide approval/feedback within 5 working days of receipt of AWPB.	PMU	08/2018
Consolidate district level and state level AWPB 9. Introduce bottom-up planning process beginning from the village upwards with district level AWPBs and state level AWPB consolidated into project AWPB. Component management teams to lead this process in each component in each district.	PMU	08/2018
Comp 1: NRM 18. Develop a “Pedagogy of Action” which systematically and sequentially spells out outcomes with benchmarks/ standards to be achieved in specific time periods; actions to be taken to realise these; resources to be provided or competencies acquired; and persons responsible for delivering the mandated outcomes are identified, empowered and adequately resourced	PMU	08/2018
Comp 1: NRM 19. Put in place a performance and accountability system that incentivises staff to implement the Pedagogy of Action. This should include weekly and monthly Action Plans of staff which are monitored on a weekly/ fortnightly basis.	PMU	08/2018

Comp 1: NRM ncrease budget allocation to VDF to a base level of up to INR6.00 Lakhs per village. Minimum conditions to be met by VEC to receive funds: Minimum beneficiary contribution =15% and Minimum convergence of 1.3 x the amount of funds taken from LAMP.	PMU	08/2018
Timely release of funding for FY 18/19 13. GOM to approve and release of GOM funding for LAMP FY18/19 on timely basis	PMU	09/2018
Comp 1: NRM 15. Review village plan development process (INRMPs and VRMs) to ensure they are of good quality and ensure that VRMs clearly indicate proposed measures and interventions which are geo-tagged and which follow a ridge-to-valley approach.	PMU	09/2018
Comp 1: NRM 16. Partnership with Departments: Updated MOU with Soil and Water Conservation Dept	PMU	09/2018
Comp 1: NRM 21. VEC operating fund: temporarily suspend disbursement to villages and review approach to scheduling of release of funds to VEC. Total allocation per VEC increased to Rs. 2.4 lakhs – including Rs. 60,000 per year x 3 years plus Rs. 60,000 for agriculture development given in the first year.	PMU	09/2018
Staffing To accelerate the pace of work and take additional role of loan linkage and investment advisory, place one staff each for IVCS and loan facilitation in the 11 districts. The identification and placement of staff should be prioritised	FSD-HR	09/2018
26. Business plans All existing IVCS should be trained in a skill workshop with the support of BIRD on preparation of business plans; by End September 2018, all the registered IVCS should have submitted their plans to FSD for vetting and approval. As part of the business plan workshop, pricing of loans and terms under which loans can be offered to members should also be covered. Guidelines should be issued to IVCS on loan operations, pending finalisation of the loans manual.	FSD	09/2018
Staffing 7. Revise the salary and compensation package offered to project personnel to uplift morale, reduce turnover and improve project performance in line with the prevalent salary structures in particular the CLLMP and NRLM staff salaries.	PMU	10/2018
Financing 10. Decentralise financial powers to the district level: Once the AWPBs have been sanctioned, funds be released to the BDUs on a quarterly basis. Do away with task based activity approval system.	GoM	10/2018

Comp 1: NRM 14. The Chief Secretary to write a letter to the Secretaries of relevant Departments and Autonomous District Councils/DCs of the NRM districts instructing them to mandatorily include NRM-related works proposed by project related VECs in the AWPB, prioritise them in developmental schemes and extend administrative and manpower support to the project.	GoM	10/2018
Recruitment 5. Recruit additional staff in line with the new structure through professional recruitment process for all positions	PMU	11/2018
Comp 1: NRM 17. Undertake sustained measures to familiarise communities, project staff and local resource persons with the concept and practice of catchment management and build their capacities to undertake the same.	PMU	01/2019
30. Financial literacy for IVCS members Financial literacy training for all IVCS members should be provided as agreed in accordance with details indicated in the technical annex. Three modules to be covered: i) household economy, ii) household enterprise, iii) group enterprise. Total approximate contact time for training around 60+ hours (20-25 hrs per module)	FSD	03/2019
22. Accelerated completion of formation Prepare and implement a plan for formation of 150 IVCS by March 2019 and completing the remaining 150 IVCS by December 2019	FSD	12/2019
31. Extending coverage Once 300 IVCS and attached villages are identified, detailed review of gaps in coverage and develop locally specific strategy to extend coverage as much as possible to villages not already covered.	FSD	12/2019
Development Effectiveness		
Gender Prepare a cadre of women leaders by training all women members of IVCS Governing Council so that when the opportunity arises they could take up the Secretary or Chairperson's role.	PMU	08/2018
Gender Focal Person's roles and tasks should be clearly defined at state and district levels, even if there is no separate Gender Team.	PMU	08/2018
Project Management		
Appointment of technical staff All new professional staff engagement for EFCs, BDUs and State level except for financial management need to have agriculture, horticulture and livestock background.	Governing Board of MBDA /MBMA	01/2018

45. Project management : With the launch of the World Bank financed CLLMP, create a common service hub to undertake cross cutting functions (Administration, Finance and Accounting, Human Resources, Procurement, and M&E and Knowledge Management) required for both LAMP and CLLMP.	PMU	08/2018
KM With CLLMP being implemented, KM team will serve both the projects and will act as a bridge between the two projects for learning.	PMU	08/2018
KM For future KM team could play an important role in generating information for Convergence. Accordingly, the team could collect information on all relevant government schemes for the project beneficiaries related to INRM, IPM, IVCS; convert these into simple information brochures and make them available to field functionaries and communities to enable them to access the benefits from the government schemes.	PMU	08/2018
Financial Management & Execution		
68. Finalise and submit pending contracts All contracts for single source selection of government agencies to be finalised and submitted to IFAD for no objection. As these are engagement of government agencies and some basic documentation is done, the costs are eligible financing subject to formalising the arrangements.	07/2018	07/2018
Quarterly reports Obtain financial reports from DPMUs and prepare consolidated quarterly Interim Financial Reports (IFR) in the prescribed format for submission to the IFAD.	PD/APD/Finance Manager	07/2018
funds flow Release quarterly budget to MBDA based on cash forecast and provide quarterly budget to the DPMUs based on AWPB and quarterly financial report adjusting fund balance. Pay VDF and operating fund to the VECs directly.	PD/APD/Finance Manager	07/2018
prepare vouchers The DPMUs should print vouchers of all financial transactions and file chronological order with supporting documents.	PD/APD/finance manager	07/2018
Settlement of advance Develop policy to settle advance within 30 days after completion of activities by individual and institutions and settle outstanding advances for activities already completed immediately.	PD/APD/Finance Manager	08/2018
WA preparation Prepare one WA No 13 for expenditures to be claimed up to 31 March 2018 classifying expenditures to the appropriate category as per the financing agreement	PD/APD/ Manager – Finance	08/2018

Adjustment of excess claimed amount The excess amount claimed from IFAD for advances should be adjusted from expenditures in the next WA No 13.	PD/APD/ Manager – Finance	08/2018
Human resource in financial management Designate one Chief Finance Officer, one Finance Officer, one compliance Officer and two dedicated Account Assistants (Administrative Associates) in the SPMU for the project.	BoD/PD	08/2018
Audit of MIE for settlement of advance MIE accounts for expenditures incurred for LAMP activities should be audited by the project auditor and advance should be settled for eligible expenditures incurred for the project. Excess funds released to MIE should be refunded to LAMP.	DDG-MIE and Megha-LAMP	08/2018
Adjustment of amount claimed under wrong category Expenses claimed and disbursed for under wrong category especially training expenses under goods, service & input should be adjusted submitting separate WA to IFAD.	PD/APD/ Manager – Finance	08/2018
Reporting of contribution Develop system of reporting of expenditures incurred by other government offices for convergence, the contributions made by the beneficiaries and loan provided by the bank.	PD/APD/ manager finance	08/2018
Compliance with loan covenants The project should prepare plan to comply with the provision of the Financing Agreement, Letter to the Borrower/recipient and General Conditions for Agricultural Development Financing.	PD/APD/Manager –Finance	09/2018
66. Engaging a Procurement Officer A full time qualified Procurement Officer, conversant with IFI Procurement Principles and Processes.	PD/APD/	09/2018
Internal Audit Appoint independent professional auditor to conduct internal audit of the project on quarterly basis from FY 2018-19 and to submit internal audit report to the BoD for taking corrective measures.	BoD/PD	09/2018
Settlement of road construction advance The expenditures incurred for road construction are to be settled based on supporting documents of the actual expenses or estimates of quantities whichever is lower.	PD/APD/Finance Manager	09/2018
Tally customization Customize Tally software to input budget for comparison of actual expenses and generate expense report based on category.	Finance Manager	09/2018

Training to Finance staff Provide financial management training to the finance staff relating to accounting of project expenses to correct account heads and category and preparation of AWPB, WA, Interim Financial Report (IFR), and project financial statements.	PD/APD/finance manager	09/2018
external audit Prepare the PFS of FY 2017-18 in accordance with IFAD Handbook for financial reporting of IFAD financed projects and submit within stipulated time.	PD/APD/finance manager	09/2018
scope of audit Prepare ToR for the audit based on IFAD Handbook for auditing of IFAD financed projects and obtain approval of the IFAD. Increase the scope of audit to cover 100% audit of transactions of the project.	PD/APD/finance manager/auditor	09/2018
65. Finalising the Procurement Manual Prepare a Procurement Manual consistent with IFAD Procurement Guidelines and Procurement Handbook, elaborating the processes and standard templates. The project could refer to a Manual prepared by other IFAD projects in India for guidance. DEA issued manuals could also be referred to.	PD/APD/	10/2018

Livelihoods and Access to Markets Project

Logical Framework

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2017)	Cumulative Result (2017)	Cumulative Result % (2017)	Source	Frequency	Responsibility	
Outreach	1.b Estimated corresponding total number of households members										
	Household members			1000000							
	1.a Corresponding number of households reached							RIMS	Annual		
	Non-women-headed households			191070	23979	29926	15.7				
	Women-headed households										
	1 Persons receiving services promoted or supported by the project										
	Indigenous people										
	Males										
	Not Young										
	Total number of persons receiving services				130925	163396					
	Non-Indigenous people										
	Young										
	Females										
	Poor smallholder household members supported in coping with the effects of climate change							RIMS	Annual		
	Males										
	Females										
	Total household members			143000	130925	163396	114.3				

Goal Higher family incomes & better quality of life in rural Meghalaya	Increase in household asset index						RIMS+ baseline and impact assessment surveys			Relative stability in general economic conditions are conducive to poverty reduction
	% of HH asset index									
	% reduction in child malnutrition						RIMS+ baseline and impact assessment surveys			
	% reduction child malnutrition									
Objective Expanded and sustainable livelihood opportunities adapted to the hill environment and to the effects of climate change	At least 50,000 households adopt new livelihood opportunities linked to markets						Thematic studies Annual Outcome survey Project progress reports			Rural people respond to opportunities for improved livelihoods - Political stability and security situation allow communities access to economic opportunities and natural resources
	Households			50000						
	20,000 households report reduced time to collect domestic water						Thematic studies Annual Outcome survey Project progress reports			
	Households			20000						
	210 IVCS are financially sustainable and have loan recovery rates of at least 95%						Thematic studies Annual Outcome survey Project progress reports			
	No. of IVCS financially sustainable			210						
	200,000 ha under improved management for watershed/forest conservation						Thematic studies Annual Outcome survey Project progress reports			
Hectares of land			200000							
Outcome Improved access to water and increased production of food crops	1.2.3 Households reporting reduced water shortage vis-à-vis production needs						RIMS	Annual		Changes in weather patterns do not seriously affect farming. Prices do not fall to a level where local production unviable
	Young									

Males								
Women-headed households								
Non-women-headed households								
Households				19.67	19.67			
Females								
Non-Indigenous people								
Total household members								
Households								
Not Young								
Indigenous people								
1.2.2 Households reporting adoption of new/improved inputs, technologies or practices							RIMS	Annual
Males								
Young								
Females								
Households								
Total number of household members								
Non-Indigenous people								
Women-headed households								
Not Young								
Households				1.53	1.53			
Indigenous people								
Non-women-headed households								

