Republic of India

Livelihoods Improvement Project in the Himalayas Project Performance Assessment

Executive Summary

1. This project performance assessment (PPA) was carried out in 2014 by the Independent Office of Evaluation of IFAD (IOE) for the Livelihoods Improvement Project in the Himalayas (LIPH).
2. **Objectives.** The PPA objectives are to: (i) assess the results and impact of the project; and (ii) generate findings and recommendations for the design of new projects and the implementation of ongoing IFAD-financed projects in India.
3. **Methodology and process**. The evaluation process involved five phases: desk work; country work (including meetings with stakeholders, field visits and a wrap-up meeting with Government and IFAD staff); report drafting and peer review; receipt of comments on the draft PPA report from the Asia and the Pacific Division (APR) and the Government; and the final phase of communication and dissemination.
4. The PPA took into account the preliminary findings of the project completion report validation (PCRV), a standard desk review and issues emerging from interviews at IFAD headquarters to identify key issues and lessons learned from the implementation of LIPH for the PPA mission to focus on.
5. Country interviews with Government and relevant stakeholders, and a field visit to two Provinces (Meghalaya and Uttarakhand), contributed to the findings of the PPA. Data collection methods applied included individual and focus group interviews with beneficiaries, as well as direct observations. The PPA team also collected additional data through the project's monitoring and evaluation (M&E) system. Triangulation was applied to verify findings emerging from different information sources. Further details on the methodology can be found in annex III.
6. The PPA report considers all standard evaluation criteria used by IOE (as noted in annex V). However the report places emphasis on the selected criteria and issues that the project completion report validation identified. In this regard, the key focus of the PPA was to:
   - assess to what extent the project was successful in targeting vulnerable groups, especially households headed by women, or if the changes that the project underwent during implementation had adverse effects on its capacity to fully reach these groups;
   - identify the achievements resulting from institution-building, benefits to women (as a key target group) and access to finance and value chains;
   - based on the cost of all inputs, including an assessment on production for agreed value chain(s), provide an assessment of the household income and assets;
   - assess the success of the strategies employed to reduce women's workload/drudgery and to improve their food security and access to finance and markets;
   - verify the project's impact on poor rural households, intended and unintended beneficiaries.

7. With regard to all the standard criteria, details can be found in the main report in paragraphs 8 to 15.

8. **Limitations.** LIPH covered a vast geographical area in two non-contiguous States. Due to time and logistical challenges, the PPA team did not get to all Districts but did meet with major stakeholders in the project including at the national level. During the field trip the team visited ten Villages (in two States), noting that time and resource constraints did not allow for in-depth field-level analysis or comprehensive coverage of all local stakeholders.

9. A further and significant limitation is that this project was one loan and yet implemented as two separate projects, thus producing two Project Completion Reports and adding a further challenge to producing the PPA. This approach by IFAD and the Government added budgetary complications as funds were only sufficient for one PPA, not the two really needed.

Project context

10. Rapid growth in the past decade has made India much wealthier richer than it was at the start of the project. Gross national income more than doubled in ten years. Agriculture's share of the gross domestic product has declined to less than 15 per cent, but 60 per cent of India's population continues to depend on agriculture for its primary livelihood. At design, poverty in India was around 53 per cent (193 million people in rural areas lived below the poverty line). Poverty levels were higher in the northern and eastern States, particularly among scheduled castes and tribes. Regional inequality was rising and thus a matter of concern.

Project background

11. The Livelihoods Improvement Project in the Himalayas was designed and presented for Executive Board approval (December 2003) as one loan (Project) to operate in two distinct States (Meghalaya and Uttarakhand).

12. Total project costs at appraisal were estimated at US$84.29 million. Of this 47.4 per cent was to be financed through an IFAD loan of US$39.92 million, 11.3 per cent (US$9.49 million) from beneficiaries, 13.6 per cent (US$11.44 million) from State governments, and 27.8 per cent (US$23.44 million) from formal financial institutions. Approved allocations showed adjustments, mainly due to currency fluctuations. The actual total project cost was US$71.11 million for all financiers included.

