



Investing in rural people

Republic of India

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Asia and the Pacific Region
Programme Management Department

North Eastern Region Community Resource Management Project for Upland Areas

Supervision report

Main report and appendices

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Abbreviations and acronyms

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

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

A. Introduction¹

1. IFAD fielded a Joint Review Mission during February 1 –15, 2014. The Mission reviewed the overall project performance and its effectiveness since the previous Supervision Mission and its achievements against the AWPB 2013-14.
2. The Mission was split into 3 teams for field visits to cover all the 6 project districts² across the 3 project States, spent 7 days in the field and had discussions with community based organisations in 24 villages in 12 blocks, 30 Partner NGOs (PNGO) and District and State officials. People from 33 neighbouring project villages, NaRMGs and SHGs also participated in the discussions. The Mission teams were joined by the Managing Director of NERCORMP, Sector Specialists from the Project Support Unit (PSU), managers and members of district teams and PNGO personnel.
3. This 6 year project is financed jointly by IFAD and the North Eastern Council (NEC), Ministry of DoNER, Government of India (GoI). Its goal is to improve the livelihood options of economically vulnerable groups in a sustainable manner through promotion of improved livelihood opportunities and strengthening local institutions relevant to livelihood development. Implemented in 3 States (6 districts)², namely Assam (Karbi Anglong and Dima Hasao), Manipur (Senapati and Ukhrul) and Meghalaya (West Khasi Hills and West Garo Hills), the overall objective of the project is to improve livelihoods of vulnerable groups in project villages through improved management of their resources.
4. The IFAD loan No. 794-IN for USD 20.211 million became effective on 12 July 2010. The Project completion date is 30 September 2016 and the MTR was done during April 22-May 10, 2013.
5. The recommendations in this Aide-mémoire were discussed and agreed with the NERCORMP management team. The Mission shared its findings and recommendations in a wrap-up meeting on 14 February 2014 chaired by Mr. Ameising Luikham, IAS, Secretary NEC & Chairman, NERCORMP.

B. Overall assessment of project implementation

6. The overall Project implementation performance is rated as satisfactory. About 63% of the physical and financial AWPB targets have been realised on an average in the first three quarters of the year and are likely to be fully met by the end of the year. The Project area is hilly, with poor roads and other communications infrastructure. The administrative set up differs significantly across the three project States. There are key differences among the 21 tribes the Project works with in terms of language, customs, systems of land tenure, governance and level of isolation vis-à-vis the market economy and modern institutions. Each project unit works with multiple tribes and in many cases there are multiple tribes in a single project village. Some of the project villages are in conflict-prone areas beset with uncertainties. In the face of these complexities, the Project has established strong rapport with village communities and won their trust. In a climate of scepticism about public agencies, village communities hold the project in high regard.
7. The PSU, 6 DSTs and 30 PNGOs are fully staffed. The Project works in 460 villages against targeted 400, covering 20 826 households against targeted 20 000 and has promoted 494 NaRMGs and 1 589 SHGs with 21 182 women members. All households are NaRMG members and in most villages all women have joined SHGs. All project components are operational in all project villages. Given the progress so far, the Project is on course to achieve both its physical and financial targets.
8. The Project has promoted cohesive community based organisations (CBOs) engendering widespread community participation, facilitated diversification of livelihoods; supported access to basic services such as drinking water, sanitation and road connectivity in remote villages; and promoted systematic inclusion of poor people. Areas needing more attention include productivity enhancement, improving management of natural resources, reducing differential benefits across

1 Mission composition: Mr. Deep C. Joshi (Team Leader, Project Management, Livelihoods, Rural Infrastructure & Convergence), Mr. K. N. Hazarika (Institutions and Rural Finance), Mr. Pratul Dube (Financial Management and Procurement), Mr. Vincent Darlong, IFAD ICO (NRM/Community Biodiversity Conservation and backstopping on Gender, Targeting, KM & M&E). Mr. L. Baite, Managing Director and senior NERCORMP staff joined the Mission during the field visits. The Mission gratefully acknowledges the active participation and contributions made to this review by the Managing Director and staff from NERCORMP and PNGOs. The cooperation received from NEC and the three State Governments is gratefully acknowledged.

2 With the division of the two original project districts in Meghalaya, the project is now implemented in four project districts in the State, i.e., West Garo Hills, South West Garo Hills, West Khasi Hills and South West Khasi Hills. The number of project blocks and villages, however, remains unchanged, as does the number of District Support Teams and PNGOs.

households and deepening convergence with flagship government programmes. In its closing years the Project must systematically measure outcomes and impact to draw lessons and systematically address issues of equity across households in drawing project benefits.

9. Recommendations of the previous JRM have been complied with or are in process. A few that have continued relevance, e.g. deepening convergence, redressing differential benefits across households, exposure and peer learning have been reiterated in this Aide-mémoire.

10. The Project utilized INR 246.45 million (63%) by December 31, 2013 out of INR 390 million budgeted for the year 2013-14. Cumulative expenditure till 31 December 2013 was INR 982.89 million or 57% of the revised project cost of INR 1 723 million (USD 32.96 million).

Agreed action	Responsibility	Agreed date
1. Continue meetings with district officers of line departments around convergence under the auspices of the Chairmen of District Societies	DSTs & PSU	30 Jun 2014 & on-going
2. Review inter-household variations in use of revolving fund & social sector investments and initiate steps to correct the situation	DST & PSU	30 Jun 2014

C. Outputs and outcomes

Component 1: Capacity Building of Communities and Participatory Agencies

11. **Community institutions.** This component is rated as satisfactory. The Project has formed 1 589 SHGs (see table below). As the villages covered already exceed the Appraisal targets and most villages have been saturated, the indicative Appraisal target of 2 000 SHGs cannot to be met. Even so, the Project must quickly ensure inclusion of women if any have been left out from the target population so that the new groups can be adequately developed before project closure. The Project has formed 494 NaRMGs as the primary community organisations to implement project activities. These include all adults, are well integrated with the traditional Village Authority and have at least one woman among office bearers. During the past two years, 57 NaRMG associations and 55 SHG federations have been formed to build solidarity, support weaker groups, advocacy with public agencies and banks, implement projects of common interest and take up social issues like sanitation and alcohol abuse. Groups are fairly cohesive and display a shared sense of purpose and vision of collective wellbeing. While some of the NaRMGs and federations are yet to acquire the capacity to achieve the desired objective, others have matured and are successfully managing community assets e.g. mini rice mills, bio-diversity conservation and water supply projects, village access roads, demo plots, etc. A few of the associations have engaged in advocacy with government agencies to get civic services and SHG federations have taken up issues such as alcohol abuse, sanitation and children's education besides supporting weaker groups and very poor households. These success stories need to be leveraged to trigger wider replication across project villages.

	Villages	NaRMGs	Households in NaRMGs	No. of SHGs	Women in SHGs	Secondary CBOs	
						NaRM Assn.	SHG Fed.
Appraisal target	400	400	20 000	2 000	20 000	-	-
Actual to date	460	494	20 826	1 589	21 182	57	55

12. SHGs meet at least monthly, some meet fortnightly and a few even weekly. Some of the groups have rotated leadership and all groups met during field visits supported the idea so that, "everyone gets a chance to develop leadership skills". Federations and associations meet monthly. Savings rates have been increasing and in most cases exceed INR 20 with a range of INR 10 to 50 monthly. Groups maintain appropriate records, e.g. minute book, cash book, loan register and passbook. These were largely in order though there were errors in a few cases, e.g. wrong interest calculation, which should have been rectified by the DST internal auditors. Though group members have been trained to maintain these records, regular review and facilitation from PNGOs is required given the low literacy levels. Office bearers have been given basic training on the objectives and functions of SHGs and group management procedures. Except the newly formed groups, almost all SHGs have opened bank accounts in spite of poor banking facilities, with banks in some cases as far away as 30 km. The Project uses a modified NABARD methodology of grading groups and all groups have been

graded as reported in the table below. In discussions with the Mission team SHG members had a remarkably clear idea of how grading should be done.

Grade	% Groups: SHG						
	West Garo Hills	West Khasi Hills	Ukhrul	Senapati	Karbi Anglong	Dima Hasao	Total
A	13	8	10	63	41	38	29
B	41	57	75	35	55	45	51
C	26	15	15	1	4	17	13
Grade	% Groups: NaRMGs						
	West Garo Hills	West Khasi Hills	Ukhrul	Senapati	Karbi Anglong	Dima Hasao	Total
A	30	58	15	70	52	21	41
B	61	28	73	20	48	70	50
C	9	14	12	10	0	9	9

13. Capacity building. The Project has conducted trainings for SHGs and PNGO staff on a wide range of subjects, covering more than 70% women across the districts, which is a positive indicator of inclusion and targeting. Given the progress in the first three quarters of the financial year, the financial and physical AWPB targets are likely to be met before the end of the year. A training needs assessment procedure has been worked out but is yet to be fully used and most trainings appear to be conducted as a routine, one-off activity. The impact of training should be measured at least on a sample basis to ascertain its quality and efficacy. Also, the training needs assessment procedure for PNGO staff and CBO should be implemented so that training is need based and activity oriented. An annual training calendar should be developed to match the requirement of activities in the field. PNGO staff as well as village people met by the Mission expressed the need for more training in book keeping, federation building, livestock rearing, agriculture, horticulture, etc. The Mission reiterates the recommendation of the previous Mission in this regard.

14. Partner NGOs. The Project has engaged the services of 30 PNGOs, five in each district. Each operates in separate village clusters from field offices in respective clusters and has two community coordinators (typically matriculates) per cluster whose work is supervised by a supervising officer (typically a university graduate). They mobilise village communities, organise and train SHGs and NaRMGs, help prepare plans and budgets, help in writing records, facilitate linkages with line departments, banks, and markets, help procure inputs for project activities, guide NaRMGs in implementation, etc. They also collect and compile data pertaining to their clusters for the DST. All PNGOs and their staff are local and fluent in local dialects. PNGOs have signed contracts to offer services as per specific ToR, renewed each year subject to satisfactory performance. Each PNGO has been provided with a motor cycle and a set of office equipment and is paid INR 30 000 monthly towards all costs. The MTR recommendation to keep the PNGO remuneration fixed till the end of the project rather than tapering it down from the fourth year has been implemented.

15. The Mission experienced differences among PNGO staff across districts in their motivation and clarity about project objectives and activities. This should be factored in the review of DSTs.

Agreed action	Responsibility	Agreed date
3. Ensure inclusion of any target women left out of SHGs in project villages including women from new families formed by marriage.	PSU & DSTs	30 Jun 2014
4. Implement the training needs assessment system for CBOs & PNGOs and institute an impact assessment tool	PSU & DSTs	30 June 2014

Component 2: Livelihood Enhancement.

16. Economic livelihood activities. Overall performance is rated as moderately satisfactory. About 71% of physical and financial AWPB targets had been met during the first three quarters and are likely to be met or exceeded. Appraisal targets have been exceeded in all activities barring agriculture. Introduction of multiple cropping and activities such as SRI would help hasten progress in agriculture, a key livelihood source. Achievements for key livelihood activities are tabulated below.

	Horticulture, vegetable, spices (ha)	Agriculture, (ha)	Livestock, (Nos.)	Irrigation canals, (km)	Non-farm, (Nos.)
Appraisal Target	1 750	1 057	1 312	119	400
Year 2013-14	661	159	488	34	435
Cumulative Achieved	2 266	611	1 844	130	1 136

17. Productivity in agriculture continues to be low in the entire region and so is the cropping intensity. Post MTR, the Project needs to focus on productivity enhancement. Farming practices continue to be traditional with low yields. For example, paddy yield even in wet valley land in villages visited by the Mission in Karbi Anglong was 2 to 3 ton/ha and could easily be trebled. There is much untapped potential to increase crop yields through simple interventions, such as use of better seeds, seed treatment and better cultivation practices. Most project villages visited by the Mission cultivate only the monsoon crops even where irrigation has been provided and land is flat and highly productive. Open grazing after harvesting the monsoon crop hampers winter cultivation. The Project should pilot winter cultivation of pulses, oil seeds and maize by fencing cultivated patches.

18. Livestock rearing practices vary greatly across tribes and villages. While some tribes rear cattle, others do not. Use of animal waste is very limited, especially in villages that do not rear cattle. Animal waste plays an important role to sustain hill agriculture. Since some tribes do rear cattle, the Project should use this locally available expertise to promote the same among tribes that do not.

19. The Project uses masonry to construct irrigation channels. PVC is a better alternative except where the terrain is rocky and it is not possible to bury the pipes. This has been tried in the NERCORMP-I villages in Karbi Anglong with support from Sir Dorabji Tata Trust and the Project could draw lessons from that experience. PVC pipes are cheaper, easier to transport, easier to install, maintenance free, long lasting and easy to repair in case of damage.

20. Due to limited budget earlier, the Project was not able to provide adequate technical and business training for livelihood activities, including enhancing productivity of traditional activities. This has now been remedied based on the MTR recommendations though not reflected in the current year AWPB. The Project needs to organise training and exposure visits in key livelihood sectors, such as livestock rearing, agriculture and horticulture.

21. Villages have virtually no access to technical extension services for livelihood activities such as livestock rearing, horticulture, agriculture and vegetable cultivation. The need for such services was a demand uniformly made by SHG and NaRMG members met by the Mission. A possible remedy is to train the PNGO CCs and a few other village youth as barefoot technicians in various livelihood sectors. The Project should engage with Agriculture Universities in the region to design and conduct short courses that include development of practical skills.

22. The Project has documented success stories of livestock rearing by SHG members with funds borrowed from their groups. The Mission came across many such stories during field visits. These indicate much potential for livestock rearing. However, overall data regarding outcomes of livelihood activities is not available as the M&E system mainly captures physical and financial input data. The Project needs to institutionalise concurrent monitoring to monitor outcomes of the livelihood activities.

23. Business development & marketing. The Project has supported non-farm income generating activities (IGAs) in 50 different trades, diversifying the livelihood baskets in project villages. These in most cases are based on prevailing occupations and skills, such as carpentry, weaving, tailoring, barber shop, etc. These have local markets and external support is generally not needed. Interestingly, rice mills, usually set up as group enterprises contribute greatly to reducing the women's drudgery as pounding rice is one of the chores women have to carry out. Women met during field visits were highly appreciative of this intervention and the Project may expand this IGA.

24. The Project has also initiated certain innovative enterprises, such as cultivation of oyster mushrooms in Karbi Anglong, bakery using a low cost oven in Senapati, water hyacinth craft in West Garo Hills and intensive broiler rearing in Senapati.

25. The Project has established linkages with e-marketing websites IndiaMart (www.indiamart.com) and India Development Gateway (www.indg.in) to provide market access to producers of spices, fruits, certain value added products and crafts based products. The Project uploads information about products after ascertaining availability and quality from the DSTs.

26. The Project has conducted a study of some of the Income Generating Activities (IGA) across districts to assess the viability and outcomes. The data from the study is presented below.

	Bakery	Barber Shop	Carpentry	Grocery Shop	Tailoring Unit
Total No. of Units	36	28	88	98	99
Year 2012-13	5	5	25	25	52
Average Monthly Income,	3 889	1 786	1 136	663	707

INR					
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27. The Project received funds from NEC to set up a ginger dehydration unit at Halflong, a cashew nut processing unit at Tura and a poultry unit at Ukhrul. These are being commissioned and would stimulate aggregation of produce and value addition. The Project should seek more resources from NEC for such processing units, CFCs, small vehicles to transport produce to encourage aggregation and to set up other production and productivity enhancing facilities, such as nurseries for horticulture.

Agreed action	Responsibility	Agreed date
5. Pilot winter cultivation in five villages in each project district.	PSU & DSTs	Beginning from winter of FY 2014-15; substantive results by 31 Dec 2014
6. Expand productivity enhancement programme for paddy and maize where pilots were earlier taken.	PSU & DSTs	30 Jun 2014
7. Provide intensive training in agriculture and livestock sectors to all the CCs engaged by PNGOs with support of local Agriculture Universities.	PSU & DSTs	30 Sep 2014

28. Revolving fund and microcredit. The Project provides Revolving Fund (RF) to SHGs and NaRMGs in instalments spread over the project period to facilitate internal lending and leverage bank credit. The Project has cumulatively released INR 317.52 million to the groups. INR 86.71 million was released to 1 147 groups till December 2013 this fiscal year. The Project has evolved a criterion to disburse RF on a fair principle of rational and equitable distribution. As per the audit report the cumulative outstanding on account of intra-lending by the groups is INR 152.27 million, with INR 53.93 million as current (as on 31 Dec 2013) outstanding. Women typically borrow INR 5 000 to INR 10 000, though there are instances of one or two members borrowing INR 30 000 to INR 70 000 in many groups. Loans have typically been taken for home based enterprises, livestock rearing, trading and for medical emergencies and other exigencies. The repayment of loans is on time.

29. There was large variation across households in the use of revolving fund in the project villages visited by the Mission. Even though the groups were alive to the need to give priority to them, category D and C households had taken only small loans and less frequently. The Project needs to closely monitor and analyse intra-household disparity in utilisation of revolving fund, diagnose the reasons for low credit absorption among the poor and take remedial steps.

30. Insurance is a basic mitigating tool for both life and assets. The Project may introduce insurance cover by dovetailing with existing government programmes to suit community needs. The Project should engage with insurance companies to explore low cost products for the project area.

31. Post MTR the Project M&E system must include group performance, especially with respect to meeting regularity, attendance, intra-group variations in borrowing, loan purpose, repayment performance and overall use of funds, etc. The new MIS software to deal with this has been rolled out but some DSTs have not yet loaded the data. This needs to be expedited to ensure timely correctives before project closure, groups are sustainable and remain true to the project's mission.

Agreed action	Responsibility	Agreed date
8. Operationalise MIS related to SHGs and NaRMGs, pending which conduct a sample review of institutional and financial performance of SHGs & NaRMGs.	PSU & DST	30 Apr 2014
9. Explore the possibility of introducing low cost insurance products by leveraging government programmes and insurance companies	PSU & DST	30 Jun 2014

Component 3: Social Sector Development

32. Performance under this component is rated as satisfactory. Achievements during the year and cumulatively are presented in the table below. As proposed by the PSU construction of 100 ring-wells, 26 tube-wells, supply of 117 km length of poly pipelines and 77 km of GI pipelines have been included at MTR and these would be taken up in the next financial year.

	5 000 lit DWS, (Nos.)	20 000 lit DWS, (Nos.)	Poly pipeline, Km	Low cost toilets, (Nos.)
Appraisal Targets	300	102	402	14 000

AWPB Targets 2013-14	117	21	92	2 093
Achievement Apr- Dec 2013	115	21	70	2 084
Cumulative Achievement	352	71	162	7 579

33. Sanitary toilets and drinking water supply in the village greatly benefit women and girl children as the chore of fetching water falls on them and they endure much inconvenience and personal indignities in the absence of covered toilets near homesteads. As the overall targets are inadequate to serve all the villages and households with these services, the Project must systematically tap the ongoing water and sanitation programmes of the government through convergence for universal coverage. The Project needs to set concrete targets for convergence at least in this component.

Agreed action	Responsibility	Agreed date
10. Access government water and sanitation programmes for universal coverage of water supply and LCTs with concrete targets for each DST.	PSU & DSTs	30 Apr 2014 & on-going

Component 4: Rural Infrastructure and Electrification

34. This component is rated satisfactory. During the first three quarters of the financial year, the Project constructed 16 semi-permanent common facility centres, 4 permanent common facility centres, about 38 km of inter village roads and installed 1 micro-hydroelectric system and 22 solar-powered lamps. The Project on course to achieve the AWPB as well as the Appraisal targets.

35. Convergence. In recent years the architecture of government development programmes has undergone dramatic changes, with proliferation of programmes in rural development, agriculture and allied sectors and vast budgets. As the Project has limited resources to invest in livelihoods, natural resource development, infrastructure and social sector, it needs to leverage existing flagship programmes such as MGNREGA, RKVY, Total Sanitation Campaign, etc. The record of convergence is variable across the three States. While technical support for training and technical designs has been provided by sectoral departments in most districts, the Project has had only sporadic success in enabling communities mobilise finances to supplement investments available from the Project.

36. The State level coordinating mechanism (SCCGA) created to bring about convergence has remained dormant except in Manipur in spite of attempts by the Project management to convene meetings. Convergence is critical to deepen the impact of the project and to sustain its outcomes by capitalising on the excellent grassroots mobilisation done by the Project. Since the State level coordination mechanism has been ineffectual and most convergence in any case takes place at the district level, the Project needs to proactively engage with the District and Block Administration.

37. PNGO staff and village communities are generally not conversant with the provisions and implementation procedures of government programmes. The Project should conduct programmes to disseminate knowledge and prepare booklets in the vernacular explaining these in respect of key programmes. This would stimulate and enable the CBOs to approach concerned agencies for convergence now and more importantly, in the post project period. It would be a measure of success of the project if communities are able to make demands on the government delivery system.

Agreed action	Responsibility	Agreed date
11. Train PNGO staff on the provisions and procedures of government programmes; develop manuals in the vernacular for key programmes including guidelines for maintenance of common assets.	PSU & DSTs	30 Jun 2014

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

38. Performance under this component has been satisfactory. The activities taken up include (i) development and regeneration of medicinal and aromatic plants (MAP) and pasture land; and (ii) forestry development to promote NTFPs. In the year under review, the project achieved MAP and pasture land development over 315 ha (76% of target) against the AWPB target of 414 ha at the end of the third quarter, benefiting 11 448 households in 226 villages. Similarly, 250 ha (79% of target) of forestry was developed for NTFP against the target of 318 ha during the same period. The most

significant achievement under the component is the promotion of CCAs. To date, the project has facilitated creation of 16 351 ha of CCAs in 460 villages (on average 35.55 ha per village), each with rules and regulations to protect and manage the biodiversity conservation areas. During field visits, the Mission came across active role of women in the protection and management of CCAs. Dima Hasao has the largest areas under CCAs with 9 190 ha and Senapati the least 725 ha (see table below). The project in Dima Hasao has been able to link well with the District Council Forest Department for this purpose. The benefits of CCAs are gradually percolating to the communities, particularly for NTFPs. The Project has satisfactorily implemented the recommendations of the MTR under this component. However, peoples' awareness on existing formal laws and regulations and government programmes on forest and biodiversity remain limited.

