

Project Completion Report Validation

North Eastern Region Community Resource Management Project for Upland Areas (NERCORMP-II)

Republic of India

Date of validation by IOE: April 2018

I. Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Asia and the Pacific	Total project costs	41.284		31.785	
Country	India	IFAD loan and percentage of total	20.211	49%	17.755	56%
Loan number	794-IN	Borrower	17.415	42%	11.343	36%
Type of project (subsector)	Agricultural Development	Beneficiaries	1.602	4%	2.313	7%
Financing type	Loan	Other sources (financial institutions)	2.056	5%	0.375	1%
Lending terms*	Highly concessional					
Date of approval	17.12.2009					
Date of loan signature	12.07.2010					
Date of effectiveness	12.07.2010					
Loan amendments	(1) 07.10.2013	Number of beneficiaries	Direct: 20 000 households		<u>Direct:</u> 20 826 households 124 956 people <u>Indirect:</u> 28 000 households 138 927 people	
Loan closure extensions	None					
Country programme managers	Rasha Omar (Current) Nigel Brett (2011-2015) Mattia Prayer-Galletti (2009-2010)	Loan closing date	31.03.2017		31.03.2017	
Regional director(s)	Hoonae Kim (current) Thomas Elhaut (2004-2011)	Mid-term review			April/May 2013	
Project completion report reviewer	Nicoletta Lumaldo	IFAD loan disbursement at project completion			87%	
Project completion report quality control panel	Fumiko Nakai Prashanth Kotturi	Date of the project completion report			March 2017	

Source: (IFAD, 2017_03), (IFAD, 2015b).

*There are four types of lending terms. This was a highly concessional loan, it would have a term of 40 years, including a grace period of 10 years, with a service charge of three fourths of one per cent (0.75 per cent) per annum.

II. Project outline

1. **Introduction.** The North Eastern Region Community Resource Management Project for Upland Areas second phase (NERCORMP-II) of India was financed by an IFAD supplementary loan to the NERCORMP I project approved in 1997. This second phase was approved on 17th December 2009. The loan was signed and became effective on 12 July 2010. There was a loan agreement amendment done on 7 October 2013 to reallocate funds within the programme. The project completion date remained unchanged at 31 March 2017 and the project completion report was finalised on that same month.
2. **Project area.** In order to replicate the original NERCORMP, the project expanded into six districts of the North Eastern Region of India: Dima Hasao and Karbi Anglong in the State of Assam, Senapati and Ukhrul in Manipur and West Garo Hills and West Khasi Hills in Meghalaya. The area is mountainous, surrounded by international borders and only connected to the rest of India through a narrow corridor. Home to a rich biodiversity, the project area had low productivity subsistence agriculture and the *jhum* or slash-and-burn farming method was a wide-spread practice. Although this method of cutting and burning plants in forests did not necessarily have a negative impact on the environment, the problem was that the cycles for ensuring regrowth of plants in the project area were too short. The region was thinly populated by scheduled tribes (29 different tribes in the state of Assam, 34 in Manipur and 17 in Meghalaya)¹ and several subtribes that were diverse in terms of their culture, language, race and ethnicity. Being isolated in remote areas with reduced road connectivity, rural poverty incidence was high: figures for 2009-10 show that the percentage of population below the poverty line was of 39.9 in Assam, 47.4 in Manipur and 15.3 in Meghalaya.² Throughout the North East Region, conflicts between tribes and civil unrests were not uncommon, which have different causes, among others ethnic clashes and separatist movements. In the project area, this had even led to some internal displacements.³
3. **Project goal, objectives and components.** The project's **goal** was to improve the livelihood options of economically vulnerable groups in a sustainable manner through the promotion of improved livelihood opportunities and strengthening local institutions that relate to livelihood development. The **purpose** of the project was to improve incomes of about 20 000 rural households by upscaling the approaches of the previous phase of NERCORMP, organise rural women into 2000 self-sustaining self-help groups (SHGs), communities into 400 natural resources management groups (NARMGs) and six apex organisations, empowering them through training and capacity building. **Specific objectives** were to: (a) promote a more people-oriented approach to the design and implementation of development interventions; (b) enhance the capabilities of the local communities to search for and manage appropriate technologies building on indigenous knowledge; (c) increase incomes through the development of more sustainable farming systems and the establishment of non-farm enterprises; (d) make people aware of the need to preserve and regenerate natural resources and biodiversity; (e) establish effective and appropriate delivery systems for inputs (credit, extension, etc.) and for the maintenance of assets and resources; (f) increase participation of women in local institutions and in decision-making processes within the community; (g) enhance savings capacity and promote the habit of thrift; and (h) increase access to basic services and infrastructure facilities.
4. NERCORMP II was organized in six **components**:
 - i. **Building the capacity of participating agencies and community-based organizations.** This component's aim was to support the project's

¹ (Ministry of Tribal Affairs, ND).

² (Reserve Bank of India, 2013).

³ (Country Program Manager Omar, 2018).

participatory approach through creating community based organizations (CBOs): natural resources management groups (NARMGs) and self-help groups (SHGs). It would then build their capacity, as well as the NGOs and project staff that supported them to get organized and to design and implement CBOs' development initiatives. Finally, in-country study tours would expose communities to effective community-managed development initiatives.⁴

- ii. **Livelihoods enhancement.** This component was to promote sustainable farming systems and non-farming enterprises. A revolving fund and microcredits were intended to facilitate access to finance and link CBOs to further financial services. This component had several subcomponents at design phase, which were merged after the mid-term review (MTR) into the first mentioned here (sustainable farming systems and non-farming enterprises). Moreover, at MTR the revolving fund was reduced to meet its actual usage.⁵
 - iii. **Social sector development.** This component sought to construct safe drinking water infrastructure and low cost toilets to improve sanitation, comprising the communities' participation as well.
 - iv. **Rural roads and electrification.** In order to improve village's access to various facilities (markets, education, health services) and to improve the possibilities to develop non-farming enterprises, rural roads were to be upgraded and constructed as well as electricity provided. Also, at design stage the construction of new and renewable energy schemes was planned.⁶
 - v. After the MTR, the components iii (social sector development) and iv (rural roads and electrification) were merged, and the investment in access to electricity was dropped as the Government was providing the infrastructure.⁷
 - vi. **Community based bio-diversity conservation and communication.** This component was intended to create community conserved areas through bio-diversity conservation and research, promote and demonstrate environmentally sustainable Non-Timber Forest Products and forestry production systems; and foster knowledge sharing between communities on good practices and production systems.
 - vii. **Project management.** The last component included financing the District Support Teams in the project area, supporting staff costs and procuring vehicles for the project teams, as well as computerising the project MIS and training of project staff on IFAD's Results and Impact Management System.
5. **Target group.** The project targeted villages in remote areas of the districts of the North Eastern Region of India: Dima Hasao and Karbi Anglong in the State of Assam, Senapati and Ukhrul in Manipur and West Garo Hills and West Khasi Hills in Meghalaya. In order to identify these villages, the targeting approach was first geographical, and then social. Following NERCORMP I, the target were villages highly dependent on *jhum*, limited land areas for cultivation, diverse agro-climatic zones and tribes, and expanded the target beneficiaries to adjacent villages to those who benefited from the first phase of the project.⁸ Then, using a participatory rural appraisal technique, poor, less poor and better off households were identified, in particular taking into consideration tribes, woman-headed households, *jhum*-dependent marginal farmers and landless households.⁹ At appraisal, the target was of 20,000 households of scheduled tribes in 400 villages,

⁴ (IFAD, 2009_12_a), Annex. 4.1.