13. The overall project goal at design was to improve the livelihoods of vulnerable groups sustainably by promoting greater livelihood opportunities and strengthening the local institutions concerned with livelihood development. The specific objectives of the project were to: (i) promote a more sensitive approach to the design and implementation of development interventions; (ii) enhance the capabilities of local people to select appropriate livelihood opportunities, access required financial resources, and manage new technologies and institutions at the village level; (iii) increase incomes through more sustainable income-generating cultivation systems and the establishment of non-farm enterprises at the micro and small-scale level; and (iv) establish effective and appropriate delivery systems for inputs and for the maintenance of assets and resources, with emphasis on microfinance, savings and thrift, and micro-insurance products, along with access to business development services that would link household-based livelihood activities with the larger economy.

14. As per the Loan Agreement, the project consisted of five components: (i) Pre-project implementation; (ii) Empowerment and capacity-building; (iii) Livelihood support systems; (iv) Livelihood enhancement development; and (v) Project management.

Project performance

Relevance

15. **Relevance of objectives**. Within the country context at the time of design, the project would have met the needs of poor rural people, as it proposed enhancing economic opportunities to close the gap that was growing wider across the country. As noted in the Country Opportunities and Strategy Papers (COSOPs) in 1999 and 2006, the objectives were consistent with the strategies and policies of Government. The objectives of LIPH were also in line with IFAD policies and strategies at the time of design. Therefore the project objectives were relevant and closely related to country needs.

16. **Relevance of design**. The project was relevant to the target group it was designed for, those below or hovering just above the poverty line. It would provide opportunities to increase production, incomes and enterprise development as well as build local-level institutions in terms of being pro-poor and effective in communicating needs and resolving local issues.

17. However, project coherence in achieving objectives was not well considered at the time of design, in particular because of the late addition of a second State (Meghalaya) to be covered in the project.

18. The mechanisms for delivery, while challenging even for Uttarakhand, were not realistic for Meghalaya. With the two States being non-contiguous the design did not specify processes to be established for cross-State coordination, planning or learning. Neither was there a systematic exchange of experience and lessons during implementation. The use of non-governmental organizations (NGOs) in Meghalaya was unrealistic as very few of them had ever worked in rural areas, let alone with the target group.

19. Important to note is that the IFAD Executive Board approved one project for which there is one Loan Agreement. However, two further legal agreements – one for each State - were drawn up and signed, outlining respective financing, implementation, roles and responsibilities. The States basically ran each location as stand-alone projects (as did IFAD) separating off budgets, contributions, supervision, M&E and reporting. However, both remained under one IFAD Loan Agreement, while duplicating everything else. Of concern in this approach is that the IFAD budgetary processes allocate by Loan for supervision /implementation support costs, including evaluation costs in IOE, thus requiring the sharing of the allocated amount between two projects and reducing the support intended per project and perhaps reducing outcomes and impact. This aspect is a significant factor in a lowering the project relevance.

Effectiveness

20. While the overall effectiveness of the project was good, critical factors challenged project teams during implementation and most likely affected outcomes. Targeting proved difficult for both teams, as reflected in the high numbers of participants outside the poorest category who benefitted most from the project.

21. Drudgery-reduction activities varied between the two project sites. Meghalaya focused mainly on improving existing water sources, increasing the availability of rice mills, reducing the time and effort required to fetch water, and shelling rice. In Uttarakhand a broader range of drudgery-reduction activities were employed to significantly free up women's time. Examples of these activities included light weight pitchers for drinking-water collection, fodder production, improved fire wood sources and a range of improve agricultural and post-harvest implements.

22. The project was effective in reaching its goal and objectives via a critical pathway that first sought to reduce drudgery for rural populations, which freed up time and energy for subsequent engagement in individual empowerment and self-help group (SHG) formation.