Community Conserved Areas (CCAs) created under the NERCORMP-II (cumulative as on 31 Dec 2013)

District	No. of Village	No. of HH	Area (ha)	Area per village (ha)	Area per HH (ha)
West Garo Hills	75	3 332	1 321	17.72	0.40
West Khasi Hills	76	3 619	800	10.53	0.22
Senapati	78	3 376	725	9.29	0.21
Ukhrul	69	3 833	1 325	19.20	0.35
Dima Hasao	87	3 333	9 190	105.63	2.76
Karbi Anglong	75	3 333	2 982	39.76	0.89
Total	460	20 826	16 343	35.55	0.79

Agreed action	Responsibility	Agreed date
12. Promote legal literacy on NRM laws & regulations among communities & project & PNGO staff; disseminate information about government programmes on forestry and biodiversity.	PSU & DST	30 Aug 2014
13. Track the social, economic and environmental benefits of CCAs.	PSU & DST	30 Aug 2014

D. Project implementation progress

39. Project management performance. Performance in this component has been satisfactory. Overall responsibility to implement the project with the North Eastern Region Community Resource Management Society (NERCRMS), a Regional Society (RS) incorporated in and headquartered at Shillong with a Board of Management chaired by the Secretary, NEC. The Programme Support Unit (PSU) is the operating establishment of the RS, headed by a Managing Director (MD) as its chief executive. The MD is assisted by three Directors, one each for M&E, Finance, and Administration, a coordinator each for NRM, Gender and Institutions and Marketing, one Chief Technical Officer, a Microcredit Officer, a Communications Officer and a complement of technical and generalist support staff. The PSU has 28 personnel. The RS also implements NEC funded interventions under NERCORMP-I and the newly initiated NERCORMP-III. Each project district has a District Society (DS) chaired by the Deputy Commissioner in Manipur and Meghalaya and the Principal Secretary of the Autonomous District Council in Assam, with the District Support Team (DST) as its operating establishment. The 14 member DST is headed by a Project Manager and has a Project Technical Officer, an Institutional Development Organiser, a Business Development Officer, an Assistant Accounts Officer, a Natural Resource Management Organiser, two MIS assistants and support staff. The PSU and DSTs are fully staffed barring two positions of support staff and there has been no attrition. An HR manual exists, spelling out recruitment procedure, qualifications, duties, pay structure and review and training needs assessment procedures for all personnel. Personnel are hired on fixed term contracts. About 20% of all personnel are women.

40. The PSU provides overall strategic guidance, manages policy and strategic linkages, coordinates project implementation and provides technical support and training inputs to the DSTs. The DSTs facilitate linkages with sectoral agencies to obtain technical support and provide training and technical support to the PNGOs and various CBOs. The performance of PNGOs is reviewed quarterly by DSTs in their respective districts. The DSTs are reviewed by the chairperson of the DS and there is a quarterly review of implementation jointly by DST managers and the PSU team. The

sectoral staff at the PSU normally visit districts three to four times a year and are available for troubleshooting, networking and guidance.

41. The NaRMGs make their AWPBs based on their CRMPs with the guidance of the PNGOs and DSTs. The DSTs make their AWPBs on the basis of these and send to the RS where they are reviewed, supplemented and presented to the Board of Management for approval. The approved plans are communicated back to the DSTs and on to NaRMGs.

42. The Project is expected to source technical knowledge and know-how from respective State sectoral departments, with PNGOs aided by DSTs mobilising the communities. To ensure such convergence, besides inclusion of key officials from the States and districts in the Management Board of the RS and DSTs, a Nodal Officer has been designated in each State who chairs the State Coordinating Committee for Government Activities (SCCGA) comprising of all heads of State sectoral departments. The SCCGA in Manipur has held meetings but not the other two States in spite of efforts from the project management.

43. Project performance varies across districts. While some of this is due to contextual differences as the Project works with different tribes and in multiple States and districts, some may also be due to differences in leadership and management effectiveness. The Mission recommends instituting a system of peer review among the DSTs through inter-district visits.

44. The Project and PNGO personnel, especially those working in the field have had limited exposure outside the region to successful livelihood projects. The Mission recommends conducting such exposure visits to carefully identified livelihood projects outside the region. Besides exposing them to new ideas, this would help them bench-mark performance.

Agreed action	Responsibility	Agreed date
14. Institute a system of peer review across DSTs	PSU	30 Apr 2014
15. Organise exposure visits for selected DST and PNGO staff to successful livelihood projects outside the region.	PSU, DST	Beginning 31 Mar 2014

45. Coherence between AWP&B and implementation. This component is rated as satisfactory. The Project had budgeted INR 390 million for the year 2013-14, of which INR 246.45 million (63%) has been utilized as at December 31, 2013. The project had exceeded the AWPB during 2012-13, utilizing INR 309.66 million against the budget of INR 300.98 million (102.9%). Cumulative expenditure till 31 December 2013 was INR 982.89 million, approximately 57% of the revised project cost of INR 1 723 million (USD 32.96 million)³.

46. Monitoring and evaluation. Performance of M&E is rated satisfactory. The project has consistently improved its M&E system and has a standard system to collect project data from village level (NaRMGs and SHGs) via PNGOs to DST to PSU. The 'activity register' at each village filled by NaRMGs and monitored by PNGO provides village level data on project performance vis-à-vis AWPB. The Project has reported that its MIS is working well though timely tracking of project activities and capturing component-wise household level data reliably poses challenges in some parts. The Project now also needs to focus on reporting outcomes and analysis of data for impact of project interventions by involving sector heads and project managers in overall M&E systems.

47. The project has prepared the RIMS Annual Report for 2013. Post-MTR the Project would need to report on 2nd level RIMS indicators. Work on AOS 2013 is in progress. The Project has prepared a status report for the complete three quarters of the year under review; it will be updated as Annual Progress Report by 31 March 2014. Compared to the MTR, the report has more information on project performance, achievements against AWPB and success stories. Adding information on outcomes of trainings, funds mobilised through convergence details of convergence activities would further improve the report. All M&E staff may be trained in data analysis and outcome evaluation.

Agreed action	Responsibility	Agreed date
16. Revisit M&E systems to track project outcomes; institute more frequent peer to peer assistance among M&E staff & sector heads in DST & PSU to strengthen data analysis and evaluation capacity.	PSU, DST	31 Oct 2014
17. PNGOs should prepare an annual narrative report describing their	DST &	Beginning for

³ The original project allocation of USD 41.20 million was revised at MTR to USD 32.96 million.

activities in the project and the resulting outcomes and impacts as they observe with emphasis on successful case stories and learning.	PNGOs	FY 2013-14; report by 30 Jun 2014
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48. Gender focus. Performance on gender focus is rated satisfactory. The project strategy of forming NaRMGs with equal representation of men and women and promotion of women's SHGs has enhanced women's participation in decision making in matters of household and community wellbeing, and their confidence and sense of agency. Social sector interventions, such as supply of safe drinking water and construction of low cost toilets reduce women's drudgery and protect their sense of dignity. Revolving fund to SHGs has provided women access to and control over financial resources and enabled them to tap economic opportunities. Nearly 58% of participants in trainings till the third quarter of the year under review were women (3 386 men and 4 662 women trained).

49. The gender mainstreaming strategies of the project are oriented towards enhancing women's social and economic status, building their livelihoods skills, enhancing participation in decision making, ensuring improved access to and control over financial and natural resources and reducing drudgery. The project gender action plans for the current fiscal year focused on greater awareness on reproductive and child health, improving women's nutrition and reducing anaemia among women and ensuring greater participation of women in natural resource management, particularly in CCAs. Project performance in implementing gender action plans is satisfactory, including building a cadre of women CRPs for women's reproductive health, anaemia and child nutrition; and conducting training of women community leaders and women staff of RS, DST and PNGOs on gender issues. Strengthening the capacity of women CRPs on women's health issues could be explored through convergence with NRHM. It would be important to track the wellbeing and economic performance of women, particularly from the C and D category households as per project wealth ranking.

Agreed action	Responsibility	Agreed date
18. Track outcomes of deploying women CRPs on women's health and nutrition & outcomes of project interventions on improved wellbeing and economic status of women particularly from C&D category households.	PSU, DST	30 Sep 2014
19. Track and consolidate the following gender empowerment dimensions: (a) changes in women's mobility and social interactions; (b) changes in women's workload; (c) changes in women's access to & control over resources; and (d) changes in women's control over & participation in decision-making including participation in traditional village institutions.	DST & PNGOs	Beginning 15 Apr 2014

50. Poverty focus. Poverty focus is rated as satisfactory. The Project works with some of the most vulnerable ST communities with over 60% of the households dependent on unsustainable shifting cultivation. The project strategy has been pro-poor and pro-women with 77% of the project households being poor and poorest as per the wealth ranking. The Mission found during field visits that poor and poorest households have been included in NaRMGs and SHGs and participate in project activities, including training and livelihoods activities. They have access to credit from SHG revolving fund. The poorest households are given preference in allocating project services. For example, in Sorbung village in Ukhul district inhabited by Tankhul Naga community, 90% of the poor and poorest households have taken up horticulture plantation with project support as land access is not an issue there. Project data also showed that 80% of individual benefits in social sector (e.g. LCTs) have reached the poor and poorest households. Training for skill enhancement is imparted to the poor and poorest groups to take up IGAs. However, it was observed during field visits that nearly 50% of revolving fund remains idle for a considerable time in some project districts, particularly in Meghalaya as compared to over 85% of revolving fund in use at all times in Manipur and in most villages in Assam. Capacity building of poor households could further enhance utilisation of SHG revolving fund in Meghalaya, targeted largely for women from poor households.

51. Effectiveness of targeting approach. Project performance is rated as satisfactory. Project villages were selected based on high percentage of households (60%) being shifting cultivators with limited access to government programmes. Further, the poorest, mostly of BPL category were targeted in the project villages. Project data based on wealth ranking shows that nearly 77% of the project households belong to category D (poorest, 44%) and C (poor, 33%). These families typically depend on shifting cultivation and daily wage labour, live in thatched houses, own negligible land and

livestock, have high food insecurity and annual family income less than INR 15 000. The Project has done well in social and financial inclusion of such households by including women from these households in NaRMGs and SHGs and providing them revolving fund. Field visits showed that D and C category households also benefited from provision of safe drinking water, low cost toilets, home gardens, etc. The Project would do well to follow-up on impact of such interventions on these households in improving their situation, i.e., the number of 'D' categories of households graduating to 'C' category and 'C' to 'B' and so on. The table below records targeting in the project.

Target Group "category"	Total number of people to be reached by the end of project implementation		Number of people reached so far (cumulative)	
	Appraisal Targets	MTR Revised Targets	Total number	Of which, women (%)
A: Better off	1 189	1 189	7 134	50
B: Poor	3 111	3 111	18 666	50
C: Poorer	5 852	5 852	35 112	49
D: Poorest	10 673	10 673	64 044	50
Total	20 826	20 826	124 956	50

Agreed action	Responsibility	Agreed date
20. Track changes among target households, e.g. number of 'D' categories of households graduating to 'C' and 'C' to 'B' and so on.	PSU & DST	Beginning 15 Apr 2014

52. Innovations and learning. Performance is rated as moderately satisfactory. The project has made progress steadily in this section since the previous review. The KM strategy of the project of strengthening knowledge sharing and learning processes within operating units and among beneficiary communities has yielded encouraging results. The Project is on course to achieve its learning and KM agenda for the reporting period, which includes organising training for staff on documentation in addition to bringing out a number of IEC materials. Innovative activities, such as cultivation of oyster mushrooms and developing broiler poultry enterprises have been taken up. The NEAT Fest, an annual SHG Trade Fair to display products made by project beneficiaries is also an event for community to community (C2C) learning and strengthens the sense of agency of women. The C2C interaction enables communities to discuss and share their experiences and showcase best indigenous practices and knowledge that can be promoted and shared across the project and to other stakeholders. The focus of C2C learning event in 2013 was on NTFPs for livelihoods. The Project has also outlined innovations in the areas of engagement with youth, participation of private sector in marketing and engagement of community institutions for project services (see Appendix 7).

Agreed action	Responsibility	Agreed date
21. Recruit a part-time writer-editor (preferably with expertise in photography) to assist with successful case studies and publications.	PSU	Beginning 15 Apr 2014
22. Organise cross-visits & workshops to facilitate exchanges between DST & PNGO staff with counterparts in other IFAD projects in India and beyond to help cross-learning & documentation of good practices.	PSU, DSTs & PNGOs	Beginning 15 Apr 2014

53. Climate and environmental focus. Performance is rated moderately satisfactory. The NRM activities promoted by the Project are regenerative of the environment. Conservation of bio-diversity, agro-forestry and promoting community forestry under its CBBC component and development of horticulture are examples. More intensive development of natural resources through convergence with programmes like MGNREGA is called for to deepen impact. Climate-smart agriculture needs to be brought in more vigorously.

54. Quality of natural assets improvement & climate resilience. The principal natural resource assets created are horticulture plantations, including on *jhum* lands, irrigation systems, land shaping and terracing, forestry to produce NTFPs and MAP and pasture development. Overall quality of these assets is satisfactory. A shift away from *jhum* to permanent plantation crops, land shaping and development, forestry and pasture development and development of irrigation from streams would enhance climate resilience of communities dependent on natural resources in project villages.

55. Partnerships. Principal examples of learning partnership are via IFAD's collaborations, e.g. with ICIMOD on climate change adaptation and the International Potato Centre (CIP) on root and tuber crops. The Project collaborated with North Eastern Development Finance Institution (NEDFi) to conduct training on the use of water hyacinth to make handicrafts products. The Project has also collaborated with the Meghalaya State Council of Science, Technology & Environment to organise training on the use of various low cost technologies for income generating activities. The Project has also drawn on the sectoral government departments for technical training in a few cases. An arrangement is being worked out with the State Bank of India to establish a Service Center to service a cluster of NaRMGs in Karbi Anglong.

E. Fiduciary aspects

56. Financial management. Performance in this segment is rated as moderately satisfactory. The accounting teams at the PSU and in the districts are adequately staffed (except for one vacant post in one of the districts). Each district has an Internal Auditor (IA) who checks the accounts of SHGs, NaRMGs and the district and submits a quarterly report to the PSU. The project follows double entry accounting system on 'cash basis'. Accounting is done in 'Tally' software though different versions are in use at the PSU and the districts. A chart of accounts is prepared based on the activities planned in the AWPB, grouping account heads by each component. Transactions are recorded daily. Proper authorizations are obtained for all payments and adequate documentary evidence is available in the files. Reconciliation of bank accounts is required to be done monthly as per the Financial Regulations of the Society but is being done on quarterly. Since cheques become stale after three months, monthly reconciliation is necessary to find out if cheques issued have not been cleared and take appropriate action. This was also recommended during the previous Mission. The Mission found 23 stale cheques in one district, some pertaining to the years 2011-12 and 2012-13 being carried forward in the bank reconciliation statements,. The total amount of such stale cheques including the year 2013-14 amounted to INR 8.11 lakh which means that this amount has been shown as expenses and claimed from IFAD though funds have not been withdrawn from the bank. The IA and the PSU need to review the accounts of the districts regularly to avoid such occurrences.

57. Accounts staffs at two out of six DSTs have been trained in the use of software. The software is being used only for basic accounting. In some places even the account heads are not grouped in accordance with project components. Further, preparation of bank reconciliation is also done manually and not through the software. The balances in the software did not match the audited accounts in at least two project offices as the books were not closed after finalization and audit of accounts (the software showed a difference in opening balances). The Mission recommends that the PSU organize training in the use of the various features of 'Tally' for each district and PSU accounts staff. The authorized Tally dealers provide such services and should be availed of. Once this is done the next step should be consolidation of accounts at the PSU by synchronizing the district data.

58. In case of Category II – Revolving Funds, the amount disbursed is taken as utilized by the Project. Utilization Certificate is not obtained for such funds. The Mission observed in some of the districts that amounts were released even though the earlier tranche had not been utilized. Thus some of the SHGs and NaRMGs had a large unutilized cash/bank balance. This system of releasing funds as per the AWPB without creating a demand for funds seems inappropriate. The release of funds should either be demand based or on utilization of at least 60% to 75% of the earlier tranche.

59. NaRMGs and SHGs maintain records as required but these vary across villages. Some of the records are well kept while others lack proper supervision from the PNGOs/DSTs. Keeping records at the village level and getting the accounts audited is creditable. The general observations of the Mission in respect of records kept by SHGs/NaRMGs in some of the villages are: (i) large cash/bank balances due to non-utilization of RF, (ii) period/purpose of loan not recorded, (iii) incorrect interest calculation on loan, (iv) repayment only of interest every month with principal being carried forward and (v) poor loan repayment. The accounts of NaRMGs and SHGs have been audited by Chartered Accountants. The auditors' observations should be conveyed to the groups so that errors are not repeated in subsequent periods as most of the observations are repeated every year. Corrective action should be taken on the basis of reports of the IA and statutory auditors where required. The PNGOs and IA need to help SHGs/NaRMGs improve their record keeping. Refresher training should be given to SHG and NaRMG members and PNGOs for proper book keeping.

60. Disbursement. Performance in this segment is rated as satisfactory. Including USD 1 million as initial advance, IFAD has disbursed to the project USD 10 240 million or 50.86% of the committed USD 20 211 million. All withdrawal applications till September 2013 have been paid. The last application for the period October to December 2013, submitted towards the end of January, 2014 is being processed. The previous Mission had recommended to the Project to seek additional initial allocation or submit more frequent withdrawal applications as the funds sought in quarterly withdrawal applications generally exceeded 30% of the initial allocation. The CAAA has now claimed for an additional USD 500 000 allocation towards the Special Account, which is being processed.

61. Counterpart funds. Performance under this section is rated as highly satisfactory. The contribution of the Government was revised from INR 600 million to INR 589 million during the MTR. The Government has so far disbursed INR 409 million, equivalent to USD 7.6 million to the project. This is 69% of the total allocation. The Government disburses funds for the year in one tranche based on the AWPB. Funds were released towards the end of June 2013, consequently delaying the release of funds to the DSTs for the first quarter. The first quarter project management expenses were met out of earlier year's savings and earnings from bank interest. The possibility of activities in the field getting hampered during the first quarter due to delays in the release of funds can be avoided by ensuring availability of funds at the beginning of the fiscal year.

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

63. Procurement. Performance under this section is rated as moderately satisfactory. The Project has followed IFAD procurement guidelines. No major procurement has been made during the year. The procurement planned for the year has not been achieved. The Mission checked the procurement of services for carrying out a Mid-term Survey and found the process to be transparent and well documented. A procurement committee has been setup to undertake all procurement. The process is validated by the MD before the purchase order is placed. At the PSU, Fixed Asset register has been maintained and physical verification was carried out. At the districts the maintenance of the asset register needs to be improved. It was noticed in one district that only assets procured by the district were recorded in the fixed asset register and those sent to it by the PSU were not recorded. In respect of procurement made by the NaRMGs, comparative statements and quotations were not available for verification by the Mission though it was informed goods had been procured from the lowest cost vendor. The fixed asset records of the NaRMGs need to be maintained/ improved upon where they are being maintained. The community assets created by the project should be recorded by the districts and compiled at the PSU. Fixed assets other than vehicles have not been insured.

64. Audit. Performance under this section is moderately satisfactory. The services of auditors were procured in 2010-11 using QCBS method. Nine audit firms had been empanelled, of which six were selected for the six districts, the RS and the SHGs and NaRMGs. The same auditors have been continued on a rotational basis. As three years have lapsed the Mission is of the view that the panel be renewed by inviting fresh bids. The audit for the year 2012-13 was submitted within the prescribed period of six months from the end of the fiscal year. The audit report is unqualified and contains the Management Letter as required but not the response of the Management. The project financial statements generally comply with IFAD's reporting requirements except that the Statement of Sources and Application of Funds does not disclose separately IFAD and counterpart funds and the schedule of annual/ cumulative Withdrawal Applications has not been prepared. In accordance with the revised reporting requirements of IFAD additional financial statements have been prepared and certified in the prescribed formats of International Public Sector Accounting Standards (IPSAS).

65. The test check of the audited accounts of the SHGs and NaRMGs revealed some common errors in accounting which were reported by the auditors such as (i) books need improvement (ii) vouchers not in proper form and (iii) high cash in hand.

Agreed action	Responsibility	Agreed date
23. Reverse all stale cheques & issue fresh cheques for the same. Prepare monthly Bank Reconciliation statements & send it to PSU for review.	Director Finance	31 Mar 2014
24. Train all accounts staff in the accounting software and communities in record keeping.	Director Finance/ DST	31 May 2014
25. Release revolving funds only upon utilization of 75% of earlier	PSU, DST	30 Apr 2014

tranche.		
26. Appoint auditor for the year 2013-14 by inviting fresh bids	PSU	31 Mar 2014

F. Sustainability

66. Institution building. SHGs, NaRMGs and their respective apex bodies are the key institutions promoted by the Project. Given their high level of cohesiveness, the important role they have begun to play as sources of modest credit and solidarity, and the fact that the Project would be able to give them further support during the over two years to completion, the SHGs are highly likely to sustain themselves beyond the project period. The Project is engaged with NRLM for the convergence of the SHGs when it is rolled out and those efforts need to be continued. With the skills and experience they have acquired in implementing project activities, NaRMGs can carry on at the present level in managing common assets and enterprises, including the small RF. In the absence of Panchayat Institutions in these parts, NaRMGs could deepen and broaden their role as the 'last mile' agencies for planning and implementation of government programmes. This will happen only if the Project is able to facilitate systematic and substantive convergence with these programmes. Overall performance is satisfactory, much improvement seen across than last year.

67. Empowerment & social sustainability. Organisation of women and men into SHGs and NaRMGs has engendered a community spirit in project villages. This was uniformly cited as a benefit by the village people met by the Mission. SHG federations met in the course of field visits and in many cases SHGs themselves have begun taking up issues like alcohol abuse, sanitation, schooling of children, etc. The Mission also came across instances of SHG members taking care of families that did not have able bodied adults. A few of the NaRMG associations have successfully engaged in advocacy to leverage government services. Thus, while the Project has been focused on using these community platforms for implementing 'tangible' project activities, it needs to leverage the urges and initiatives in these communities to address issues of social justice and access to entitlements by extending handholding support, tactical guidance, building knowledge and awareness about government programmes and entitlements and outside exposure. Overall indicators of social and women empowerment are satisfactory.

68. Quality of beneficiary participation. Community participation is of a high order, effective and satisfactory. Plans are made by the people and groups are alive to issues of targeting and reaching out to the poorest first. Attendance in meetings observed by the Mission team was high and participation was fairly widespread. As earlier noted, there is much variation in the benefits across households in using the RF and signing up for activities requiring individual contribution. The groups acknowledge these differences but do not have the know-how to help the risk averse. As recommended elsewhere the Project needs to address this issue, taking full care that the risk averse are not pushed into taking risks they cannot cope with and end up becoming worse off.

69. Responsiveness of service providers. Technical services in the project were to be sourced from government agencies; that is how convergence was defined. With limited outreach, human resources and efficacy, government extension services have not been able to provide adequate support to the Project. It is the lack of technical and handholding support that partly keeps poor members in SHGs from taking up larger investments. Since the PNGOs and the CCs engaged by them are all local (often from neighbouring villages and in some cases NaRMGs from NERCORMP-I) the Project would do well to build their capability as barefoot, community based service providers. Additionally, youth from villages could be identified and trained as technical service providers. Overall performance is rated as moderately satisfactory.

70. Exit strategy. The Exit and Sustainability strategy prepared by the Project envisages the SHGs and NaRMGs would continue supporting livelihood activities using the revolving funds they have and draw on extant government programmes to the extent possible. The mission opined that while these CBOs can continue to function even without being able to access government programme funding, they would need to leverage larger investments and technical know-how to develop natural resources and to significantly raise productivity of labour and natural resources. The latter would require leveraging government programmes. The Mission had recommended a review of the strategy. In the event, the Project has reviewed the strategy and concluded that it should continue with its existing strategy even as attempts are made for convergence.

71. Potential for scaling up. The activities being promoted under the project and the participatory approach followed, leading to creation of SHGs and NaRMGs are highly scalable. In fact, GoI/NEC has already initiated NERCORMP III as replication/scaling-up of NERCORMP II since January 2014 in two additional districts in Manipur and three districts in Arunachal Pradesh benefiting 58,850 poor households in 1177 villages with investment of INR 5400 million (approximately USD 90 million) over six years period (2014-2020). Hence, this section is rated as highly satisfactory.