⁵ (IFAD, 2013_07) #80, (IFAD, 2017_03) #21.

⁶ (IFAD, 2009_12_a) Annex. 4.5.

⁷ (IFAD, 2017_03) #21.

⁸ (IFAD, 2017_03) #33.

⁹ (IFAD, 2009_12_a) #9-10.

which was exceeded at completion: 20,826 households in 460 villages. A particular focus was put on women, who are the sole possible members of the self-help groups (SHG).

6. **Financing.** At appraisal, the project cost was US\$41,284 million comprising US\$20,211 million from IFAD, US\$17,415 million from the Government of India, US\$1,602 million from the beneficiaries and US\$2,056 million from financial institutions.¹⁰ During MTR, the cost allocation was reduced to USD 32,956 million. At completion, the project expenses were US\$31,785 million in total, of which US\$17,415 million corresponded to IFAD's loan, US\$11,343 million were contributed by the Government, US\$2,313 million by the beneficiaries and US\$375,000 by financial institutions. Table 1 shows the project costs by funding source, while table 2 shows the financial allocation by component.

Table 1
Project costs (US\$'000)

<i>Funding source</i>	<i>Planned expenditure at appraisal</i>	<i>% of total</i>	<i>Planned expenditure at MTR</i>	<i>% of total</i>	<i>Actual expenditure</i>	<i>% of total</i>
IFAD loan	20,211	49%	20,133	61%	17,755 ¹¹	56%
Government	17,415	42%	11,351	34%	11,343	36%
Beneficiaries	1,602	4%	-	-	2,313	7%
Banks	2,056	5%	1,472	4%	375	1%
TOTAL	41,284	100%	32,956	100%	31,785	100%

Source: Appraisal: (IFAD, 2010_05) Annex 2; MTR: (IFAD, 2013_07) page 92. Completion: (IFAD, 2017_03) #106.

Table 2
Component costs (US\$'000)

<i>Component</i>	<i>Allocation at appraisal</i>	<i>% of total</i>	<i>Allocation at MTR</i>	<i>% of total</i>	<i>Actual expenditure</i>	<i>Actual % of total</i>
1. Capacity building	3,941	10%	3,708	11%	3,445	11%
2. Economic livelihood activities	17,606	43%	13,909	42%	13,976	44%
3. Social sector activities	2,512	6%	-	-	2,210	7%
4. Village roads & Rural electrification	6,063	15%	7,374	22%	5,069	16%
5. Community-based bio-diversity conservation	1,252	3%	1,013	3%	978	3%
6. Project Management	9,910	24%	6,952	21%	6,106	19%
TOTAL	41,284	100%	32,956	100%	31,785	100%

Source: Appraisal: (IFAD, 2010_05) Annex 1; MTR: (IFAD, 2013_07) page 90. Completion: (IFAD, 2017_03) #107.

7. **Project implementation.** The project implementation followed the structure of the first phase of the NERCORMP I. The Lead Project Agency was the North-Eastern Council, under the Indian Ministry of Development for the North-Eastern Region. The implementation worked both at regional and district level through registered societies established specifically for the project (District and Regional Societies).

¹⁰ (IFAD, 2010_05) Annex 2.

¹¹ A difference was found between the table presented in (IFAD, 2017_03) #106 (USD 17'755 million) and that of Appendix 7 (USD 17'597 million).

The Regional Society had a General Body and an Executive Board.¹² Its main role was to provide guidance and service for the project's functioning, as well as to monitor its progress. The executing responsibility laid in the Project Support Unit. At district level, the District Society was also accountable to a General Body and Executive Board, and had a Development Support team for its executing function. Key collaborating partners for the development and implementation of village plans were NGOs (mostly local), which also helped create and foster the grassroots organizations natural resources management groups (NARMGs) and SHGs, as well as NARMG clusters and district-wide SHG federations. The NARMGs represented the communities and their needs, planned and implemented the village development activities, organized the supply of inputs, managed the corresponding funds, and monitored and reported the progress to the District Society. The SHGs managed the revolving fund according to the credit demands of the community, who used it often for income-generating activities.¹³ While SHG federations would act as micro-finance institutions, NARMGs clusters would act as organised institutions to raise demands to the local authorities.

8. **Intervention logic.** With the support of partner NGOs, during the first stage SHGs and NARMGs were formed and capacitated. These community-based organizations' (CBO's) would act as entry point and channel the project's efforts within the target communities. To increase livelihood options through better resource management practices a holistic approach was to be taken. Beneficiaries could choose from a panoply of interventions and activities. Through a participatory rural appraisal, CBOs supported by the NGOs should prepare community resource management plans: the villages could chose and present the activities and timelines to undertake them. First, to increase the incomes, the project would provide support for sustainable farming systems and non-farm activities financially and through capacity building. Furthermore, a revolving fund would allow for access to finances, enhancing savings capacity and promoting the habit of thrift. In this respect, banks and microfinance institutions would help benefitting CBOs to become independent from the project's finances. On top of that, women as sole members of SHGs would see their participation in local institutions increased, as well as their decision-making power in the community.
9. Secondly, infrastructure (such as common facility centers, roads, bridges and culverts) was intended to improve access not only to markets but also to health and education facilities. Common facility centers would also provide a space for the communities to lead discussions. To access electricity, the project would connect villages to the grid, or alternatively construct renewable energy schemes. Thirdly, basic social service infrastructure should provide safe drinking water and sanitation facilities. Finally, given the rich biodiversity of the region, people would be made aware of the need to preserve and regenerate natural resources through their conservation and sustainable agricultural production practices. Therefore, protected areas should be set up and special attention would be put on sustainable forestry production. Moreover, communication events would foster the awareness on the importance of the topic among communities.
10. The key assumptions presented in the log frame at appraisal were the interest, acceptance and willingness of benefitting communities to participate. As for partner institutions, assumptions included the existence of interested NGOs and training facilities and their sufficient knowledge on a wide range of project activities. Also banks and micro-finance institutions should be willing to operate in remote areas.
11. **Delivery of outputs.**¹⁴ The target was achieved with a coverage of 20,826 households in 460 villages, against the 20,000 households and 400 villages that

¹² The Executive Board was composed of main project stakeholders: the Ministry for the Development of the North-Eastern Region, the North-Eastern Council, participating State governments, participating communities and NGOs.

¹³ (IFAD, 2009_12_a) Annex, p. 12-14.