23. Drudgery reduction interventions have reduced the time spent by women on household chores by five hours a day, through motorized wheat threshers (reducing threshing time by 96 per cent), Napier grass production (reducing women's time spent collecting fodder by 60 per cent) and the improved water pitcher (reduced water-collection time by 30 per cent).[1]

24. The effectiveness of the light-weight water pitcher vastly exceeded the original expectations: the project 'demonstrated' this technology to just over 1,900 households; the pitcher was eventually adopted by over 12,000 households.[2] A number of SHGs and federations began selling the pitchers in surrounding areas as a commercial venture.

25. Documents and evidence from the field verify the effectiveness of SHGs in empowering individuals and groups. Three aspects of empowerment merit highlighting here: 1) attitudes toward savings; 2) awareness of support systems; and 3) decision making. Both project sites documented significant improvements in the willingness and ability of individuals, households, SHGs and federations to save and noted how fundamental this was to improving rural lives and livelihoods.

26. Demonstrations were adjudged failures based upon low replication rates. The major causes of failed demonstrations were high start-up costs coupled with insufficient return on investment as well as demonstration fatigue.

27. Both States had a challenge in the development of sustainable local institutions for enterprise development at the time of project closure. Uttarakhand benefitted from a new project which had been designed and was ready to start at that point. The same was not true for Meghalaya. Since implementation with the target group did not really get underway until year four, there was a large negative impact, especially in Meghalaya, where groups were not well enough developed for sustainable results.

28. Data indicate that a total of US$8.95 million was spent on empowerment and capacity building in the two sites from all funding sources. Considering the challenges it would appear that this allocation was insufficient given the needs, and that this forms the basis for the other components to move forward.

Efficiency

29. Expenditure by component is somewhat misleading as it shows high efficiency, with just under 10 per cent on project management costs. The percentage is so low due to the high total project costs (US$71.1 million). Pre-project costs, which covered the establishment of the implementing Units, were US$210,000.

30. The time lapse in LIPH between approval of the IFAD loan and its effectiveness was 9.6 months,[3] less than the country average for IFAD projects. In becoming fully operational, there were major delays due to staffing/contracting issues, with little having been achieved in the initial four years.

31. Around 9-10 per cent of IFAD's loan remained undisbursed in both States – savings in this instance is not an indicator of efficiency. An extension at least in Meghalaya would have considerably consolidated work with the federations and SHGs to ensure sustainability. (If Uttarakhand had not had a new project, the project would also have needed an extension).

32. Due to the delays in field implementation, expenditure was bunched in the last phase, affecting efficiency in use of resources and effectiveness of outcomes.

33. The clustering of project activities in the last years of the project also saw crowding of training programmes and meetings, leading to fatigue and redundancies.

[1] End Term Survey. Uttarakhand Livelihood Improvement Project in the Himalayas. Hypothesis-wise Monographs. Impact evaluation study. 2013.
[2] Ibid.
[3] As reported in the PCR for ULIPH.

In Uttarakhand especially, multiple demonstrations in the same villages did not make for optimal resource use, and replication of demonstrations was less than satisfactory.

34. Base-case economic internal rate of return at appraisal for both projects was 27 per cent. The base-case internal rate of return for Uttarakhand LIPH (ULIPH) was 18 per cent and for Meghalaya LIPH (MLIPH) 14 per cent. Information gathered from federations and SHGs indicates that IRR of 18 per cent for ULIPH at project closure may be an over-estimation as major economic gains were achieved only in the closing stages of the project and after.

35. Project management accounted for 11.2 per cent of total project costs in Uttarakhand and 8.6 per cent in Meghalaya. Being part of a single loan agreement, these dual costs appear comparatively high. Furthermore, no apparent benefit derived from this dual-State project, as noted earlier. While social mobilization was more or less equally successful in both States, the difficulties in converting these gains to economic benefits were under-estimated in the unique cultural setting of Meghalaya.