G. Other

72. Impact on physical and financial assets. The Project has created a wide range of physical assets, including drinking water systems, village access roads, village link roads, irrigation systems, horticulture and agro-forestry plantations, small rice hulling mills, solar lighting systems, low cost toilets and common facility centers. NaRMGs and SHGs have been provided revolving funds to facilitate access to credit. These groups have also accumulated their own internal funds through regular savings by members. Individual households have also acquired livelihood assets with the support from the Project.

73. Impact on food security. The Annual Outcome Survey for 2013 (AOS 2013) is yet to be completed and systematic outcome and impact data is not available. According to the AOS 2012, as reported earlier, 63% households reported to be more food secure, 25% unchanged and 12% less food secure; the situation in non-project villages was 28%, 65% and 7%, respectively.

74. Impact on incomes. In the absence of AOS data for the past year, systematic data on income effects is not available. Anecdotal evidence gathered in the course of field visits does corroborate the results of the previous survey, the AOS 2012, reporting greater diversity of income sources and greater income increases among households in project villages compared to those outside. In the course of interaction with communities the Mission found consistent evidence of a households having graduated from the poorest and the less poor categories to the next higher levels.

75. Policy impact. A clear policy impact of the project is the decision by GoI/DoNER/NEC to replicate it via NERCORMP III in two new districts in Manipur and in three districts in Arunachal Pradesh.

76. Other impacts. Engendering a sense of 'community' was one of the effects uniformly stated as a benefit of the project by the village people met in the course of field visits by the Mission. Women have had the opportunity to realise their latent potential and play 'public' roles as members of various community forums. Introduction of low cost toilets has led to a newfound concern about sanitation and hygiene in project villages. Most important perhaps is the reduction in drudgery as water is available in the village and rice can be de-husked by a machine—"fetching water and pounding rice are the two chores every woman here is born with", said a woman met in the course of field visits!

H. Conclusion

77. The Project has strong presence in all the target villages, has mobilised and organised local communities, and initiated various development activities. Project and NGO staff enjoy local people's confidence and look up to them for guidance and support. Given the difficult terrain, diversity of communities and very poor road connectivity, these are significant achievements.

78. Deepening the impact of the project would require larger investments, potentially available from various flagship government programmes. This calls for convergence with government agencies where the Project has only had limited and sporadic success. The Project at all levels needs to continue to work at State and District agencies to bring about convergence with various government programmes to augment resources and to ensure continuation of project initiated activities in the post-project period by CBOs.

79. While the Project has followed an inclusive approach where the poorest are served first, and inclusion has been ensured, poorer people continue to draw the least support from the project particularly in accessing micro-credits from group revolving funds. The Project needs to unravel the reasons for this and take remedial efforts, taking due care not to impose solutions on the unprepared.

80. Livelihoods improve and incomes rise when productivity increases. Technology often is the tool to increase productivity as is management. The Project needs to focus now, in the closing years, to introduce, refine and upscale better technologies for use of resources, farming, livestock rearing, etc. so that the basic investment in organising people and winning people's trust can be fully leveraged.

81. In its post-MTR years, the Project also must systematically focus on measuring outcomes and impact to draw lessons and address issues of equity across households in drawing project benefits.

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

Notation

This Aide-mémoire is endorsed as the official document of the proceedings of the wrap-up meeting held on 14 February 2014 at Shillong, Meghalaya, India, chaired by the Secretary, North Eastern Council, Ministry of DoNER, Government of India as Representative of the Borrower. The main findings of the JRM have been discussed by the IFAD Mission members with the Project Staff at length.

Appendix 1: Summary of project status and ratings

Basic Facts

Country	India	Project ID	1040	Loan/DSF Grant No.	444
Project	North Eastern Region Community Resource Management Project for Upland Areas			Top-up Loan/DSF Grant	794
Date of Update	15-Feb-2014				
Supervising Inst.	IFAD/IFAD				
No. of Supervisions	12	No. of Implementation Support/Follow-up missions	5		
Last Supervision	7-May-2013	Last Implementation Support/Follow-up mission	31-Dec-2012		

					USD million	Disb. rate %
Approval	29-Apr-1997			Total financing		
Agreement	20-May-1997	Effectiveness lag	22.2	IFAD Total	20.13	
Entry into force	23-Feb-1999 & 10-Jul-2010	PAR value	Not at risk	IFAD loan	20.13	52.5% (as on Sep 2013)
First disbursement				DSF grant		
MTR	17-May-2002 & 10-May-2013	Last amendment		IFAD grant		
Original completion	28-Sep-1999	Last audit	30-Jun-2013	Domestic Total	12.82	
Current completion	30-Sep-2016			Beneficiaries	1.47	114%
Original closing	28-Sep-1999			Government (National)	11.35	67%
Current closing	31-Mar-2017			Domes. Fin. Inst.	2.00	
No. of extensions	1			External Cofinancing Total		

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	4	1. Quality of project management	5	5
2. Acceptable disbursement rate	4	5	2. Performance of M&E	5	5
3. Counterpart funds	6	6	3. Coherence between AWPB & implementation	5	5

4. Compliance with financing covenants	5	5	4. Gender focus	5	5
5. Compliance with procurement	4	4	5. Poverty focus	5	5
6. Quality and timeliness of audits	4	4	6. Effectiveness of targeting approach	5	5
			7. Innovation and learning	4	4
			8. Climate and environment focus	4	4

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Capacity Building	4	5	1. Institution building (organizations, etc.)	4	5
2. Livelihoods enhancement	5	4	2. Empowerment	5	5
3. Biodiversity	5	5	3. Quality of beneficiary participation	4	5
4. Social sector activities	5	5	4. Responsiveness of service providers	4	4
5. Village roads and electrification	5	5	5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	5	6

B.5 Justification of ratings

Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	5	5
C.2 Food security	4	4
C.3 Quality of natural asset improvement and climate resilience	4	5
C.4 Overall implementation progress (Sections B1 and B2)	5	5

Rationale for implementation progress rating

Overall implementation progress rating is satisfactory; zero staff attrition with improved PNGO performance as seen in the field; continued satisfactory coherence between AWPB and implementation; improved observation in the quality of capacity building and institution building including beneficiary participation in project activities; scaling-up done by Govt of India in new districts and state (as NERCORMP III). The overall indicators of financial management performance remain more or less the same but improved observation of account management in most SHGs and highly satisfactory counterpart funding. M&E systems continue showing improvement with attempts for improved outcome results; RIMS reports and Annual Outcome Survey for 2013 on track. Various indicators of project sustainability showed further improvement.

C.5 Likelihood of achieving the development objectives (section B3 and B4)	4	4
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Rationale for development objectives rating

Support provided by LPA (NEC) continues to be highly satisfactory. However, supports from State Govts that would determine critical sustainability particularly in the areas of convergence, remain at variance. The SHGs with their revolving funds and capacitated leadership will continue functioning well beyond the project period. However, much remains to be done in agricultural productivity together with improved natural resource management, business development, market linkage, product diversification and climate-smart agriculture to have secure food and income sources.

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

Fiduciary aspects	Effectiveness of Tally software use with capacity building for respective DSTs staffs require revisit; continue refresher training on procurement and record keeping for DSTs and also NGO staff to support the communities in procurement; more practical approach to community procurement methods with record keeping at community level but regularly inspected by DSTs.
Project implementation progress	All programme districts are challenged with frequent public bandhs called by local civil society groups or at times by groups inimical to the establishment. The project management are working within these given constraints. Continue building capacity of staff and community leaders to ensure effective and efficient programme implementation.
Outputs and outcomes	Limited expertise and professionals among project staff and NGOs that could respond to diverse community demands and needs on the basis of integrated natural resources principles and diversified livelihoods are areas of challenge; supports from various technical line departments too remain weak.
Sustainability	Low level of convergence with various national and state programmes could impact achieving fully the development objectives. SHGs capacities for full utilization of their revolving funds remain weak due to inherent remoteness, lack of opportunities and illiteracy; many of the poorer members of the SHGs are not yet fully confidence of taking credits from revolving funds.

Proposed Follow-up

Issue / Problem	Major Recommended Action	Timing	Status
Exit cum Sustainability Strategy	Exit cum Sustainability Strategy prepared; require further coordination with state governments and line departments; further capacity building at community level and their institutions to ensure greater sustainability.	On-going	
Overall project performance	Continue meetings with district officers of line departments around convergence under the auspices of the Chairmen of District Societies; Review inter-household variations in use of revolving fund & social sector investments and initiate steps to correct the situation	On-going; substantial results by 30 Jun 2014	
Capacity building of communities	Ensure inclusion of any target women left out of SHGs in project villages including women from new families formed by marriage; to undertake impact assessment of training.	On-going; substantial results by 30 Jun 2014	
Livelihoods enhancement	Expand productivity enhancement programme for paddy and maize where pilots were earlier taken; pilot winter crops; intensive training in agriculture and livestock sectors to all the CCs engaged by PNGOs with support of local Agriculture Universities.	30 Sep 2014; winter of FY 2014-15	
Revolving funds & micro-credits	Operationalise MIS related to SHGs and NaRMGs, pending which conduct a sample review of institutional and financial performance of SHGs & NaRMGs; Explore the possibility of introducing low cost insurance products by leveraging government programmes and insurance companies	30 Jun 2014	
Social development	Convergence with government water and sanitation programme	On-going	
Rural infrastructure	Train PNGO staff on the provisions and procedures of government programmes; develop manuals in the vernacular for key programmes, including guidelines for maintenance of common assets.	30 Jun 2014	

Biodiversity conservation	Promote legal literacy on NRM laws & regulations among communities & project & PNGO staff; disseminate information about government programmes on forestry and biodiversity; Track the social, economic and environmental benefits of CCAs.	On-going; substantial results by 30 Aug 2014	
Project management	Strengthen process of peer review and peer to peer assistance; exposure visits for staff	On-going	
M&E	Stress on capturing outcome results at post-MTR; NGOs to prepare annual narrative report describing their activities in the project with emphasis on successful case stories, good results/outcomes and impacts.	On-going	
Gender focus	Track outcomes of deploying women CRPs on women's health and nutrition & outcomes of project interventions on improved wellbeing and economic status of women particularly from C&D category households; Track and consolidate the following gender empowerment dimensions: (a) changes in women's mobility and social interactions; (b) changes in women's workload; (c) changes in women's access to & control over resources; and (d) changes in women's control over & participation in decision-making.	On-going; substantial results by 30 Sep 2014	
Targeting	Track changes among target households, e.g. number of 'D' categories of households graduating to 'C' and 'C' to 'B' and so on.	Beginning from Apr 2014; report by Sep 2014	
Innovation & learning	Recruit a part-time writer-editor (preferably with expertise in photography) to assist with successful case studies and publications; Organise cross-visits & workshops to facilitate exchanges between DST & PNGO staff with counterparts in other IFAD projects in India and beyond to help cross-learning & documentation of good practices.	Beginning from Apr 2014; report by Sep 2014	
Fiduciary	Train all staff in accounting software; release RF upon utilization of 75% minimum.	30 May 2014	

Additional observations

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

Narrative Summary	Key Performance Indicators	Means of Verification	ACHIEVEMENT	Assumptions/ Risks
A. PROJECT GOAL				
To improve the livelihood options of economically vulnerable groups in a sustainable manner through the promotion of improved livelihood opportunities and strengthening of local institutions that relate to livelihood development	<ul style="list-style-type: none"> - At least 75% of households with Improvement in household asset ownership index - Reduction in the prevalence of child malnutrition by gender. - At least 75% of households that have improved food security and incomes. - At least 75% households that have access to safe drinking water, sanitation and markets 	<ul style="list-style-type: none"> - Baseline data - RIMS impact survey - MTR survey - PCR survey - Secondary data - Independent evaluations 	<ul style="list-style-type: none"> - Project Baseline survey completed - RIMS Baseline survey completed - Annual Outcome survey completed 	Political stability; Non-interference by vested interests in selection of NGOs and other implementing partners; NEC and GOI continue the poverty reduction programmes.
B. PROJECT PURPOSE				
Incomes of about 20,000 rural households improved by upscaling the NERCORM approaches, organising rural women into 2000 self-sustaining SHGs, communities to 400 NaRM-G and 6 apex organisations empowering them through training and capacity building.	<ul style="list-style-type: none"> - Changes in wealth ranking of at least 75% of target groups. - At least 75% targeted HHs reporting increased incomes from diversified activities. - 75 % increase in average HH incomes - At least 75% of Target group perception about NERCORMP interventions is positive - Livelihoods plans made and operational by village - At least 90% of women SHGs engaged in savings and credit - At least 85% of SHGs and NaRM-Gs are effectively functional - Women perceptions about NERCORMP interventions are positive 	<ul style="list-style-type: none"> - Project surveys at baseline, mid-term and Completion - Annual surveys of HHs - RIMS surveys - Annual participatory assessments 		Favourable government policies on rural development continue. Credible NGOs exist
C. COMPONENTS OUTCOME and OUTPUTS				
COMPONENT 1: BUILDING THE CAPACITY OF PARTICIPATING AGENCIES				
Sub-component -1.1. Community & Other stakeholders capacity building				

<p>OUTCOME: Capacity of the grassroots institutions, communities and NGOs and that of the staff of RS and DS improved through training, exposure visits and workshop</p>	<ul style="list-style-type: none"> - Increased awareness among communities - Increased community's participation - Improved staff performance: adherence to schedule - Improved NGOs performance: adherence to schedule - Timely submission of Reports 	<ul style="list-style-type: none"> - Progress Reports - Annual Reports - M&E Reports - NGOs Reports - Case studies - Missions findings 		Favourable response from the Community and their leaders, NGOs, target groups
<p>OUTPUTS:</p> <p>1.1.1 About 2000 SHGs covering 20,000 HHs formed</p> <p>1.1.2 NaRM-G organised in 400 villages</p> <p>1.1.3 Short trainings organised to RS, DS, NGOs & CBOs</p> <p>1.1.4 Some 400 trainings conducted on NRM to communities</p> <p>1.1.5 About 400 PRA conducted</p> <p>1.1.6 Some 90 exposure visits organised for staff & communities</p> <p>1.1.7 Some 30 NGOs' staff trained</p>	<ul style="list-style-type: none"> - Number of villages covered and agreements signed; - Number of staff capacitated by gender - Number of grassroots institutions capacitated by type and category - Number of exposure visits arranged by type, location and category - Number of female participants by type of institution and category of training 	<ul style="list-style-type: none"> - Progress Reports - Annual Reports - M&E Reports - NGOs Reports - RIMS surveys - Missions observations 	<ul style="list-style-type: none"> - 1504 SHGs - 20,826 Households - 494 NaRM-Gs - 460 villages - 133 training on NRM - 1792 trainings on Group formation and capacity building for NaRM-Gs and SHGs - 486 PRA conducted - 56 exposure workshop - 32 trainings for NGO's 	Adequate number of training institutes exists and facilities are available;
Sub-component -1.2: Support to FNGOs				
<p>OUTCOME: RNGOs were engaged and capacitated to provide services to the target groups and CBOs.</p>	<ul style="list-style-type: none"> - Number of CBOs organised and capacitated - Number of SHGs organised - Number of NaRM-G organised - % of women in SHGs and NaRM-Gs 	<p>Progress Reports</p> <p>Annual Reports</p> <p>M&E Reports</p> <p>NGOs Reports</p> <p>RIMS survey</p> <p>Missions observations</p>		Target group willing to participate in the programme activities and have enough time to attend group meetings; Human resources for successful

				interventions available
OUTPUTS: 1.2.1 Services of 30 FNGOs engaged and deployed 1.2.2 Some 12 training organised to NGO staff 1.2.3 Some 12 exposure visits organised for NGO staff	<ul style="list-style-type: none"> - Number of NGOs recruited and deployed - Number of NGO staff trained - Number of female staff trained - Number of HH & villages covered 	NGO Reports Progress Reports Annual Report	<ul style="list-style-type: none"> - MoU with 30 NGOs signed - 17 trainings for NGOs - 15 exposures organised for NGOs 	Committed number of NGOs exists
COMPONENT 2: LIVELIHOODS ENHANCEMENT				
Sub-component- 2.1: Economic Livelihood Activities				
OUTCOME: Target groups' incomes enhanced through a range of farm and non-farm activities using participatory approaches and adopting sustainable use of land and other resources	<ul style="list-style-type: none"> - % increase in HH incomes of target groups - Diversification in sources of incomes - Increase in assets accumulation of participating HHs - % of women reporting reduction in drudgery 	Progress Reports Annual Reports M&E Reports NGOs Reports RIMS survey District reports		Positive response from the communities; Support from the concerned line agencies; Market demand exists; communities willing to contribute 30% of costs
OUTPUTS: 2.1.1 Some 1760 ha horticulture units developed 2.1.2 Some 168 mushroom units supported 2.1.3 Some 844 apiculture units supported 2.1.4 Some 669 vermi-compost units supported 2.1.5 About 1257 ha of field crops supported 2.1.6 Over 128 units of paddy cum	<ul style="list-style-type: none"> - Area developed by crop type - Number of mushroom units supported - Number of apiculture units supported - Number of vermin-compost units supported - Area under crop agriculture support by type - Area and number of paddy-pisciculture units - Number of livestock units supported by type - Number , length and area covered - Number and type of technology disseminated 		<ul style="list-style-type: none"> - 2289 hac on horticulture - 3 units of mushroom - 56 units of apiculture - 611 hac of field crops - 	

<p>pisciculture units supported</p> <p>2.1.7 About 1143 piggery, goatery, ducks, dairy units supported</p> <p>2.1.8 Some 119 km irrigation channels constructed</p> <p>2.1.9 Technology transfer on new & improved farming practices</p> <p>2.1.10 Some 400 units of non-farm enterprises supported</p>	<ul style="list-style-type: none"> - Number of NFE supported - Number of beneficiaries by type and category - % of women beneficiaries by type & category - 		<ul style="list-style-type: none"> - 48 units of paddy-pisciculture - 1844 units on livestock - 130 kms on irrigation canals 	
Sub-component- 2.2: Revolving Fund & Micro-credit				
<p>OUTCOME: Access of the communities to rural financial and credit services enhanced</p> <p>OUTPUTS:</p> <p>2.2.1 Over 20,000 SHGs have improved access to micro-credit</p> <p>2.2.2 Some 400 NaRM-G have access to credit support</p> <p>2.2.3 Some 6 local MFIs set up and their capacity enhanced</p>	<ul style="list-style-type: none"> - % of HHs availing credit services from SHG and NaRM-Gs - Loan outstanding by type of institution - % recovery of loans - Average interest rates applied and clients perceptions 	<p>Progress Reports</p> <p>Annual Reports</p> <p>M&E Reports</p> <p>RIMS survey</p> <p>District reports</p>	<ul style="list-style-type: none"> - 1504 SHGs have access to credit - 254 NaRM-Gs have access to credit 	<p>Credible MFIs exist and they are willing to operate in remote area locations</p>
COMPONENT 3: SOCIAL SECTOR DEVELOPMENT				
Sub-component- 3.1: Drinking water supply, community health care and sanitation				
<p>OUTCOME: Access of the communities to safe drinking water improved and better sanitation provided with effective community participation.</p>	<ul style="list-style-type: none"> - % HH increase in access to safe drinking water - % of HH reporting improved sanitation - % of community participation in O&M of facilities created. - % of women reporting saving of time - People's perception about the benefits - % HHs reporting health improvement 	<p>Progress Reports</p> <p>Annual Reports</p> <p>M&E Reports</p> <p>RIMS survey</p> <p>District reports</p>		<p>Potential for developing gravity DWS exists; communities willing to participatory approaches and accept responsibility for O&M</p>

OUTPUTS: 3.1.1 Some 300 gravity DWS units of 5000 lit capacity installed 3.1.2 Some 102 gravity DWS units of 20000 lit capacity installed 3.1.3 Over 402 km of poly pipelines installed 3.1.4 Nearly 14000 low cost latrines constructed	<ul style="list-style-type: none"> - Number of gravity DWS units installed - Number of large, gravity DWS units installed - Number and lengths of polylines installed - Number of LCL constructed - Number of villages benefited - Number of HHs benefited 		<ul style="list-style-type: none"> - 353 units of DWS of 5000 lit capacity, 71 units of DWS of 20,000 lit capacity - 162 kms of poly pipelines installed - 7579 LCL constructed 	
COMPONENT 4: RURAL ROADS AND RURAL ELECTRIFICATION				
Sub-component- 4.1: Village roads and rural electrification				
OUTCOME: Access of the communities to markets, health services and education and energy improved and enhanced.	<ul style="list-style-type: none"> - % increase in marketable produce - % improvement in health, perception of people - % HHs reporting income increases due to market access - overall perception of People 	Progress Reports Annual Reports M&E Reports RIMS survey District reports		Potential for development exists; communities willing to participatory approaches and accept responsibility for O&M
OUTPUTS: 4.1.1 About 114 kacha & 24 pucca CFC constructed 4.1.2 Nearly 139 km of rural roads constructed 4.1.3 Some 12 micro-hydel units installed 4.1.4 Some 6 windmills installed 4.1.5 Some 6 solar power system installed 4.1.6 Some 6 solar power and windmills installed 4.1.7 Some 36 km transmission lines installed	<ul style="list-style-type: none"> - Number of CFCs constructed - Number & length of roads constructed - Number of micro-hydels installed - Number of windmills constructed - Number of solar power system installed - Number of villages benefited - Number of HHs benefited 	Progress reports Annual Reports M&E Reports RIMS survey District reports	<ul style="list-style-type: none"> - 37 kacha & 15 pacca CFCs constructed - 126 kms of rural roads - 64 micro hydel unit installed - 656 units of solar power 	
COMPONENT 5: COMMUNITY-BASED BIODIVERSITY CONSERVATION AND COMMUNICATION				
Sub-component- 5.1: Bio-diversity conservation and research				

OUTCOME: Natural resources and biological diversity conserved, and environmentally sustainable production systems introduced. OUTPUTS: 5.1.1 About 1306 ha of regeneration, herbs and MAP and pasture plots are promoted as research and demo plots	<ul style="list-style-type: none"> - % of people aware of new production systems introduced. - Income increases of landless HHs 	Progress Reports Annual Reports M&E Reports RIMS survey District reports		Line departments identify potential sites; grassroots institutions and communities take interest
	<ul style="list-style-type: none"> - Area demonstrated by type and village - Number of beneficiaries benefited - Number of women benefited 	Progress Reports Annual Reports M&E Reports RIMS survey District reports	<ul style="list-style-type: none"> - 762 Hac of regeneration, herbs and MAP and pasture plots 	
Sub-component- 5.2: Forestry development				
OUTCOME: Environmentally sustainable, community-acceptable NTFP and forestry production systems introduced and good practices demonstrated to village communities OUTPUTS: 5.2.1 Some 584 ha of NTFP plantations demonstrated 5.2.2 About 1406 ha of agro-forestry units demonstrated	<ul style="list-style-type: none"> - % of people aware of the technology demonstrated. - % increase in NTFP - Income increases of landless HHs 	Progress Reports Annual Reports M&E Reports RIMS survey District reports		Line departments identify potential sites; grassroots institutions and communities take interest
	<ul style="list-style-type: none"> - Area planted to NTFP by type & village - Area put to agro-forestry by type & village - Number of beneficiaries benefited - Number of women benefited 		<ul style="list-style-type: none"> - 374 hac under NTFP plantations - 676 hac under forestry 	
Sub-component- 5.3: Communication and knowledge management				
OUTCOME: Information and knowledge sharing on good practices and production systems between communities enhanced and disseminated	<ul style="list-style-type: none"> - % of target group aware of bio-diversity conservation. - % of people adopted the technology demonstrated 	Progress Reports Annual Reports M&E Reports RIMS survey District reports		Communication improves project performance. Communities show interest in new ideas and opportunities