	1.2.4 Households reporting an increase in production						Thematic studies Annual Outcome survey Project progress reports				
	Total number of household members			50000	67	67		0.1			
Output Capacity development & natural resource planning	1350 NRMPs prepared, approved and implemented						MIS/project progress reports				
	No. of NRMPs			1350	272	272		20.1			
	Agricultural/Livestock production groups formed/strengthened						RIMS	Annual			
	No. of Agricultural Groups formed			54							
	People in agricultural/livestock production groups						RIMS	Annual			
	Females			31600							
	Males			31600							
	Households covered by new or improved climate information services						RIMS	Annual			
	Households			1430							
	1.1.3 Rural producers accessing production inputs and/or technological packages						RIMS	Annual			
	Non-Indigenous people										
	Females										
	Young										
	Males										
	Indigenous people										
Not Young											
Output Land, water resource and food crop development	Water-related interventions in 1000 villages						MIS/project progress reports			Adequate funds are available for the implementation of activities from convergence	
	No. of villages			1000							
	Land use management plans implemented in 500 villages, and area covered						MIS/project progress reports				
	No. of villages with land use management plans implemented			500							

	50,000 farmers involved in food crop interventions						MIS/project progress reports			
	No. of farmers			50000						
	People trained in NRM						RIMS	Annual		
	Males			5300	58	127				2.4
	Females			5000	59	92				1.8
	Rainwater harvesting systems constructed/rehabilitated						RIMS	Annual		
	No. of rainwater systems			1000						
	People accessing facilitated advisory services						RIMS	Annual		
	Females			31600						
	Males			31600						
	Land under improved management practices						RIMS	Annual	PMU	
	Hectares of land			200000						
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated						RIMS	Annual		
	Hectares of land									

Outcome Improved access enterprise development	47,000 entrepreneurs supported by EFCs start or expand an enterprise						Thematic studies EFC MIS data			Banks come forward provide required credit to start enterprises	
	No. of entrepreneurs supported			47000	162	545					1.2
	80% of the enterprises receiving investment support are operating profitably beyond third year of establishment						Thematic studies EFC MIS data				
	% of enterprises operating profitably			80							
	2.2.2 Supported rural enterprises reporting an increase in profit						RIMS	Annual			
	Percentage										
	Farm										
	Non-farm										
	Number of enterprises										

Output Enterprise Development	300,000 entrepreneurs register with EFCs						EFC MIS/project progress reports			Technical support can reach scattered entrepreneurs Convergence funds available	
	No. of entrepreneurs			300000	10572	60850	20.3				
	100,000 of applications submitted for loans and convergence funding						EFC MIS/project progress reports				
	No. of applications for loans submitted			100000	171	1160	1.2				
	60,000 entrepreneurs trained						EFC MIS/project progress reports				
	No. of entrepreneurs trained			60000		27781	46.3				
	2.1.2 Persons trained in income-generating activities or business management						RIMS	Annual			
	Young										
	Not Young										
	Females										
	Non-Indigenous people										
	Indigenous people										
	Males										
Outcome Expansion of clusters producing commodities for the market	50% increase in the total production/sales						Annual outcome surveys Thematic studies of costs & returns			Households have adequate labour for the expansion of enterprise and good returns in sub-sector	
	% of increase in production and sales			50							
	Increased sale prices of 15%						Annual outcome surveys Thematic studies of costs & returns				
	% sale prices increased			15							
	2.2.5 Rural producers' organizations reporting an increase in sales						RIMS	Annual	PMU		
	Number of rural POs			15000							
	Output Integrated production and marketing support	54 village clusters implement commodity-based production and marketing plans						MIS/project progress reports			
No. of villages				54	34	34	63.0				

	20,000 households participating in cluster based production						MIS/project progress reports				
	Households			20000	6290	6290	31.5				
	2.1.4 Supported rural producers that are members of a rural producers' organization						RIMS	Annual			
	Non-Indigenous people										
	Women in leadership position										
	Young										
	Females				1309	1309					
	Indigenous people										
	Males				2326	2326					
	Not Young										
	1.1.4 Persons trained in production practices and/or technologies						RIMS	Annual	PMU		
	Total persons trained in crop			1350	218	970				71.9	
Outcome Improved livestock production	1.2.2 Households reporting adoption of new/improved inputs, technologies or practices						RIMS	Annual	PMU	Vaccines are available to control infectious diseases	
	Total number of household members			32500		7150					22.0
Output Livestock development	120 livestock clusters covering 720 villages						MIS/project progress reports			Sufficient number of CLP and VRLP can be recruited and trained	
	No. of villages covered by livestock clusters			720							
	120 CLF and 720 VLRP trained & providing services						MIS/project progress reports				
	No. of VLRP trained			720							
	No. of CLF trained			120	3	3					2.5
	1.1.4 Persons trained in production practices and/or technologies						RIMS	Annual	PMU		
	Total persons trained in livestock			43200							
	Households receiving facilitated animals health services						RIMS	Annual			
	Households			43200							

Outcome Improved access to rural markets	Sales in 41 markets increase by 30%+						Thematic studies of markets			Resources for maintenance of markets available	
	No. of markets			41							
	30% reduction in transportation cost of crops and inputs on improved roads						Thematic studies of markets				
	% reduction of transportation cost			30							
	2.2.6 Households reporting improved physical access to markets, processing and storage facilities						RIMS	Annual			
	Non-Indigenous people										
	Size of households										
	Males										
	Non-Indigenous people										
	Young										
	Not Young										
	Women-headed households										
	Young										
	Young										
	Households reporting improved physical access to processing facilities										
	Non-women-headed households										
	Not Young										
	Indigenous people										
	Indigenous people										
	Females										
Not Young											
Households reporting improved physical access to storage facilities											
Females											

	Males										
	Size of households										
	Households reporting improved physical access to markets										
	Non-women-headed households										
	Women-headed households										
	Households reporting improved physical access to storage facilities										
	Households reporting improved physical access to processing facilities										
	Size of households										
	Females										
	Indigenous people										
	Women-headed households										
	Non-Indigenous people										
	Males										
	Non-women-headed households										
	Households reporting improved physical access to markets										
Output Market development	20 bridges and 10 ropeways built							MIS/project progress reports			Traditional leadership allows market development
	No. of bridges			20							
	No. of ropeways			10							
	2.1.5 Roads constructed, rehabilitated or upgraded							RIMS	Annual		
	Length of roads				0	11					
	2.1.6 Market, processing or storage facilities constructed or rehabilitated							RIMS	Annual	PMU	

	Market facilities constructed/rehabilitated			55						
	2.1.3 Rural producers' organizations supported							RIMS	Annual	PMU
	Women in leadership position			55	11	11	20.0			
	Rural POs supported			55	29	67	121.8			
	2.1.4 Supported rural producers that are members of a rural producers' organization							RIMS	Annual	PMU
	Females			250	456	532	212.8			
	Males			300	811	990	330.0			
	2.1.2 Persons trained in income-generating activities or business management							RIMS	Annual	PMU
	Females			46740	3270	5536	11.8			
	Males			46740	5615	7747	16.6			
	Persons trained in IGAs or BM (total)									
	1.2.1 Households reporting improved access to land, forests, water or water bodies for production purposes							RIMS	Annual	PMU
	Females									
	Males									
	Size of households reporting improved access to land									
	Staff of service providers trained							RIMS	Annual	
	Males			877						
	Females			800						
Outcome Increased use of financial services by rural households	IVCS have 90,000 savers and 60,000 borrowers							IVCS MIS system		
	No. of savers			90000						
	No. of borrowers			60000						
	1.2.5 Households reporting using rural financial services							RIMS	Annual	
	Households									
	Females									

Support from the Department of Cooperatives and quality handholding from MCAB

	Non-Indigenous people										
	Young										
	Total number of household members										
	Not Young										
	Males										
	Women-headed households										
	Households										
	Non-women-headed households										
	Indigenous people										
Output Rural finance	IVCS societies cover 1350 villages with 120,000 members							ICVS MIS system			Support from the Department of Cooperatives and quality handholding from MCAB
	No. of villages			1350	53	53	3.9				
	No. of members			120000	1232	1232	1.0				
	1.1.5 Persons in rural areas accessing financial services							RIMS	Annual		
	Indigenous people in rural areas accessing financial services - credit										
	Total persons accessing financial services - credit										
	Not young people in rural areas accessing financial services - savings										
	Not young people in rural areas accessing financial services - credit										
	Women in rural areas accessing financial services - credit										
	Non indigenous people in rural areas accessing financial services - credit										

Men in rural areas accessing financial services - savings									
Non indigenous people in rural areas accessing financial services - savings									
Men in rural areas accessing financial services - credit									
Women in rural areas accessing financial services - savings									
Young people in rural areas accessing financial services - savings									
Indigenous people in rural areas accessing financial services - savings									
Young people in rural areas accessing financial services - credit									
Total persons accessing financial services - savings									
Village/community plans formulated							RIMS	Annual	
No. of plans fomulated			1350	138	226	16.7			
Enterprises accessing facilitated financial services							RIMS	Annual	
No. of enterprises			15795		1074	6.8			
People in savings and credit groups formed							RIMS	Annual	
Females			60000						
Males			60000						
Savings/credit groups formed/strengthened							RIMS	Annual	
No. of savings and credit groups			300						
2.1.1 Rural enterprises accessing business development services							RIMS	Annual	PMU

	Rural enterprises			47000		715	1.5				
	Savings/credit groups formed/strengthened with women in leadership positions							RIMS	Annual		
	No. of groups			300							
Output Communications Infrastructure	No. of households with access to village roads built under the project							MIS/project progress reports			Support from the Department of Cooperatives and quality handholding from MCAB
	Households										
	People trained in infrastructure management							RIMS	Annual		
	Females			2050							
	Males			2000							
	Groups managing productive infrastructure formed/strengthened							RIMS	Annual		
	No. of groups			1350							
	Groups managing productive infrastructure formed/strengthened with women in leadership position							RIMS	Annual		
	No. of groups			1350							
Outcome Information hub providing useful data	Number of producers benefiting from information services							Project progress reports			Information services prove to be useful
	No. of producers										
Output Lesson learning	Number of knowledge products and events generated by project							Progress Reports			Useful lessons available for dissemination
	No. of knowledge products				44	229					
Output Information hub	Amount of information collected, collated and stored in the information hub							MIS/project progress reports			Relevant information is available for collection by hub
	No. of information										

India

Livelihoods and Access to Markets Project

Mid-term Review

Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category

Mission Dates: 25 June - 2 August 2018

Document Date: 29/08/2018

Project No. 1100001715

Report No. 4850-IN

Asia and the Pacific Division
Programme Management Department

Appendix 1: Financial - Actual Financial performance by financier, by component and disbursements by category

Appendix 1.a: Financial performance by financier as at 30 June 2018

Financier	Approval (US\$ '000)	Disbursements (US\$ '000)	Percent disbursed
IFAD	50,063	3,379	6.75
Govt. of Meghalaya	49,665	2,854	5.75
Convergences	28,175	-	-
Banks	29,319	-	-
Beneficiaries	12,682	-	-
Total	169,904	6,233	3.67

Note:

1. The IFAD and GoM disbursement include expenditures incurred up to 30 June 2018 excluding advances.
2. The GoM contribution is calculated based on the amount to be funded from IFAD source from the total amount released by GoM.
3. The expenditures yet to be disbursed have been calculated at the exchange rate of Rs.68.70 per USD.
4. The expenditures incurred by the GoM have been calculated at the same exchange rates used for IFAD loan.
5. The bank and beneficiaries contribution has not been reported as the figures being provided are not based on the actual expenses incurred by the beneficiaries and loan provided by the bank.