36. At approval it was anticipated that the project would reach a total of 72,000 households, which would have had a cost per household of US$1,170. Taking figures from the Project Completion Reports, the cost per household[4] – 42,862 households in ULIPH and 21,782 households in MLIPH – the total project cost of US$71.11 million provides an average cost per household of US$1,100 dollars per household.

Rural poverty impact

37. **Household income and assets**

Incomes. Livelihood enhancement activities, income generating-initiatives and enterprise development raised average annual household incomes in ULIPH project villages to just over US$1,367, a growth of 92 per cent between 2004 and 2013. Virtually every household had access to institutional credit facilities as compared to just 16 per cent in 2004, and 92 per cent of households had availed themselves of loans from SHGs. More than 60 per cent of households had four or more sources of income. Twenty three per cent of project households had at least one member engaged in a business enterprise. As a consequence of better and more stable incomes, there was a 51 percentage point drop in the migration level from project villages.[5]

38. In MLIPH 93 per cent of households at the start of the project had annual incomes of less than US$645; this declined to 49 per cent by the close. Among non-project households, 73 per cent still earned less than US$645. At close, project households had an average annual income of US$908; that of non-project households was US$468. The proportion of vulnerable and "very poor" households (represented in Well-Being Rankings I and II) declined from 49 per cent to 26 per cent between 2007 and 2013.

39. **Assets.** The value of savings mobilized under the ULIPH was US$1.39 million, 90 per cent of which was by women. On average, every member saved US$40. Practically all households have bank accounts, and SHG members report better access to insurance and remittance services. Access to land is reported to be almost universal in ULIPH areas; 11 per cent more than in non-project areas. Among project households, 53 per cent now have ‘pucca' (brick) housing, against 37 per cent before. On account of awareness campaigns under the project, 58 per cent of households have their own toilets, an improvement of 20 per cent over control households.

[4] Given the mixed use of exchange rates for the Indian Rupee and US dollars in the respective reports the cost per beneficiary is an approximate figure.
[5] Impact Evaluation Study (InsPIRE), 2013.

40. Each SHG member under MLIPH had saved an average of US$30, and 21,000 of them had taken out loans. Corpus funds of SHGs grew substantially through seed capital contributions and intra-group lending. The quality of housing improved, as well as access to electricity, leading to acquisition of modern appliances. The number of households with safe sanitation increased by 37 per cent. Higher incomes, combined with greater awareness, resulted in an increase of 30 per cent in ownership of pigs, 12 per cent of chickens and 10 per cent of cattle. Mobility improved too, with greater numbers of cycles and motorcycles.

Human/social capital/empowerment

41. Over 50,000 women (and slightly fewer men) became members of SHGs. Literacy, numeracy, basic health care and principles of self-help gave participants basic tools to help better understand their situation and how best to address road blocks to their development. From women being able to sign their name instead of using a thumb print to their ability to engage with banks for loans is evidence of widespread improvement in social capital and empowerment.

42. Nearly 6 000 SHGs were formed, trained, monitored and mentored in order to link individuals to each other and to markets and services beneficial to them. Hundreds of local training centres were constructed – removing a major historical obstacle to participating in trainings far from home.

43. The creation of umbrella groups of the SGHs, either as clusters (nearly 150 in Meghalaya) or federations demonstrates how well groups were formed and function. They also speak to how increased individual and household capacity can be aggregated for collective action – for commercial, social and other opportunities.

Food security and agricultural productivity

44. In ULIPH areas, only 1-2 per cent of households reported food shortages, compared to 18 per cent before the project. Project households also improved the quality of food consumed. Access to markets not only facilitated better returns for produce, but also enabled households to purchase food items.

45. There has been a significant positive change in the use of improved agricultural inputs such as seeds, organic pesticides/fertilizers and new crop varieties. Eighty three per cent of project households are reported to have adopted improved crop varieties and 80 per cent have taken up composting, etc. to reduce soil erosion.