<p>OUTPUTS: 5.3.1 Some 20 staff received training on KM 5.3.2 Some 6 events of media exposure organised 5.3.3 Some 22 newsletters brought out 5.3.4 Success stories & good practices documented & published 5.3.5 Two or more video documents produced 5.3.6 Some 4 NEAT Festivals organised</p>	<ul style="list-style-type: none"> - Number of staff trained by type and gender - Number of media events organised - Number of newsletters launched - Number of documents disseminated - Number of video documents produced - Number of NEAT festival organised 		<ul style="list-style-type: none"> - 19 trainings on KM - 7 training on video documentation - 3 NEAT fest organised 	
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Appendix 3: Summary of key actions to be taken within agreed timeframes

Action Area	Action Agreed	Responsibility	Date	Progress
Overall assessment of project performance	1. Continue meetings with district officers of line departments around convergence under the auspices of the Chairmen of District Societies	DSTs & PSU	30 Jun 2014 & on-going	This was agreed action of last JRM; further attention required to achieve meaningful convergence in most districts.
	2. Review inter-household variations in use of revolving fund & social sector investments and initiate steps to correct the situation	DST & PSU	30 Jun 2014	This is work in progress and results/experience should be shared between the districts.
Outputs				
Component 1: Capacity building of communities & participatory agencies	3. Ensure inclusion of target women left out of SHGs in project villages including women from new families formed by marriage.	PSU & DSTs	30 Jun 2014	Newly married couples form new households in project villages; the women from such HHs to be included in the SHGs.
	4. Implement the training needs assessment system for CBOs & PNGOs and institute an impact assessment tool	PSU & DSTs	30 June 2014	
Component 2: Livelihood Enhancement	5. Pilot winter cultivation in five villages in each project district.	PSU & DSTs	Beginning from winter of FY 2014-15; substantive results by 31 Dec 2014	Mustard & rape seeds are already under cultivation in some project villages; needs intensification of efforts.
	6. Expand productivity enhancement programme for paddy and maize where pilots were earlier taken.	PSU & DSTs	30 Jun 2014	Efforts are on to associated with agricultural universities / ICAR / KVKs.
	7. Provide intensive training in agriculture and livestock sectors to all the CCs engaged by PNGOs with support of local Agriculture Universities.	PSU & DSTs	30 Sep 2014	
Revolving fund and microcredit	8. Operationalise MIS related to SHGs and NaRMGs, pending which conduct a sample review of institutional and financial performance of SHGs & NaRMGs.	PSU & DST	30 Apr 2014	
	9. Explore the possibility of introducing low cost insurance products by leveraging government programmes and insurance companies	PSU & DST	30 Jun 2014	
Component 3: Social sector development	10. Access government water and sanitation programmes for universal coverage of water supply and LCTs with concrete targets for each DST.	PSU & DSTs	30 Apr 2014 & on-going	
Component 4: Rural	11. Train PNGO staff on the provisions and procedures of government programmes; develop	PSU & DSTs	30 Jun 2014	Many communities are already undertaking repair/maintenance off

infrastructures and electrification	manuals in the vernacular for key programmes, including guidelines for maintenance of common assets.			community assets. There is the need for cross-learning among different communities, of good practices.
Component 5: Community based Biodiversity Conservation	12. Promote legal literacy on NRM laws & regulations among communities & project & PNGO staff; disseminate information about government programmes on forestry and biodiversity.	PSU & DST	30 Aug 2014	
	13. Track the social, economic and environmental benefits of CCAs.	PSU & DST	30 Aug 2014	
Project Management Performance	14. Institute a system of peer review across DSTs	PSU	30 Apr 2014	
	15. Organise exposure visits for selected DST and PNGO staff to successful livelihood projects outside the region.	PSU, DST	Beginning 31 Mar 2014	
Monitoring & Evaluation	16. Revisit M&E systems to track project outcomes; institute more frequent peer to peer assistance among M&E staff & sector heads in DST & PSU to strengthen data analysis and evaluation capacity.	PSU, DST	31 Oct 2014	
	17. PNGOs should prepare an annual narrative report describing their activities in the project and the resulting outcomes and impacts as they observe with emphasis on successful case stories and learning.	DST & PNGOs	Beginning for FY 2013-14; report by 30 Jun 2014	NGOs are already accustomed to preparing their annual progress report; this could add to the Project's M&E and KM efforts.
Gender focus	18. Track outcomes of deploying women CRPs on women's health and nutrition & outcomes of project interventions on improved wellbeing and economic status of women particularly from C&D category households.	PSU, DST	30 Sep 2014	
Effectiveness of targeting approach	19. Track and consolidate the following gender empowerment dimensions: (a) changes in women's mobility and social interactions; (b) changes in women's workload; (c) changes in women's access to & control over resources; and (d) changes in women's control over & participation in decision-making including participation in traditional village institutions.	DST & PNGOs	Beginning 15 Apr 2014	The qualitative evidences on women's empowerment, very strong in all villages that the mission visited, now require quantitative results.
Targeting	20. Track changes among target households, e.g. number of 'D' categories of households graduating to 'C' and 'C' to 'B' and so on.	PSU & DST	Beginning 15 Apr 2014	Field evidences showed that poorest households are benefiting from livelihoods interventions.

Innovation & learning (KM)	21. Recruit a part-time writer-editor (preferably with expertise in photography) to assist with successful case studies and publications.	PSU	Beginning 15 Apr 2014	
Fiduciary Aspects	22. Reverse all stale cheques & issue fresh cheques for the same. Prepare monthly Bank Reconciliation statements & send it to PSU for review.	Director Finance	31 Mar 2014	
	23. Train all accounts staff in the accounting software and communities in record keeping.	Director Finance/ DST	31 May 2014	
	24. Release revolving funds only upon utilization of 75% of earlier tranche.	PSU, DST	30 Apr 2014	
	25. Appoint auditor for the year 2013-14 by inviting fresh bids	PSU	31 Mar 2014	

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

Period: 1-Apr-2013 to 31-Dec-2013				
Impact and Outcomes	Indicators (with global target if available)	Achievements (as per M&E data)	RIMS Rating	
			(by Project)	(by supervision mission)
Impact level				
Overall Goal To improve the livelihood options of economically vulnerable groups in a sustainable manner through the promotion of improved livelihood opportunities and strengthening of local institutions that relate to livelihood development	<ul style="list-style-type: none">- At least 75% of households with Improvement in household asset ownership index- Reduction in the prevalence of child malnutrition by gender.- At least 75% of households that have improved food security and incomes. At least 75% households that have access to safe drinking water, sanitation and markets			
Project Purpose Incomes of about 20,000 rural households improved by upscaling the NERCORM approaches, organising rural women into 2000 self-sustaining SHGs, communities to 400 NaRM-G and 6 apex organisations empowering them through training and capacity building.	<ul style="list-style-type: none">- Changes in wealth ranking of at least 75% of target groups.- At least 75% targeted HHs reporting increased incomes from diversified activities.- 75 % increase in average HH incomes- At least 75% of Target group perception about NERCORMP interventions is positive- Livelihoods plans made and operational by village- At least 90% of women SHGs engaged in savings and credit- At least 85% of SHGs and NaRM-Gs are effectively functional- Women perceptions about NERCORMP interventions are positive	<ul style="list-style-type: none">- 1589 SHGs- 20826 Households- 494 NaRM-Gs- 460 villages		
Outcome level				
<i>Component 1</i> : Capacity of the grassroots institutions, communities and NGOs and that of the staff of RS and DS improved through training, exposure visits and workshop	<ul style="list-style-type: none">- Increased awareness among communities- Increased community's participation- Improved staff performance: adherence to schedule- Improved NGOs performance: adherence to schedule Timely submission of Reports			
<i>Component 2</i> : NGOs were engaged and	<ul style="list-style-type: none">- Number of CBOs organised and capacitated			

capacitated to provide services to the target groups and CBOs.	<ul style="list-style-type: none"> - Number of SHGs organised - Number of NaRM-G organised % of women in SHGs and NaRM-Gs 			
<i>Component 3:</i> Target groups' incomes enhanced through a range of farm and non-farm activities using participatory approaches and adopting sustainable use of land and other resources	<ul style="list-style-type: none"> - % increase in HH incomes of target groups - Diversification in sources of incomes - Increase in assets accumulation of participating HHs % of women reporting reduction in drudgery 			
<i>Component 4:</i> Access of the communities to rural financial and credit services enhanced	<ul style="list-style-type: none"> - % of HHs availing credit services from SHG and NaRM-Gs - Loan outstanding by type of institution - % recovery of loans Average interest rates applied and clients perceptions 			
<i>Component 5:</i> Access of the communities to safe drinking water improved and better sanitation provided with effective community participation.	<ul style="list-style-type: none"> - % HH increase in access to safe drinking water - % of HH reporting improved sanitation - % of community participation in O&M of facilities created. - % of women reporting saving of time - People's perception about the benefits % HHs reporting health improvement 			
<i>Component 6:</i> Access of the communities to markets, health services and education and energy improved and enhanced.	<ul style="list-style-type: none"> - % increase in marketable produce - % improvement in health, perception of people - % HHs reporting income increases due to market access overall perception of People 			
<i>Component 7:</i> Natural resources and biological diversity conserved, and environmentally sustainable production systems introduced.	<ul style="list-style-type: none"> - % of people aware of new production systems introduced. - Income increases of landless HHs 			
<i>Component 8:</i> Environmentally sustainable, community-acceptable NTFP and forestry production systems introduced and good practices demonstrated to village communities	<ul style="list-style-type: none"> - % of people aware of the technology demonstrated. - % increase in NTFP - Income increases of landless HHs 			
<i>Component 9:</i> Information and knowledge sharing on good practices and production systems between communities enhanced and disseminated	<ul style="list-style-type: none"> - % of target group aware of bio-diversity conservation. - % of people adopted the technology demonstrated 			

Output level							
Outputs by component	Indicator	(Physical) Targets					
		AWP&B (planned)	Actual (achieved)	%	Appraisal (Global)	Cumulative (so far)	%
Component 1 - Sub-component 1.1 Community & Other stakeholders capacity building							
<i>Output 1.1.1</i> Staffs of Partner NGOs trained in community mobilisation & PRA	- 126 trainings will be imparted to the project CBO and Partner NGOs	171	145	85	156	1539	987
<i>Output 1.1.2</i> Staff training of PSU & DST	- 214 trainings will be carried out for project staff and stakeholders	37	26	70	214	154	72
<i>Output 1.1.3</i> Trainings for NaRM-Gs and SHGs	<ul style="list-style-type: none"> - Some 400 PRA exercises will be carried out - 30 Training on Entrepreneurship & skill development - 36 Training on Horticulture activity - 24 Training on MAP - 30 Training on Animal husbandry and dairy - 24 Training on Sericulture - 24 Training on Khadi and village industry training - 24 Training on Fishery - 24 Training on Non-farm sector - 24 Training on Exposure visit - 12 Training on Missionary training to CBOs - 2 Training on renewable energy & rural electrification - 4 Training on Skill development for para professionals - 2 Training on value addition 	7 15 5 23 3 12 8 6 23	4 10 9 16 1 9 4 5 16	57 67 180 70 - 33 75 50 83 70	400 30 36 24 30 24 24 24 24 12 2 4 2 41	486 17 39 26 37 6 5 18 21 17 12 6 1 2050	122 57 108 108 123 25 21 75 88 71 100 300 25
Component 1 - Sub-component 1.2 Support to FNGOs							
<i>Output 1.2.1</i> Local Partners performed task as per MoU	30 NGO recruited in assisting project implementation	30	30	100	30	30	100
Component 2 - Sub-component 2.1 Economic Livelihood Activities							
<i>Output 2.1.1:</i> Farm Based: Horticulture : Farmers supported financially to undertake horticulture activities	1760 units (1760 hectares) financed	772	661	86	1760	2289	130
<i>Output 2.1.2:</i> Farm Based: Mushroom: Farmers supported financially to undertake development of mushroom units	168 mushroom units financed				168	3	2

<i>Output 2.1.3:</i> Farm Based: Apiculture: Farmers supported financially to undertake development of apiculture units	844 apiculture units financed	35	35	100	844	56	7
<i>Output 2.1.4:</i> Farm Based: Vermin- compost: Farmers supported financially to undertake development of vermin- compost units	669 vermin-compost units financed				669		
<i>Output 2.1.5:</i> Farm Based: Agriculture field crops : Farmers supported financially to undertake development of field crop activities	1257 ha of agriculture field crops financed	209	159	75	1257	611	45
<i>Output 2.1.6:</i> Farm Based: Paddy cum pisciculture: Farmers supported financially to undertake development of paddy cum pisciculture units	128 units of paddy cum pisciculture units financed supported	12	12	100	128	48	38
<i>Output 2.1.7:</i> Farm Based: Livestock: Farmers supported financially to undertake development of livestock units	1143 livestock based activities financed	598	488	82	1143	1844	161
<i>Output 2.1.8:</i> Farm Based: Irrigation: Farmers supported financially to undertake development of irrigation canals	119 km irrigation channels constructed	35.77	34.27	96	119	130	109
<i>Output 2.1.9:</i> Technology transfer on new & improved farming practices							
<i>Output 2.1.10:</i> Non- Farm Based: Farmers supported financially to undertake development of Non- Farm activities	400 units of non-farm enterprises financed	439	435	99	400	1136	284
Component 2 - Sub-component 2.2 Revolving Fund & Micro-credit							
<i>Output 2.2.1:</i> Revolving fund & Micro credit: SHGs having access to revolving funds for micro credit	2000 SHGs have improved access to micro-credit	1534	1077	70	2000	1500	75
<i>Output 2.2.2:</i> Revolving fund & Micro credit: NaRM-Gs having access to revolving funds for micro credit	400 NaRM-G have access to credit support	162	70	43	400	395	99
<i>Output 2.2.3:</i> Revolving fund & Micro credit: Apex SHGs turning into MFIs and having access to revolving funds for micro credit	6 local MFIs set up and their capacity enhanced	1			6		
COMPONENT 3 – Sub-component 3.1 SOCIAL SECTOR DEVELOPMENT							
<i>Output 3.1.1:</i> Safe drinking water: NaRM-Gs supported financially to undertake safe drinking water activities	300 gravity DWS units of 5000 lit capacity financed	117	115	96	300	353	118
<i>Output 3.1.2:</i> Safe drinking water: NaRM-Gs supported financially to undertake safe drinking water activities	Some 102 gravity DWS units of 20000 lit capacity financed	21	21	100	102	71	70
<i>Output 3.1.3:</i> Safe drinking water: NaRM-Gs supported financially to undertake safe drinking	402 km of poly pipelines financed	92	70	76	402	162	40

water activities through poly pipelines							
<i>Output 3.1.4: Low cost Latrines: Households supported financially to undertake low cost latrines</i>	14000 low cost latrines financed	2093	2084	100	14000	7579	54
COMPONENT 4- Sub-component 4.1 RURAL ROADS AND RURAL ELECTRIFICATION							
<i>Output 4.1.1: Village Roads: NaRM-Gs supported financially to construct Common Facility Centres (CFC)</i>	114 kacha & 24 pucca CFCs financed	18 kacha, 4 pucca	16 kacha, 4 pucca	91	114 kacha, 24 pucca	37 kacha, 15 pucca	38
<i>Output 4.1.2: Rural Roads: NaRM-Gs supported financially in constructing rural roads</i>	139 km of rural roads financed	47.62	38.50	81	139	126	91
<i>Output 4.1.3: Rural Electrification: NaRM-Gs supported financially in establishing micro-hydel units</i>	12 micro-hydel units financed	1	1	100	12	1	8
<i>8.33Output 4.1.4: Rural Electrification: NaRM-Gs supported financially in establishing windmill units</i>	6 windmills financed				6		
<i>Output 4.1.5: Rural Electrification: NaRM-Gs supported financially in establishing solar power systems</i>	6 solar power system financed	22	22	100	6	657	10950
<i>Output 4.1.6: Rural Electrification: NaRM-Gs supported financially in establishing wind mills and solar power systems</i>	6 solar power and windmills financed				6		
<i>Output 4.1.7: Rural Electrification: NaRM-Gs supported financially in establishing transmission lines</i>	36 km transmission lines financed	0.32			36		
COMPONENT 5 – Sub-component 5.1 COMMUNITY-BASED BIODIVERSITY CONSERVATION AND COMMUNICATION							
<i>Outcome 5.1.1: Biodiversity Conservation & Research: Communities supported financially to develop regeneration, herbs and MAP and pasture plots are promoted as research and demo plots</i>	1306 ha of regeneration, herbs and MAP and pasture plots are promoted as research and demo plots	414	315	76	1306	762	58
Sub-component- 5.2: Forestry development							
<i>Output 5.2.1 Forestry Development: Communities supported financially to establish NTFP plantations</i>	584 ha of NTFP plantations financed	201	133	66	584	374	64
<i>Output 5.2.2: Forestry Development: Communities supported financially in establishing forestry development and small scale engineering works</i>	1406 ha of forestry development and small scale engineering works financed	117	117	100	1406	608	43
Sub-component- 5.3: Communication and knowledge management							
<i>Output 5.3.1: Communications & KM: Project staff</i>	20 staff received training on KM	12	5	42	20	19	95

<i>receiving training on communications and KM</i>							
<i>Output 5.3.2: Communications & KM: Media persons exposed to project activities</i>	6 events of media exposure financed	1			6		
<i>Output 5.3.3: Communications & KM: Project will organise Neat Fest for SHG members</i>	4 NEAT Festivals financed	1	1	100	4	3	75
<i>Output 5.3.4: Communications & KM: Project will produce Newsletters on quarterly basis</i>	22 newsletters financed	4	3	75	22	4	18
<i>Output 5.3.5: Communications & KM: Project will document and produce success stories & good practices</i>	Success stories & good practices documented & published						
<i>Output 5.3.6: Communications & KM: Project will finance in the production of Video documentaries</i>	Two or more video documents financed						

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

Table 5A: Financial performance by financier as at 31-12-2103

Financier	Appraisal (USD '000)	Revised Allocation MTR (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	20,211	20,133	10,240	50.86%
Government	17,415	11,351	7,607	67.02%
Financial Institutions	2,056	-	-	-
Community Contribution	1,602	1,472	1,680	114.13%
Total	41,284	32,956	19,527	59.25%

Table 5B: Financial performance by financier by component (USD '000) as at 31-12-2013

Component	IFAD loan				Government				Financial Institutions				Community				Total			
	Appraisal	MTR	Actual	%	Appraisal	MTR	Actual	%	Appraisal	MTR	Actual	%	Appraisal	MTR	Actual	%	Appraisal	MTR	Actual	%
Capacity Building	1,567	2,247	454	19.89	2,373	1,46	1,069	73.15	-	-	-	-	-	-	-	-	3,94	3,709	1,524	41.09
Economic Livelihood Activities	11,729	11,127	8,004	41.38	2,866	2,12	2,001	94.30	2,056	-	-	-	954	-	863	130.70	17,60	13,909	10,867	78.13
Social Sector Activities	1,727	-	-	-	559	-	-	-	-	-	-	-	226	-	-	-	2,51	-	-	-
Village Road and Rural Electrification / Community Infrastructure	4,176	5,899	3066	22.34	1,465	-	766	103.99	-	-	-	-	422	-	747	101.38	6,063	7,373	4,579	62.11
Community based bio-diversity conservation	1,011	860	575	19.39	241	-	74	95.00	-	-	-	-	-	-	70	93.72	1,252	1,013	720	71.05

(NRM)													
Project Management	-	9,91	6,952	3,696	53.17	-	-	-	-	9,910	6,952	3,696	53.17
Total	20,210	20,13	12,099	60.10	17,411,351	7,607	67.02	2,056	-	1,60	1,472	1,680	114.13

Note: 1 USD =53.78 INR

Table 5C: IFAD loan disbursements (SDR, as at 31-01-14)

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I	Civil Works	1,250,000	-	-	-	-	-
II	Training, Technical Assistance and Consultants	1,300,000	1,553,500	292,454.31	20,560	1,240,485.28	18.83
III	Revolving Funds	4,250,000	3,455,800	2,598,103.74	430,270	427,425.97	75.18
IV	Village Development Funds	4,540,000	7,590,700	3,107,321.04	361,110	4,122,268.50	40.94
V	Unallocated	1,260,000	-	-	-	-	-
	Initial deposit	-	-	6,27,462.80	-	(627,462.80)	100.00
	Total	12,600,000	12,600,000	6,625,341.89	811,941	5,974,658.11	52.58