Appendix 1.b: Financial performance by financier by component as at 30 June 2018 (Amount in USD '000)

Components	IFAD Loan			Government			Convergence			Banks			Beneficiaries			Total		
	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
A. Natural Resources & Food Security																		
1. Integrated NRM	8,759	125	1.42	7,679	22	0.29	16,555	-		-	-		1,742	-		34,736	147	0.42
B. Livelihood support																		
1. Integrated village cooperatives	774	112	14.51	3,063	25	0.81	-	-		9,677	-		-	-		13,514	137	1.02
2. Enterprises development	7,688	581	7.56	14,433	102	0.71	8,980	-		15,158	-		7,643	-		53,902	683	1.27
3. Integrated production & marketing	3,756	154	4.10	4,455	27	0.61	2,613	-		3,919	-		2,613	-		17,355	181	1.04
4. Livestock Development	4,720	0	0.00	1,255	0	0.00	-	-		565	-		113	-		6,653	0	0.00
5. Access to markets	15,002	405	2.70	10,739	305	2.84	27	-		-	-		572	-		26,340	711	2.70
C. Knowledge Services																		
1. Knowledge services	4,762	246	5.16	1,804	49	2.69	-	-		-	-		-	-		6,566	294	4.48
D. Project Management																		
1. Project Management Unit, Shillong	1,301	839	64.54	1,518	1,176	77.47	-	-		-	-		-	-		2,818	2,015	71.50
2. District Project Management Units	3,301	916	27.74	4,719	1,148	24.32	-	-		-	-		-	-		8,020	2,063	25.73
TOTAL	50,063	3,379	6.75	49,665	2,854	5.75	28,175	-		29,319	-		12,682	-		169,905	6,233	3.67

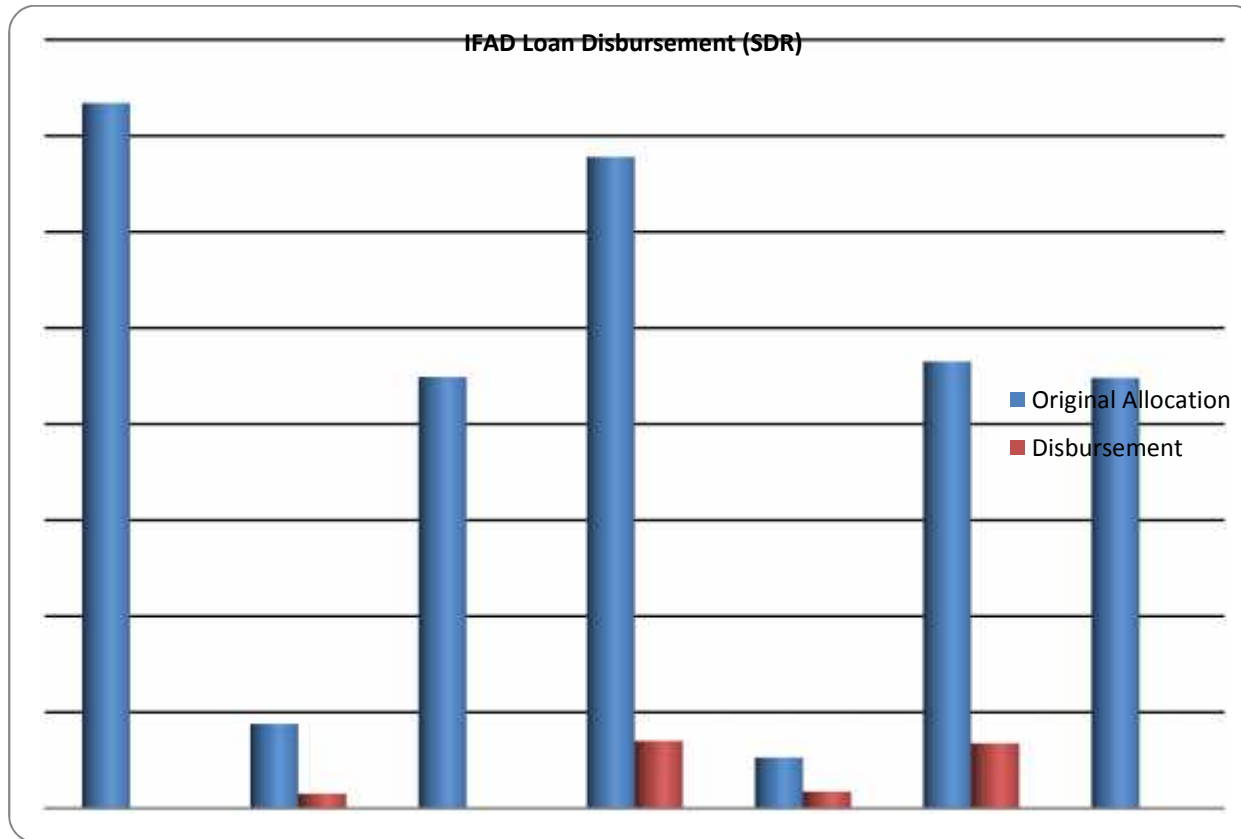
Note: 1. The IFAD and GoM disbursement include expenditures incurred up to 30 June 2018 excluding advances.
2. The expenditures yet to be disbursed have been calculated at the exchange rate of Rs.68.70 per USD.

Appendix 1.c: (i): IFAD Loan disbursements (SDR, as at 30 June 2018)

Code	Categories	Original Allocation	Disbursement	WA pending	Balance	Percent Disbursed
200003	Works	7,340,000	-	67,420	7,340,000	-
200011	Equipment & Materials	880,000	152,396	38,493	727,604	17.32
200012	Grants and Subsidies	4,490,000	-	-	4,490,000	-
200013	Goods, Services & Inputs	6,780,000	702,344	277,753	6,077,656	10.36
200016	Operating Costs	530,000	174,228	44,642	355,772	32.87
200018	Salaries & Allowances	4,650,000	677,104	200,708	3,972,896	14.56
200019	Training	4,480,000	9,658	75,764	4,470,342	0.22
270001	Authorized Allocation	-	-	-	-	-
290001	Unallocated	3,250,000	-	-	3,250,000	-
	Total	32,400,000	1,715,731	704,780	30,684,269	5.30

Note: The expenditures incurred from 1 October 2017 to 30 June 2018 and expenditures pending for claim for the period from 1 April 2016 to 30 September 2017 have been reported in the WA pending column using exchange rate of Rs.97.0695 per SDR prevailing on 6 July 2018.

Graph 1: IFAD Loan disbursement against original allocation



Appendix 3: Compliance with financing agreement covenants and status of implementation

Article/ Section of FA, LTB & GC	Covenant	Target/Action Due Date	Compliance Status
Financing Agreement (FA)- Section B -6	There shall be an account denominated in USD designated to receive a one-time initial advance of USD 1.5 million to be settled by the borrower in the first twelve months following the disbursement of such advance.	On Loan Effectiveness 09-12-2014	Complied.
FA -Section B - 7	There shall be a project account denominated in local currency opened and operated by the State Project Management Unit (SPMU) which shall be maintained in a bank mutually acceptable to the Fund and the State Government.	On Loan Effectiveness	Complied.
FA -Section B - 8	There also shall be sub project accounts denominated in local currency opened and operated by the District Programme Management Units (DPMU) which shall be maintained in a bank mutually acceptable to the Fund and the State Government.	On Loan Effectiveness	Complied
FA -Section B - 9 & LTB Para 12	The borrower shall cause the State to provide an amount of approximately USD 50 million equivalent as counterpart financing for the project. The Borrower, in cooperation with the State, shall undertake proactive measures/policies to ensure credit flow to the enterprises, convergence of other Government schemes and contributions from beneficiaries to achieve the design projections.	Ongoing	Being complied
FA -Section C - 1	The Planning Department of the Government of Meghalaya will be the nodal agency at the state level, whilst the Lead Project Agency shall be the Meghalaya Basin Management Agency (MBMA).	On Loan Effectiveness	Complied
FA - Section E- 2	The following are designated as additional general conditions precedent to withdrawal, as well as additional conditions for eligibility of expenditures under IFAD financing: (a) The State Level Project Committee (PMC) and the SPMU shall have been duly established. (b) A project Director (PD) shall have been duly appointed. (c) An Additional Project Director (APD) shall have been duly appointed. (d) Key Project finance staff shall have been duly opened at SPMU level. (e) The Project Account shall have been duly opened in the SPMU. (f) The Project Agreement shall have been duly concluded between the Fund and the State of Meghalaya. (g) A PIM has been prepared and approved by the Board of Directors (BoD) of MBMA and the Fund.	On Loan Effectiveness	(a) Complied (b) Complied (c) Complied (d) Complied (e) Complied (f) Complied (g) Partially complied as Financial management and procurement sections are yet to be finalized.
FA -Schedule 1 Section II –Para C			
FA -Schedule 1 , Section II , Para	A Project Management Committee will be constituted to support the Project, chaired by the Development Commissioner/Principal Secretary, Planning	On Loan Effectiveness	Complied

A-2	Department, this will include the PD of LAMP, heads of relevant line departments at the state level, representatives from the banks and at least one representative from civil society, one district Project Co-ordinator/District Project Manager participating on rotational basis and APD being the Member Secretary.		
FA- Schedule 1 , Section II , Para A-3	At the district level coordination and convergence will be ensured by having the Deputy Commissioner for the district as District Project Coordinator (DPC). The Project will be included in the regular District Development Coordination meetings and in other cross-programme meetings at the district level.	During implementation period	Complied
FA- Schedule 1 , Section II , Para A-4	At the village level LAMP natural resources management (NRM) activities will be implemented through the VECs, of the suitable community organization. Each VEC will employ a village facilitator (VF) to support the implementation of LAMP activities in the village.	During implementation period	Partially complied Meghalaya State Watershed & Wasteland Development Agency is also implementing VDF and Operating Fund of INRMP. Advance of Rs.104 million has been given to the agency on 6 Nov 2017.
FA -Schedule 1 Section II –Para B -5	The PD in charge of the management of LAMP will be a government appointee, preferably an Indian Administrative Service Officer who is the full time Executive Director of MBMA. PMU staff, including an APD, will be recruited from the open market on a contract basis or made available on deputation from the Government.	On Loan Effectiveness and every year	Partially Complied. PD is Chief Executive Director of MBMA. There was gap of APD from January 30 to June 20, 2018
FA- Schedule 1 Section II –Para B -7	In case of road and market infrastructure development, the Project will use contractors for construction and Consulting Engineers to design and supervise construction, selected based on the approved Procurement Plan.	During implementation period	No complied with. Being implemented by State Rural Employment Society themselves through MOU which is yet to be finalized and signed between the LAMP and SRES.
FA- Schedule 1 , Section II , Para B- 8.1	The State of Meghalaya shall enter into a Memorandum of Understanding (Subsidiary Agreement) with the MBMA mutually acceptable to the State and the Fund.	On Loan Effectiveness	Complied. .
FA- Schedule 1 , Section II , Para B - 8.1 (a)	The State shall transfer the proceeds of the Financing and State's Counterpart funds as Grants in Aid as per the approved AWPB to MBMA in advance.	On Loan Effectiveness and every year	Being complied
FA- Schedule 1 , Section II , Para B - 8.1 (c)	The MOU between the State of Meghalaya and MBMA shall provide that withdrawal claims for the financing to the Borrower shall be submitted through the Planning Department of Government of Meghalaya.	During project period	Being complied. WA is being submitted directly to CAA&A and copied to Planning Department of government of Meghalaya.
FA - Schedule 1 , Section II , Para B - 8.1 (d)	The MOU between the State of Meghalaya and MBMA shall provide that the procurement of works, goods and services undertaken by MBA shall follow the Fund's Procurement Guidelines and the approved annual Procurement Plan.	During implementation period	Being complied.
FA- Schedule 1 , Section II , Para B	The MOU between the State of Meghalaya and MBMA shall provide that the financial statements of MBMA may also be audited by the Office of the Comptroller	During project period	Partially complied with. Auditor is being appointed by OCAG

- 8.1(e)	and Auditor General of India and observations resulting from the audit and the action thereof shall be communicated to the Fund within a reasonable time.		and audit report is being reviewed by OCAG for supplementary audit if required. OCAG issues letter if supplementary audit is not required after review of the audit report.
FA - Schedule 1 , Section II , Para B - 9	The Deputy Commissioner of the district will be the ex officio DPC of LAMP. At the district level the LAMP district Project Management unit (DPMU) will be integrated into the existing Basis Development Units (BDU). A full time District Project Manager (DPM), reporting to the DPC will be hired from the market and will be responsible for the day to day management of the Project activities at the district level and below..		Complied.
FA- Schedule 1 , Section II - Para C	The MBMA shall prepare a draft PIM to be approved by the BoD of MBMA and the Fund. The PIM shall include procedures and processes for project implementation, financial administration and reporting.	On Loan Effectiveness	Partially complied. Financial Management and Procurement manuals are not yet finalized.
FA- Schedule 1 , Section II - Para D and GC-Section 8.03 (b).	The LPA and the Fund shall jointly carry out a review of the project implementation no later than the fourth anniversary of the date of entry into force (the Mid Term Review)	Prior to December 2018	Complied. Carried out during 25 June to 12 July 2018.
Letter to Borrower (LTB) Para 6	The proceeds of the financing may not be used to pay taxes.	During implementation period.	Being complied.
LTB Para 8	Before withdrawal can begin IFAD needs to receive from the Joint Secretary, Department of Economic Affairs, Ministry of Finance, a letter designating the name(s) of official(s) authorized to sign withdrawal applications, which includes the authenticated specimen signature (s)	On Loan Effectiveness	Complied.
LTB Para 13	As provided in IFAD's Procurement Guidelines, each procurement plan shall include the proposed contracts, method of procurement and related IFAD review procedures.	On Loan Effectiveness & during implementation period	Being complied.
LTB Para 14 & GC - Section 7.05 (a)	Procurement of goods, works and services financed by IFAD shall be carried out in accordance with the provisions of IFAD Procurement Guidelines and IFAD Procurement Handbook. The first 18 months procurement plan and the subsequent 12 month procurement plan shall have been submitted to IFAD.	On Loan Effectiveness & during implementation period	Partially Complied. 12 months rolling procurement plan is being prepared but not being updated and submitted to IFAD.
LTB Para 15	Any amendments to the Procurement Plan shall be subject to the Fund's no objection.	During implementation period	Not complied. The procurement plan is not updated and submitted to IFAD for obtaining No objection.
LTB Para 21	All direct contracts for goods and civil works and single source selection for service providers above the prescribed procurement and selection method thresholds shall be undertaken in accordance with the provisions of IFAD procurement Guidelines for direct contracting and single selection and subject to IFAD prior review.		Not complied. Contract of road construction has been awarded to SRES without signing contract and also not obtaining IFAD's no objection. MOU