46. Some groups have successfully initiated ginger and turmeric production and marketing, but they are constrained by lack of professionalism and absence of technical support in entering value chains, especially for high-value products.

47. The Results and Impact Management System End-Line report (2013)[6] indicated a drastic decline in MLIPH project households experiencing hunger: from 55 per cent to just 4 per cent. Under-nourishment figures improved: from 36 per cent at the start of the project to 20 per cent for boys, and from 31 per cent to 19 per cent for girls. The report attributes decline in food insecurity and improvement in food consumption to increased production and higher incomes.

Natural resource management and climate change

48. Over 400 Natural Resource Management Plans were developed and implemented in Meghalaya, where the establishment of a Land Bank gave hundreds of households access to over 1 150 hectares of common property under improved management. Land use planning was coupled with reduced and improved Jhum cultivation. Both project sites promoted organic agriculture and the reduction of inorganic fertilizer use. Long-term effects of these interventions will be healthier ecosystems, improved soil health and improved water quality.

[6] Results and Impact Management System End-Line Report, Meghalaya Rural Development Society, (2012-2013)

49. An opportunity was missed in the project to include Disaster Risk Reduction activities in natural resources management.

Sustainability

50. Among the most sustainable interventions delivered by the project, individual empowerment and capacity-building activities should remain relevant and pay dividends long into the future – in particular women's empowerment, drudgery reduction, literacy, numeracy and voice. Formation and development of SHGs via collective action can similarly provide a foundation for community growth and prosperity. Further evidence of sustainability is the ethos of savings developed through the projects.

51. Sustainable engagement in value chains and economic activities is less certain. There were a few encouraging signs that this level of capacity had been reached by a few, but probably not enough to drive growth and development in the project areas.

52. Neither the implementing partners nor the respective Governments put measures in place to ensure that project beneficiaries had access to critical information and support after the end of the project. Additionally there was a lack of highly skilled technical assistance for some key value chains – for example, the turmeric value chain gives high returns from the medicinal sector.

53. A major missed opportunity to help ensure sustainability was a lack of any mechanism to capture, analyse and share the learning that took place within and between implementing partners, project participants and other key stakeholders.

Innovation and scaling up

54. Both States did well in this sphere and with different types of innovations that will be scaled up, either by others or through new IFAD projects. To name a few: new technologies such as threshers and ergonomically designed agricultural tools; novel business ventures launched by federations, including a distance learning centre affiliated with the Uttarakhand Open University; services and products for local schools, such as mid-day meals and stationery; eco-tourism; and commercialization and marketing of solar lanterns. Most significantly, the SHG development model is being scaled up through the flagship National Rural Livelihoods Mission (NRLM). An issue for IFAD consideration in regard to scaling-up is how much of the "process" used will be applied when others scale up if the goal is to achieve the same results for SHGs.

55. For MLIPH, cluster-level federations are a useful institutional innovation to provide linkages for SHGs in organizing production, and aggregating and marketing their produce. Marketing activities have been successfully pooled for turmeric, ginger, bay leaf and arecanut; innovative community training centres have been established as doorstep training hubs. Paddy cultivation using the system of rice intensification techniques has raised productivity and is gaining popularity. Poly-house cultivation of flowers on a commercial scale has been started and a strawberry cluster has made an impact in the market. Non-traditional income-generating activities such as boat services, eco-tourism and even commercial music groups have been introduced. Successful interventions and innovations introduced in MLIPH are expected to be scaled up under the proposed IFAD-supported project Livelihoods and Access to Markets Project.

Gender equality and women's empowerment

56. Over 50 per cent of the direct beneficiaries of this project were women. Over 50,000 women were included in drudgery reduction, empowerment, SHGs, commercial activities or some combination thereof. The projects also prepared men to accept the impact of women's changing roles, responsibilities and voice.

57. During field visits, women's personal stories were compelling. They spoke about achieving literacy, about engaging with their families and outside institutions in a

much more proactive way. According to these women, their own worth had increased and they were giving high priority to treat their girl children as equals to boy children for education and health care.