WA pending calculated at 1SDR=95.58 INR

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

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section 7.01(b) (i)	<i>Annual Work Plans and Budgets.</i> (a) The Project shall be implemented on the basis of an Annual Work Plan and Budget (AWPB). The LPA shall prepare the a draft AWPB based on the draft AWPBs prepared by the various Project Parties. Each draft Project AWPB shall include, among other things, a detailed description of the planned Project activities during the coming Project Year, a Procurement Plan and the sources and uses of funds.	Ongoing	Complied with	
	(ii) Before each Project Year, the LPA shall submit the draft Project AWPB to the Fund for comments no later than sixty days before the beginning of the relevant Project Year. If the Fund does not comment on the draft Project AWPB within thirty days of receipt, the AWPB shall be deemed acceptable by the Fund.	January 31, 2014	Complied with – January 30, 2014	
Section 7.05	<i>Procurement.</i> Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower/ Recipient's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines. Each Procurement Plan shall identify procedures which must be implemented by the Borrower/ Recipient in order to ensure consistency with the IFAD Procurement Guidelines.	Ongoing	Complied with	
Section 7.08	<i>Insurance.</i> (a) The Borrower/Recipient or the LPA shall insure all goods and buildings used in the Project against risks and in such amounts as shall be consistent with sound commercial practice. (b) The Borrower/Recipient or the LPA shall insure the goods imported for the Project which are financed by the Financing against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation in accordance with sound commercial practice.	Ongoing	Complied with	
Section 7.11	<i>Key Project Personnel.</i> The Borrower/ Recipient or the LPA shall appoint the Project Director and all other key Project personnel in the manner specified in the Agreement or otherwise approved by the Fund. All key Project personnel shall have qualifications and experience specified in the Agreement or otherwise approved by the Fund. The Borrower/ Recipient shall exercise best efforts to ensure continuity in key Project personnel throughout the Project Implementation Period. The Borrower/Recipient or the LPA shall insure key Project personnel against health and accident risks to the extent consistent with sound commercial practice or its customary practice in respect of its national civil service, whichever is appropriate.	Ongoing	Complied with	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section 7.13	<i>Allocation of Project Resources.</i> The Borrower/ Recipient and the Project Parties shall ensure that the resources and benefits of the Project, to the fullest extent practicable, are allocated among the Target Population using gender disaggregated methods.	Ongoing	Complied with	
Section 7.14	<i>Environmental Factors.</i> The Borrower/ Recipient and the Project Parties shall take all reasonable measures to ensure that the Project is carried out with due diligence in regard to environmental factors and in conformity with the national environmental laws and any other international treaties to which the Project Member State may be a party. In particular, the Project Parties shall maintain appropriate pest management practices under the Project and, to that end, the Borrower shall ensure that pesticides procured under the Programme do not include any pesticide either proscribed by the International Code of Conduct on the Distribution and Use of Pesticides of the Food and Agriculture Organisation of the United Nations (FAO), as amended from time to time, or listed in Tables 1 (Extremely Hazardous) and 2 (Highly Hazardous) of the WHO Recommended Classification of Pesticides by Hazard and Classification 1996-1997, as amended.	Ongoing	Complied with	
Section 8.01	<i>Implementation Records.</i> The Borrower/ Recipient shall ensure that the Project Parties maintain records and documents adequate to reflect their operations in implementing the Project (including, but not limited to, copies or originals of all correspondence, minutes of meetings and all documents relating to procurement) until the Project Completion Date, and shall retain such records and documents for at least ten years thereafter.	Ongoing	Complied with	
Section 8.02	<i>Monitoring of Project Implementation</i> The LPA shall: (a) establish and thereafter maintain an appropriate information management system in accordance with the Fund's Guide for Project Monitoring and Evaluation with which it shall continuously monitor the Project; (b) during the Project Implementation Period, gather all data and other relevant information (including any and all information requested by the Fund) necessary to monitor the progress of implementation of the Project and the achievement of its objectives; and (c) during the Project Implementation Period and for at least ten years thereafter, adequately store such information, and, promptly upon request, make such information available to the Fund and its representatives and agents. (d)	Ongoing	Complied with. System has been established and data is being fed into the system.	
Section 8.03	<i>Progress Report and Mid-Term Reviews:</i>		Complied with	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	(a) The Borrower/Recipient or the LPA The Borrower/Recipient or the LPA The LPA shall furnish to the Fund periodic progress reports on the Project, in such form and substance as the Fund shall reasonably request. At a minimum, such reports shall address (i) quantitative and qualitative progress made in implementing the Project and achieving its objectives, (ii) problems encountered during the reporting period (iii) steps taken or proposed to be taken to remedy these problems and (iv) the proposed programme of activities and the progress expected during the following reporting period.	Ongoing		
Section 9.01	<i>Financial Records.</i> The Project Parties shall maintain separate accounts and records in accordance with consistently maintained appropriate accounting practices adequate to reflect the operations, resources and expenditures related to the Project until the Financing Closing Date, and shall retain such accounts and records for at least ten years thereafter.	Ongoing	Complied with – The societies also record amounts received from the Govt in respect of other schemes in the same books.	
Section 9.02	<i>Financial Statements.</i> The Borrower Recipient shall deliver to the Fund detailed financial statements of the operations, resources and expenditures related to the Project for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund and deliver such financial statements to the Fund within four months of the end of each Fiscal Year.	July 31, 2013 and every year thereafter	Complied with on 30-06-2013	
Section 9.03	<i>Audit of Accounts</i> The Borrower/ Recipient shall: (a) each Fiscal Year, have the accounts relating to the Project audited in accordance with the auditing standards acceptable to the Fund and the Fund's "Guidelines on Programme Audits (for Borrowers' Use)" by independent auditors acceptable to the Fund; (b) within six months of the end of each Fiscal Year, furnish to the Fund a certified copy of the audit report. The Borrower/ Recipient shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof;	September 30, 2013 and every year thereafter	Complied with on 19-07-2013	
Section 10.03	<i>Visit, Inspections and Enquiries</i> The Borrower/ Recipient and the Project Parties shall enable agents and representatives of the Fund from time to time to; (a) visit and inspect the Project, including any and all sites, works, equipment and other goods used for Project-related purposes; (b) examine the originals and take copies of any data, accounts, records and documents relevant to the Financing, the Project, or any other Project Party;	Ongoing	Complied with	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	and (c) visit, communicate with and make enquiries of all Project personnel and any staff member of the Project Party.			
Section 10.03	<i>Visit, Inspections and Enquiries</i> The Borrower/ Recipient and the Project Parties shall enable agents and representatives of the Fund from time to time to; (a) visit and inspect the Project, including any and all sites, works, equipment and other goods used for Project-related purposes; (b) examine the originals and take copies of any data, accounts, records and documents relevant to the Financing, the Project, or any other Project Party; and (c) visit, communicate with and make enquiries of all Project personnel and any staff member of the Project Party.	Ongoing	Complied with	
Section 10.05	<i>Evaluations of the Project</i> The Borrower/ Recipient and each Project Parties shall facilitate all evaluations and reviews of the Project that the Fund may carry out during the Project Implementation Period and for ten years thereafter.	Ongoing	Complied with	
	Additional General Conditions No withdrawal shall be made from the Loan Account until audit observations, if any, outstanding for a period exceeding twelve months from the date of receipt of the management letter prepared by the external auditors relating to the activities falling under NERCORMP, shall have been clarified and addressed to the satisfaction of the Fund.	After completion of first year's audit	Complied with	
	Additional Specific Condition No withdrawal shall be made from the Loan Account in respect of all categories of the Allocation Table, except Category II (Training, Technical Assistance and Consultants) until the Project Implementation Manual referred to in paragraph 11, Schedule I of the Financing Agreement shall have been duly amended and finalized by the LPA to the satisfaction of the Fund.	Prior to withdrawal	PIM is revised	
	Special Covenants 1. The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Borrower's relevant national policies and of the Fund's relevant policies including, but not limited to, the Fund's Policy on Engagement with Indigenous Peoples	Ongoing	Complied with	
	2. In line with the geographical targeting strategy followed by NERCORMP, the Lead Project Agency shall cause the Regional Society to endeavour that all villages selected by the District Administration(s) be aligned to the criteria agreed with the Fund and specified in the NERCORMP design documents, as	Ongoing	Complied with	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	amended from time to time.			
	3. In line with the targeting strategy followed by NERCORMP, the Lead Project Agency shall cause the Regional Society to endeavour that all partner NGOs, SHG Federations and NaRM-G Cluster Associations contracted under the Project be selected according to the criteria agreed with the Fund and specified in the NERCORMP design documents, as amended from time to time.	Ongoing	Complied with	
	4. The Borrower and the Lead Project Agency shall undertake a review of the effectiveness of management, administrative, financial and auditing arrangements, jointly with the Fund, no later than the end of the first year of the effective date of the New Project. The Borrower shall ensure that the recommendations resulting from such review are implemented within the specified time therefor so as not to adversely affect effective implementation of NERCORMP-II	Ongoing	Complied with	

Appendix 7: Knowledge management: Learning and Innovation

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

- Group formation such as NaRMGs and SHGs has worked well and has brought about cohesiveness amongst the communities. The availability of fund/money at the village level for borrowing in times of need from the revolving fund is considered to be one of the best interventions by the communities as access to bank for many communities in the programmes areas is difficult and borrowing from banks for small amounts being more difficult for the poor.
- SHG movement has become an effective tool for women empowerment in the project areas and women are seen to be actively participating and interacting during meetings as also experienced by the mission during the field visits.
- Communities are now better aware on various environmental issues like natural resource management and conservation. Community conserved areas has been setup and the villagers have formulated rules and regulations for better management for their natural resources.
- Communities have started collecting funds towards maintenance of assets created through project support, thus setting up a system for better sustainability of the interventions.
- Constructions of different social infrastructures like safe drinking water, low cost toilets and multi-purpose community halls have started creating impacts in varieties of ways. Drinking water and low cost latrines in particular have helped in raising the dignity of the women and also reducing their drudgery. Having access to water has facilitated the women take up kitchen gardening, which in turn would provide nutritious food for the family, resulting in better health and hygiene, and also the surplus produces provide extra income for the family. Construction of inter village roads have facilitated the transportation of farm and non-farm products to the local markets and better access for the youth and children to attend schools, as also quick access to health centres on emergencies.

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

- Convergence is still a big challenge looking at the socio-political scenario of the districts. NERCORMP is working in three different states with variable systems of administrative arrangements in turn impacting the project's ability to engage more effectively with all the three different kinds of administrative modalities. Limited outreach of government programmes particularly in remote villages where NERCORMP is working do not provide appropriate environment and opportunities to realise effective convergence.
 - The communities expect all round interventions at the community level as the project staffs are seen to be the only people providing linkage with the government programmes as well in many of the project villages. Therefore, the project staffs needs further capacity building on understanding the various government programmes and social benefits to enable them to meet the needs and demands of the communities. The project therefore needs to address linking the communities with the social benefit programmes of the government along with the implementation of the project activities.
 - Maintenance of book of accounts by the CBOs, which is mainly due to high illiteracy rate and as also many different types of books that needs to be maintained as indicators of functioning groups.
 - Marketing remains a challenge due to scattered products and volume of produce/products not reaching commercial mass. Project villages being remote and not properly connected by roads leading to high transportation cost, many communities are remaining weak in their bargaining power.
 - Lack of resource persons and skill in livestock management and agricultural productivity with limited training/weak extension services from line departments due to geographical conditions of the area and poor road connectivity are some of the constraints faced by the communities.
-

Innovation: Describe any interesting innovation noted during supervision

Project engagements with Youth

The *Punge Mayar Ngala Long* (Youth Organization) of Punge village in Ukhrul district of Manipur initiated various activities like conservation of the natural resource, flora and fauna of the area. They aimed at making their village a 'green village'. The group has demarcated an area of 60 hectares within the village for conservation and has the full support from the village authority and the village NaRMG. With the cooperation of the village NaRMG and financial help from the project, they have set up a 'mini eco-park' in an area covering around 25 hectares with the aim of demonstrating recreational conservation of local biodiversity. Besides prohibiting hunting and trapping of birds and animals, and wasteful collections of any biological resources, the youth have initiated plantation, propagation and conservation of NTFPs and wild medicinal herbs. It is encouraging to see educated youths enhancing their awareness like climate change, global warming, conservation of biodiversity etc. Their enthusiasm and positive approach to address these environmental issues is praise worthy. The group envisions educating the younger generation for a better and greener future. Eco-park is a demonstration of their practical initiative towards this goal.



A view of the village ecopark under development by the Youth of Punge village, Ukhrul district, Manipur

Partnership with private sector for upfront market linkages

A recent innovation in NERCORMP is partnership with private sector for upfront market linkage through Business to Business (B2B) linkages for the sale of agri-horti produces. Under this process, the information of the produces such as availability, quality, quantity, collection points, tentative price and photographs are first shared with the buyers all across India through e-marketing websites **IndiaMart** (www.indiamart.com) & **India Development Gateway** (www.indg.in). Only two of these portals have been selected because of strong database which provides the in-depth details of the buyers, and overall experience and rapport in the field of B2B marketing.

After ascertaining the product information, the details are uploaded in IndiaMart & InDG. The buyers listed on both the portals automatically get the information as it gets highlighted in the business section. In case any query for purchase is placed, the portal sends the same to PSU Shillong on behalf of the buyer along with the buyers contact information. The buyers are then contacted by the Marketing Coordinator and are invited to the field, on behalf of the DSTs', for field inspection. The DSTs' organise the field visit and meeting of the buyer with the communities. After the field inspection and negotiation with the communities (such as price, quality & quantity), if the deal is successful, mutual agreement is done, the goods are then supplied (with proper logistic arrangement including permit from sales tax department) to the location preferred by the buyer. The database of the buyers are maintained both at the PSU and DST level. Through this B2B process, the project has been able to market about 86 ton of agro-horticulture products in 2013 benefiting 1606 households from 37 project villages (table below) earning about INR 1.8 million (USD 30 000). This process of market linkage with private sector enabled the communities to have assured market with remunerative price.

S.No.	Name of the Product	State	District	Market Area	Quantity (In ton)	Approx. Amount	Household Benefited/Villages
1	Pears	Meghalaya	West Garo Hills	Tura	18	72000.00	250/5
2	Ginger	Assam	Karbi Anglong	Hamren	15	6,00,000.00	315/7

			Dima Hasao	Haflong	21	8,40,000.00	360/9
3	Turmeric	Assam	Karbi Anglong	Hamren	12	1,20,000.00	216/5
			Dima Hasao	Haflong	9	90,000.00	135/3
4	Cabbage	Manipur	Senapati	Imphal & Mao Gate	3	15,000.00	120/3
5	Squash				3	21,000.00	120/3
6	Banana				5	50,000.00	90/2
Total					86	18,08,000.00	1606/37

(c) Engaging Community Institutions built in Phase I for project services in Phase II

One of the interesting innovations of the project is engaging the community institutions built during Phase I for project services in its Phase II. Out of the total 35 partner NGOs working with the project in the six (6) districts currently, nine (9) are cluster associations/federations of the NaRMGs formed during its first phase of the project.

Sustaining long term interventions, especially in developmental activities requires a strong and robust institutional arrangement. Therefore, these NaRMGs were formed at the village level with inclusive and democratic planning and implementing body consisting of one male and one female from each household to look after the overall socio-economic development of the village.

The NaRMGs at the village level were provided trainings on group management, financial management, and entrepreneurship development, performance assessment and grading, preparation of the annual work plan and budget, knowledge on linkages and convergence with government line departments and other developmental agencies. The NaRMGs at the village level were encouraged to associate at the cluster level based on the geographical locations of 15 to 30 NaRMGs for stronger coalitions, linkages, collective ventures and take up matters beyond individual units. These associations were later registered under the State Society Registration Act, thereby becoming legal entities. These cluster associations were expected basic services for the NaRMGs to sustain long term interventions. Once the Cluster Associations mature up, they can act like as pressure group in line with the NGOs in the area to bring overall development.

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

- The youths can be encouraged and motivated to take up various sustainable initiatives as they are the future. With support from the village authorities, projects and also by the government, they can change the face of an underdeveloped village to a prospering village.
- With the ongoing technology revolution and the world becoming smaller through internet, the concept of commerce through web is simple and easy, with just a click of the mouse, entire information is available.

The CBOs established by the project are trained and well capacitated in development initiatives. They can carry forward the task to lead and sustain the developmental changes brought about by the projects and work for their own people. Established CBOs should be encouraged to partner with project activities.

Appendix 8: Progress against Previous Mission Recommendations.

Action area	Agreed action	Responsibility	Agreed date	Action taken in full details	Action taken date
Overall assessment of project implementation	Continue meeting with district officers of line departments around convergence under the auspices of the Chairman of District Societies	DSTs & PSU	31 st Oct 2013 & ongoing	<p>Discussions with concerned line departments on convergence have been held by the Chairman of the District Societies across the six project districts during the district Board of Management Meetings.</p> <p>In some districts, the project has submitted proposals under BRGF, MGNREGA, agriculture, etc to strengthen convergence</p> <p>Recently the Ministry of Rural Development, Government of India had in principal agreed to adopt the NaRM-G model across the country.</p> <p>The Secretary NEC and Chairman of NERCORMP had also written to the state governments on the matter.</p>	July 2013
	Review inter-household variations in use of revolving fund and social sector investments and initiate steps to correct the situation	DSTs & PSU	31 st July 2013	<p>Re-identification of the target HH especially in SHG has been initiated by revisiting PRA (Wealth Ranking)</p> <p>Verified the numbers of SHG members and have encouraged the left out members to avail loans.</p> <p>Meetings have been conducted with the partner NGOs and Community members and facilitated for equal sharing of RF by each HH. Disbursement of revolving fund is also made as per the number of members in each SHG.</p> <p>In case the of social sector investment, the benefit is shared by each household equally and preference is being given to the poorest households for low cost latrines. In totality the Social sector activities are targeted to benefit the entire villagers.</p>	July 2013
Capacity building of institutions and participating agencies	Continue PNGO services through revised ToRs and remuneration to include technical service provision	PSU	30 th Sep 2013	Received concurrence/approval from DEA and IFAD. Accordingly Revised ToRs have been incorporated.	
	Form additional SHGs with leftover households after ascertaining reasons for their exclusion	PSU	30 th Sep 2013 & ongoing	The project has formed 81 new SHG across three districts of West Khasi hills, West Garo hills and Senapati as recommended.	July, 2013

Economic Livelihood Activities	Arrange exposure visits for community leader, concerned PNGO and project personnel to successful INRM-based livelihood projects with strong convergence and prepare CRMPs in 5 pilot villages in each project district following INRM principles through PRAs and initiate implementation of new plans	PSU & DSTs	30 th June 2013	The project has initiated five INRM based livelihood projects in each district. Preparation of CRMPs in the INRM plots have been done and trainings and exposures are currently being carried out. As some districts have budgeted trainings and exposures for the 3 rd quarter, the same will be carried out then. The project district in Karbi Anglong is planning an exposure trip to Sikkim for its project personnel and community representative on INRM and eco-tourism.	June, 2013
	Take up productivity enhancement pilots for paddy and maize in 5 villages in each district	PSU & DSTs	30 th June 2013	The project districts have conducted training programmes on productivity enhancement of rice and maize with the support of KVKs. In some districts the identified villages have been provided with HYV seeds and in some districts about 5 hect. on SRI have been promoted.	June 2013
	Develop and implement a strategy to identify and train community resource persons (CRPs) in agriculture and livestock sectors.	PSU & DSTs	30 th September 2013	<p>The project has identified 35 Community Resource Persons (CRPs) in each district for the following sectors:</p> <ol style="list-style-type: none"> 1. Livestock & fisheries – 6 persons 2. Biodiversity & forest development – 4 persons 3. Agri & horti development – 6 persons 4. Micro credit, book keeping, accounting & bank linkages – 5 persons 5. Organisation management for SHGs, NaRM-Gs, empowerment of women & youth – 5 persons 6. Non-farm sector for value addition & marketing – 5 persons 7. Infrastructure development & construction – 4 persons <p>The project is in the process of identifying resource agencies within the region to further capacitate the CRPs.</p>	
	Finalise and roll out strategy for youth participation in project activities	PSU & DSTs	30 th June 2013	The project has finalized a strategy for youth participation in project activities. Across the project districts, the youth have been participating in NaRM-G meetings and involved in maintaining the books of records for both the SHGs and NaRM-Gs. The project is also encouraging the formation of youth SHGs and involving them in skill development trainings.	Ongoing
Revolving fund and micro credit	Compile CBO level RF disbursement in all districts and analyse patters of disbursement and usage; revise RF guidelines to ensure inter-household equity and some commonality across districts before further disbursement. Send revised guidelines to IFAD for comments	PSU	31 st July 2013	Compilation of CBO on RF and analysis of the same has been carried out. All districts have been asked to follow the revised guidelines which ensures equitable disbursement of revolving fund based on number of members and not on number of SHGs per se.	July 2013

	Operationalise MIS related to SHGs and NaRMGs, pending which conduct a sample review of institutional and financial performance of SHGs and NaRMGs	PSU & DSTs	31 st July 2013	The MIS has been operationalised project districts have entered both SHG and NaRM-G data in the MIS and now analysis for the same is being carried out on a quarterly basis.	Ongoing
Social Sector Development	Identify water scarce villages through field surveys and provide them SDW facilities, including roof water harvesting facilities	PSU & DSTs	30 th June 2013 & ongoing	As per village PRA and community perspective plans, water scarcity villages have been identified and accordingly the provision will be made subsequently in the village Annual Work Plans and Budgets (AWPBs).	On going
	Ensure that LCL are provided to households that do not have these seeking enhanced community contributions, if needed	PSU & DSTs	30 th June 2013 & ongoing	LCL is an ongoing activity which will be provided to all needy households in phases. Project will further strengthen convergence with the total sanitation programme/ Nirmal Bharat Abhiyan.	Ongoing
	Conduct surveys to ascertain prevalence of anemia among women in project villages and develop and implement remedial strategies	PSU & DSTs	31 st October 2013	The project in collaboration with the concerned District Medical Officers was able to ascertain the prevalence of anemia among women in the project areas. Data collected from the offices of the District Health and Medical Officers of West Khasi hills, Dima Hasao and West Garo hills. Comparatively high number of pregnant women with anemia (Hb less than 11) reported in West Khasi Hills followed by a moderate number in Dima Hasao District. Cases of severe anemia among women (both pregnant and not pregnant) are high in West Garo hills followed by West Khasi and Dima Hasao. The project is encouraging every household to establish kitchen gardens for improved access to green vegetables and through its awareness programmes on health and nutrition, the project is positive in reducing anemia especially among pregnant women. Trainings on RCH too have been carried out for project, NGO and cluster level persons.	On going
Rural infrastructures and electrification	Focus more on installation of solar powered lamps in remote villages	PSU & DSTs	30 th June 2013 & ongoing	Project has already provided solar power lamps in remote villages and further support will be provided in subsequent years. Effort is also being made to partner with state renewable energy development agencies for wider coverage.	Ongoing
	Assess the impact of roads on local economy and develop strategy for road maintenance	PSU & DSTs	30 th June 2013 & ongoing	Trainings on infrastructure development and maintenance has been carried out for all districts. The NaRM-Gs through the projects intervention have created a maintenance fund for maintenance of all infrastructures developed through the project.	Ongoing
Community based biodiversity conservation	Review project strategy on CBBC/CCA from the perspective of impact and sustainability and improve real time monitoring system with regard to sustainability and income from CCAs/ CBBC	PSU	30 th August 2013	The project has prepared and circulated to all the project districts CBBC/CCA guidelines which will inter alia cover impact and sustainability aspects. Real time monitoring including strategy for sustainable income generation from the CBBC/CCA have been incorporated in the monitoring system.	July 2013

	Develop more intensive performance tracking system (such as survival rates, income) with appropriate management plan including benefits sharing for high value/ high investment crops/ systems like cane agroforestry, afforestation and medicinal herbs	PSU	30 th September 2013	Performance tracking system on survival rate, income, etc is already in built in the monitoring system. The MIS will be able to track all the required information needed for analysis.	June 2013
	Review and update project guidelines for participatory management systems for CCAs and inputs form good practice models with emphasis on gender roles and responsibilities as well as mechanism for benefit sharing and dispute resolution	PSU	30 th October 2013	The project has prepared and circulated to all the project districts CBBC/CCA guidelines. The guideline has laid much emphasis on gender roles and responsibilities including benefit sharing mechanisms.	July 2013
	Continue to conduct legal awareness training on NRM laws, particularly forest policies and regulations of Gol/ States/ADCs for the communities, especially targeting the community leaders, with the aim to converging with existing programmes in NRM.	PSU & DSTs	30 th October 2013	The project is conducting legal awareness programs to educate the community leaders and PNGOs and create awareness on legal/ rules and regulations including convergence with existing government NRM programmes. The NaRM-G model is in the process of being replicated by the ADC's in the Khasi hills and Dima Hasao districts which will further strengthen convergence.	Ongoing
Project management performance	Conduct technical training for staff and PNGOs on continuing basis to act as master trainers	PSU	30 th June 2013 & ongoing	The project from time to time has been conducting trainings for both staff and PNGOs who can subsequently act as master trainers.	Ongoing
	Revise terms of contract of the PNGOs so as to expand their operations as master trainers for extension and technology support	PSU & DSTs	31 st June 2013	Revision in the terms of contract for the PNGOs have been done and funds have been earmarked in the AWPB 2014-15 for utilizing the PNGOs as master trainers for extension and technology support.	
	Include only the NERCORMP II activities and interventions in AWP&B revise it accordingly for the year 2013-14 and forward the same to IFAD	PSU	31 st June 2013	AWPB 2013-14 with only NERCORMP II activities has been finalized. The same has been forwarded to IFAD.	June 2013
	Prepare cumulative Project Progress Reports on continuing basis containing physical and	PSU	30 th June 2013 &	Cumulative project progress report including physical and financial achievements on component and sub component basis has been prepared and will be updated from time to time.	On going

	financial targets and achievements by activity sub component and component as part of Annual Progress Report		ongoing		
Monitoring & Evaluation	Review and simplify all M&E formats for effective data collection and compilation and review all M&E reports before these are sent out	PSU & DSTs	31 st Aug 2013	Action has been taken to simplify the M&E formats by reducing the number of registers at the community level	July 2013
Effectiveness of targeting approach	Identify C&D category households not in NaRMGs and SHGs analyse reasons for exclusion and facilitate their inclusion either in existing groups or form them into new SHGs	PSU & DSTs	31 st October 2013	The project has facilitated in the formation of 81 new SHGs who did not join the groups in the initial stage. Excluded households have now been accommodated in existing groups.	July 2013
Gender Focus	Develop CRPs (men and women) to work on gender issues and with youth, with women CRPs to support RCH and nutrition initiatives	PSU & DSTs	31 st October 2013	Five CRPs have been identified for each district to work on gender and youth issues. Health camps and training programmes have been organized in collaboration with the health department to facilitate RCH and nutrition initiatives. For the current year 14 trainings have been budgeted on health, sanitation and education programmes.	Ongoing
Financial Management	Conduct training for representatives of SHGs, NaRMGs and PNGOs in book keeping and periodic review of the books	DSTs & PSU	31 st July 2013	Refresher trainings have been carried out at DST level for the representative of CBO viz. President, Secretary, Treasurer, Accountant and Cluster Coordinator at Cluster Level approach in book keeping covering cash book, labour book, loan register, activity register & procurement rules & guidelines among others.	Ongoing
	Submit WAs more frequently or seek additional Authorised Allocation from IFAD	PSU	30 th June 2013	The project has so far not defaulted in submitting WAs on quarterly basis and request for additional authorized allocation has already been sent to DEA.	
	Ensure timely submission of internal audit reports and compliance with the observations in the report	PSU & DSTs	31 st July 2013	DSTs have been reminded to ensure timely submission of internal audit reports.	Ongoing
Sustainability	Revise exit strategy, exploring alternative scenarios and provide concrete outcome projections	PSU	31 st October 2013	The exit strategy of the project has so far gone through three revisions and further revisions will be made as and when required.	On going

Appendix 9: Mission Schedule and Persons Met

(a) Mission schedules & List of villages visited							
Date	Assam		Manipur		Meghalaya		Remarks
	Karbi Anglong	Dima Hasao	Ukhrul	Senapati	West Garo Hill	West Khasi Hill	
1-2-14	Mission arrives in Guwahati; team meeting on key areas of review; presentation by NERCORMP; discussion on project progress since the last supervision; plan for field visits; etc.						Mission, divided into 3 groups for field visits in Assam, Manipur & Meghalaya.
2-2-14	Mission arrives at Imphal (Manipur); Haflong (Assam); and Tura (Meghalaya); team meeting with respective DSTs.						
3-4-13		Field visits and interaction with communities at Gungje Pungo & Kipeilo villages	Field visits & interaction with communities at Lungtoram, Lairam Phungka and Shangpunram		Field visits & interactions with communities at Lower Baljeck Aduma & Matchinang Songma		Members of NaRMGs, SHGs & Federations from neighbouring villages attended the interaction meetings.
4-2-14	.	Field visits and interaction with communities at Namjuerang & Baujen; mission meeting with District Council	Field visits and interaction with communities at Sorbung, Punge & Sorde		Field visits and interaction with communities at Purasingga & Bandrikona		
5-2-14	Mission arrival at Hamrem; interaction with DST, Karbi Anglong.	Mission interaction with DST, Dima Hasao; departure for Hamrem.	Ramva; travel to Imphal; mission meeting with Planning Dept, Govt of Manipur & Directors of Agriculture, Horticulture, Fishery, Veterinary, etc.		Mission travels to Shillong & halt.		