			is still to be finalized and approved by IFAD for no objection.
LTB Para 23	The Project Implementation Manual shall outline and detail the requirement as outlined in the LTB and shall be subject to IFAD prior review.		Partially complied Financial management and procurement manuals are not yet finalized.
LTB Para 24	All contracts, with or without prior IFAD approval, should be listed in the Register of Contracts with the dates of approval. The register is updated and submitted to the IFAD Country Programme Manager on a monthly basis.		Partially complied The register of contracts is not sent to the IFAD.
LTB Para 26	The first auditors shall be appointed no later than 120 days after entry into force.	By 08-04-2015	Not Complied
LTB Para 26	For every fiscal year the same auditors, subject to satisfactory performance, or new independent auditors shall be appointed no later than 120 days after the beginning of each fiscal year. In case of availability, preference for the audit exercise shall be given to the Comptroller and Auditor General (CAG) of India.	By 31 st July each year	Delayed compliance. For the year 2017-18, auditor was appointed on 21 August 2017.
LTB Para 27	The log of audit observations in the template prescribed in Annex 8 of the LDH should be maintained and updated regularly.	During project period	Complied
General Condition (GC)-Section - 7.01 (b)(II) & (IV)	(II) The LPA shall submit the draft AWPB to the Fund no later than sixty days before the beginning of the relevant project year. (IV) The LPA may propose adjustments in the Project AWPB during the relevant Project year, which shall become effective after acceptance by the Fund.	By 31 st January each year	Complied with. Revised AWPB for 2017-18 and AWPB of FY 2018-19 were approved by the Board on 30 Jan 2018.
Section 7.03(b)	Borrower/Recipient shall make available to the Project Parties during the Project Implementation Period counterpart funds from its own resources in accordance with its customary national procedures for development assistance.	During implementation period	Being complied.
GC-Section 7.05 (a)	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.	During implementation period	Being complied.
GC-Section 7.06	All goods, services and building financed by the Financing shall be used exclusively for the purpose of the Project.	During implementation period	Being complied
GC-Section - 7.08 (a)	The LPA shall insure all goods and buildings used in the Project against such risks and in such amounts as shall be consistent with sound commercial practice.	On procurement	Partially complied Vehicles have been insured but other equipment have not been insured.
GC-Section 7.09 (a)	The Borrower/Recipient shall ensure that no Project Party shall enter into any Subsidiary Agreement, or consent to any modification thereof, inconsistent with the Financing Agreement or the Project Agreement.	During implementation period	Being complied.

GC-Section 7.09 (c)	No provision of any Subsidiary Agreement to which the Borrower/Recipient is a party shall be assigned, waived, suspended, abrogated, amended or otherwise modified without the prior consent of the Fund.	During implementation period	Being complied.
GC-Section 7.11	The Borrower/Recipient or the Lead Project Agency 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 applicable.	On appointment	Not Complied
GC-Section 8.02 (a)	The LPA shall 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.	During implementation period	Partially complied. Robust MIS is still being developed.
GC-Section 8.03 (a)	The LPA shall furnish to the Fund periodic Progress Reports containing at least the minimum information specified in this Section.	Each year periodically	Being complied
GC-Section 8.05	The Project Parties shall furnish to the Fund promptly upon their preparation, such plans, design standards, reports, contract documents, specifications and schedules relating to the Project, and any material modifications subsequently made therein.	During implementation period	Not complied.
GC-Section 9.01	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 (10) years thereafter.	During implementation period	Partially complied The accounts of the LAMP is maintained with MBMA under separate chart of accounts.
GC-Section 9.02	The Borrower shall deliver to the Fund detailed Financial Statements within four months of the end of each Fiscal Year.	31 st July every year	Reported to have complied during the year 2016-17. Not yet due for FY 2017-18.
GC-Section 9.03 (a)	The Borrower/Recipient shall, each Fiscal Year, have the accounts relating to the Project audited in accordance with auditing standards acceptable to the Fund and the Fund's Guidelines on Project Audits by independent auditors acceptable to the Fund	During project period	Complied
GC-Section 9.03 (b)	Within six months of the end of each fiscal year the Borrower shall 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.	30 th September each year	Not Complied. Audit reports of FY 2016-17 issued on 2 Sept 2017 by the audit were submitted to IFAD on 16 October 2017 but reply to the management letter was not submitted.

Appendix 7: Audit Log

Summary

Financial Year	Audit Observations as per Audit Report		Audit Observations Settled		Audit Observations Outstanding	
	Numbers	Value	Numbers	Value	Numbers	Value
		(INR)		(INR)		(INR)
2015-16	7	Nil	1	Nil	6	Nil
2016-17	12	Nil	0	Nil	12	Nil
Total :	19	Nil	1	Nil	18	Nil

LOG OF AUDIT OBSERVATIONS/PARAS

S. 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)	Remarks
1	2	3	5	6	7	8	9	10
	2015-16							
1			The accounts of 2014-15 are to be adopted at the AGM	Nil	Adopted by the BoD	No comment by the auditor	Nil	
2			Consolidated Financial Statements not prepared	Nil		No Compliance	Nil	
3			Fixed Asset Register not maintained properly showing full particulars with cost and date of purchase	Nil	Maintained in Excel	No Compliance		
4			Depreciation has been charged for full month irrespective of date of acquisition	Nil	Depreciation charged on monthly basis instead of daily basis	Action taken for future reference	Nil	
5			Insurance for new vehicles i.e 9 Nos. of Bolero and 5	Nil	The same has already been	No comment by the	Nil	

			Nos. of Scorpio amounting to ₹ 278798/- acquired during the year has been booked under vehicle maintenance. In our opinion the same should have been capitalized and added with the cost of vehicles.		shown as costs since insurance needs to be renewed every year	auditor		
6			During the year, TDS on rent payment to consultants and on salaries have not been recovered.	Nil	TDS will be recovered hence forth	No comment by the auditor	Nil	
7			We are of the opinion that the Company should cover its employees under Employees' Provident Fund Scheme.	Nil	The matter has been forwarded to HR	No Compliance	Nil	
	2016-17							
1			No Insurance cover is available for Fixed Assets other than on vehicle.	Nil	Insurance cover on future purchases is being discussed with the vendor. However, the computers, printers are on AMC		Nil	
2			No reference vouchers nos. are mentioned in the vouchers, only cheque no & date is mentioned which lacks the internal control system and difficulty in tracking of cash book & ledger with the particular voucher.	Nil	Will be incorporated henceforth		Nil	
3			No Asset Identification No. is found in some of the assets in Fixed Asset Register. Similarly on physical verification of assets there is no any assets identification no. pasted on assets in many cases. Fixed Assets Register (FAR) does not include 4 wheeler motor vehicles (18 Nos.) & Two wheeler (13 Nos.) and also "Furniture & Fixtures." "Further Fixed Assets Register format is not prepared as per Companies Act, 2013 e.g. no full particulars with cost and date of purchase of assets.	Nil	The same is being maintained in soft copy		Nil	
4			Accounting maintenance and preparation is manual which may lead to misstatements and prone to frauds, and results in lack of internal control.	Nil	Tally being implemented in the Head Office as well as Districts the approval of IFAD on Chart of Accounts was received in June 2017 and the same is now in the process of being implemented. The software has been purchased, training completed hands on is under progress.		Nil	
5			Filling of vouchers are not in order. There is no any index for file keeping vouchers, documents	Nil	Will be incorporated henceforth		Nil	

			etc																									
6			Interest loss due to non arrangement with the bank for swapping of savings account of Head office which maintain major balance in account.	Nil	The same will be placed before the Board		Nil																					
7			There is no internal control on attendance of employee/staff. As the salary expenditure and employees are major, biometric attendance system should be installed.	Nil	Will be put forward in the next Board Meeting		Nil																					
8			TDS on office rent is not deducted and no any exemption or non deduction certificate from Income Tax Department is available on record.	Nil	The matter is being taken up with the Landlord to provide the details for non-deduction for the previous period		Nil																					
9			TDS not deducted on the under mentioned consultancy charges paid. <u>AMOUNT (Rs)</u> <u>PAYMENT DATE</u> 200700.00 26/09/2016 44600.00 26/10/2016	Nil	Will be taken care for future payments		Nil																					
10			<table><tr><td colspan="4">Late fees and interest paid for late submission of TDS return</td></tr><tr><td>Quarters</td><td>Date of submission of TDS return</td><td>late fees for filling TDS return (Rs)</td><td>Interest for late filling of TDS return (Rs)</td></tr><tr><td>1</td><td>08.11.2016</td><td>25200</td><td>2400</td></tr><tr><td>2</td><td>12.01.2017</td><td>23600</td><td>4306.5</td></tr><tr><td>3</td><td>30.05.2017</td><td>NIL</td><td>3528</td></tr></table>	Late fees and interest paid for late submission of TDS return				Quarters	Date of submission of TDS return	late fees for filling TDS return (Rs)	Interest for late filling of TDS return (Rs)	1	08.11.2016	25200	2400	2	12.01.2017	23600	4306.5	3	30.05.2017	NIL	3528	Nil	Interest and late fees has been discharged		Nil	
Late fees and interest paid for late submission of TDS return																												
Quarters	Date of submission of TDS return	late fees for filling TDS return (Rs)	Interest for late filling of TDS return (Rs)																									
1	08.11.2016	25200	2400																									
2	12.01.2017	23600	4306.5																									
3	30.05.2017	NIL	3528																									
11			Amount sanctioned of Rs 30 lakhs for construction of road to East Jaintia Hills (DPMU) transferred to BDU A/c on 29-01-2016, which is again transferred East Jaintia Hills (DPMU) after 5 months (i.e on 10 July, 2016 which may result in loss of interest to the company for the above period.	Nil	The transfer was made to BDU account and was subsequently transferred to DPMU account.		Nil																					
12			Cash book is not balanced on daily basis.	Nil	Will be followed hence forth		Nil																					

Appendix 7: Progress against previous mission recommendations Financial Management

Table 7.1: Progress against Financial Management Review Mission recommendations 2017