Performance of partners

58. Both partners are to be commended in having the foresight to address the conditions of poor people in the very remote and fragile areas of the Himalayas.

59. **Government performance**. The Government facilitated the flow of funds to the project through the Department of Economic Affairs (DEA) in the Ministry of Finance. The DEA also effectively managed the interface between the project and IFAD in financial matters. Despite some delays in releasing funds, commitments were met.

60. The current trend in India of only 50 per cent of the loan period being used for actual field implementation is not sufficient (or economically efficient), especially for the beneficiaries. The Government needs to be encouraged to urgently address policies on recruitment to resolve the staffing turnover issue.

61. The final impact studies undertaken in each State took different approaches and therefore coverage was quite different. Uttarakhand undertook an Impact Evaluation which was very professional, with full coverage of scope, of high quality, and honest; however there was no specific section on lessons but it did include a comprehensive section on hypotheses identifying outcomes and impact. In Meghalaya two reports were produced – the End Line Results and Impact Management System (2012-2013) – which were interesting and provided comparisons across time lines, having used a comprehensive survey across a sample of project households. The Effectiveness and Impact of the Institutional Arrangement Implemented (EIIAI) report provided a unique view from an institutional framework perspective which was comprehensive and candid with a thorough section on issues and recommendations. The only aspect missing from this report which would have added value is the relationship between mandates and the appropriateness of roles and responsibilities, especially in relation to economic/market functions. A clear issue is that of data collection.

62. **IFAD performance**. IFAD fully discharged its responsibilities in terms of following up on fiduciary issues, and audit and procurement challenges. As funds for supervision and implementation support were spread across two projects, the value of supervision/implementation was reduced for both sites. Overall the quality of the self-assessment systems in place was good, as IFAD was candid and honest in its representation of issues and delivery. With the benefit of hindsight it would have been useful had the mid-term review been brought forward to address concerns earlier, for example the long delays in field implementation.

63. On technical aspects IFAD could have done more to ensure that SHGs and federations had more technical support for enterprise/value chain activities. The design did not take into consideration the major differences between the States, in either capacity for implementation or for entering into value chains without providing specialized technical assistance to the project teams.

64. It is essential that the inclusion of key relevant Ministries and partners at the central level is respected to ensure that appropriate roles, responsibilities and respective mandates of stakeholders are respected.

Overall project achievements

65. The PPA verified the key achievements of the project to be: i) Reduced drudgery, for example through the introduction of light-weight water carriers; ii) Empowerment, with impressive results for women, SHGs, federations and strengthened gender equity; iii) Economic activities, particularly the wide range of income-generating activities which improved the quality of life and nutritional

status of households; iv) Sustainability, with evidence of improved agricultural practices, and better natural resource and water management; v) Scaling-up, with many lessons of ULIPH included in the NRLM, while in Meghalaya the project has been scaled up through the comprehensive Meghalaya Basin Development Programme; and vi) Management Information Systems and M&E, with sound systems having been developed from ULIPH in the new project, following the lessons from implementation, that are ready for implementation and from which Integrated Livelihood Support Project will benefit.

Project Completion Report Quality

66. The first key issue is that two PCRs were provided for one project as per the Loan Agreement.

67. **Scope.** For both Uttarakhand and Meghalaya, the scope of the PCRs was fully in line with the 2006 Guidelines. All the required annexes were provided and both States included additional annexes.

68. **Quality.** The quality varied between the two States, mainly due to lack of data through good M&E.

69. **Lessons.** For both Uttarakhand and Meghalaya, the lessons learned were well prepared, being based on a sound analysis of the projects' main successes and shortcomings. Both PCRs noted the inadequacies of the design and the lateness in addressing these critical challenges sooner. The challenges included the different contextual factors, cultural differences, and the need for different institutional arrangements.

70. **Candour.** Overall for both Uttarakhand and Meghalaya, project analysis has been sincere and honest, although some of the assessments in the PCRs were found to be too positive on achievements at the point of project closure.