6-2-14	Field visits & interactions at Birsingki, Amkachi & Amsai villages.			Field visits & interactions at Sagongbam & Ramlong villages		Field visits & interactions at Mawsynrap & Laitjynrai villages; interaction with NGOs at Nongstoin.	
7-2-14	Field visits and interactions at Narengi, Tharveso & Punja Serdihun; mission meeting with Board Members			Field Visit and interaction with community members in Khonglong II, Upper Bungte & Sadar Joute		Field Visit and interaction with community members at Mawko hlur & Mawkaton villages.	
8-2-14	Mission assembles in Shillong; team meeting and discussion with PSU of NERCORMP.						
9-13-2-14	Report writing; team meeting; data verification with PSU NERCORMP; aide memoire prepared.						
14-2-14	De-briefing with PSU, NERCORMP on aide memoire in the forenoon, which was also attended by PMs from DSTs; wrap-up meeting with Secretary, NEC & Chairman, NERCORMP in the afternoon; final review of aide memoire with PSU NERCORMP.						
15-2-14	Mission departs.						

PEOPLE MET IN THE PROJECT VILLAGES⁴

MANIPUR

Meeting with the Government line departments

SI No	Name	Designation
1.	K. Zenishing Tareo	F.I (Fishery)
2.	L.Nilakamtu Pamei	E.O (Agri)/TA & IA
3.	S. Bimolchand Sharma	AD/TA & H
4.	G.Shamu Kabui	Director, Agriculture

⁴ Only list of key people/community leaders met are mentioned. In reality, every village visited had a gathering of 100-200 people on an average including people attending from neighboring project villages.

5.	A.K.Bonojit Singh	Technical Expert SNA (IWMP)
6.	Dr Saidokhum Joute	Director, Veterinary
7.	Louis Ngasainao	Jt Director (Agril)
8.	A.S Nangina	Jt Director (Horti)
9.	N.Kulkarani Devi	Jt Director (Planning)
10.	L. Baite	MD, NERCORMP
11.	Adrian Marbaniang	Director(M&E), NERCORMP
12.	T.Vashum	Project Manager, NERCORMP, Ukhru
13.	Sukajit N	Project Manager, NERCORMP, Senapati

Persons met during visit to Senapati district

SI	Name	Designation	Group	Village	Date of meeting
1	Mrs. Karaila	Member	Nuirhiim SHG	Sagonbam	06/02/2014
2	Mrs. Kemdina	Member	Karanga SHG	Sagonbam	-
3	Mr. Psiingouning	Member	Khullakpa B NaRMG	Maram Khullen	-
4	Mr. Sagang Namba	Member	Khullakpa B NaRMG	Maram Khullen	-
5	Mr. KaraKangnamba	Village Chief	Kamlipou NaRMG	Sagonbam	-
5	Mr. Luikang Pagi	Chairman	Kamlipou NaRMG	Sagonbam	-
6	Mrs. Thonreiphi	Member	Lamkhamai SHG	New Magaimai	-
7	Mrs. Magdaline	Member	Kadoulam SHG	Ramlung	-
8	Mrs. Helen	Member	Patang SHG	Ramlung	-
9	Mrs. Esther	Member	Katailam SHG	Ramlung	-
10	Mrs. Daisy	Member	Lamkamai SHG	Kabinam	-
11	Mrs. Kemdina	Member	Kishummai SHG	Kabimnam	-
12	Mrs. Adaha	Secretary	Kaini SHG	New Makhan	-
13	Mrs. Henia	Secretary	Kajini SHG	New Makhan	-
14	Mrs. Mary	Member	Opilemai SHG	N'Tamai	-
15	Mrs. Kanga	Member	Lamryimai SHG	Kabinam	-
16	Mr. Stephen	Secretary	Ramlung NaRMG	Ramlung	-
17	Mr. Taruba	Chairman	Ragim NaRMG	New Maram	-
18	Mr. Thohrii	Secretary	N'Tamai NaRMG	N'Tamai	-
19	Mr. Raymond	Chairman	Khonglong II NaRMG	Khonglong II	07/02/2014
20	Mrs. Kachajanliu	Member	Debora SHG	Khonglong II	-
21	Mr. Vungiang	Chairman	Moltam Area NaRMG Association		-
22	Mr. Daigong	Secretary	Khonglong II NaRMG	Khonglong	-
23	Mr. Gathaorei	Chief	Khonglong II NaRMG	Khonglong II	-
24	Mr. Thoimeengvam	Village Chairman	Bungte Khullen NaRMG	Bungte Khullen	-
25	Mr. Shangneibung	Member	Bungte Khullen NaRMG	Bungte Khullen	-
26	Mr. Ningam Thamai	Member	Siangai Namkao NaRMG	Siangai Namkao	-

27	Mr. Thanglal	Member	Thangbuh NaRMG	Thangbuh	-
28	Mr. Rongsonkip	Member	Bungte Khullen NaRMG	Bungte Khullen	-
29	Mrs. Peijainei	Secretary	Chuncham SHG	Siangai Namkao	-
30	Mr. Mangten	Village Chief	Sadar Joute NaRMG	Sadar Joute	-
31	Mr. Mangcha	Member	Sadar Joute NaRMG	Sadar Joute	-
32	Mrs. Heshie	Member	Sahei SHG	Sadar Joute	-
33	Mr. Jajinchon	President	Sadar Joute NaRMG	Sadar Joute	-
34	Mrs. Thanghoikip	Chairperson	Bethlehem SHG	Sadu Chiru	-
35	Mrs. Lhakhoinu	Secretary	Pahhoi SHG	Sajal	-
36	Mr. Thoithereng	Secretary	Sadu Chiru NaRMG	Sadu Chiru	-
37	Mrs. Hoichong	Member	Joujam SHG	Sadar Joute	-
38	Mrs. Hevom	Member	Sahei SHG	Sadar Joute	-
39	Mrs. Hatnu	Member	Sahei SHG	Sadar Joute	-

Persons interested during JRM visit at Ukhurul District

Sl.	Name	Sex	NaRM-G/SHG/CA/Fed	Village
02-03-2014				
1	Wungpam Siro	M	Chairman, Cluster Association	Chongdan
2	C. Hangmila	F	SHG Member	Lungtoram
3	C. Ramthing	M	Accountant, Hornei NaRM-G	Lungtoram
4	S. Lungrei	M	NaRM-G Member	Lungtoram
5	C. Shemshem	F	Youth Member	Lungtoram
6	Ningthar	M	Secretary, Mthuk NaRM-G	Lairam Phungka
7	KS. Merinah	F	SHG Member	Lairam Phungka
8	S. Leishichon	F	SHG Member	Lairam Phungka
02-04-2014				
1	Pheobi Jajo	F	Chairperson, SHG V. Fed.	Sorbung
2	Wilson Awungshi	M	Secretary, Samyei NaRM-G	Sorbung
3	A.S. Reisang	M	Headman	Sorbung
4	M.S. Mayonmi	M	Village Mantri	Sorbung
5	S. Zingthanla	F	SHG Member	Punge
6	CT. Sophang	M	Accountant, Ngachamtham NaRM-G	Punge
7	K. Nelson	M	C.O., Ngachamtham NaRM-G	Punge

8	H. Ningtamla	F	SHG Member	Sorde
9	A. Phamila	F	SHG Member	Sorde
10	Puprangla	F	SHG Member	Sorde
11	M. Hanah	F	SHG Member	Sorde
12	C. Honreila	F	Chairperson, SHG V. Fed.	Sorde
13	A. Masanang	M	Headman	Sorde
14	A. Maymom	M	C.O., Moti NaRM-G	Sorde
02-05-2014				
1	A.S. Wungnaoyo	M	Headman	Ramva
2	Pamsing	M	C.O., Ramva N	Ramva

ASSAM - DIMA HASAO

Meeting with North Cachar Hills Autonomous Council

SI No	Name	Designation
1.	Debojeet Thaosen	CEM, NCHAC
2.	Nirmal Langthasa	EM, NCHAC
3.	John Phoithong	Vice Chairman, HaflongTown Committee
4.	H.K.Borah	Principal Secretary, North Cachar Hills District
5.	Denis Teron	EM, NCHAC
6.	Deep Joshi	IFAD Consultant
7.	K.Hrshikesh Singh	Director (Admin), NERCORMP
8.	Abhijeet Sarkar	Marketing Coordinator, NERCORMP
9.	Santala Ronglo	Project Manager, NERCORMP-Dima Hasao
10.	Sitaram Prasad Teli	IDO, NERCORMP-Dima Hasao
11.	Embhah Niangti	IA, NERCORMP-Dima Hasao
12.	Pankaj Kumar Sarma	BDO, NERCORMP-Dima Hasao
13.	Mary Hmar	PTO, NERCORMP-Dima Hasao
14.	Boichitra Hakmaosa	MA, NERCORMP-Dima Hasao
15.	Himadri Kar	AAO, NERCORMP-Dima Hasao

SI	Name	Designation	Group	Village	Date of meeting
1	Namkangbuing	Member	Dichu NaRMG	Tungje Punggo	03/02/14
2	Paukentleing	Member	Dichu NaRMG	Tungje Punggo	-
3	Heulungneing	Member	Dichu NaRMG	Tungje Punggo	-
4	Haizenteung	President	BAUS NGO	Tungje Punggo	
5	Pauringding	CC	BAUS NGO	Tungje Punggo	

6	Haireiliang	Member	IBE NaRMG	Tungje Punggo	
7	Ramchiliakbe	Member	Dichu NaRMG	Tungje Punggo	
8	Longkham	CO	IBE NaRMG	Tungje Punggo	
9	Kidimbuing Riame	President	IBE NaRMG	Tungje Punggo	
10	Paudeisapde	President	Nriame NaRMG	Tungje Punggo	
11	Keleiwangbe	Secretary	Dichu NaRMG	Tungje Punggo	
12	Ramdeijuile	Member	SHG	Tungje Punggo	
13	Tingbuale	Member	SHG	Tungje Punggo	
14	Luguangle	Secretary	SHG	Tungje Punggo	
15	Kintuangjile	Treasurer	SHG	Tungje Punggo	
16	Haireiwangbe	Member	NaRMG	Kipeilo Village	
17	Lunglikkhamle	Member	SHG	Kipeilo Village	
18	Idimle	Member	SHG	Kipeilo Village	
19	Ilungninbe	CO	Laisong Bagan NaRMG	Kipeilo Village	
20	Pungbatuile	Member	SHG	Kipeilo Village	
21	Changlakle	President	Babe SHG	Namzeurang Village	04/02/14
22	Aduale	Treasurer	Kunchu SHG	Namzeurang Village	-
23	Sarale Newme	Member	Kunchu SHG	Namzeurang Village	-
24	Paukanjinle	President	Kunchu SHG	Namzeurang Village	-
25	Luneile	Treasurer	Babe SHG	Namzeurang Village	-
26	Samsaule	Member	SHG	Namzeurang Village	-
27	Kanche	President	NaRMG	Namzeurang Village	-
28	Injieule	Secretary,	NaRMG	Namzeurang Village	-
29	Suangbe	Member	NaRMG	Namzeurang Village	-
30	Siagale	Secretary	Babe SHG	Namzeurang Village	-
31	Hoinu	President	Kimchu SHG	Namzeurang Village	-
32	Thomas	Secretary	Herua NaRMG	Namzeurang Village	-
33	Kinjeulungla Zeme	Secretary	Aronghaju SHG	Aronghaju Village	-
34	Rialuke	President	NaRMG	Aronghaju Village	-
35	Daneing Pame	Secretary	NaRMG	Aronghaju (H) village	-
36	Taning Zeme	Secretary	NaRMG	Aronghaju (ch) village	-
37	Haireiwangbe	Member	SHG	Kipeilo Village	
38	Haigukamle	Member	SHG	Kipeilo Village	
39	Hainahimba	Secretary	VG	Kipeilo Village	
40	Thomas	Secretary	Herua NaRMG	Namzeurang Village	-
41	Kinjeulungla Zeme	Secretary	Aronghaju SHG	Aronghaju Village	-
42	Rialuke	President	NaRMG	Aronghaju Village	-
43	Daneing Pame	Secretary	NaRMG	Aronghaju (H) village	-

Karbi Anglong

SI	Name	Designation	Group	Village	Date of meeting
1.	Nani Khaler	Secretary	Thrima SHG	Amsai Village	06/02/2014
2.	Susila Malang	President	Morning Glory SHG	Amsai Village	06/02/2014
3.	Jenuka Khalar	Member	Khoram SHG	Amsai Village	-
4.	Monika Khalar	President	Mahadevi SHG	Amsai Village	-
5.	Probita Mablan	Secretary	Lisadi SHG	Amsai Village	-
6.	Kisi Hukai	Secretary	Thiri SHG	Amsai Village	-
7.	Milta Hukai	President	Khumjil SHG	Amsai Village	-
8.	Lal Malang	Secretary	Sajophuli SHG	Amsai Village	-
9.	Floresa Lumphai	President	Lisadi SHG	Amsai Village	-
10.	Nason Kholar	President	Sajophuli SHG	Amsai Village	--
11.	Theresa Timungpi	Secretary	Sarawati SHG	Amsai Village	-
12.	Holinson Timung	Member	NaRMG	Birsingki Village	07/02/14
13.	Cornelius Engti	Member	NaRMG	Birsingki Village	-
14.	Elisabeth Millick	Secretary	SHG	Birsingki Village	-
15.	Dommili Beypi	Memembr	SHG	Birsingki Village	-
16.	Rani Iekthipi	Treasurer	SHG	Birsingki Village	-
17.	Irish Rattane	Secretary	Saichingri SHG		
18.	Meridian Rattane	Secretary	Iaraplang SHG		
19.	Lily Rongpipi	Treasurer	Mirteda SHG		
20.	Drenita Hansepi	President	Loitei Kimi SHG		
21.	Bina Khorai	Secretary	Loitei Kimi SHG		

MEGHALAYA

WEST KHASI HILLS

SI.No.	Name	Designation	Cluster	Village	Date
1	Eklindar	President	Rangdkhew	Mawsynrap	06/02/14
2	Oncydoris	Supervising Officer	Rangdkhew	Mawsynrap	
3	Thialdaris	Secretary	Rangdkhew	Mawsynrap	
4	Uphrasia	President	Rangdkhew	Mawsynrap	
5	Priskila	Secretary	Rangdkhew	Mawsynrap	
6	Shelwilian	Member	Rangdkhew	Mawsynrap	
7	Melin	Secretary	Rangdkhew	Mawsynrap	
8	Hadrian	Member	Rangdkhew	Mawsynrap	

9	Lahstar	Member	Rangdkhew	Mawsynrap	
10	Eklin	President	Rangdkhew	Mawsynrap	
11	Kormenskhem	Secretary	Rangdkhew	Mawsynrap	
12	Lokstar	Member	Rangdkhew	Mawsynrap	

Sl.No.	Name	Designation	Cluster	Village	Date
1	Phildaris	President	Mawiong	Latjynrai	06/02/14
2	Merilian	Member	Mawiong	Latjynrai	--
3	Juliana	Secretary	Mawiong	Latjynrai	-
4	Joytiful	President	Mawiong	Latjynrai	-
5	Aidamerry	Member	Mawiong	Latjynrai	-
6	Willgi	Secretary	Mawiong	Latjynrai	-
7	Wilbert Thyrniang	Secretary	Mawiong	Latjynrai	-
8	Juliana Thyrniang	Member	Mawiong	Latjynrai	-
9	Albert Lyngkhai	Member	Mawiong	Latjynrai	-

Sl.No.	Name of Interreacting Person	Village	Cluster	Designation	Date
1	Kyntiew Lyngkhai	Mawkohur	Mawlangsu	President	07/02/14
2	Springlan Mawthyllup	Mawkohur	Mawlangsu	Member	-
3	Skilin Shangoi	Mawkohur	Mawlangsu	Secretary	-
4	Spirian Lyngkhai	Mawkohur	Mawlangsu	President	-
5	Spelsing Wahlang	Mawkohur	Mawlangsu	Member	-
6	Shemphrang Lyngkhai	Mawkohur	Mawlangsu	Secretary	-

Sl.No.	Name	Designation	Cluster	Village	Date
1	Bestalin Lyngkhai	Member	Mawkaton	Mawkaton	08/02/14
2	Mildress	Member	Mawkaton	Mawkaton	-
3	Evangelyn Mawlot	Secretary	Mawkaton	Mawkaton	-
4	Meristilla	Member	Mawkaton	Mawkaton	-

5	Shantidora Lyngkhoi	Member	Mawkaton	Mawkaton	-
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WEST GARO HILLS

Meeting with Government Line Departments and NGOs

SI No	Name	Designation
1	Col (Retd) T.I. Donald	Administrator, Bethany Society
2	H.K.Barua	DDM NABARD
3	B Gazi	CM, SBI
4	Dr G.B.Newar	DVO, Tura
5	David Sangma	ADC & PD, DRDA, Tura
6	Anintya G Momin	SO, Bethany Society
7	V. Chuang K Marak	SO, SEWS NGIO
8	Armith M Sangma	SO, WEDS NGO

Sl.No.	Name	Designation	Village/Group	Date
1.	Watnang Marak	Nokma	Matchinang Songma	03/02/14
2.	Tilmish M Marak	Secretary	Jarambong SHG	03/02/14
3.	Inrish Sangma	Member	NaRMG Matchinang Songma	03/02/14
4.	Rohim Ch Koch	Secretary	Hiru Zirai NaRMG	03/02/14
5.	Dristibala Koch	Member	New Matchinang Songma SHG	03/02/14
6.	Bethilla Sangma	Member	Matchsiron SHG	03/02/14
7.	Simrini Sangma	Secretary	Nochengga SHG, Lower Baljek	03/02/14
8.	Ninpa Sangma	Secretary	Balading NaRMG, Lower Baljek	03/02/14
9.	Rinna Marak	Member	Tirish SHG, Lower Baljek	03/02/14
10.	Lokkinga T Sangma	Secretary	Tigatchu NaRMG, Lower Baljek	03/02/14
11.	Morali Koch	Member	Vivbari SHG	04/02/14
12.	Ponam Barman	Member	Bandrikona SHG	04/02/14
13.	Alomoni Koch	Secretary	Bandrikona SHG	04/02/14
14.	Rosomoni Koch	President	Ulubari SHG	04/02/14
15.	Akshay Koch	Member	Novorathana NaRMG	04/02/14
16.	Minuka Koch	Secretary	Saraswati SHG	04/02/14
17.	Gironbala Koch	President	Vagyodevi SHG	04/02/14

18.	Nilima Koch	Secretary	Ulubari SHG	04/02/14
19.	Barmish Sangma	Member	Purasinga NaRMG	04/02/14
20.	Kilji Sangma	Secretary	Purasinga SHG	04/02/14
21.	Sarmilla Marak	Member	Purasinga SHG	04/02/14
22.	Tejimala Hajong	Member	Battajal SHG	04/02/14
23.	Indthimi Hajong	Secretary	Batajor NaRMG	04/02/14
24.	Pitmoni T Sangma	Treasurer	Purasinga SHG	04/02/14
25.	Rikran Marak	Member	Purasinga NaRMG	04/02/14
26.	Jenna Marak	Secretary	Rongramgre NaRMG	04/02/14
27.	Unima Hajong	Secretary	United Woman SHG	04/02/14
28.	Ristumoni Hajong	Member	Kuhipat SHG	04/02/14

Appendix 10: Audit Log

Audit 2010-11 to 2011-12

Table of Summary of Audit Observations

Financial Year	Audit observations as per Audit Report		Audit observations Settled		Audit observations Outstanding	
	Numbers	Value	Numbers	Value	Numbers	Value
		(INR)		(INR)		(INR)
2010-11	55		55		Nil	Nil
2011-12	46		46		Nil	Nil
2012-13	28		28		Nil	Nil
2013-14						
2014-15						
2015-16						
2016-17						