Actions	Responsibility	Deadline	Action Taken	Mission remarks
Adjustment of excess claimed amount The excess amount claimed from IFAD under WA 1 should be refunded by adjusting it in the next WA.	Manager –Finance /APD	31 Dec 2017	Some of advances claimed have been adjusted	Partially complied with
WA preparation All WAs should include the entire expenditure of the project for the period. Partial claims should not be made and expenditure of prior periods should not be claimed in the WA of subsequent periods. Claims made should be classified under the appropriate category of expenditure as per the financing agreement	Manager –Finance /APD	31 Jan 2018	WAs were prepared for each quarter and last WA for the outstanding amounts for the period 1 April 2016 to 30 Sept 2017	Not complied
MIE expenditure under WA 7 WA 7 will be rejected by IFAD and the project to rework and resubmit after excluding all double claim expenditure and expenditure incurred prior to project effectiveness with a certification that the amounts claimed under LAMP have not been claimed from any other source. Excess funds released to MIE to be refunded to LAMP.	Manager –Finance /APD	31 Dec 2017	The project is still to receive the statement of expenditures of double claim and prior project period from MIE	Not complied
Audit of MIE MIE needs to get its accounts for 2016-17 audited by an independent auditor having no conflict of interest.	DDG-MIE	31 Dec 2017	Accounts of FY 2016-17 have not been audited.	Not complied
Human resource in financial management Refer to recommendation in Project Management regarding OSD-Finance. Allocate the tasks related to internal audit to the Compliance Officer of MBMA who shall prepare quarterly internal audit for submission to the management and to ensure compliance by the finance section to the internal audit observations.	APD	31 Jan 2018	Compliance Officer has not been assigned for the internal audit.	Not complied
Books of accounts Proper books of accounts using double entry accounting system need to be maintained until Tally is made operational.	Manager –Finance /APD	31 Dec 2017	Tally has been made operational	Complied
Tally operationalization Prepare uniform chart of accounts to be grouped under the project components, operationalize tally immediately, cost centre facility to be used for segregating the expenditure by category, feed budgets into the software, train all accountants in the use of the software and its	Manager –Finance /APD	31 Dec 2017	Tally having features of accounting expenditures based on component, category and activity has been made operational but one report based on category	Complied

features with adequate and timely support from the SPMU to enable generation of financial reports. DPMUs to submit monthly financial reports along with back up of Tally data to the SPMU.			expenditures is not generated by the software. The budget amounts are not entered. The financial reports are generated but not in format to be submitted to IFAD.	
Quarterly report Devise quarterly reporting formats for financial reports from the DPMUs and implement the same.	Manager –Finance /APD	31 Jan 2018	Quarterly financial reports generated by Tally software and WA prepared are being submitted along with Tally back up to SPMU.	Complied
Report consolidation SPMU to consolidate all the financial reports at the SPMU and synchronize data for generation of monthly progress report.	Manager –Finance /APD	31 Jan 2018	SPMU consolidates all the financial reports of DPMUs with SPMU for preparation of financial progress report.	Complied
BRS finalization Bank reconciliations statements to be prepared at the end of every month through the software, verified, signed and filed at both state and district levels.	Manager –Finance /APD	31 Dec 2017	Bank reconciliations statements are being prepared at the end of every month through the software, verified and signed.	Complied
Compliance to TDS provisions TDS provisions to be complied while making payments against all contracts, professional fees, rent and salaries where applicable.	Manager –Finance /APD	Immediate	Being deducted from payment liable for TDS deduction	Complied
Audit Prepare the PFS of FY 2017-18 in accordance with IFAD Guidelines on Project Audit and submit within stipulated time.	Manager –Finance /APD	30 Sep 2018	PFS of FY 2017-18 were prepared but there are mistakes.	Partially complied

India

Livelihoods and Access to Markets Project

Mid-term Review

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 25 June - 2 August 2018
Document Date: 29/08/2018
Project No. 1100001715
Report No. 4850-IN

Asia and the Pacific Division
Programme Management Department

Appendix 2: Physical progress measured against AWP&B

Component / activity	Unit		AWPB for FY17/18		Total project target		Actual achievement in FY17-18				Cumulative actual achieved @ 31 Mar 18			
	Unit detail	R 000	Qty	Rs 000	Qty	Rs 000	Phy	%	Fin	%	Phy	%	Rs 000	%
1.1. Integrated Natural Resources Management														
I. Investment Costs														
A. State level costs														
Technical Service Provider - Pigs & Poultry	agency_year	16,600	0	0	3	49,800	-		0		-	0%	0	0%
B. Resource NGO									0					
Resource NGO	agency-year	500	0	0	9	4,500	-		0		-	0%	0	0%
C. Cluster level Facilitating Agency														
Facilitating agency at cluster	cluster_year	376	0	0	108	40,554	-		0		-	0%	0	0%
Training staff of facilitating agency	batch	250			7	1,750	-		31		-	0%	31	2%
Mobilisation of VECs, Lead Farmers etc	batch	20	18	360			-	0%	119	33%	-	!	119	!
D. Village Institutions														
1. Training /b														
State Level workshop	LS	350	0	0		0	1		0		1	!	0	!
District Level Workshop	LS	150	11	1,650		0	14	127%	0	0%	14	!	0	!
Block Level Workshop	LS	100	39	3,900		0	12	31%	0	0%	12	!	0	!
Training village facilitators	batch	36	18	648	70	2,520	1	6%	207	32%	1	1%	207	8%
PRA Exercise for preparation of INRMP	village	25	512	12,800	1350	33,750	272	53%	4,112	32%	272	20%	4,112	12%
2. VEC operating costs incl. payment to VF	village_year	120	512	61,440	6750	810,000	-	0%	0	0%	-	0%	0	0%
3. Village Development Fund														
VDF First Instalment	LS	200	512	102,400	1350	270,000	-	0%	0	0%	-	0%	0	0%
VDF Second Instalment	LS	200	0	0	1350	270,000	-		0		-	0%	0	0%
4.Social Development Fund	village	50,000	0.2	10,000	1350	50,000	-	0%	0	0%	-	0%	0	0%
5. Convergence from MGNREGS & others	LS	300	180	3,240	1350	54,000	-	0%	0	0%	-	0%	0	0%
Sub total				196,438		1,586,874			4,469	2%			4,469	0%
2.1. Integrated Village Cooperative Societies														
I. Investment Costs														
A. State level costs														
Engagement of TSP for Tool Kits, Manual, training course design, Training of CAB staff, Department Facilitators, IVCS Board Members	LS	25,000	1	3,000	1	25,000	2	200%	2,238	75%	2	200%	2,238	9%
Local NGOs/ Facilitators for IVCS	Unit	5,500	1014	5,922		0	-	0%	0	0%	-	!	0	!

Component / activity	Unit		AWPB for FY17/18		Total project target		Actual achievement in FY17-18				Cumulative actual achieved @ 31 Mar 18			
	Unit detail	R 000	Qty	Rs 000	Qty	Rs 000	Phy	%	Fin	%	Phy	%	Rs 000	%
Tool kits, operations manual, training course design	LS	3,000	0	0	2	5,000	-		0		-	0%	0	0%
IECs Materials (Brochures, Z fold cards, training manuals, operations manual, process manual, etc.)	LS	1,520	1	1,520		0	-	0%	150	10%	-	!	150	!
Corpus Fund	LS	100	351	35,100		0	-	0%	0	0%	-	!	0	!
Provision of Furniture, Fixtures & Computers for IVCS	LS	70	351	24,570		0	-	0%	0	0%	-	!	0	!
Bank linkage for IVCS		200	351	70,200		0	-	0%	0	0%	-	!	0	!
Training cum Awareness Programme	batch	6	1014	6,388		0	178	18%	611	10%	178	!	611	!
Training IVCS staff (351 secretaries)	batch	178	9	1,602		0	6	67%	41	3%	6	!	41	!
Training IVCS Board members	batch	130	44	5,720		0	7	16%	467	8%	7	!	467	!
Exposure Visits Outside the State for IVCS Members	batch	423	4	1,692		0	1	25%	752	44%	1	!	752	!
Training of Cooperative Facilitators	batch	178	25	4,450		0	2	8%	109	2%	2	!	109	!
Training of Staff for IVCS (FSD, BDU, MCAB, Cooperation Department)	batch	130	4	520		0	2	50%	90	17%	2	!	90	!
Exposure Visits Outside the State	batch	876	2	1,992		0	1	50%	0	0%	1	!	0	!
Consultant for Bank Linkage	LS	500	11	5,500		0	-	0%	0	0%	-	!	0	!
Training of Staff for Bank Linkage (FSD, BDU, EFC, Cooperative Facilitators, etc.)	batch	130	4	520		0	1	25%	19	4%	1	!	19	!
State Level Workshop	LS	350	1	350		0	1	100%	294	84%	1	!	294	!
District Level Workshop	LS	101	11	1,111		0	2	18%	412	37%	2	!	412	!
Laptops	Units	48	13	624		0	-	0%	0	0%	-	!	0	!
Desktops	Units	48	2	96		0	-	0%	0	0%	-	!	0	!
Printers	Units	13	2	26		0	-	0%	0	0%	-	!	0	!
External Hard Drive	Units	5	2	10		0	-	0%	0	0%	-	!	0	!
Vehicles	Units	1,000	2	2,000		0	-	0%	0	0%	-	!	0	!
Furniture & Fixtures	LS	200	1	200		0	-	0%	0	0%	-	!	0	!
Construction of Partition for FSD in MBDA Head Office	LS	500	1	500		0	-	0%	0	0%	-	!	0	!
B. Operating Costs														
IVCS Core Group Meetings	Units	2	24	36		0	3	13%	1	2%	3	!	1	!
FSD Staff Meeting	Units	2	12	18		0	-	0%	0	0%	-	!	0	!
Quarterly Review Meeting (FSD with BDUs/	Units	27	4	108		0		50%	5	5%	2	!	5	!

Component / activity	Unit		AWPB for FY17/18		Total project target		Actual achievement in FY17-18				Cumulative actual achieved @ 31 Mar 18			
	Unit detail	R 000	Qty	Rs 000	Qty	Rs 000	Phy	%	Fin	%	Phy	%	Rs 000	%
EFC)							2							
Meetings of the Field Level Functionaries for IVCS	Units	1	468	234		0	-	0%	62	26%	-	!	62	!
Vehicle Running Costs	Units	8	24	192		0	-	0%	0	0%	-	!	0	!
Miscellaneous	LS	300	1	300		0	-	0%	0	0%	-	!	0	!
Sr. Manager - Cooperatives	Units	40	0	0	0	0	-		0		-	!	0	!
Sr. Manager - Financial Services & Credit	Units	40	0	0	0	0	-		0		-	!	0	!
Sr. Manager - Research & Data Analyst	Units	40	0	0	0	0	-		0		-	!	0	!
Manager - Cooperatives and Financial Services (District Level)	Units	35	0	0	0	0	-		0		-	!	0	!
Assistant Manager - Cooperatives	Units	29	0	0	0	0	-		0		-	!	0	!
Assistant Manager - Financial Services & Credit	Units	29	0	0	0	0	-		0		-	!	0	!
Programme Associate	Units	23	0	0	0	0	-		0		-	!	0	!
Multi Task Assistant	Units	13	0	0	0	0	-		0		-	!	0	!
C. Cooperative dev. support agency	year	9,000	0	0	0	0	0		0					
Sub total 2.1				174,501		30,000			5,252	3%			5,252	18%
2.2. Enterprises Development														
I. Investment Costs														
A. Enterprises Facilitation Centres														
Training of FBA	batch	500	2	1,000	4	1,200	-	0%	0	0%	-	0%	0	0%
Training of ERPs (batch of 30 for 4 days)	batch	500	2	1,000	8	1,200	2	100%	29	3%	2	25%	29	2%
Entrepreneurs training (batch of 30 for 4 days)					8	1,200	137		28,005		137	1713%	28,005	2334%
Training of trainers on bank linkage & bank documentation for livestock (days	batch	350	5	1,750		0	-	0%	0	0%	-	!	0	!
Incentives for Bank Linkage to Facilitators	Units	70	39	2,722		0					-	!	0	!
RNGO for EFCs (ILRT continuing Contract)	agency_year	20,000		0	3	60,000	-		0		1	33%	9,259	15%
B. Financing enterprises				0										
Bank loans to entrepreneurs	enterprise	60	1560	92,820	15795	939,803	693	44%	0	0%	693	4%	0	0%
Convergence support	enterprises	12	1560	18,330	47385	556,774	-	0%	0	0%	-	0%	0	0%
Entrepreneurs contribution	enterprise	10	1560	15,600	47385	473,850	-	0%	0	0%	-	0%	0	0%
LAMP Matching Grant	enterprise	10	1560	15,600	47385	473,850	-	0%	0	0%	-	0%	0	0%
C. Enterprises support agency	agency_year	900	8	7,200	32	28,800	13	163%	5,573	77%	21	66%	11,340	39%
D. RNGO for Enterprises Support Agencies (ILRT Continuing Contract)	agency_year	20,000			3	60,000	2		7,400		3	100%	9,869	16%
II. Recurrent Costs														
A. Staff salary														
Assistant Manager (EFC Manager)	person_month	29			3744	107,827	-		0		-	0%	0	0%