¹⁴ For further detail please refer to (IFAD, 2017_03) #55-62.

were initially intended to benefit. Of these, 47 per cent of households had agricultural lands and 53 were landless. Under **component 1**, 494 NARMGs (exceeding the 400 that had been planned) and 1,600 SHGs (80 per cent of the target) were formed. SHG membership was higher than expected, therefore a reduced number of groups achieved the coverage of 21,292 female members (20,000 was the target). The project grouped SHGs and NARMGs to 57 federations, and 4 apex Bodies in SHGs and 1 in NARMGs.¹⁵ 30 NGOs were engaged in the beginning, but the collaboration with 2 had to be dropped.¹⁶ Between 86 and 115 per cent of the planned trainings were undertaken for CBO, NGO and project staff. 61 exposure visits were done for CBO and 58 for NGOs and project staff, surpassing the 90 visits that were initially planned. As for **component 2**, activities that exceeded the target were the support of horticulture activities (3090 ha compared to 1760 planned at appraisal), agriculture field crops (1007 ha vs 1018 targeted), 2753 livestock units (1143 was the target), and 167 km of minor irrigation (119 km were planned), and 159 ha of demonstration plots implemented for technology transfer on new and improved farming practices. 1565 non-farm activities were supported financially and through capacity building (of 400 planned). 79 units of vermi- and bio-composting were developed, which represents only 11 per cent of the appraisal target.¹⁷ The revolving fund was used by all 1600 SHGs. Other figures on planned activities at appraisal were not reported in the Project Completion Report - PCR (units of mushroom, apiculture, paddy cum fish culture). **Component 3** also shows surpassed targets: 791 gravity drinking water systems units (doubling the target) and 444 km of poly pipelines were installed (10 per cent over the target). The number of constructed low cost latrines was 14,603, achieving the target of 14,000. Under **component 4** on infrastructure, 128 common facility centres, 179 km of rural roads, 6 suspension bridges and 6 culverts were constructed (all achieved or exceeded the target). 1753 home solar power systems were installed. At MTR, electrical transmission lines, micro-hydro units and windmills for electricity generation were dropped because the Government financed rural electrification programmes and some of these infrastructures were complex for the communities to handle.¹⁸ These component's outputs met the target, also because they were revised at MTR. Finally, **component 5** created conservation areas on 1187 ha¹⁹ and promoted forest development on 1259 ha (both targets were adapted at MTR, thus achieving 105 and 100 per cent of their new targets, respectively). 100 communication events (of 113 planned) were organised, including events to promote the brand created to market beneficiaries' products. It is not clear if these events also include media exposure events, planned at design stage. The PCR does not refer to further activities planned at appraisal (publication of newsletters and the production of video documents).

III. Review of findings

12. The project accounted for a high-quality monitoring system, baseline and end-line surveys²⁰ and implemented an annual outcome survey, which provides useful data to assess most of the evaluation criteria presented below. The Annual Outcome Survey (AOS) was undertaken by the project team, together with staff from the partner NGOs, which is not in line with best practices. The AOS 2015 covered around 200 beneficiary and 200 non-beneficiary households.²¹ Still, some flaws in its design (comparability of beneficiary and non-beneficiary household, and the lack

¹⁵ (IFAD, 2017_03) #55.

¹⁶ (IFAD, 2017_03) #64.

¹⁷ (IFAD, 2017_03) ##50 and #87.

¹⁸ (IFAD, 2013_07) #80.

¹⁹ Further in the PCR the area under conservation presented was 16'000 (IFAD, 2017_03) #69. The gap between both figures remains unclear.

²⁰ Both baseline and endline survey use the same methodology but might have used a different sample. Comparability between both should thus be taken under certain reservations.

²¹ (NERCORMP Project Unit, 2016_02).

of statistical significance tests)²² should be taken into consideration when assessing the results. Nevertheless, the effort for collecting data at household level on diverse criteria like food security, land holding pattern, participation in nonfarm enterprises, etc., and comparing it to a control group within the project area, is noteworthy.

A. Core criteria

Relevance

13. **Policy relevance.** The project was consistent with national and IFAD priorities. The project was in line with the 2005-2009 COSOP, which aimed at supporting tribal development of the region, building grassroots institutions and strengthening the support agencies, promoting access of marginalized groups to resources, promote diversification of livelihood opportunities within farm and non-farm sector. Moreover, it was consistent with 2009 IFAD's policy on engagement with indigenous people, that promotes free, prior and informed consent as well as community-driven development, access to markets, empowerment and gender equality.²³ The 2011- 2016 COSOP continued focusing on marginalized remote poor communities, and had a strategic objective the increased access to agricultural technologies and natural resources, as well as of the access to financial services.²⁴
14. The Indian 11th five-year plan to reduce poverty (2007-2012) focused, among others, on improving the opportunities for economic and social advancement of scheduled tribes and women, considering the management of natural resources.²⁵ The 12th five-year plan (2012-2017) included elements of inclusiveness of minorities (such as scheduled tribes), empowerment, environmental sustainability and the development of institutional capabilities, among others.²⁶ The PCR mentions several governmental programmes that focus on the region, but as NERCORMP II followed its first phase, it could not converge with those programmes.²⁷
15. **Project design relevance.** The project design was relevant in the project area and the few design adjustments made at MTR corresponded to an adaptation to reality and solved difficulties encountered. NERCORMP II covered remote areas upon the request of the Government of India. The design of this project was based on the previous phase NERCORMP I; thus only a brief appraisal report was drafted.²⁸ This also allowed to use the knowledge acquired during the implementation of NERCORMP I. Issues addressed continued being relevant for the communities that benefitted from the project. The diversification of incomes through farm and non-farm activities addressed the limited livelihood options of the beneficiaries. The project's components were broad enough to allow beneficiary communities (of diverse cultural and ethnic background) to determine their priorities on how to increase their livelihood options. The participatory approach adopted was, thus, a key success factor. Moreover, in a region rich in biodiversity, the management of natural resources was appropriate, particularly when avoiding unsustainable practices such as the *jhum* through increasing profitability of other productions. Also the installation of low-cost latrines was highly relevant as open defecation was a common practice.²⁹
16. Participating CBO were the channels through which the project was implemented, thus they got empowered both indirectly and directly (through capacity building and the support from NGOs and the project team). On top of that, the creation of

²² (IFAD, 2015b) #147.

²³ (IFAD, 2009_11) p. 13-14.

²⁴ (IFAD, 2011_04).

²⁵ (Government of India, 2007).

²⁶ (Government of India, 2012).

²⁷ (IFAD, 2017_03) #34 – 35.

²⁸ (IFAD, 2017_03) #160.

²⁹ (QRS & Urban Systems, 2011_12) #65.

NARMGs and SHGs filled institutional gaps in terms of inclusiveness, as other traditional village organisation did not allow for female participation.³⁰ Contrarily, one of three executive posts of the NARMGs had to be covered by a woman, and SHG membership was only allowed for women.