LOG OF AUDIT OBSERVATIONS/PARAS

SI No.	Financial Year	Class: Serious/ General	AUDIT OBSERVATION	Total Amount per observation (INR)	Action taken by the project/PMU (Reply para wise)	Present status (Auditors validation result) a) Implemented/settled b) Partially Settled c) Not settled-outstanding	Total amount not settled/ Outstanding (INR)
1	2	3	5	6	7	8	9
			WGHCRMS, West Garo Hills - Meghalaya				
			NaRM-G Audit Observation – (in case of some NaRMGs)				
1	2012-13	General	i) Casting mistake in Cash Book.		The casting mistakes have been rectified during the course of	settled	

					audit and further book keeping training are being provided to the groups.		
2	2012-13	General	ii) Group contribution is not sufficient to meet the administrative expenses of the group.		Groups have been trained to keep their administrative expenses lower than their group earnings. The groups have also been asked to make up the excess administrative expenses from their contribution.	settled	
			KCRMS, West Khasi Hills - Meghalaya				
			NaRM-G Audit Observation – (in case of some NaRMGs)				
3	2012-13	General	i) Books of Account are maintained in local language.		AS most the community members did not know english, the books were maintained in local language.	settled	
4	2012-13	General	ii) Maintenance of books of account needs improvement.		Regular practical training will be provided on book keeping.	settled	
5	2012-13	General	iii) Vouchers for various payments are not in proper form.		Due to regional constrain & since no registered firm is available in the district, the NaRM-G generally purchase goods from local market or with in the village (in case of agri horti products), where it is not possible to get printed vouchers.	settled	
6	2012-13	General	iv) Cash in hand appears to be too high.		Due to many bank holidays at the financial year end which was not know to the groups members, could not deposit cash on time.	settled	
			NCHCRMS, Dima Hasao- Assam				
			NaRM-G Audit Observation – (in case of some NaRMGs)				
7	2012-13	General	i) Voucher for various payment not in proper form.		Due to regional constrain & since no registered firm is available in the district, the NaRM-G generally purchase goods from local market or with in the village (in case of agri horti products), where it is not possible to get printed vouchers. Since most of the local / village does not do	Settled	

					business regularly they issue money receipts in plain paper which generally certified by the NaRM-G President & Secretary. The district support team have been giving trainings & directives to all the concern group to take necessary action. They are organised to purchase goods from the registered firm.		
8	2012-13	General	ii) Procedure of implementation for civil works not followed. (Hegolo Village)		Regarding the observation the Project Manager conducted a joint meeting with the NaRM-G, NGO Rep. & DST Staff on 18th March 2013 at DST office. During the meeting the NaRM-G & the NGO's agreed to take up necessary rectification and ensure to follow the technical guidelines provided by the Project Technical office.	settled	
			KACRMS, Karbi Anglong - Assam				
9	2012-13	General	i) The Society have not accounted following interest credited by Banks in saving banks Account.		The Interest credited by Banks in our Saving bank account have already been recorded in our books in the month of June'13	settled	
10	2012-13	General	ii) The Society have not accounted Bank charges amounting to Rs. 2784. debited by banks in Saving banks account. This has resultant to over statement of current year profit by Rs. 2784		The Bank Charges debited by Banks from the Society account have been debited in the Society books in the month of June'13	settled	
11	2012-13	General	iii) There are old outstanding advances in the name of Mani Kanta Ray Rs. 50,000 and P Debnath Rs.71,000 which are not releasable and required provisioning.		This amount has already been adjusted in the month of June'13	settled	
12	2012-13	General	iv) Un cleared cheques lying in the bank reconciliation which required proper adjustment		The un cleared cheques will be reissued to the concerned beneficiaries as all the cheque validity had expired within June'13	settled	
13	2012-13	General	v) It was observed that Rs. 62,68, 761 was released to Tribal Area Chingthur Asong (TACA) during the year 2011-12		The amount of fund lying with TACA will be utilized within September'13	settled	

			out of which Rs.16,70,418 is still utilized. Timely utilization of fund is must in such sponsored scheme.				
14	2012-13	General	vi) It is observed that ETDS return was not submitted in time		The amount was submitted during the month of march'13 but the ETDS received has not come except bank receipts.	settled	
15	2012-13	General	vii) Vat TDS not deposited in time		It was discussed and will be rectified.	settled	
			NaRM-G Audit Observation – (in case of some NaRMGs)				
16	2012-13	General	i) Fixed Assets Register not maintained by NaRMGs.		Though the Project had introduced the Asset register they were not able to maintain properly, now the DST re visit the cases and trained to follow up the same.	settled	
17	2012-13	General	ii) Certain Vouchers are supported by Kutchas Vouchers.		Due to regional constrain obtaining pucca bill might not be always possible .Now the DST emphasized to maintained Pucca bills, if not community endorsement to be maintain/obtained in the vouchers.	settled	
18	2012-13	General	iii) Quotation are not taken for purchase s more than Rs. 15,000.		Only in same cases Quotation were not found, and in others cases quotation were obtained but un able to produce during the time of Audit. Now the DST further has taken up necessary steps to follow the procurement procedure through training to the NaRMGS/ CBOs.	Settled	
			SEDCORMS, Senapati -Manipur				
			NaRM-G Audit Observation – (in case of some NaRMGs)				
19	2012-13	General	i) The practice of maintaining katcha/internal vouchers to be minimised to the extent possible.		A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2013-14.(I,e, by 10th.October, 2013)	settled	

20	2012-13	General	ii) Maintenance of books of account need improvement. And Vouchers for various payments are not in proper form.		A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2013-14.(I,e, by 10th.October, 2013)	settled	
21	2012-13	General	iii) Overwritings in the cash book to be avoided		A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2013-14.(I,e, by 10th.October, 2013)	settled	
22	2012-13	General	iv) Cash in hand above the limit should be deposited into bank accounts		A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2013-14.(I,e, by 10th.October, 2013)	settled	
			UDCRMS, Ukhrul - Manipur				
	2012-13		NaRM-G Audit Observation – (in case of some NaRMGs)				
23	2012-13	General	i) Members contribution and interest income were not adequate to meet the administrative expenses		Project advised NaRM-G to judiciously use their contributions, savings and other income like IGA interest for administrative expenses. The said matter has been apprised to communities during review meeting.	settled	
24	2012-13	General	ii) Loan Register has not been maintained properly. Loan disbursement and repayment thereof during the year has not fully recorded in the Loan Register. Balance confirmation certificate from the borrowers were not obtained.		This observation appeared due to frequent change of office bearers. The matter has been apprised to the parter NGOs and training on accounts has planned during 2nd quarter.	settled	
25	2012-13	General	iii) Outstanding loan amount was not recovered during the year.		Apprised the groups to cover all outstaing amount during the current financial year.	settled	
26	2012-13	General	iv) Maintenance of Books of Accounts need improvement. Vouchers for various payments are not in proper format.		The matter has been appraised to the partner NGOs and training on book keeping & accounts has plan during 2nd quarter.	settled	
27	2012-13	General	v) Community contribution towards project activites by way of free labour was nil during the financial year.		a) Groups which have no community based activities has not reflected community contribution. (b) In case of some NaRM-Gs	settled	

					there is community contribution but they failed to reflect it in the Cash Book and relevant record. This matter will be addressed in the upcoming training.		
28	2012-13	General	vi) During the course of audit it was observed that cash balance is high.		a) Closing cash balance are mainly of Revolving fund. As per the general practice, NaRM-G close there loan A/c at the end of the financial year and deposit the same amount in the respective bank account to ensure proper repayment. Unfortunately in the current year many NaRM-G could not deposit the amount that they have collect for revolving fund because of to many holidays with bank at the end of the financial year. (b) Closing cash balance of some groups are from members contribution for CFC and other community based projects		

SI No.	Financial Year	Class: Serious/ General	AUDIT OBSERVATION	Total Amount per observation (INR)	Action taken by the project/PMU (Reply para wise)	Present status (Auditors validation result) a) Implemented/set tled b) Partially Settled c) Not settled-outstanding	Total amount not settled/ Outstan ding (INR)
1	2	3	5	6	7	8	9
			WGHRMS, West Garo Hills - Meghalaya				
			NaRM-G Audit Observation – (in case of some NaRMGs)				
1	2011-12	General	i) Casting mistake in Cash Book.		The casting mistakes have been rectified during the course of audit and further book keeping training are being provided to	settled	

					the groups.		
2	2011-12	General	ii) Group contribution is not sufficient to meet the administrative expenses of the group.		Groups have been trained to keep their administrative expenses lower than their group earnings. The groups have also been asked to make up the excess administrative expenses from their contribution.	settled	
			KCRMS, West Khasi Hills - Meghalaya				
			NaRM-G Audit Observation – (in case of some NaRMGs)				
3	2011-12	General	i) Books of Accounts were not inked and vetted by a competent authority.		a) Instruction has been given to all CBOs through NGO staff at DST co-ordination meeting to rectify the errors made during F Y 2011-2012. b) Training will be conducted in all cluster on Finance and Accounts on due course of time.	settled	
4	2011-12	General	ii) Various payment vouchers were not in proper form or not produced for verification.		a) Instruction has been given to all CBOs through NGO staff at DST co-ordination meeting to rectify the errors made during F Y 2011-2012. b) Training will be conducted in all cluster on Finance and Accounts on due course of time.	settled	
5	2011-12	General	iii) Attendance Register of meeting was not available for verification.		a) Instruction has been given to all CBOs through NGO staff at DST co-ordination meeting to rectify the errors made during F Y 2011-2012. b) Training will be conducted in all cluster on Finance and Accounts on due course of time.	settled	

6	2011-12	General	iv) Some of the books of Accounts not produce for verification.		a) Instruction has been given to all CBOs through NGO staff at DST co-ordination meeting to rectify the errors made during F Y 2011-2012. b) Training will be conducted in all cluster on Finance and Accounts on due course of time.	settled	
7	2011-12	General	v) Some NaRM-Gs are retaining high amount of Cash in hand.		Instruction has been given for not to keep high amount of cash in hand in future.	settled	
8	2011-12	General	vi) Acknowledgement of receipts of payments was not in some cases in labour register.		Instruction has been given for acknowledgement of receipts of every payments made in labour register	settled	
			NCHCRMS, Dima Hasao- Assam				
			NaRM-G Audit Observation – (in case of some NaRMGs)				
9	2011-12	General	i) Fixed Assets Register is not maintained by NaRM-Gs.		As per the direction from Regional Society a "Activity Register" has been introduced. The activity register covers the information like total cost, community contribution, detail beneficiary etc and the same will be with community groups.	settled	
			KACRMS, Karbi Anglong - Assam				
10	2011-12	General	i) As we could gather from the interactions we had with the Villagers on our visit to them there was delay in releasing the fund to the beneficiary and some of the cheques Issued did not reach the beneficiaries. We have also came across during our Audit that a sum of Rs. 24,00,000/- (i.e Rs. 12000.00 x 200 cheques) were issued for SHG Revolving Fund as Handholding Activities that was kept as Cheque in Transit as on 31/03/2011, but the same cheques were not cleared as on 31-03-2012 .		Out of the 200 cheques of Rs. 12,000/- each issued to SHG in the year 2010-11 as handholding Revolving fund only 5 groups presented their cheque in bank of credit. The balance 195 groups requested for cancellation of their cheque and transfer directly in ICA A/c (Apex micro finance institution) as their contribution of seed money. The group requested from direct transfer of their seeds money from district office to avoid delay and extra bank charge on transfer of money from other bank. The request came in	settled	

					written in the back of cheque issued from DS to groups after 31st March 2011 and so same reflected in the 2011-12 Receipt & Payment A/c of DS along with release to ICA.		
11	2011-12	General	ii) During the course of our Audit we came across that an amount of Rs. 45,40,000.00 was released to Ingjimarli Chingthur Asong (ICA), Karbi Anglong as Grant. But the sanctioned amount for the same was Rs. 22,00,000.00 as per Annual Work Plan and Budget (AWPB) for the year 2011 -2012. It appears that there was huge diversion of fund and no proper clarification was given.		-----Do-----. The excess amount is the cancel cheque of last year (F Y 2010-11) fresh cheque has be issued in the name of ICA.	settled	
12	2011-12	General	iii) An amount of Rs. 62,68,761.00 was released to Tribal Area Chingthur Asong (TACA) during the year 2011- 2012. As per the Certificate issued by the Registrar of Societies the date of Registration of the TACA was 9th April'2012.		TACA is the cluster formed by all aloevera famers under KACRMS to look after the Alovera Processing Unit at Hamren and fund related to alovera activities has been released to TACA as per DS staff meeting decision. As the registration of the cluster takes time and plantation of aloevera has specific season, money has been released to TACA from DS before completion of registration process but after signing an MoU. The TACA was registered on 9th of April 2012 although the application for registration was submitted in February 2012.	settled	

13	2011-12	General	iv) During our Audit of DST we came across and amount of Rs. 58,696.00 and Rs. 30,000.00 was paid to Tarongpi Enterprise for which no money receipt were produced for verification.		Money receipts of the same has been collected & is available for verification	settled	
14	2011-12	General	v) An amount of Rs. 1,83,350.00 & Rs. 1,51,700.00 were paid to a particular employee as advance on 28/09/2011 for which no proper clarification was given to us.		The amount budgeted under "Demonstration & Technology Transfer" has been released to NRMO for implementation/establishment of Demo plot in different project villages. The advance has been released only to the related sector head in DS, NRMO in absent of PTO (post was vacant that time), to facilitate timely implementation of the seasonal activity, purchase of improved material in single lot for different groups to avail competitive price.	settled	
15	2011-12	General	vi) As observed by us actual utilizations of funds given to Individual beneficiaries need to be closely monitored. We have come across cases where money was paid for which simple money receipts were provided.		Monitoring system including Internal Audit is in place for verification of fund utilisation. As the Project villages are in remote areas proper / "PAKKA receipts" will be difficult to get and so NaRM-Gs are maintaining "Kaccha" vouchers only. But the matter have been discussed & NaRM-Gs are printing money receipt books & letter head etc. to make the transactions more Authentic.	settled	
			NaRM-G Audit Observation – (in case of some NaRMGs)				
16	2011-12	General	i) Loan above Rs 5000 are not supported by revenue ticket.		AS the project villages are in remote areas, post offices are very far. But, the matter has been discussed at community level & DST will facilitate to make it available.	settled	

17	2011-12	General	ii) NaRM G was maintaining huge cash balance in hand. Excess cash in hand to be deposited in bank.		Though there is an excess cash balance with the CBOs in sometime, the same has been utilised in the subsequent months and rest were duly deposited in the banks. Due to long distance of villages from bank many a times excess cash in hand not deposited in bank every week.	settled	
18	2011-12	General	iii) Loan recovery is not regular in most of the cases.		The matter has been discussed in DST & NGO meeting and refresher trainings on financial managements will be provided.	settled	
19	2011-12	General	iv) Opening Cheque in Transit of Rs. 12000/- is yet to be credited in Bank A/c.		The cheque has been issued to ICA, Apex of SHGs as their seed funds. The same was cancelled later on and issued fresh cheque as the group did not presented it in bank within valid time frame.	settled	
20	2011-12	General	v) Books & Vouchers are not properly maintained.		The matter has been discussed in DST & NGO meeting and refresher training will be provided to the groups on book maintenance and vouchers.	settled	
21	2011-12	General	vi) Bank pass book not updated.		Due to some technical difficulties from the bankers side some of the bank pass books were not updated before audit. It is being updated and available for verification.	settled	
22	2011-12	General	vii) Audit Report of last year was not presented for verification.		Some SHGs did not turn up for audit in the last financial year (2010-11) and so only internal audit report is available for these groups.	settled	
23	2011-12	General	viii) Most of the supporting registers and vouchers were not available.		The matter has been discussed in DST & NGO meeting and refresher trainings on financial managements, record maintenance will be provided.	settled	

24	2011-12	General	ix) Due to non-maintenance of stock register opening/closing stock could not be ascertained.		The matter has been discussed with BDO-KACRMS, & training provided to the groups on maintenance of stock register along with other book keeping training.	settled	
25	2011-12	General	x) As the entity was not audited last year , balance is adjusted with general fund.		Some SHGs did not turn up for audit in the last financial year (2010-11) and so only internal audit report is available for these groups.	settled	
26	2011-12	General	xi) List of Beneficiaries for Below Poverty Line was not available.		The List of BPL families are not available in NaRM-G level, it is being maintained by DST. The same is available for verification in DS office.	settled	
27	2011-12	General	xii) During the course of our audit we found that no proper quotation were found while purchasing aloe vera plants and bee keeping equipment and also open bid was not called for on purchase of above Rs.100000.00. And also payment were made in cash on above Rs.20000.00.		The community groups are following the community procurement procedure which is agreed by IFAD and it simplified the process for communities to maintain where no open bid or quotation required. The community members selected in group meeting will collect rate/ price for required item, recorded in plain paper and compare to take purchase decision.	settled	
28	2011-12	General	xiii) Huge amount of grant still to be utilized.		The matter has been discussed in DS level meeting with NGO and decided to facilitate/guide community groups in timely utilisation of unutilised fund with groups.	settled	
29	2011-12	General	xiv) Out of 16 Clusters loan was provided was to 5 clusters only.		The grant released to the groups based on performance. The other clusters will be provided training to build their capacity before release of fund.	settled	
30	2011-12	General	xv) During the year ICA has provided as advance of Rs 144200 to DST for conducting SHG mela. Out of which Rs. 36,860 is still lying as advanced to DST.		The advance has been settled in due course after completion of the activity.	settled	

			SEDCORMS, Senapati -Manipur				
			NaRM-G Audit Observation – (in case of some NaRMGs)				
31	2011-12	General	i) The practice of maintaining katcha/internal vouchers to be minimised to the extent possible.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided.	settled	
32	2011-12	General	ii) Maintenance of books of account need improvement. And Vouchers for various payments are not in proper form.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided.	settled	
33	2011-12	General	iii) Overwriting in the cash book to be avoided.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided.	settled	
34	2011-12	General	iv) Vouchers are not produce for verifications.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided to the groups on importance of producing registers at the time of audit.	settled	
35	2011-12	General	v) Discrepancy of Rs.322/- in the Bank opening balance as per records which need to be reconcile/adjusted in future.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and facilitate for correction.	settled	
36	2011-12	General	vi) Community contribution register not produce for verification.		The matter has been discussed in DS level meeting with NGOs and through Checking and verification will be conducted during Internal Audit and training will be provided.	settled	

37	2011-12	General	vii) Discrepancy of Rs.60,360/- in the Opening balance of DD in transit as per records which remains unadjusted ,need to be reconcile/adjusted in future.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and facilitate for correction/reconciliation.	settled	
38	2011-12	General	viii) Bank transactions not properly recorded in the cash book.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided.	settled	
39	2011-12	General	ix) Bank Pass Book not updated for verification.		The matter has been discussed in DS level meeting with NGOs & thorough checking & verification will be conducted during Internal Audit & training will be provided.	settled	
40	2011-12	General	x) Loan disbursement and recovery register not produced for verification.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided to the groups on importance of producing registers at the time of audit.	settled	
41	2011-12	General	xi) Ledger was not maintained.		The matter has been discussed in DS level meeting with NGOs and thorough Checking and verification will be conducted during Internal Audit and training will be provided.	settled	
			UDCRMS, Ukhrul - Manipur				
			NaRM-G Audit Observation – (in case of some NaRMGs)				
42	2011-12	General	i) Members Contribution and Interest Income were not adequate to meet the administrative expenses.		Project Advised NaRM-Gs to judiciously used their contribution, saving & other income like IGA interest for administrative Exps. The said matter has been appraised to the community during review meeting	settled	

43	2011-12	General	ii) Loan Register has not been maintained properly. Loans disbursed and repayment thereof during the year has not fully recorded in the Loan Register. Balance confirmation.		we appraised them to write loan book properly and formulate balance loan confirmation system	settled	
44	2011-12	General	iii) Necessary supporting like Registration Certificate etc. for the Bolero Pick-up Van Rs 9 Lakh were not made available to us for verification.		Two Bolero pick up were procured by the Cluster Ass.. Rs. 4,50,000/- each were supported to two CA under Table X through UDANCA. The remaining (Shortage) amount were contributed by the CA & Apex. The ownership of said vehicle lies with the beneficiaries of those two CA and not with the Apex.	settled	
45	2011-12	General	iv) Maintenance of books of account need improvement. Voucher for various Payments are not in proper form.		a)Giving Book & Accountancy Training b)Appraised NaRMG to collect genuine voucher all expense except village level purchase(where it is not possible to issue voucher/ receipt.	settled	
46	2011-12	General	v) Loan Register was not available for verification.		we appraised them to bring loan book at the time of audit	settled	

Sl No.	Financial Year	Class: Serious/General	AUDIT OBSERVATION	Total Amount per observation (INR)	Action taken by the project/PMU (Reply para wise)	Present status (Auditors validation result) a) Implemented/settled b) Partially Settled c) Not settled outstanding	Total amount not settled/ Outstanding (INR)
1	2	3	5	6	7	8	9
			WGHCRMS NaRM-G, SHG, Cluster & Federation Audit Observation – (in case of some groups)				
1	2010-11	General	i) Casting mistake in Cash Book.		i) The casting mistake have been rectified during the course of audit and further book keeping training are being provided to the group.	Settled	
2	2010-11	General	ii) Group contribution is not sufficient to meet the administrative expenses of the group.		ii) Groups have been trained to keep their administrative expenses lower than their group earnings. The groups have also been asked to make up the excess administrative expense from their contribution.	Settled	
			KCRMS NaRM-G, SHG, Cluster & Federation Audit Observation – (in case of some groups)				
3	2010-11	General	i) Books of accounts maintained in local language.		i) Training for CBO's is going on for maintenance of Books of Accounts w.e.f 2 nd August'11 till end of November'11 in every cluster.	Settled	
4	2010-11	General	ii) Maintenance of Books of accounts need improvement.		ii) Training for CBO's is going on for maintenance of Books of Accounts w.e.f 2 nd August'11 till end of November'11 in every cluster.	Settled	
5	2010-11	General	iii) Vouchers for various payments are not in proper form.		iii) Training for CBO's is going on for maintenance of Books of Accounts w.e.f 2 nd August'11 till end of November'11 in every	Settled	

					cluster.		
6	2010-11	General	iv) Books of accounts is not authenticated by competent authority.		iv) Training for CBO's is going on for maintenance of Books of Accounts w.e.f 2 nd August'11 till end of November'11 in every cluster.	Settled	
7	2010-11	General	v) No depreciation has been provided on furniture of JFAFMCS, Makhyrwat and Kyllang Development Society, Mairang.		v) Instruction has been given to rectify and to provide necessary document for depreciation of assets on next audit.	Settled	
8	2010-11	General	vi) There is difference of Rs. 12,827/- in the opening balance under the head investment in community assets as shown in the balance sheet and schedule of JFAFMCS, Makhyrwat.		vi) Instruction has been given for rectification of the community asserts register and schedule by the end of the financial year.	Settled	
			NCHCRMS, Dima Hasao District Society				
9	2010-11	General	i) As observed by us actual utilisation of funds given to individual beneficiaries needs to be closely monitored. We have come across cases where money was paid for which simple money receipts was provided.		i) The work have been monitored by DST. The DST directly transferred the fund to the Group A/c vide a/c payee cheque and the groups select the beneficiaries on priority basis and they released the amount to the individual. As per general practice the group provided the utilization certificate/monitoring report after utilization of fund (Quarterly). Since individual beneficiaries did not have any printed or proper money receipt, signed/thumb impression were collected on plain paper and countersigned by the concerned group office bearers. Therefore it is directed to the group vide	settled	

					letter No. NC/IFAD/DS-CC/N-I/2011-12/722 Dated 5.9.11 to collect actual utilisation certificate from the concern beneficiaries in the UC format provided from the District.		
			NCHCRMS, NaRM-G, SHG, Cluster & Federation Audit Observation – (in case of some groups)				
10	2010-11	General	i) As we observed no proper printed voucher was there for every NaRM-G and Cash Book & Ledger need to properly updated.		i) As per practice the fund was generally transferred to the group and all purchases was done by the group itself. Since, no registered farm/nursery is available in the district, the group generally purchased goods from local market or nearby villages, where is not possible to get printed vouchers since most of the local/village vendors does not do business regularly. To solve this problem, the district society has already taken action to set up 2 (two) nos Central nursery at New Sangbar & Lungketbau and to bring in the Line department to supply. Further the District Society also directed to the concern Cluster, Federation and NGO to take necessary action to purchase goods from the registered farm (Meeting Date 19/8/11, 20/8/11 and 5/9/11) with regards to the properly update of Cash Book & Ledger. The District Society had already organized a training programme on financial management on 24 th & 25 th August 2011	Settled	