Conclusions and recommendations

A. Conclusions

71. **Design factors.** The design of the project had challenges when an additional State was included late in the design process. It is also noted that operations no longer support the practices of two projects per loan thus providing the necessary resource for implementation/supervision. There was and still are significant differences between Uttarakhand and Meghalaya in many areas (e.g. cultural practices, level of economic development). The capacity of NGOs to deal with implementation in isolated poor rural areas is very limited. In Meghalaya, NGOs simply did not have experience to draw on – especially in the targeted rural communities. The first challenge was to therefore develop their capacity in order to reach the target group. This offers a challenge to both the relevance and effectiveness of the project.

72. Taking account of the design and start-up challenges, what both project teams delivered was impressive in the short time they had, especially the development of the SHGs in both States.

73. **Targeting.** The disabled were not included in design but brought in through the teams. The poor were reached in Uttarakhand primarily through their access to government benefits, which they were entitled to – but not into project activities as per the design. Meghalaya was more successful in targeting the poor.

74. Better-off households benefitted more from income-generating activities. A special focus on and strategies to reach the poorest is therefore required if they are to be included, including assistance in accessing official safety nets. As men tend to associate in business enterprises, their training and professional development must also be considered – this is also a key gender issue in understanding and

supporting women's development, noting that Meghalaya appears to have trained men and women equally.

75. **Drudgery reduction.** Drudgery reduction was successful in both States. In Uttarakhand some SHGs have turned these activities into a business, benefitting other women as well – for example water-carrying vessels were replaced with plastic containers, which significantly lightened the load and reduced the time and energy spent on carrying water. SHGs further promoted their use and members sold them to other women in their local areas.

76. **SHGs forming into federations.** In Uttarakhand this was very well developed and supported, benefitting from the new project for sustainability. Some had well developed plans as businesses (e.g. purchase of vehicles). Their role in the community as an agent for delivering other types of services (social support structures) and development is also very positive, as witnessed through the development of education options in northern Uttarakhand.

77. **Women's empowerment.** In both States this is impressive, as is gender equality, as families now often supported each other in changing roles (between agricultural activities and running a shop) as well as joint decision-making. Women now understand banking, and have a say in how money is spent. Some had taken the opportunity to teach their children numeracy and literacy. The role of education for girls was also impacted positively.

78. **Sequencing of activities.** Regarding the sequencing of activities, a slow start-up and implementation delays were the result of staffing arrangements as well as a lack of clarity on processes and next steps. In addition, in order to engage women, their time and energy must be freed up to undertake empowerment activities and build their social capital, which in turn must precede income-generating activities to foster sustainability and achieve optimum efficiency/effectiveness. If poverty reduction is to be achieved, specific targeting measures must be employed to ensure the inclusion of women and that the process is a logical progression as per the critical pathway described above.

79. **Capacitated NGOs.** Now that NGOs in both States have acquired keys skills in working with the target groups, it would be beneficial to ensure that their roles continue to build on their achievements and that the role of Government focuses on delivering public goods.

80. **Value chain development.** Some SHGs were made promises that did not materialize – for example, access to the turmeric value chain – and lost opportunities through a lack of knowledge on business development and specific technical aspects. Likewise, perhaps not enough care was taken in selecting private sector partners or in preparing the groups to engage on an equal level with them.

81. **Institutional arrangements.** The complexity of the project was not the major challenge. The major challenge was that it was complicated with a range of different (and inexperienced) implementing partners and functions and, most importantly, that activities were not distributed to those with the mandated responsibility.

82. To support the country programme approach, it is essential that departments which have mandates that impact on a project be included from design and throughout implementation, and especially at wrap-up meetings from IFAD missions. Ideally they should also participate in country programme management team meetings. These teams should also develop a clear plan for the exchange of learning (visits or virtual), including during project implementation.