17. The institutional arrangement contributed to the achievement of the project's results. Being embedded within the organisational structure of a national agency gave them a certain weight in the region but also autonomy to operate. Also, having an overarching project unit that supported project teams on a district level allowed for a coherent and coordinated implementation, that was also sensitive to the differences between the villages. The understanding of differences between communities was also fostered through the collaboration with partner NGOs. Certain issues concerning the difficult relationship between the project and the State Governments were related to political disagreements between institutions at national and state level. Yet, as for the project these relationships might have been improved if these organisations had been consulted and included in the design of the project.
18. **Relevance to the needs of the poor.** The project was ambitious to cover the areas of the North-East due to its remoteness and the prevailing fragility. Overall, very poor households of vulnerable groups (scheduled tribes and women)³¹ benefitted from the project. The targeting strategy encompassed first a geographical, then a socio-economic selection.³² The project area did indeed show high poverty incidence.³³ Within the selected districts, poor villages adjacent to NERCORMP I beneficiary villages were selected, and the same criteria as the first project phase was used: households were highly dependent on *jhum* cultivation, with low agricultural productivity, limited area of cultivation, high presence of scheduled tribes, diversity in tribes, and relative accessibility (up to 5 km from a motor road).³⁴ During the second step, the households within the villages were chosen according to a participatory wealth ranking, which followed a social agreement and deliberation of the local communities (using the discussion platform of NARMGs). Categories comprised the households which were better off (6 per cent of total), poor/medium poor (44 per cent) and the poorest (50 per cent).³⁵
19. Overall, the project was consistent with the national and IFAD's policies and the design tackled pressing issues in a disadvantaged area, beneficiaries were vulnerable communities in the area and the adjustments allowed the project to adapt and correct its course. This PCRV agrees with the PCR rating on relevance as **satisfactory (5)**.

Effectiveness

20. **The first objective to "promote a more people-oriented approach to the design and implementation of development interventions" and the second objective to "enhance the capabilities of the local communities to search for and manage appropriate technologies building on indigenous knowledge" were achieved.** With the support of NGOs, communities organised in SHGs and NARMGs developed their own community resource management plans according to their needs and priorities. The membership of NARMGs increased from 84 at baseline to 99 per cent at end-line.³⁶ The people-oriented approach allowed actions to be culturally acceptable for tribes while installing more inclusive decision-making (particularly for women) and more sustainable agricultural

³⁰ (IFAD, 2017_03) #37.

³¹ The 2009 president's report and the MTR, a concept note on work with youth was proposed (IFAD, 2013_07 #25), but that particular target group was not mentioned in the PCR.

³² (IFAD, 2017_03) #90.

³³ See paragraph 2.

³⁴ (IFAD, 2017_03) #32.

³⁵ (IFAD, 2017_03) #91.

³⁶ (QRS & Urban Systems, 2011_12) and (HOPARD, 2016).

practices. Staff of partner NGOs (through 188 trainings) and the project unit (24 trainings) were to be prepared to assist grassroots organisations. They also benefited from 58 exposure visits. This contributed to achieving the target of CBO formed and their accompaniment to undertake activities. The existence of CBOs shows the commitment and participation of beneficiaries. Capacities of CBO members were also enhanced through group formation and book keeping trainings (2788 in total), 747 technical trainings on farm and non-farm activities and 61 exposure visits. Although there is no data on the quality and impact of these trainings, the achievement of targets shows the ownership of the communities of the project's activities.

21. **The third objective to "increase incomes through the development of more sustainable farming systems and the establishment of non-farm enterprises" and fourth objective "make people aware of the need to preserve and regenerate natural resources and biodiversity" were also achieved.** The financial support to setup diverse farming systems and non-farm activities (see outputs in paragraph 11), the technology transfer and new and improved farming facilities (650 units of demonstration plots in 159 ha of 112 villages) helped diversify incomes and increase crop and livestock productivity (an analysis thereof is presented in paragraph 30 and 33). The reduction of the territory that used *jhum* methods (from 33 per cent of end-line respondents practicing *jhum* compared to 61 per cent at baseline)³⁷ represented the adoption of sustainable use of resources. The project set up community conserved areas (initially only sacred groves, river fish and orchid sanctuaries, and then extended to community or village reserved forests) and forestry development areas; yet the figures presented in the PCR on their extension are unclear³⁸ and the Results and Impact Management System (RIMS) did not gather data on the topic. Nonetheless, it is noteworthy that NARMGs established rules and drafted guidelines for managing these areas.³⁹
22. **The fifth objective to "establish effective and appropriate delivery systems for inputs (credit, extension, etc.) and for the maintenance of assets and resources" and seventh objective to "enhance savings capacity and promote the habit of thrift" were accomplished, with some reservations.** The provision of the revolving fund created dynamics for SHGs to access finances in a sustainable manner. The project provided INR 388 million, INR 25 million were provided by banks, and loans were worth INR 787 million. Savings were estimated to be INR 59 million.⁴⁰ Visits to the field showed that the access to finances had enabled the creation of economic development activities.⁴¹ The AOS of 2015 showed that 93 per cent of project beneficiaries that had improved their access to credit considered it to be related to project activities.⁴² The amount of beneficiaries with individual accounts increased from 29 per cent at baseline to 80 per cent at end-line, and for the SHGs these figures were 65 per cent at baseline and 88 at end-line.⁴³ Yet, the full potential of this outcome was not achieved because the cooperation with banks and micro-finance institutions was scarce. This issue was identified also in the country programme evaluation (CPE) conducted in 2015. Moreover, the Supervision Mission of that same year showed that sometimes big loans were given to few people, which missed the goal of the intervention.⁴⁴
23. **The sixth objective to "increase participation of women in local institutions and in decision-making processes within the community" was achieved.**

³⁷ (QRS & Urban Systems, 2011_12) and (HOPARD, 2016).

³⁸ At times presented conserved areas cover 1187 ha (IFAD, 2017_03) #62 and Appendix 8 while in #68 the figure is 16'000 ha of conservation of degraded forests.

³⁹ (IFAD, 2017_03) #37 and #69.

⁴⁰ (IFAD, 2017_03) #66.

⁴¹ (IFAD, 2015b) #124.

⁴² (NERCORMP Project Unit, 2016_02) #1.

⁴³ (QRS & Urban Systems, 2011_12) and (HOPARD, 2016).

⁴⁴ (IFAD, 2015_05) #19.

Before the project women were not allowed in community decision-making spheres. This changed through the creation of NARMGs and SHGs. Moreover, SHGs' membership was limited to women, allowing income generating activities and financial independence, thus increasing their confidence and enhancing their status within the communities. What is more, at least one of NARMG's office bearers was a woman.⁴⁵ Female participation was also enhanced by reduced drudgery due to infrastructure set up (presented in the next paragraph).

24. **The eighth objective to "increase access to basic services and infrastructure facilities" was achieved.** The outputs of component 4 presented in paragraph 11 translated into 92 per cent of the beneficiary households having improved water sources (compared to 62 per cent at appraisal) and 76 per cent accounted for improved sanitation (19 per cent at appraisal).⁴⁶ Moreover, roads improved access to markets and health services: 74 per cent of beneficiaries improved the physical access to market, compared to 46 per cent of non-beneficiaries,⁴⁷ and 81 per cent of respondents received benefits from public health service at end-line compared to 50 per cent at baseline.⁴⁸ Through the implementation of solar power systems, the energy accessed by benefitting communities was renewable.
25. **Overall**, the project's objectives have been achieved. What separates this project from the highest rating is, on one hand, that the delivery systems for credit were limited in time and, on the other hand, the lack of evidence that would support certain statements. Effectiveness is rated as **satisfactory (5)**, in agreement with the PCR.