Component / activity	Unit		AWPB for FY17/18		Total project target		Actual achievement in FY17-18				Cumulative actual achieved @ 31 Mar 18			
	Unit detail	R 000	Qty	Rs 000	Qty	Rs 000	Phy	%	Fin	%	Phy	%	Rs 000	%
Programme Associate/Intern (Field Business Advisor)	pers_month	23			3744	86,299	-		0		-	0%	0	0%
Programme Associate/Intern (Enterprises Resource Persons)	pers_month	23			3744	86,299	-		0		-	0%	0	0%
Multi Tasking Asst (Office Assistants)	pers_month	13			3744	49,234	-		0		-	0%	0	0%
B. Operating costs														
Office rent	month	5			3744	18,720	-		0		-	0%	0	0%
Consumables	month	2			3744	5,616	-		0		-	0%	0	0%
Utilities	month	1			3744	3,744	-		0		-	0%	0	0%
Motor cycle use charges	pers_month	2			3744	5,616	-		0		-	0%	0	0%
Travel allowances	pers_month	2			3744	5,616	-		0		-	0%	0	0%
Others	month	1			3744	3,744	-		0		-	0%	0	0%
Sub total 2.2				156,022		2,969,391			41,007	26%			58,502	2%
2.4. Livestock Development														
I. Investment Costs														
A. Pig Clusters														
Year 1 services (as per Annex 3, WP – 6 Pig)	Cluster						-		0		-	!	0	!
Training of Community Livestock Facilitator (batch of 22) for 60 days	Batch	1,643	2	3,287	4	6,574	4	200%	1,103	34%	4	100%	1,103	17%
Training of Village Livestock Resource Persons (batch of 33) for 10 days	Batch	428	4	1,713	24	10,279	2	50%	0	0%	2	8%	0	0%
Entrepreneur training (Training of Pig Keepers (batch of 30) for 6 days)	batch	266	67	17,835	720	36,000	-	0%	0	0%	-	0%	0	0%
Training of Pig Keepers (batch of 30) for 6 days)							21		18,516		21	!	18,516	!
Exposure visits outside the state (CLF,VLRPS) (batch of 32 for 7 days)	Batch	804	4	3,216	4	3,216	10	250%	4,556	142%	10	250%	4,556	142%
Exposure visits outside the state for Pig keepers (batch of 32 for 2 days)	Batch	98	67	6,574	100	9,812	21	31%	0	0%	21	21%	0	0%
Enterprise & Business Training of AHVO (batch of 18) for 4 days	Batch	259	4	1,036	8	2,073	1	25%	71	7%	1	13%	71	3%
Exposure visits of AHVO & Senior AHVO to IFAD project areas outside the state (batch of 18) for 7 days	Batch	1,301	4	5,206	8	10,411	2	50%	489	9%	2	25%	489	5%
Travel expenses of DAHVO (8 days pm for 12 months)	Pers_days	83	11	908	18	1,486	-	0%	0	0%	-	0%	0	0%
Travel expenses of AHVO (8 days pm for 12 months)	Pers_days	74	18	1,331	18	1,331	6	33%	278	21%	6	33%	278	21%
Travel expenses of VFA (12 days pm for 12 months)	Pers_days	98	18	1,763		0	-	0%	0	0%	-	!	0	!
Development and publication of IEC materials (Z Cards)	Number	0	400000	4,800	600000	7,200	550,000	138%	6,476	135%	550,000	92%	6,476	90%

Component / activity	Unit		AWPB for FY17/18		Total project target		Actual achievement in FY17-18				Cumulative actual achieved @ 31 Mar 18			
	Unit detail	R 000	Qty	Rs 000	Qty	Rs 000	Phy	%	Fin	%	Phy	%	Rs 000	%
Activation of VTCs	Number	3,000	3	9,000		0	3	100%	0	0%	3	!	0	!
Veterinary Kit for CLF	Kit	10	22	220	120	1,200	-	0%	0	0%	-	0%	0	0%
Pig Development Kit (VLRPs)	Kit	10	132	1,320	720	7,200	-	0%	0	0%	-	0%	0	0%
Feed Development	LS	2	132	264	720	1,440	-	0%	0	0%	-	0%	0	0%
Critical inputs for Health Care	LS	3	132	396	720	2,160	-	0%	0	0%	-	0%	0	0%
Honorarium of VLRP (@2500/- pm for 198 VLRPs of 33 LDC)	pers_month	3	132	330	1440	3,600	-	0%	0	0%	-	0%	0	0%
Salary to CLF (@20,000/- pm for 33 CLF)	pers_month	20	22	440	1440	28,800	-	0%	0	0%	-	0%	0	0%
Year 1 services (as per Annex 3, WP - 6 - Pig Breed Improvement)	unit	51	132	6,732	720	36,720	-	0%	0	0%	-	0%	0	0%
Livestock Development Centres	number	172	22	3,788	120	20,664	114	518%	143	4%	114	95%	143	1%
Training of goat keepers	Batch						1		105		1	!	105	!
Rural Slaughter house	number	600	10	6,000	120	72,000	-	0%	0	0%	-	0%	0	0%
Pick up Vehicles	number	980	2	1,960	2	1,960	-	0%	0	0%	-	0%	0	0%
Year 1 services (as per WP - 6) (Poultry)				0		0	-		0		-	!	0	!
Training of Community Livestock Facilitator	0	-		0	0	0	-		0		-	!	0	!
Training of Village Livestock Resource Person	0	-		0	0	0	1		73		1	!	73	!
Training of Poultry keepers (batch of 30 for 6 days)	Batch	266	16	4,259	360	95,832	4	25%	3,131	74%	4	1%	3,131	3%
Exposure visits outside the state for poultry keepers (batch of 32 for 7 days)	batch	642	3	1,926	36	23,115	4	133%	2,324	121%	4	11%	2,324	10%
Livestock Development Centres	Number		100		120		14	14%	0		14	12%	0	!
Poultry Development Kit (VLRPs)	kit	10	132	1,320	720	7,200	-	0%	0	0%	-	0%	0	0%
Cost of low cost Hatchery	Number	20	22	440	120	2,400	-	0%	0	0%	-	0%	0	0%
Automatic vaccinator and Balances	kit	10	22	220	120	1,200	-	0%	0	0%	-	0%	0	0%
Vaccine Carriers	Number	2	132	264	120	240	-	0%	0	0%	-	0%	0	0%
Fodder and Feed Development	LS	2	132	264	720	1,440	-	0%	0	0%	-	0%	0	0%
Critical inputs for Health Care	LS	3	132	396	720	2,160	-	0%	0	0%	-	0%	0	0%
Honorarium of VLRP	pers_month	-		0	1440	0	-		0		-	0%	0	!
Salary to CLF	pers_month	-		0	1440	0	-		0		-	0%	0	!
Laptops	units	48	24	1,152	5	240	-	0%	0	0%	-	0%	0	0%
Printers	units	13	24	312	2	26	-	0%	0	0%	-	0%	0	0%
Desktops	units	43	3	129	3	129	-	0%	0	0%	-	0%	0	0%
Cupboards	units	9	22	198	5	45	-	0%	0	0%	-	0%	0	0%
D. RNGO Management & overheads	year	256	3	767	216	55,214	-	0%	0	0%	-	0%	0	0%
II. Recurrent Costs														
A. Operating costs														
Livestock Programme Manager from RNGO	staff-year	360	6	2,160	55	19,800	-	0%	0	0%	-	0%	0	0%
Staff travel and other costs	staff-year	48	6	288	55	2,640	2	33%	14	5%	2	4%	14	1%

Component / activity	Unit		AWPB for FY17/18		Total project target		Actual achievement in FY17-18				Cumulative actual achieved @ 31 Mar 18			
	Unit detail	R 000	Qty	Rs 000	Qty	Rs 000	Phy	%	Fin	%	Phy	%	Rs 000	%
Sub total 2.4				92,214		475,806			37,279	40%			37,279	8%
2.5. Access to Markets														
I. Investment Costs														
A. Markets and rural roads-Project level														
Identification of markets and road stretches	district	200	0	0	11	2,200	-		0		-	0%	0	0%
Negotiation with the community	district	50	0	0	11	2,200	-		0		-	0%	0	0%
Exposure visits to other states	person	20	0	0	11	2,200	26		1,275		26	236%	1,275	58%
Exposure visits to markets-abroad	person	100	0	0	11	2,200	3		153		3	27%	153	7%
Improvement of Rural roads	km	3,000	239	717,000	250	750,000	228	95%	5,099	1%	239	96%	38,099	5%
Experience sharing workshop	batch	50	0	0	28	1,400	46		0		46	164%	0	0%
Training Programmes	batch	50	0	0	30	1,500	65		795		65	217%	795	53%
Market facilities - Entry Point Activities	district	1,000	8	8,000	26	26,000	-	0%	0	0%	-	0%	0	0%
Feasibility Study for Market Infrastructure	Market	500	2	1,000		0	-	0%	0	0%	-	!	0	!
Improvement of 5 units of Agricultural Markets (in 5 Different Blocks)	LS	2,500	0	0		0	-		0		-	!	0	!
Operational expenses - Travelling expenses	month	40	12	480	84	1,680	6	50%	66	14%	6	7%	66	4%
Market Initiatives Consultant	pers_month	150	24	3,600	180	27,000	-	0%	33	1%	-	0%	33	0%
Programme Associates (Marketing Initiatives)	pers_month	23	36	830	252	581	-	0%	0	0%	-	0%	0	0%
Regional Product Strategy meet							1		23		1	!	23	!
Manager (Marketing Initiatives)	pers_month	35	24	829	420	1,451	-	0%	0	0%	-	0%	0	0%
Resource Agency - Agri Business	agency_year	1,350	0	0	7	9,450	-		0		-	0%	0	0%
a. Black Pepper Cluster						0			0		-	!	0	!
Rapid Multiplication Block Promotion in Black Pepper Cluster	Nursery	30	42	1,260		0	-	0%	30	2%	-	!	30	!
Business Development Services for Black Pepper	LS	3	64	160		0	13	20%	25	16%	13	!	25	!
Training Program on Black Pepper PoP	LS	30	14	420		0	2	14%	258	61%	2	!	258	!
b. Wild Pepper						0			0		-	!	0	!
Training Program on Wild Pepper Package of Practices	LS	30	2	60		0	-	0%	0	0%	-	!	0	!
Business Development Services	LS	5	50	250		0	-	0%	0	0%	-	!	0	!
c. Bay Leaf						0			0		-	!	0	!
Bay leaf Nursery Promotion	Nursery	30	4	120		0	2	50%	0	0%	2	!	0	!
Business Development Services for Bay Leaf	LS	5	12	60		0	-	0%	0	0%	-	!	0	!
Training Program on Bay Leaf Package of Practices	LS	30	2	60		0	2	100%	0	0%	2	!	0	!
Trail Marketing	LS	100	1	100		0	2	200%	96	96%	2	!	96	!
d. Ginger						0			0		-	!	0	!
Value Addition of Ginger	LS	450	1	450		0	2	200%	164	36%	2	!	164	!
Training on Post Harvest Management	LS	30	2	60		0	-	0%	10	16%	-	!	10	!

Component / activity	Unit		AWPB for FY17/18		Total project target		Actual achievement in FY17-18				Cumulative actual achieved @ 31 Mar 18			
	Unit detail	R 000	Qty	Rs 000	Qty	Rs 000	Phy	%	Fin	%	Phy	%	Rs 000	%
Trail Marketing	LS	100	2	200		0	1	50%	0	0%	1	!	0	!
e Pineapple						0			0		-	!	0	!
Pineapple Value Addition & Product Development	LS	150	3	450		0	-	0%	0	0%	-	!	0	!
Trial Marketing	LS	100	3	300		0	4	133%	40	13%	4	!	40	!
f Banana						0			0		-	!	0	!
Business Development Services for Banana	LS	10	60	600		0	-	0%	72	12%	-	!	72	!
Training on Value Addition Technologies of Banana	LS	30	2	60		0	15	750%	78	130%	15	!	78	!
g Potato						0			0		-	!	0	!
Business Development Services for Potato	LS	10	60	600		0	2	3%	117	20%	2	!	117	!
h Rice						0			0		-	!	0	!
Business Development Services for Rice	LS	5	90	450		0	-	0%	4	1%	-	!	4	!
f Regional						0			0		-	!	0	!
Studies	LS	50	11	550		0	-	0%	36	7%	-	!	36	!
Business Volunteers/Grassroot Service Provider	LS	10	648	6,739		0	54	8%	0	0%	54	!	0	!
Cluster Level Business Development Services	LS	1,350	12	16,200		0	8	67%	1,348	8%	8	!	1,348	!
Product Workshop	LS	30	17	510		0	22	129%	406	80%	22	!	406	!
Training of Master Trainers on SeedBank Initiative for community mobilisation in targeted villages	Cluster	255	7	1,783		0	-	0%	0	0%	-	!	0	!
Awareness Programme on SeedBank Initiative for Targeted Clusters	Cluster	18	7	123		0	-	0%	0	0%	-	!	0	!
SeedBank Construction	Unit	830	7	5,810		0	-	0%	0	0%	-	!	0	!
Business Development Support for Value Chains in Clusters							-		1,082					
Exposure visits - Within State							-		40					
Training on value Chains per district							-		40					
Sub total 2.5				769,114		827,862			11,289	1%			43,127	5%
3.1. Knowledge Services														
I. Investment Costs							0		0					
A. Knowledge services management							0		0					
Vehicles	unit	1,200	0	0	2	2,400	-		0		-	0%	0	0%
Equipment & furniture	set	200	0	0	2	2,400	-		0		1	50%	1,056	44%
B. Information for NRM & governance							0		0					
GIS unit equipment	LS	300	1	300	2	600	-	0%	0	0%	-	0%	0	0%
village maps from remote-imagery	village	40	325	13,000	1500	60,000	-	0%	0	0%	-	0%	0	0%
GPS equipment	LS	100	1	100	1	100	-	0%	477	477%	-	0%	477	477%