83. **Post-project issues.** Design did not adequately address handover/withdrawal/exit strategy. This was handled differently in both states. Uttarakhand benefitted most, as a new project had been designed before completion and the Government kept

on the current staff ad interim, providing ongoing support to the groups. This produced a notable difference between the growth levels, and hence sustainability of the groups in each State. Unfortunately, this was not the case in Meghalaya, where a new project was only recently begun and therefore support between projects was intermittent. Moreover, the new project will not be supporting all of the groups, thus further challenging their sustainability.

84. **Learning and exchange visits.** While both States struggled with implementation challenges along the way, at no point did they benefit from exchange visits or learning but operated completely separately. Such exchanges would have provided much needed capacity-building in both directions on a range of tasks.

85. **Policy issues.** A number of policy issues need exploration in order to improve project/programme performance:

- **Contracting/staffing**: Clarity relating to institutions created under the project and their staffing must exist from the start – for example: the practicality of twin implementing agencies; the modalities (legal/administrative) for their establishment; the nature of recruitment – whether by deputation/secondment or by contracting; contractual clarity on the status of staff after project closure; and the length of time in the project, which should be for a minimum of three years.
- **Land tenure/rights**: In Meghalaya there is increasing alienation of villagers from community land, appropriation of community land by "local influentials" and consequent growth of share-cropping. This has major implications for access to community land by vulnerable/poor households if it is being "acquired" by others.
- **Forests**: There is encroachment on community forests, the poaching of produce and the commercial approach of forest authorities, which are leading to unsustainable practices.
- **Water**: The depletion/destruction of water sources is a concern, as is the absence of a water policy for mountain regions.
- **Disaster risk reduction strategy**: This is critical in disaster-prone regions and must be factored in, especially in projects that will have an impact on fragile areas like the Himalayas.

86. **Project Completion Reports (PCRs).** All financial information in a PCR should be reflected in USD, not just local currency. For each project as approved by the Executive Board, only one PCR should be compiled as an official record of the project.

B. Recommendations

87. **Inclusive targeting**: *Ensure the targeting strategy and approach specifically target the poor so that they have access to and benefit from project investments*. As noted in the conclusion, IFAD's key target group (the rural poor) did not benefit as intended in Uttarakhand, while Megalaya was more successful. However, as there is a move to more inclusive projects (i.e. they will include those above the poverty line) it is even more essential that a strategy outlining how the rural poor will access and benefit from project activities is well articulated. The strategy should also ensure that gender equality measures are spelled out.
It is possible that the Social, Environmental, and Climate Assessment Procedures required as of 2015 will also address this issue.

88. **Synergy and partnerships:** *Design must ensure that the mandated body be assigned the appropriate roles and responsibilities during implementation.* This means that the government is best suited to delivering on public goods, the private sector should be involved especially when accessing value chains, and that relevant ministries at state and national levels are involved and informed through the

country programme management team and particularly at wrap-up meetings for supervision missions.

89. **Policy issues**: To ensure project delivery and long-term sustainability both at design and during implementation, IFAD has a responsibility to support the government and stakeholders to address policy issues. In this project the key policy issues relate to: reduction in staff turnover in order to speed up implementation in the field; unsustainable practices that impact negatively on forests; land rights for access to community lands; the depletion of water sources in mountain areas; and a disaster risk reduction strategy for fragile areas like the Himalayas.

For information

90. **India country programme evaluation**: This PPA has unfolded some issues that merit further exploration through the forthcoming India CPE by IOE in 2015/2016. These include assessing the: i) mandates, roles and responsibilities of key stakeholders for their appropriateness (particularly when engaging in private sector functions); ii) financial management and reporting (particularly including US dollars equivalents); iii) targeting mechanism that would include the poorest against current strategies; iv) how results from the projects contribute to reporting results and outcomes at state and national levels; v) learning and sharing across the country programme; and vi) implications of financing more than one project per loan, in particular for IFAD budgetary processes to facilitate adequate supervision and implementation support for better outcomes.