Efficiency

26. The project was approved on 17 December 2009, became effective on 12 July 2010 and the first disbursement was on the 22 March 2011. Only 6.9 months laid between the approval and the entry into force (a low figure compared to other contemporary IFAD projects in India); and 8.4 months between the entry into force to the first disbursement, which is higher than for other contemporary projects.⁴⁹ Being the second phase of an existing project, the design phase was short and the corresponding Project Design Report relatively brief. The reduced design phase and the use of existing organisational structures translated into a relative efficient project implementation.
27. At appraisal, the total project costs were US\$41.28 million, which were then adapted at MTR to US\$32.96 million. Compared to the initial figures, the actual expenditures of US\$31.63 million represent 77 per cent, and 96 per cent when compared to the MTR. The depreciation of the Indian Rupee (from US\$1 = INR 46.5 in December 2009 to US\$1 = INR 66.7 in September 2016)⁵⁰ explains to a certain extent the difference.⁵¹ At appraisal, the **project management costs** would represent 24 per cent of the total project costs; and at completion this was reduced to 19 per cent, both being on the higher end compared the rest of the projects in the country (ranging between 1 to 17 per cent – except another at 21, as of appraisal).⁵² Although at appraisal NERCORMP II had high **costs per beneficiary households** (US\$2,064), the final expenses show that the allocation was not too far from the rest of the country's projects at the time: the actual loan cost per beneficiary household was US\$1,526.22 (US\$254.37 per beneficiary). Although the reasons for these high ratios were the remoteness of the project area and the institutional arrangement (units both a centralized and decentralized

⁴⁵ (IFAD, 2017_03) Footnote 17.

⁴⁶ (IFAD, 2016), Third level RIMS results.

⁴⁷ (NERCORMP Project Unit, 2016_02) #H.3.

⁴⁸ (QRS & Urban Systems, 2011_12) and (HOPARD, 2016).

⁴⁹ (IFAD, 2015b) #140.

⁵⁰ Source: <https://www.x-rates.com/average/?from=USD&to=INR&amount=1&year=2016> Accessed 05/04/2018.

⁵¹ (IFAD, 2017_03) # 105.

⁵² (IFAD, 2015b) #138.

level), they were considerably higher than those of NERCORMP I (13 per cent of management costs and US\$960 in terms of costs per household).⁵³

28. No cost-benefit analysis for the project as a whole was done at appraisal or MTR. **The economic internal rate of return** for the project after completion was 22 per cent.⁵⁴ Yet, the PCR presented a thorough economic and financial internal rate of return analysis for specific production models prevailing in NERCORMP II:⁵⁵ namely horticulture plantations (from 26 at appraisal to 28 per cent at completion) and forestry/ biodiversity (24 to 32 per cent).⁵⁶ Finally, the rate of return for *jhum* cultivation turned from 12 per cent to negative values.
29. The project's efficiency is rated as **moderately satisfactory (4)**. Its implementation was fast, thanks to the decision to continue with a project that had already showed good results. Actual managerial costs and costs per beneficiaries were lower than the estimated. Nevertheless, they were still higher than those of NERCORMP I. Changes in the internal rate of return of the project as a whole could not be assessed due to lack of data. The rating concurs with the PCR.⁵⁷

Rural poverty impact

30. As mentioned above, the data presented in this section stems from the AOS. Thus, the design flaws of that survey (comparability of beneficiary and non-beneficiary household, and the lack of statistical significance tests) must be taken into consideration.
31. **Household income and net assets.** Incomes and assets increased in benefitting households. Increases from baseline to completion were found on the access to electricity from 77 to 91 per cent, access to television from 26 to 46 per cent and access to motorcycles from 8 to 23 per cent.⁵⁸ Of the interviewed project beneficiaries, 74 per cent indicated to have moved up the income group (compared to 33 per cent of non-beneficiaries).⁵⁹ Households in the lowest income range category declined from 15 to 9 per cent in the, from 39 to 15.4 in the second lowest, and increases for the three highest categories.⁶⁰ The sources of incomes were more diversified among beneficiaries than of non-beneficiaries (95 per cent of beneficiaries and 80 per cent of non-beneficiaries had up to two sources of incomes; 83 per cent of beneficiaries and 62 per cent of non-beneficiaries had three, and 33 per cent of beneficiaries compared to 24 of non-beneficiaries had four sources).⁶¹ 56 per cent of project beneficiaries accounted for higher changes in incomes, compared to 13 per cent of non-beneficiaries.⁶²
32. **Human, social capital and empowerment.** Individual and community beneficiaries got empowered thanks to the project. First, because it successfully created and supported 400 NARMGs and 1600 SHGs which were organised communities' fora. Project interventions only started when communities decided to commit to the project through signing a social agreement. Their collective capacity was increased through over 3500 trainings.⁶³ Women in particular were empowered

⁵³ Business Intelligence Datawarehouse, accessed 10/04/2018.

⁵⁴ (IFAD, 2017_03) #145.

⁵⁵ (IFAD, 2017_03) #131-142.

⁵⁶ (IFAD, 2017_03) #147, table 20.

⁵⁷ The rating was confirmed by the CPM, as there is difference between the rating in the PCR text (5) and in the corresponding annex (4). (Country Program Manager Omar, 2018).

⁵⁸ (IFAD, 2017_03) #63. The source of the data is said to be the RIMS 2016, but this was not found by the reviewer.

⁵⁹ (NERCORMP Project Unit, 2016_02) #4.1.

⁶⁰ (HOPARD, 2016), (IFAD, 2017_03) #73.

⁶¹ (NERCORMP Project Unit, 2016_02) #C.1.

⁶² (NERCORMP Project Unit, 2016_02) #C.3. Data from the AOS of 2013 shows that 66% of beneficiaries had higher changes in their incomes compared to 23% of non-beneficiaries; while 31% of beneficiaries did not perceive changes – compared to 68% of non-beneficiaries. The differences with the figures from 2015 can be due to a change in the sample.

⁶³ 2788 trainings in group formation and book keeping and 747 technical trainings on farm and non-farm activities (IFAD, 2017_03) Appendix 8.

due to the place that they were given in the SHGs and the NARMGs.⁶⁴ An example from the country programme evaluation (CPE) 2015 shows that awareness on livelihood improvement options had increased, and that communities were more empowered and self-confident, for example in their relation with local authorities.⁶⁵