Component / activity	Unit		AWPB for FY17/18		Total project target		Actual achievement in FY17-18				Cumulative actual achieved @ 31 Mar 18			
	Unit detail	R 000	Qty	Rs 000	Qty	Rs 000	Phy	%	Fin	%	Phy	%	Rs 000	%
Collation of bio-environmental data	year	100	2	200	8	800	-	0%	0	0%	-	0%	0	0%
Collation of NRM good practices	year	100	2	200	8	800	-	0%	13	6%	-	0%	13	2%
C. Information for Enterprises development														
1. Data collection							-		0		-	!	0	!
Value-chain & market studies	study	500	0	0	10	5,000	-		0		-	0%	0	0%
Collection of enterprises & market data	year	150	0	0	10	1,500	-		0		-	0%	0	0%
2. Preparation of manuals & guidelines	number	500	0	0	10	5,000	-		0		-	0%	0	0%
3. Telephone support unit						0	-		0		-	!	0	!
Needs assessment, design support	year	1,000	0	0	2.5	2,500	-		0		-	0%	0	0%
4. Support to Meghalaya Trade Promotion Organisation	LS	800	0	0	0	0	-		0		-	!	0	!
D. Technology testing & action research														
Crop sector	year	1,250	1	1,250	7	8,750	-	0%	0	0%	-	0%	0	0%
Livestock sector	year	1,000	3	3,000	7	7,000	-	0%	0	0%	-	0%	0	0%
Non-farm sector	year	200	3	600	7	1,400	-	0%	0	0%	-	0%	0	0%
Environment & energy sectors	year	300	1	300	7	2,100	-	0%	0	0%	-	0%	0	0%
Research management & review	year	300	1	300	7	2,100	-	0%	0	0%	-	0%	0	0%
E. Monitoring and evaluation														
Computer & other equipment	set	300	1	13	3	900	-	0%	0	0%	-	0%	0	0%
Vehicle	Number	1,200	0	0	1	1,200	-		0		1	100%	841	70%
Motor cycles	number	75	0	0	10	750	3		4		3	30%	4	1%
Other equipment, crop cutting etc	set	100	0	0	0	0	-		95		-	!	95	!
Staff capacity building	batch	40	0	0	0	0	-		9		-	!	9	!
Baseline survey	LS	5,000	0	0	0	0	1		2,999		1	!	2,999	!
Rapid Assessment Study	LS	549	0	0	0	0	-		0		1	!	549	!
Thematic Annual Outcome Survey	LS	1,000	1	1,000		0	-	0%	0	0%	1	!	355	!
Annual Outcome Survey	LS	600	1	600		0	1	100%	221	37%	1	!	221	!
Short-term specialist	pers_month	200			66	13,200	-		0		1	2%	89	1%
Agency for Developing, design, deployment and maintenance of MIS	LS	20,000	1	5,000	1	20,000	1	50%	315	6%	1	50%	315	2%
Consultant - MIS Development , Deployment & Maintenance	pers_month	250				0	-		0		-	!	0	!
Exposure visit to other similar projects with established M&E systems Domestic	Batch	210	2	420		0	1	50%	161	38%	1	!	161	!
Exposure visit to other similar projects with established M&E systems International	Batch	680	2	1,360		0	1	50%	279	21%				
F. KM & lessons learning														
1. Staff level							-		0		-	!	0	!
Monthly meetings at Block level	meetings	5	0		1620	8,100	-		6		-	0%	6	0%
Monthly meetings at district level	meeting	8	0		1620	8,100	1		169		1	0%	169	2%

Component / activity	Unit		AWPB for FY17/18		Total project target		Actual achievement in FY17-18				Cumulative actual achieved @ 31 Mar 18			
	Unit detail	R 000	Qty	Rs 000	Qty	Rs 000	Phy	%	Fin	%	Phy	%	Rs 000	%
Quarterly meetings at state level	meetings	20	0		1620	8,100	-		0		-	0%	0	0%
Training in KM methods for sharing	batch	30	4	120	7	210	6	150%	0	0%	6	86%	0	0%
Development of KM strategy	LS	200	0	0	1	200	-		0		-	0%	0	0%
2. Participant level						0	-		0		-	!	0	!
Focus group & participatory M&E	meetings	5	0	0	473	2,365	-		0		-	0%	0	0%
G. Dissemination and communications														
Printing and designing of various Publications	LS	1,416	1	1,416		0	54	5400%	1,531	108%	55	!	2,127	!
Printing and designing of various Vedios	LS	1,000	1	1,000		0	25	2500%	194	19%	26	!	497	!
Radio Programmes	LS	200	1	200		0	-	0%	0	0%	-	!	0	!
Case Studies	LS	200	1	200		0	22	2200%	0	0%	22	!	0	!
Knowledge Network	LS	1,800	1	1,800		0	-	0%	0	0%	-	!	0	!
Village information kit	village	10	30	300	1350	13,500	1	3%	0	0%	1	0%	0	0%
Translation of technical materials	year	160	1	160	5	2,500	20	2000%	0	0%	20	400%	0	0%
LAMP website design & operation	year	100	1	100	8	6,400	-	0%	60	60%	-	0%	60	1%
KM & Communication Support Agency	year	2,000	1	2,000	6	12,000	-	0%	0	0%	-	0%	0	0%
II. Recurrent Costs														
A. Knowlegde management service														
KM Consultant	pers_month	100	0	0	90	9,000	-		0		-	0%	0	0%
Programme Associate/ Intern (Project Assistants)	pers_month	23	0	0	90	2,075	-		0		-	0%	0	0%
Driver	pers_month	14	0	0	90	1,287	-		0		-	0%	0	0%
Vehicle running costs	month	20	0	0	90	1,800	-		0		-	0%	0	0%
Office expenses	month	8	0	0	90	720	1		0		1	1%	0	0%
B. Information for NRM & Governance														
NRM Consultant	pers_month	100	0	0	90	9,000	-		0		-	0%	0	0%
Asst Manager (GIS unit operator)	pers_month	29	0	0	96	2,765	-		0		-	0%	0	0%
C. Information for enterprises development														
Enterprises Facilitation Centre and Livelihood Consultant	pers_month	150	0	0	90	13,500	-		0		-	0%	0	0%
D. Monitoring & evaluation														
M&E Consultant	pers_month	150	12	1,800	96	14,400	-	0%	0	0%	-	0%	0	0%
Manager (Data Analyst)	pers_month	35	0	0	0	0	-		0		-	!	0	!
Manager(MIS operator)	pers_month	35	0	0	0	0	-		0		-	!	0	!
Prg Associate/Intern (Project Assistants)	pers_month	23	0	0	0	0	-		0		-	!	0	!
Prg Associate/Intern (Field monitoring officer)	pers_month	23	0	0	0	0	-		0		-	!	0	!
Operating expenses	year	300	1	300	8	2,400	-	0%	4	1%	-	0%	4	0%
E. Dissemination & communication														
KM & Communications Manager	pers_month	100	0	0	90	9,000	-		0		-	0%	0	0%
Sub total 3.1				37,039		265,921			6,537	18%			10,047	4%

Component / activity	Unit		AWPB for FY17/18		Total project target		Actual achievement in FY17-18				Cumulative actual achieved @ 31 Mar 18			
	Unit detail	R 000	Qty	Rs 000	Qty	Rs 000	Phy	%	Fin	%	Phy	%	Rs 000	%
4.1. District Project Management Units														
I. Investment Costs														
A. Equipment and vehicles														
Vehicles /a	units	700	0	0	22	15,400	-		0		11	50%	9,013	59%
Laptops & Desktops	units	48	60	2,700	176	4,400	60	100%	3,079	114%	60	34%	3,079	70%
Printers	units	13	26	338	44	264	26	100%	0	0%	26	59%	0	0%
Desks & chairs	set	15	31	465	88	880	31	100%	0	0%	31	35%	0	0%
Cupborads	unit	10	50	500	33	198	50	100%	0	0%	50	152%	0	0%
Visitors chairs	units	2	25	38	66	99	25	100%	0	0%	25	38%	0	0%
Photocopiers	units	50	3	180	22	1,100	3	100%	87	48%	3	14%	87	8%
Powerback ups	units	15	0	0	22	330	-		0		-	0%	0	0%
Other furniture & equipment	sets	5	0	0	11	55	-		0		-	0%	0	0%
B. staff capacity building	batch	250	2	500	5	1,250	2	100%	0	0%				
II. Recurrent Costs														
A. Staff salary & allowances														
Sr Manager (District Project Managers)	pers_month	40	0	0	960	38,688	-		0		-	0%	0	0%
Manager (Agricultural Engineers)	pers_month	35	0	0	960	33,168	-		0		-	0%	0	0%
Manager(Cooperatives Officers)	pers_month	35	0	0	960	33,168	-		0		-	0%	0	0%
Manager(Gender/Social Dev Officers)	pers_month	35	0	0	960	33,168	-		0		-	0%	0	0%
Manager(Accounts officers)	pers_month	35	0	0	960	33,168	-		0		-	0%	0	0%
Multi Tasking Asst (Monitoring Assistants)	pers_month	13	0	0	960	12,624	-		0		-	0%	0	0%
Multi Tasking Asst (Office Assistants)	pers_month	13	0	0	960	12,624	-		0		-	0%	0	0%
Drivers	pers_month	14	0	0	960	13,728	-		0		-	0%	0	0%
Salary of District staff (as per Aide Memorie)			12	28,500			1	9%	25,638	90%	13	!	56,528	!
B. Office operating costs														
Office rent	office_month	20	132	2,640	960	19,200	132	100%	0	0%	144	15%	170	1%
Consumables /c	office_month	2	132	264	960	1,920	132	100%	620	235%	144	15%	972	51%
Utilities /d	office_month	2	132	264	960	1,920	132	100%	29	11%	144	15%	381	20%
Motor cycle use charges /e	office_month	2	132	198	5508	8,262	132	100%	0	0%	132	2%	0	0%
Travel allowance	pers_month	2	396	594	5508	8,262	396	100%	366	62%	408	7%	3,052	37%
Fuel & maintenance /f	vehicle_month	20	132	2,640	960	19,200	132	100%	1,895	72%	144	15%	3,961	21%
Other costs	office_month	2	132	264	960	1,920	132	100%	196	74%	144	15%	6,238	325%
Sub total 4.1				40,085		294,996			31,911	80%			83,483	28%
4.2. Project Management Unit, Shillong														
I. Investment Costs														
A. Vehicles and Equipment														
4 wheel drive vehicles	units	1,000	0	0	10	10,000	-		0		6	60%	7,476	75%
Laptops	units	25	0	0	14	350	-		0		-	0%	0	0%

[illegible]

Component / activity	Unit		AWPB for FY17/18		Total project target		Actual achievement in FY17-18				Cumulative actual achieved @ 31 Mar 18			
	Unit detail	R 000	Qty	Rs 000	Qty	Rs 000	Phy	%	Fin	%	Phy	%	Rs 000	%
Office rent	month	25	12	4,800	96	2,400	12	100%	3,034	63%	28	29%	9,947	414%
Consumables	month	10	12	120	96	960	93	775%	12	10%	109	114%	926	96%
Utilities	month	15	12	180	96	1,440	138	1150%	473	263%	154	160%	1,469	102%
Travel allowance	year	200	1	200	8	1,600	150	15030%	1,346	673%	151	1891%	3,033	190%
Fuel & maintenance	vehi_month	20	60	1,200	450	9,000	305	508%	874	73%	317	70%	1,979	22%
Other costs	month	20	12	240	96	1,920	183	1525%	651	271%	195	203%	5,463	285%
Sub total 4.2				39,504		43,272			32,586	82%			83,657	193%
				1,504,917		6,494,123			170,329	11%			325,816	5%

India

Livelihoods and Access to Markets Project

Mid-term Review

Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 25 June - 2 August 2018
Document Date: 29/08/2018
Project No. 1100001715
Report No. 4850-IN