			KACRMS, Karbi Anglong District Society				
11	2010-11	General	i) There is too much delay in releasing the fund to the beneficiary and most of the cheques issued have not been received by the beneficiary.		i) We received the fund as on last week of the year ended 2010-2011, so it was delay for releasing the fund and the beneficiaries were not received the fund in time. Although the beneficiary has received the cheque but they cannot update the bank pass book as bank has changed the old account no as per CBS norms which effects the implementation of work. Now we release the fund in time and also look this matter seriously in near future	Settled	
12	2010-11	General	ii) Fund released under Agri and Allied Sector Scheme lacks adequate documentary evidence. Funds have been released without any proof of identity of the beneficiary.		ii) Before release of Agril and allied fund, we send a copy of BPL list to NERCORMP, shillong and after approval of BPL list we disbursh the fund to BPL families accordingly. Other evidence like block level we also took for verification of beneficiaries except village headman certificate which will take immediately and continuing it in near future.	Settled	
13	2010-11	General	iii) Expenses of the society does not conform to Annual Action Plan in case of Office and running maintenance expenses, NGO motorcycle and PRA		iii) Due to quality of Motorcycle and registration including Insurance etc. we were bound to spent excess amount which we adjusted in the same table. Accordingly regarding PRA, office running expenses we spend excess amount due to price hike of the goods and adjusted the excess amount within the same table which will not affect total budgetary expenditure.	Settled	

14	2010-11	General	iv) Office rent agreement has expired on 31.03,2010 and need to be renewed.		iv) Office rent agreement was expired on 31-3-2010,after that the owner of the house was not agreed to provide us the house within the amount of Rs 6000/- (Our Budgetary amount/Month) and gave a letter to vacate the house within August, 2011. accordingly we shifted our office premises to a new building.	Settled	
15	2010-11	General	v) Report on PRA conducted at villages, Technology transfer support, Training conducted and as well as Tour report of the staff has not been properly maintained.		v) PRA, Technology transfer support, Training were conducted as well as tour report of the stuff (tour register) is now properly maintained and rectified the previous one as per norms.	Settled	
16	2010-11	General	vi) Settlement of TA claim should be made on completion of the tour and on submission of the tour report. There is a diversion in this respect.		vi) TA/DA was claimed quarterly by the staff as per the tour register and now instructed to claim monthly within the first week of preceding month, otherwise no claim can be settled if it is not submitted in time along with proper evidence (Like Monthly Tour diary etc)	Settled	
			KACRMS NaRM-G, SHG, Cluster & Federation Audit Observation – (in case of some groups)				
17	2010-11	General	i) Most of the books of accounts and vouchers of NaRM-Gs/SHGs have not been veted by appropriate authority.		i) Discussed in NaRM-G level and CBOs are practising now and moreover 70% groups have already rectified as only they need to put signature and seal.	Settled	
18	2010-11	General	ii) Most of vouchers were not available for verification.		ii) CBOs used to purchase the stationeries, meeting requirements, etc. from village shops - where it is not possible to get the memos. Now they are maintaining "KACCHA" vouchers approved by respective	Settled	

					President/Secretaries.		
19	2010-11	General	iii) Schedule of loan to members was not available for verification and as such as the opening balance of loan to members cannot be ascertained - hence it is assumed that the loan repaid is the opening balance of the loan.		iii) As there were no project support and no Audit in between 2007-08 & 2009-10. The CBOs were not maintained the books properly, - Now, Training from DST has been conducted and they will practice in proper manner	Settled	
20	2010-11	General	iv) Minute book was not available for verification.		iv) As there were no project support and no Audit in between 2007-08 & 2009-10. The CBOs were not maintained the books properly, - Now, Training from DST has been conducted and they will practice in proper manner. In some cases the office bearers have been changed and the new president or secretary unable to get the old books.	Settled	
21	2010-11	General	v) As bank loan statement was not available for verification - the opening balance of loan cannot be ascertained, hence the amount repaid to the bank has been kept in the suspense account.		v) The matter has been discussed in the cluster level and update on of bank statements are going on- it will be made available during next Audit.	Settled	
22	2010-11	General	vi) Cash book was not inked.		vi) The NaRM-G Members thought it will be easier for them. But they are now writing by pen instead of pencils as the matter and its consequences are described to them.	Settled	
23	2010-11	General	vii) The amount lying in cash is on the higher side.		vii) The same has been deposited to bank and now they are stick to the Cash Retention Limit (Rs. 10,000/-)	Settled	

24	2010-11	General	viii) The documentary evidences as regards contribution from SHG Federation was not available for verification.		viii) Money receipts counter foil are now available with ICA for verification	Settled	
25	2010-11	General	ix) The contribution by the SHG federation as seed money to ICA has not been supported by an agreement whereby the contribution will be refunded or interest will be paid on the seed money not sure.		ix) Contribution by the SHG federation as a seed money to ICA has been made with an agreement where clearly written the money will be refunded after 5 years with interest as per agreement.	Settled	
26	2010-11	General	x) Staff salary of KAKA (Association) does not tally with salary register.		x) KAKA is paying the So & CCs some amount more to meet the fuel expenses but in the register they use to write the amount approved by DST. The same will be adjusted against transportation	Settled	
			SEDCORMS, Senapati District Society				
27	2010-11	General	i) Rs. 10,000/- was given as an advance to M/s J & D Oil Agency, Senapati (Opening Balance) for POL against which no contract has been signed.		i) Contract will be signed by Sept 2011 as suggested.	Settled	
28	2010-11	General	ii) Separate Bank Ledger has not been maintained by the concern official.		ii) Separate Bank Ledger will be maintained and updated from the current financial year, 2011-12	Settled	
29	2010-11	General	iii) Rs. 15,000/- & Rs. 35,000/- was given as an advance on 28/2/11 and 24/3/11 vide cheque no. 007462 & 314780 respectively to M/s P.P. Stationeries for supply of office stationery items whereas goods received vide bill no. 276 & 357 dated. 28/3/11 & 31/3/11 respectively. Thus, advance issued without taking any irrevocable guarantee.		iii) The materials have been received fully and in the future the supplier will be approached to provide the same at the time of procurement.	Settled	

30	2010-11	General	iv) Rs. 60,000/- was paid on 31/3/11 vide cheque no. 314797 and vr. No. 169 for Organic Farming Training A/c. Again, this cheque is shown in the Bank Reconciliation Statement as on 31/3/11 as a cheque issued but not presented for payment. However, as per the pass book (and also as per the cheque issued register) this cheque was withdrawn in cash (as per self-withdrawn) on 27/4/11.		iv) Due to time constraint the said training was entrusted and conducted by N'Kidinai SHG Federation by engaging a resource person on dt.18th.-19th.Mar'11, from their own fund. Due to late release of fund from RS, the reimbursement was made and cheque issued on 31/3/11. Later, it was found that the federation had encashed the cheque on 27/4/11. This matter has been seriously viewed and the same will not be repeated in future	Settled	
31	2010-11	General	v) Generator log book has not been maintained by the concern official.		v) As suggested by Auditors the same has been initiated immediately.	Settled	
32	2010-11	General	vi) Except money receipt, no bills were found against advertisement expenses paid to newspapers. Thus, we were unable to confirm the expenditure.		vi) Bills against advertisement expenses will be collected within September 2011.	Settled	
33	2010-11	General	vii) Rs. 2,30,045/- was paid on 7/2/11 vide cheque no. 007449 and vr. No.118 to M/s Manipur Motors for purchase of 5 nos. motorcycles of NGO's against which neither bill nor delivery challan were found for verification. Again, Registration Certificate was found for only 4 motorcycle (i.e. MN-06SA-3440, 3439, 3443 & 3441). Moreover, no distribution details as well as insurance policy were found. Further, the DTO Office has asked to collect smart cards for vehicle after 2 months from registration date (i.e. 14/2/11) which has not been complied with.		vii) All the necessary documents suggested by the auditors will be collected by 30th.Sept,11. And the procedural lapses will be updated within the same time.	Settled	

34	2010-11	General	vii) Rs. 62,050/- was paid on 21/2/11 vide cheque no. 007454 and vr. No. 126 for PRA Workshop for NGO's conducted from 14th to 16th February, 2011 against which daily training attendance as well as mess attendance records were not maintained by the concern official.		vii) Training attendance are normally kept in the concern file, whereas the DSA payment details with the same list are enclosed with other vouchers to finance section. And maintaining Mess Attendance has never been introduced. As suggested, the same will be followed in future trainings.	Settled	
35	2010-11	General	viii) Rs. 11,000/- was adjusted on 9/4/10 vide vr. No. 01 to Project Manager for TA/DA to Guwahati against which no tour diary was maintained.		viii) Tour diary towards Guwahati visit by Project Manager has been submitted as per advised from Auditors.	Settled	
36	2010-11	General	<p>ix) <u>During the course of our audit, we have observed the following intra diversion:</u></p> <p>Chipralou NaRM-G under SEEDS Cluster 17,500/- Amount diverted from Low Cost Latrine to Farmers Calender</p> <p>Chithailou NaRM-G under SEEDS Cluster 17,500/- Amount diverted from Low Cost Latrine to Farmers Calender</p> <p>Souveilounii NaRM-G under SEEDS Cluster 17,500/- Amount diverted from Low Cost Latrine to Farmers Calender</p> <p>SOudoulounee NaRM-G under SEEDS Cluster 17,500/- Amount diverted from Low Cost Latrine to Farmers Calender</p> <p>Kamalong NaRM-G under IRDWA-M Cluster 37,500/- Amount diverted from Mix Plantation to Rapeseed Demo</p>		ix) A Total of Rs.1,88,330/- (One lakh eighty eight thousand three hundred and thirty) only has been released in excess of AWPB under Table-3 and Table-5. The mistake has been found during the time of preparing RO-AWPB and accordingly the excess amount reflected has been rectified in the individual NaRMGs Books of Accounts and reconciled with AWPB and RO-AWPB during the Audit. The activities has been implemented as per the changes made according to AWPB.	Settled	

			<p>Ramtinglong NaRM-G under IRDWA-M Cluster 37,500/- Amount diverted from Mix Plantation to Rapeseed Demo</p> <p>Kasuijoi NaRM-G under IRDWA-M Cluster 43,330/- Amount diverted from Mix Plantation to Piggery by Rs. 30, to Farmers Calendar by Rs. 18,300/- & to Rapeseed Demo by Rs. 25,000/-</p>				
			SEDCORMS, NaRM-G, SHG, Cluster & Federation Audit Observation – (in case of some groups)				
37	2010-11	General	i) Cash book has not been signed and certified by the concern NaRM-G		i) It has been initiated and will be completed by 30th.Sept,'11.	Settled	
38	2010-11	General	ii) No quotation was found against material purchase of low cost latrine etc.		ii) Quotations will be collected from the respective firm wherever necessary by 15th.October,2011.	Settled	
39	2010-11	General	iii) No utilisation as well as work completion certificate was found against construction of low cost latrine. Moreover no money receipt was found against		iii) Monitoring report showing the utilisation and work completion report of the NaRMG was not available at the time of Audit for verification	Settled	

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

48	2010-11	General	xii) No meeting attendance register was found for verification.		xii) A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2011-12.(I,e, by 15th.October, 2011)	Settled	
49	2010-11	General	xiii) Loan disbursement record not matching with Cash Book		xiii) A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2011-12.(I,e, by 15th.October, 2011)	Settled	
50	2010-11	General	xiv) Most of payment and expenditure not produced for verification.		xiv) A thorough Checking and verification on the observation will be conducted during Internal Audit for 2nd Qtr,2011-12.(I,e, by 15th.October, 2011)	Settled	
			UDCRMS, Ukhrul District Society				
			NaRM-G, SHG, Cluster & Federation Audit Observation – (in case of some groups)				
51	2010-11	General	i) Members contribution and other income are inadequate to meet the administrative expenses.		i) Project advised groups to judiciously used their contribution, saving and other income like IGA interest for administrative expenses.	Settled	
52	2010-11	General	ii) Community contribution towards project activities by way of free labour was nil during the year.		ii) Even though there was labour contribution from most of the groups, they failed to reflect in the register. Currently, training on Book-keeping and accounts is under way.	Settled	
53	2010-11	General	iii) loan disbursement and repayment thereof during the year has recorded in the loan register. In case of some groups, balance confirmation from borrowers were not obtained.		iii) Formulate balance loan confirmation system.	Settled	
54	2010-11	General	iv) Maintenance of books of accounts need improvement.		iv) Giving book and accountancy training	Settled	
55	2010-11	General	v) Maintenance of measurement/log book for each		v) Initiated by DST in consultation with Line	Settled	

			activities should be strengthen.		Department.		
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Appendix 11: Summary of implementation support provided by IFAD

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

Support provided by Supervision Mission

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

- **Using PVC pipes in place of masonry channels:** The Project has been using masonry channels to transport irrigation water from streams to farmers' fields. Masonry channels cost more, take more time to construct, require skilled workers, have more friction (therefore, require higher gradient to carry a given quantity of water) and are prone to damage due to normal weathering and landslides. Also, and most importantly, since open channels do not preserve the hydraulic potential (the head), one cannot take them 'up and down' to get around difficult barriers whereas a closed pipe preserves the head and in case a difficult barrier comes, one can simply take the pipe down and then up again to ensure that more area is irrigated. In fact, in one of the villages the Mission was shown an irrigation channel that had to be lowered due to a high mound ahead and as a result the irrigated area was lower; if a pipe had been used one would simply have lowered it and then raised again to get around the barrier, thereby providing irrigation to a large area of homestead land good for year round cultivation of vegetables. The Mission member explained to the team how they could use PVC pipes where ever it is possible to bury the pipes about 2 ft into the ground.
- **Sterilizing straw for oyster mushroom cultivation:** A young man in one of the project villages has taken up cultivation of oyster mushrooms using paddy straw with the help and support of the project. He is presently boils the straw to sterilise it, which uses a lot of firewood and is cumbersome. The Mission member explained that straw could be sterilised by using a combination of heaping wet straw for a couple of days and treating it with Bavistin, a commercial fungicide. Also, straw should be chosen carefully, avoiding lower parts of the plant that are close to the ground and straw from paddy that had lodged.
- **MGNREGA:** Project staff and village people did not have full knowledge about the provisions of the Act, that it is a right, is demand based, can be used to create private assets for SC, ST and small farmers, and that there is a laid out procedure for its implementation.
- **Horticulture:** The Mission member explained the need for digging larger pits (3 ft all around) for planting fruit trees and the use of more well decomposed organic matter as the growth of plants was quite poor.
- **Seed treatment:** The mission member as in the previous supervision Mission explained the technique of selecting robust seed by using brine water. The technique was explained to the farmers and the project staff.
- **Promoting C2C exchanges for cattle rearing:** Cattle rearing is not widespread in the project area though some ethnic groups do rear cattle. Cattle play an important role in hill agriculture as animal

waste is useful to regenerate soils and enhance soil fertility and structure. A reason cited by those not rearing cattle was that they lack the know-how and have the perception that cattle need a lot more care than other livestock. The Mission member explained how the project could bring about community-to-community (C2C) exchanges between ethnic groups (such as Dimasas, or those from Nepal) that rear cattle and others (such as the Zeme Nagas) that do not.

- **Gender and KM:** Mission provided implementation support to the respective coordinators to appreciate the critical areas for attention for outcomes and impacts. The mission explained how to go about it and collate the results that could be used for more effective programme management decision. The mission also helped in identifying some priority areas for outcome studies.

Appendix 12: Validated RIMS table

First Level Results	Unit	Period ending:	31.12.2011		Period ending 31.12.2012			Period ending 31.12.2013			Cumulative		
		AWP&B	Actual	% of AWPB	AWP&B	Actual	% of AWPB	AWP&B	Actual	% of AWPB	Appraisal	Actual	% of Appraisal
Total outreach													
Households receiving project services	Number	20,000	6,212	31%							20,000	20,826	104%
Groups receiving project services	Number	1,319	1,319	100%	149	149	100	121	121	100	2,000	1,589	79%
Communities receiving project services	Number	466	466	100%							400	460	115%
People receiving project services	Number	1,20,000	37,272	31%							1,20,000	1,25,172	104%
People trained in crop production and technologies	Male	300	340	113%	170	179	105.29	210	351	167	700	1,004	143%
	Female	300	321	107%	500	538	107.6	210	381	181	700	1,034	148%
People trained in livestock production and technologies	Male	120	94	78%	280	288	102.86	260	381	147	400	1,034	259%
	Female	80	37	46%	220	229	104.09	260	262	101	200	915	458%
People trained in fish production and technologies	Male	175	111	63%	55	65	118.18	75	105	140	250	758	303%
	Female	175	104	59%	20	26	130	30	40	133	250	693	277%
Saving and credit groups formed/strengthened	Number	1,319	1,319	100%	149	149	100	121	121	100	2,000	1,589	79%
Saving and credit groups with women in leadership position	Number	1,319	1,319	100%	149	149	100	121	121	100	2,000	1,589	79%
People trained in post-production, processing and marketing	Male	100	103	103%	90	96	106.67	250	302	121	270	1,770	656%
	Female	80	80	100%	180	189	105	250	326	130	270	1,794	664%
People trained in business and	Male	40	40	100%	150	152	101.33	50	58	116	225	1,526	678%

entrepreneurship skills													
	Female	40	45	113%	180	183	101.67	50	65	130	225	1,533	681%
Natural resources management groups formed/strengthened	Number	128	128	100%							400	495	124%
Staff of service providers trained	Male	75	74	99%	110	126	114.55	40	33	83			
	Female	15	13	87%	25	37	148	7	5	71			
Fish pond constructed/rehabilitated	Number	5		0%	64	30	46.88	53	32	60	169	71	42%
Households receiving animals from restocking/redistribution	Number	3,000	3,034	101%	2000	2072	103.6	10000	8811	88	18,000	17,833	99%
Active borrowers (disaggregated by gender)	Female	10,692	10,692	100%	20000	20010	100.05	20000	21182	106	20,000	51,884	259%
Value of gross loan portfolio	USD		12,07,000			1673891			2818026			56,98,917	
People in saving and credit groups formed/strengthened	Female	13,190	18,466	140%	1490	2086	140	4150	4150	100	20,000	21,182	106%
Voluntary savers (disaggregated by gender)	Female					17032			4150		20,000	21,182	106%
Value of voluntary savings	Number					15000000			4,37,585			6,75,680	
Active borrowers (disaggregated by gender)	Female					17032			4150			21,182	
Drinking water systems constructed/rehabilitated	Number	116	27	23%	143	205	143.36	194	190	98	402	511	127%
Other social infrastructure constructed/rehabilitated	Number	2,697	1,936	72%	2694	2224	82.55	3254	2271	70	14,000	7,192	51%
Roads constructed	KM	27	16	59%	36	45	124.75	63	49	78	139	130	94%
Storage facilities constructed/rehabilitated	Number	11	10	91%	27	29	107.41	24	20	83	138	59	43%

Second Level RIMS Indicators and Rating

Indicators	Rating	Means of verification
Effectiveness of productive infrastructure - Irrigation schemes	5	On the basis of the AOS, 59% of the households reported having irrigation facilities and 48% of the households are experiencing increase in irrigated area
Effectiveness of productive infrastructure - Fish ponds	4	The project has carried out several trainings on fishery which exceeded the number of target people, the project has so far supported about 42% fish ponds against the appraisal target
Likelihood of sustainability of productive infrastructure - Irrigation schemes	5	As crop yields are increasing due to increase in irrigated areas, this intervention is likely to sustain
Likelihood of sustainability of productive infrastructure - Fish ponds	4	Fishery has become an alternative livelihood practice and communities are experience increase in incomes & the activity is likely to sustain
Likelihood of sustainability of natural resources management groups formed/strengthened	5	The last JRM has rated the natural resource management groups as satisfactory.
Effectiveness: improved agricultural, livestock and fishery production	5	The last JRM has rated this component as moderately satisfactory
Likelihood of sustainability of saving and credit groups formed/strengthened	5	The last JRM has rated the saving and credit groups as satisfactory
Effectiveness: improved access of the poor to financial services	4	Due to poor banking services and law and order situation in the project districts, there is a challenge in attracting banks to open new branches and support credit. However, with the formation of credit groups and revolving funds supported by the project, the poor have easy access to credit. The project has formed apex credit institutions which are playing the role of micro credit institutions.
Sustainability: improved performance of financial institutions	4	Due to poor banking facilities, the community MFI's are providing credit support to the groups and the over performance is moderately satisfactory as reported in the First Level.
Effectiveness: producers benefiting from improved access to markets	5	The last JRM has rated the infrastructure sector as satisfactory which supports villages with rural roads. Further the AOS has reported that 67% of the households are experiencing an increase in income due to access to markets and 62% of the households have are experiencing improved physical access to markets
Likelihood of sustainability of processing facilities	5	The last JRM has rated this component as satisfactory
Effectiveness: creation of employment opportunities	5	As per the AOS, 60% of the respondents reported that project activities helped them in finding employment opportunities and 33% have 1 to 2 employees
Likelihood of sustainability of enterprises	5	About 68% of the households reported an increase in cash income as per the AOS
Effectiveness: promotion of pro-poor policies and institutions	5	As the project is built on a bottom up approach planning process, pro poor beneficiaries are identified and supported with project activities.
Effectiveness: community development	5	As the project is built on a bottom up approach planning process, pro poor beneficiaries are identified and supported with project activities.
Likelihood of sustainability of community groups formed/strengthened	5	The last JRM has rated the community institutions as satisfactory.

Likelihood of sustainability of apex organisations formed/strengthened	5	The last JRM has rated this component as satisfactory.
Likelihood of sustainability of groups managing social infrastructure formed/ strengthened	5	The last JRM has rated this component as satisfactory.
Effectiveness of social infrastructure - Drinking water systems	5	Performance under this component is rated as satisfactory as per last JRM
Effectiveness of social infrastructure - Other	5	Performance under this component is rated as satisfactory as per last JRM
Likelihood of sustainability of social infrastructure - Drinking water system	5	Performance under this component is rated as satisfactory as per last JRM
Likelihood of sustainability of social infrastructure - Other	5	Performance under this component is rated as satisfactory as per last JRM
Likelihood of sustainability of roads constructed/rehabilitated	5	Performance under this component is rated as satisfactory as per last JRM
Likelihood of sustainability of storage facilities	5	Performance under this component is rated as satisfactory as per last JRM
Likelihood of sustainability of marketing facilities	5	Performance under this component is rated as satisfactory as per last JRM
Effectiveness of natural resources management and conservation programmes	5	Performance under this component is rated as satisfactory as per last JRM