33. **Food security and agricultural productivity.** Households that did not need to eat fewer meals or smaller portions in the previous 12 months increased from 70 per cent at baseline to 90 per cent at end-line.⁶⁶ Also the proportion of chronic malnourished children decreased from 63.4 per cent at baseline to 38 per cent at completion and water sources improved for 92 per cent of respondents at completion (compared to 62 per cent of the benchmark).⁶⁷ After some initial difficulties,⁶⁸ productivity did also increase. Of the people accessing fish ponds, 85 per cent or 53 respondents of beneficiary communities perceived an increase in productivity (only 60 per cent of non-beneficiary or 14 people responded the same), and related it to the project activities. Same trends were found in the productivity of forests (29 per cent of non-beneficiaries or 36 respondents saw an increase, compared to 76 per cent of beneficiaries or 114 people – of which 90 per cent relate it to project activities) and of pasture land (28 per cent of non-beneficiaries – 11 respondents - saw an increase, compared to 88 per cent of beneficiaries or 75 people – and all related it to project activities).⁶⁹
34. **Institutions and policies.** The participatory approach empowered CBO on various levels. As managers of project interventions, CBO were raised as interlocutors of local authorities. This potential could be undermined by the fact that NARMGs did not have a clear action plan once the project closes. Although the federations and clusters could serve as their representatives, the PCR indicates that the lack of clarity on their purpose weakened their potential.⁷⁰ The partnership with federal and district level institutions was positive, but difficult to forge on a state-level.⁷¹ The relationship with public agencies (particularly the North-East Council, who would provide additional funds)⁷² was key to ensure a smooth exit of the project. Furthermore, NERCORMP served as a basis for further projects financed both by the Government as well as by the World Bank, as will be analysed in the section on scaling up. State Governments did not engage in the project.
35. NERCORMP II positively impacted rural poverty in the project area in terms of household income and net assets, human and social capital and empowerment, food security and agricultural productivity. Some drawbacks in the potential of CBOs and the relationship with State-level institutions lead the rating on this evaluation criterion to be **satisfactory (5)**. This is the same as the PCR.

Sustainability of benefits

36. While some elements fostered the sustainability of some of the project's benefits, the lack of other factors undermined the continuity of other achievements.
37. As for the first, sustainability was fostered through the continuous political commitment, which could be seen in the governmental financing of the third phase of NERCORMP as well as in the continuity of NERCORMP II staff's being financed for two years after project completion. The continuity of staff allowed the extension of support to CBO to access benefits from further government programmes and bank linkages.⁷³ Factors related to increased productivity and diversified income

⁶⁴ For further detail on gender aspects refer paragraphs 45 onwards.

⁶⁵ (IFAD, 2015b) #158.

⁶⁶ (QRS & Urban Systems, 2011_12) and (HOPARD, 2016).

⁶⁷ (IFAD, 2016).

⁶⁸ (IFAD, 2014_02) #9.

⁶⁹ (NERCORMP Project Unit, 2016_02) #K.1-3.

⁷⁰ (IFAD, 2017_03) #55.

⁷¹ (IFAD, 2015b) #182.

⁷² (IFAD, 2017_03) #158.

⁷³ (IFAD, 2017_03) #158.

generating activities would continue as long as market opportunities existed, thus increases in incomes, assets and food security are likely to endure. Communities felt ownership of the CBO, which is a key factor for benefits to continue existing after project completion.

38. Yet, some factors might put their sustainability in jeopardy. SHGs are in a good position to continue their activities as they have created a group dynamic, have a clear role (even after project completion) and some resources to continue functioning. For example, they have already started with internal lending and savings, and are thus economically viable.⁷⁴ The activities financed by SHGs had a strong effect on livelihoods (sometimes even more than actions focused on livelihoods directly), which can also motivate members to continue their activities.⁷⁵ But the expansion of their activities still depends on the partnership they could build with financial institutions, which were scarce until project completion. What is more, NARMGs did not have a clear action plan after project completion. The exit strategy proposed these organisations to leverage resources from government programmes,⁷⁶ but the lack of convergence with these programmes during NERCORMP II hindered NARMGs' continuation. Cluster federations and associations were key to continue supporting the NARMGs and SHGs once the contract with partner NGOs ends,⁷⁷ but a clear support action plan was not developed. As a consequence, physical assets and their management that are responsibility of the CBOs depend on the sustainability of these organisations. Finally, whenever inputs are needed (like credits, technology, technical assistance, etc.), the sustainability prospect is affected due to the remoteness of the project area.
39. The sustainability of project benefits is rated as being **moderately satisfactory (4)** as political and social sustainability (through community ownership of the project) were likely to occur, but some preconditions were not met for institutional sustainability, which was a carrier for other project benefits. This PCRV agrees with the PCR's rating.

B. Other performance criteria

Innovation and scaling up

40. **Innovation.** Most of the innovative components of the project presented in the PCR⁷⁸ were new to the context but existent in other regions (notably in villages benefitting from the first phase of NERCORMP). These included the participatory approach, the inclusiveness of CBOs in particular concerning women, female development and empowerment through SHGs, the setup of innovative businesses and the change in the use of previous *jhum* plots into revenue-producing plantations. Also the use of renewable energy thanks to the installation of micro-hydel and solar power units⁷⁹ was new to the project area but was not an innovative element elsewhere. Furthermore, a brand promoting beneficiaries products was created and district- and regional-level advertisement events thereof organised.
41. Indirectly the project helped in an innovative way of conflict resolution among tribes in Dima Hasao.⁸⁰ Using the CBOs as discussion platforms, interethnic collaboration was fostered, and of particular relevance was the participation of women in this process. Although the project could not tackle the cultural divide among tribes, it did address the socio-economic one.

⁷⁴ (IFAD, 2013_07) #68.

⁷⁵ (IFAD, 2017_03) #165.

⁷⁶ (IFAD, 2013_07) #72.

⁷⁷ (IFAD, 2013_07) #12.

⁷⁸ (IFAD, 2017_03) #95-99.

⁷⁹ (IFAD, 2015b) #204.

⁸⁰ (IFAD, 2017_03) Annex 19.

42. The project introduced existing concepts that were new to the area. It also provided the space to solve issues of relevance for the beneficiary communities. Therefore, the PCRV concurs with the PCR in rating the innovation criteria as being **satisfactory (5)**.
43. **Scaling up.** NERCORMP II has been scaled up by the Government and the World Bank. To begin with, the Government continued financing the project's first phase after it was completed,⁸¹ and later financed NERCORMP III in additional districts, including conflict-prone zones.⁸² Covering 58,850 households in 1177 villages, the cost for NERCORMP III is INR 5400 million.⁸³ The World Bank, on the other hand, used a similar approach in its North East Rural Livelihoods Project in the states of Mizoram, Nagaland, Sikkim and Tripura. The project's cost is US\$144.4 million and it covers 300,000 households in 1,624 villages.⁸⁴ Furthermore, the PCR mission found that some CBOs had replicated project activities with non-beneficiaries.⁸⁵ Finally, experiences of NERCORMP II were shared with government officials and NGOs from Bhutan, Bangladesh and Myanmar.⁸⁶
44. The project has been scaled up by the Government and the World Bank, and experiences were shared with staff of neighbouring countries. This criterion is therefore rated as **highly satisfactory (6)**, in agreement with the PCR.