Asia and the Pacific Division
Programme Management Department

Appendix 3: Compliance with legal covenants: status of implementation

Article/ Section of FA, LTB & GC	Covenant	Target/Action Due Date	Compliance Status	Remarks
Financing Agreement (FA)- Section B -6	There shall be an account denominated in USD designated to receive a one-time initial advance of USD 1.5 million to be settled by the borrower in the first twelve months following the disbursement of such advance.	On Loan Effectiveness 09-12-2014	Complied.	
FA -Section B - 7	There shall be a project account denominated in local currency opened and operated by the State Project Management Unit (SPMU) which shall be maintained in a bank mutually acceptable to the Fund and the State Government.	On Loan Effectiveness	Complied.	
FA -Section B - 8	There also shall be sub project accounts denominated in local currency opened and operated by the District Programme Management Units (DPMU) which shall be maintained in a bank mutually acceptable to the Fund and the State Government.	On Loan Effectiveness	Complied	
FA -Section B - 9 & LTB Para 12	The borrower shall cause the State to provide an amount of approximately USD 50 million equivalent as counterpart financing for the project. The Borrower, in cooperation with the State, shall undertake proactive measures/policies to ensure credit flow to the enterprises, convergence of other Government schemes and contributions from beneficiaries to achieve the design projections.	Ongoing	Being complied	
FA -Section C - 1	The Planning Department of the Government of Meghalaya will be the nodal agency at the state level, whilst the Lead Project Agency shall be the Meghalaya Basin Management Agency (MBMA).	On Loan Effectiveness	Complied	
FA - Section E- 2 FA -Schedule 1 Section II –Para C	<p>The following are designated as additional general conditions precedent to withdrawal, as well as additional conditions for eligibility of expenditures under IFAD financing:</p> <ul style="list-style-type: none"> (a) The State Level Project Committee (PMC) and the SPMU shall have been duly established. (b) A project Director (PD) shall have been duly appointed. (c) An Additional Project Director (APD) shall have been duly appointed. (d) Key Project finance staff shall have been duly opened at SPMU level. (e) The Project Account shall have been duly opened in the SPMU. (f) The Project Agreement shall have been duly concluded between the Fund and the State of Meghalaya. (g) A PIM has been prepared and approved by the Board of Directors (BoD) of MBMA and the Fund. 	On Loan Effectiveness	<ul style="list-style-type: none"> (a) Complied (b) Complied (c) Complied (d) Complied (e) Complied (f) Complied (g) Partially complied as Financial management and procurement sections are yet to be finalized. 	

FA -Schedule 1 , Section II , Para A-2	A Project Management Committee will be constituted to support the Project, chaired by the Development Commissioner/Principal Secretary, Planning Department, this will include the PD of LAMP, heads of relevant line departments at the state level, representatives from the banks and at least one representative from civil society, one district Project Co-ordinator/District Project Manager participating on rotational basis and APD being the Member Secretary.	On Loan Effectiveness	Complied	
FA- Schedule 1 , Section II , Para A-3	At the district level coordination and convergence will be ensured by having the Deputy Commissioner for the district as District Project Coordinator (DPC). The Project will be included in the regular District Development Coordination meetings and in other cross-programme meetings at the district level.	During implementation period	Complied	
FA- Schedule 1 , Section II , Para A-4	At the village level LAMP natural resources management (NRM) activities will be implemented through the VECs, of the suitable community organization. Each VEC will employ a village facilitator (VF) to support the implementation of LAMP activities in the village.	During implementation period	Partially complied Meghalaya State Watershed & Wasteland Development Agency is also implementing VDF and Operating Fund of INRMP. Advance of Rs.104 million has been given to the agency on 6 Nov 2017.	
FA -Schedule 1 Section II –Para B -5	The PD in charge of the management of LAMP will be a government appointee, preferably an Indian Administrative Service Officer who is the full time Executive Director of MBMA. PMU staff, including an APD, will be recruited from the open market on a contract basis or made available on deputation from the Government.	On Loan Effectiveness and every year	Partially Complied. PD is Chief Executive Director of MBMA. There was gap of APD from January 30 to June 20, 2018	
FA- Schedule 1 Section II –Para B -7	In case of road and market infrastructure development, the Project will use contractors for construction and Consulting Engineers to design and supervise construction, selected based on the approved Procurement Plan.	During implementation period	No complied with. Being implemented by State Rural Employment Society themselves through MOU which is yet to be finalized and signed between the LAMP and SRES.	
FA- Schedule 1 , Section II , Para B- 8.1	The State of Meghalaya shall enter into a Memorandum of Understanding (Subsidiary Agreement) with the MBMA mutually acceptable to the State and the Fund.	On Loan Effectiveness	Complied. .	
FA- Schedule 1 , Section II , Para B - 8.1 (a)	The State shall transfer the proceeds of the Financing and State's Counterpart funds as Grants in Aid as per the approved AWPB to MBMA in advance.	On Loan Effectiveness and every year	Being complied	

FA- Schedule 1 , Section II , Para B - 8.1 (c)	The MOU between the State of Meghalaya and MBMA shall provide that withdrawal claims for the financing to the Borrower shall be submitted through the Planning Department of Government of Meghalaya.	During project period	Being complied. WA is being submitted directly to CAA&A and copied to Planning Department of government of Meghalaya.	
FA - Schedule 1 , Section II , Para B - 8.1 (d)	The MOU between the State of Meghalaya and MBMA shall provide that the procurement of works, goods and services undertaken by MBA shall follow the Fund's Procurement Guidelines and the approved annual Procurement Plan.	During implementation period	Being complied.	
FA- Schedule 1 , Section II , Para B - 8.1(e)	The MOU between the State of Meghalaya and MBMA shall provide that the financial statements of MBMA may also be audited by the Office of the Comptroller and Auditor General of India and observations resulting from the audit and the action thereof shall be communicated to the Fund within a reasonable time.	During project period	Partially complied with. Auditor is being appointed by OCAG and audit report is being reviewed by OCAG for supplementary audit if required. OCAG issues letter if supplementary audit is not required after review of the audit report.	
FA - Schedule 1 , Section II , Para B - 9	The Deputy Commissioner of the district will be the ex officio DPC of LAMP. At the district level the LAMP district Project Management unit (DPMU) will be integrated into the existing Basis Development Units (BDU). A full time District Project Manager (DPM), reporting to the DPC will be hired from the market and will be responsible for the day to day management of the Project activities at the district level and below..		Complied.	
FA- Schedule 1 , Section II - Para C	The MBMA shall prepare a draft PIM to be approved by the BoD of MBMA and the Fund. The PIM shall include procedures and processes for project implementation, financial administration and reporting.	On Loan Effectiveness	Partially complied. Financial Management and Procurement manuals are not yet finalized.	
FA- Schedule 1 , Section II - Para D and GC-Section 8.03 (b).	The LPA and the Fund shall jointly carry out a review of the project implementation no later than the fourth anniversary of the date of entry into force (the Mid Term Review)	Prior to December 2018	Complied. Carried out during 25 June to 12 July 2018.	
Letter to Borrower (LTB) Para 6	The proceeds of the financing may not be used to pay taxes.	During implementation period.	Being complied.	
LTB Para 8	Before withdrawal can begin IFAD needs to receive from the Joint Secretary, Department of Economic Affairs, Ministry of Finance, a letter designating the name(s) of official(s) authorized to sign withdrawal applications, which includes the authenticated specimen signature (s)	On Loan Effectiveness	Complied.	
LTB Para 13	As provided in IFAD's Procurement Guidelines, each procurement plan shall include the proposed contracts, method of procurement and related IFAD review procedures.	On Loan Effectiveness & during implementation period	Being complied.	

LTB Para 14 & GC - Section 7.05 (a)	Procurement of goods, works and services financed by IFAD shall be carried out in accordance with the provisions of IFAD Procurement Guidelines and IFAD Procurement Handbook. The first 18 months procurement plan and the subsequent 12 month procurement plan shall have been submitted to IFAD.	On Loan Effectiveness & during implementation period	Partially Complied. 12 months rolling procurement plan is being prepared but not being updated and submitted to IFAD.	
LTB Para 15	Any amendments to the Procurement Plan shall be subject to the Fund's no objection.	During implementation period	Not complied. The procurement plan is not updated and submitted to IFAD for obtaining No objection.	
LTB Para 21	All direct contracts for goods and civil works and single source selection for service providers above the prescribed procurement and selection method thresholds shall be undertaken in accordance with the provisions of IFAD procurement Guidelines for direct contracting and single selection and subject to IFAD prior review.		Not complied. Contract of road construction has been awarded to SRES without signing contract and also not obtaining IFAD's no objection. MOU is still to be finalized and approved by IFAD for no objection.	
LTB Para 23	The Project Implementation Manual shall outline and detail the requirement as outlined in the LTB and shall be subject to IFAD prior review.		Partially complied Financial management and procurement manuals are not yet finalized.	
LTB Para 24	All contracts, with or without prior IFAD approval, should be listed in the Register of Contracts with the dates of approval. The register is updated and submitted to the IFAD Country Programme Manager on a monthly basis.		Partially complied The register of contracts is not sent to the IFAD.	
LTB Para 26	The first auditors shall be appointed no later than 120 days after entry into force.	By 08-04-2015	Not Complied	
LTB Para 26	For every fiscal year the same auditors, subject to satisfactory performance, or new independent auditors shall be appointed no later than 120 days after the beginning of each fiscal year. In case of availability, preference for the audit exercise shall be given to the Comptroller ad Auditor General (CAG) of India.	By 31 st July each year	Delayed compliance. For the year 2017-18, auditor was appointed on 21 August 2017.	
LTB Para 27	The log of audit observations in the template prescribed in Annex 8 of the LDH should be maintained and updated regularly .	During project period	Complied	
General Condition (GC)-Section - 7.01 (b)(II) & (IV)	(II) The LPA shall submit the draft AWPB to the Fund no later than sixty days before the beginning of the relevant project year. (IV) The LPA may propose adjustments in the Project AWPB during the relevant Project year, which shall become effective after acceptance by the Fund.	By 31 st January each year	Complied with. Revised AWPB for 2017-18 and AWPB of FY 2018-19 were approved by the Board on 30 Jan 2018.	

Section 7.03(b)	Borrower/Recipient shall make available to the Project Parties during the Project Implementation Period counterpart funds from its own resources in accordance with its customary national procedures for development assistance.	During implementation period	Being complied.	
GC-Section 7.05 (a)	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.	During implementation period	Being complied.	
GC-Section 7.06	All goods, services and building financed by the Financing shall be used exclusively for the purpose f the Project.	During implementation period	Being complied	
GC-Section - 7.08 (a)	The LPA shall insure all goods and buildings used in the Project against such risks and in such amounts as shall be consistent with sound commercial practice.	On procurement	Partially complied Vehicles have been insured but other equipment have not been insured.	
GC-Section 7.09 (a)	The Borrower/Recipient shall ensure that no Project Party shall enter into any Subsidiary Agreement, or consent to any modification thereof, inconsistent with the Financing Agreement or the Project Agreement.	During implementation period	Being complied.	
GC-Section 7.09 (c)	No provision of any Subsidiary Agreement to which the Borrower/Recipient is a party shall be assigned, waived, suspended, abrogated, amended or otherwise modified without the prior consent of the Fund.	During implementation period	Being complied.	
GC-Section 7.11	The Borrower/Recipient or the Lead Project Agency 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 applicable.	On appointment	Not Complied	
GC-Section 8.02 (a)	The LPA shall 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.	During implementation period	Partially complied. Robust MIS is still being developed.	
GC-Section 8.03 (a)	The LPA shall furnish to the Fund periodic Progress Reports containing at least the minimum information specified in this Section.	Each year periodically	Being complied	
GC-Section 8.05	The Project Parties shall furnish to the Fund promptly upon their preparation, such plans, design standards, reports, contract documents, specifications and schedules relating to the Project, and any material modifications subsequently made therein.	During implementation period	Not complied.	

GC-Section 9.01	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 (10) years thereafter.	During implementation period	Partially complied The accounts of the LAMP is maintained with MBMA under separate chart of accounts.	
GC-Section 9.02	The Borrower shall deliver to the Fund detailed Financial Statements within four months of the end of each Fiscal Year.	31 st July every year	Reported to have complied during the year 2016-17. Not yet due for FY 2017-18.	
GC-Section 9.03 (a)	The Borrower/Recipient shall, each Fiscal Year, have the accounts relating to the Project audited in accordance with auditing standards acceptable to the Fund and the Fund's Guidelines on Project Audits by independent auditors acceptable to the Fund	During project period	Complied	
GC-Section 9.03 (b)	Within six months of the end of each fiscal year the Borrower shall 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.	30 th September each year	Not Complied. Audit reports of FY 2016-17 issued on 2 Sept 2017 by the audit were submitted to IFAD on 16 October 2017 but reply to the management letter was not submitted.	