Gender equality and women's empowerment

45. NERCORMP II had positive effects in terms of women's empowerment and to a large extent also on gender equality. First, 49 per cent of the project's beneficiaries were women.⁸⁷ Although gender disaggregated data was available, its maintenance has not been uniform.⁸⁸
46. In terms of *promoting female economic empowerment*, the SHGs and the use of the revolving fund for income generating activities and micro credits put women in a position to access and control finances that would contribute to the family income. The female-only participation in SHGs combined with women's participation in NARMGs in turn empowered them and impacted their *decision-making power* within the community.⁸⁹ The AOS 2015 showed that the percentage of decisions taken by husbands was higher for non-beneficiaries (an average of 36.5 per cent, depending on the topic of the decision) than for project beneficiaries (average of 18.5 per cent).⁹⁰ In terms of women's sense of empowerment, 95 per cent of female project beneficiaries were either satisfied or highly satisfied, against 41 per cent of non-beneficiaries.⁹¹
47. Women's *workload* and drudgery were reduced,⁹² mostly due to interventions that tackled their main responsibilities, like the setup of drinking water supplies, the construction of roads and further social infrastructure. The project enabled women to take up productive and social roles and responsibilities that increase their recognition. In terms of the role of men, the supervision mission of 2012 indicated that mature SHGs would address issues on gender division of labour, but the

⁸¹ (IFAD, 2017_03) #13.

⁸² (IFAD, 2017_03) #174.

⁸³ Using the exchange rate of January 2014 (1 INR= USD 0.016) total costs were of USD 87 million. This corresponds to more than double of NERCORMP II costs.

Source: <https://www.x-rates.com/average/?from=INR&to=USD&amount=1&year=2014>

⁸⁴ (IFAD, 2017_03) #102. Data on coverage was not found on the World Bank website and could thus not be cross-checked.

⁸⁵ (IFAD, 2017_03) #103.

⁸⁶ (IFAD, 2017_03) #173.

⁸⁷ (IFAD, 2017_03) p.vi.

⁸⁸ (IFAD, 2017_03) #169.

⁸⁹ In the case of local governance institutions, female voices being heard was tribe and village specific. (IFAD, 2017_03) #82.

⁹⁰ (NERCORMP Project Unit, 2016_02) p.13-14.

⁹¹ (NERCORMP Project Unit, 2016_02) p.15.

⁹² (IFAD, 2017_03) #85.

project did not take further actions on this issue.⁹³ Similarly, the MTR considered that the gender mainstreaming strategy did not include concrete measures in which men would participate in fostering gender equality.⁹⁴

48. Improvements can be seen in women's access to productive assets and incomes and grassroots organisations, as well as in their reduction of workload. As the project had raised the issue of including activities in which men would help foster gender equality, this PCRV and the PCR rate this criterion as **satisfactory (5)**.

Environment and natural resources management

49. The project is an example of how the sustainable management of natural resources can be effectively combined with poverty reduction efforts. At appraisal, the project was classified as a category B: as it was not likely to have a significant negative environmental impact.⁹⁵ The project design included one component on community-based bio-diversity conservation and forestry development. This translated into the avoidance of natural resources degradation and made communities more resilient for sustainable natural resource management, primarily through the reduction of *jhum* cultivation,⁹⁶ the delimitation of 1187 ha to foster biodiversity, the increased forest coverage in 1259 ha, fostering of medicinal and aromatic plants and non-timber forest products in 1974 ha, and the promotion of diverse crops in 1610 ha, among other interventions.⁹⁷ Supervision mission reports showed that these interventions increased beneficiaries' incomes.⁹⁸ Furthermore, the management responsibility of community conserved areas changed from the village headmen to democratically elected organisations (headmen responsibility: 262 respondents at baseline to 92 at end-line; democratically elected responsibility: 17 respondents at baseline to 355 at end-line).⁹⁹ Through a consultation process with their tribes, they developed rules to manage these areas. Yet, the difference in the amount of people knowing the rules on these areas did not increase significantly.¹⁰⁰
50. The actions undertaken in terms of bio-diversity conservation and forestry development, as well as the benefits that arose from these project interventions, show the improvement in natural resources management. The PCRV rates this criterion as **satisfactory (5)**. This is the same as the PCR.

Adaptation to climate change

51. The project itself did not pursue activities to ameliorate the beneficiaries' adaptation to climate change, although their mostly rain-fed agriculture makes beneficiaries particularly vulnerable to it. Nonetheless, the interventions focusing on an improved management in natural resources could increase beneficiaries' resilience, as is the case of the promotion of community conserved areas and the construction of rainwater harvesting structures, solar lighting and vermi-composting.¹⁰¹ To some extent, the diversification in the crops and other production systems also contributed to the resilience towards climate change, but the PCR indicated that the choice of production could have been more sensitive to climate change adaptability.¹⁰² What is noteworthy is that the target group benefitted from two IFAD grants, one of which trained staff and beneficiaries on climate change and adaptation techniques.¹⁰³

⁹³ (IFAD, 2012_03) #50.

⁹⁴ (IFAD, 2013_07) #50.

⁹⁵ (IFAD, 2009_12_a) #29.

⁹⁶ See paragraph 21.

⁹⁷ (IFAD, 2017_03) #87.

⁹⁸ (IFAD, 2015_05) #31.

⁹⁹ (QRS & Urban Systems, 2011_12) and (HOPARD, 2016).

¹⁰⁰ From 68 per cent at baseline to 72 per cent at end-line. (QRS & Urban Systems, 2011_12) and (HOPARD, 2016)

¹⁰¹ (IFAD, 2017_03) #88.

¹⁰² (IFAD, 2017_03) #79.

¹⁰³ Upland Livelihoods and Ecosystem Services for adaptation to climate change implemented by ICIMOD (IFAD TAG1113).

52. Although project interventions did not directly intervene in climate change adaptability, the target group saw their natural resources base restored which could increase their resilience to face climate change risks. This criterion is thus rated as **moderately satisfactory (4)**, in agreement with the PCR.

C. Overall project achievement

53. The project accomplished improvements for the target group in all criteria. It was highly relevant in a context of poor, indigenous communities, and addressed issues of importance for IFAD and the Government in a way that was innovative for the area. It empowered grassroots organisations who channelled and raised communities' voices to define their own needs and ways to address them. Livelihoods options were expanded, and incomes, productivity and food security increased through trainings, support of farm and non-farm activities and technology transfers; and improved access to basic services and social infrastructure, reducing drudger. By giving women the responsibility to manage finances, the project allowed them not only to increase their incomes, but also improve their decision-making capacity. These positive results were translated into the scaling up of the project not only by the Government itself but also by the World Bank.
54. Some shortcomings include issues concerning the sustainability of NARMGs (key players for the project's benefits), adaptation to climate change and unachieved potentials in terms of the relationship with banks and agencies at state level. Overall, the project is rated as **satisfactory (5)**, in line with the PCR.

D. Performance of partners

IFAD

55. IFAD followed the project closely: it undertook six supervision missions throughout the project's duration (one per year) and the MTR was undertaken in May 2013 as initially planned. Although the turnover rate of country programme managers was high (3 persons in 6 years), it did not affect the project's performance, probably because of the country presence of IFAD. Thorough supervision mission reports accounted for the timeliness and relevance of comments done by IFAD, as well as the follow-up on matters from previous missions with clear definition of responsibility and deadlines. Moreover, it analysed fiduciary aspects and the state of compliance with financing agreement covenants. This fostered the high quality of knowledge management present in the project unit. According to the CPE, IFAD's role as neutral actor was key in a context where governmental intervention would not have been accepted by local communities.¹⁰⁴ Finally, no information was provided on IFAD's dialogue with other Rome-based agencies. All in all, IFAD's performance is rated as **satisfactory (5)**.

Government

56. The Government's performance was satisfactory in all levels except for the State Governments. While the North East Council provided the necessary support and acted according to its role in the project, the Committee of the State Coordination Committee for Government Activities, which should have sought for coordination and convergence with other programmes, did not meet its purpose.¹⁰⁵ Counterpart funds comprised 42 per cent at appraisal and 36 at completion. The flow of funds was always at timely disposal.¹⁰⁶
57. The project unit benefited from being within the organisational structure of a Federal Ministry, which entitled it a relative importance while having autonomy for operating. The strong project unit included staff of NERCORMP I, leading to the effective use of knowledge of previous experience. The skills of the team seem

¹⁰⁴ (IFAD, 2015b) #89.

¹⁰⁵ (IFAD, 2017_03) #124.

¹⁰⁶ (Country Program Manager Omar, 2018).

clear as they drafted the design report, they addressed the need for better software for management for monitoring and accounting purposes¹⁰⁷ and they raised the issue of double counting of training.¹⁰⁸ In terms of knowledge management, the Monitoring and Evaluation System was of high quality and baseline and endline surveys were done in a timely manner. Also the effort to undertake the Annual Outcome Survey needs to be highlighted. The logframe was updated when needed to reflect the reality, and its version at MTR and completion presented in the PCR.¹⁰⁹

58. Together with the work with former partner NGOs and the reduced turn-over of project staff, these were key factors of success of the project.¹¹⁰ Therefore, the performance of the Government is rated as **satisfactory (5)**, in line with the PCR.

IV. Assessment of PCR quality

Scope

59. The PCR of NERCORMP II covers all criteria as per the Guidelines for Project Completion Review (2014) and includes all relevant annexes including RIMS, and yearly AOS data. This PCRV rates the PCR scope as **highly satisfactory(6)**.

Quality

60. The PCR was prepared by the Project Support Unit with the support of the IFAD team. It contains extensive data stemming from RIMS at first, second and third level, baseline, endline and the AOS. Baseline and endline surveys were also undertaken and results presented. The PCR has won the yearly award for best PCR.¹¹¹ This PCRV rates the PCR's quality as **highly satisfactory (6)**.

Lessons

61. All lessons were drawn both from the project design as well as its implementation, and included learnings on what worked well as well as on what could have been done better. The list of lessons is extensive and accounted for all important elements that could be drawn from the project. This PCRV rates the PCR's lessons as **highly satisfactory (6)**.

Candour

62. The PCR outlined both positive and negative aspects of the project, and based its findings on the evidence that had been gathered throughout the project's implementation. The candour is rated as **highly satisfactory (6)**.

¹⁰⁷ (IFAD, 2017_03) #168-169.

¹⁰⁸ (IFAD, 2017_03) #169.

¹⁰⁹ (IFAD, 2017_03) Appendix 4.

¹¹⁰ (IFAD, 2017_03) #117 and #266.

¹¹¹ (Country Program Manager Omar, 2018).

V. Lessons learned

63. The following lessons from the PCR appear most relevant:
- This project was an example on how multi-intervention projects can work. Conditions for this to happen are the ownership of beneficiaries on the project's interventions through their participation in the design and implementation process, together with the close support of a highly competent and stable project team (both the project staff and the partner NGOs that supported the process) with deep understanding of the local communities. The participatory approach was highly relevant in this respect, particularly in a case of projects in communities of indigenous background. Moreover, as highlighted in the PCR, the creation of spaces for women to self-develop like SHGs, combined with the platforms to raise their voices, such as NARMGs, increased their feeling of empowerment.
 - The PCR also highlighted that the drafting of a fresh design could have led to better integration and participation of State Governments. This in turn would have led to more convergence with other concomitant projects or programmes, and development efforts could have been channelled in a collaborative manner.
64. Finally, this PCRV underlines the importance of a good monitoring and evaluation system (like the one of NERCORMP II) in allowing for corrective measures to be taken while the project is undergoing. This can be seen in the adaptation at MTR, when the disconnect between what had been initially planned and the needs and reality of the project implementation became evident and was adapted accordingly to make best use of resources.

Definition and rating of the evaluation criteria used by IOE

Criteria	Definition *	Mandatory	To be rated
Rural poverty impact	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.	X	Yes
	<i>Four impact domains</i>		
	<ul style="list-style-type: none"> Household income and net assets: Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value. The analysis must include an assessment of trends in equality over time. 		No
	<ul style="list-style-type: none"> Human and social capital and empowerment: Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process. 		No
	<ul style="list-style-type: none"> Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition. 		No
	<ul style="list-style-type: none"> Institutions and policies: The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor. 		No
Project performance	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.	X	Yes
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.	X	Yes
Efficiency	A measure of how economically resources. inputs (funds, expertise, time, etc.) are converted into results.	X	Yes
Sustainability of benefits	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.	X	Yes
Other performance criteria			
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods.	X	Yes
Innovation	The extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.	X	Yes
Scaling up	The extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.	X	Yes
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.	X	Yes
Adaptation to climate change	The contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures	X	Yes

<i>Criteria</i>	<i>Definition</i> *	<i>Mandatory</i>	<i>To be rated</i>
Overall project achievement	This provides an overarching assessment of the intervention, drawing upon the analysis and ratings for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation and scaling up, as well as environment and natural resources management, and adaptation to climate change.	X	Yes
Performance of partners			
• IFAD	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.	X	Yes
• Government		X	Yes

* These definitions build on the Organisation for Economic Co-operation and Development. Development Assistance Committee (OECD.DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in December 2008; and further discussions with the Evaluation Committee in November 2010 on IOE's evaluation criteria and key questions.

Rating comparison ^a

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>IOE Project Completion Report Validation (PCRVR) rating</i>	<i>Net rating disconnect (PCRVR-PMD)</i>
Rural poverty impact	5	5	0
Project performance			
Relevance	5	5	0
Effectiveness	5	5	0
Efficiency	4	4	0
Sustainability of benefits	4	4	0
Project performance ^b	4.5	4.5	0
Other performance criteria			
Gender equality and women's empowerment	5	5	0
Innovation	5	5	0
Scaling up	6	6	0
Environment and natural resources management	5	5	0
Adaptation to climate change	4	4	0
Overall project achievement ^c	5		
Performance of partners ^d			
IFAD	5	5	0
Government	5	5	0
Average net disconnect			0

^a Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

^b Arithmetic average of ratings for relevance, effectiveness, efficiency and sustainability of benefits.

^c This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, sustainability of benefits, rural poverty impact, gender, innovation and scaling up, environment and natural resources management, and adaptation to climate change.

^d The rating for partners' performance is not a component of the overall project achievement rating.

Ratings of the project completion report quality

	<i>PMD rating</i>	<i>IOE PCRVR rating</i>	<i>Net disconnect</i>
Candour	n.a.	6	-
Lessons		6	-
Quality (methods, data, participatory process)		6	-
Scope		6	-

Overall rating of the project completion report

Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

Abbreviations and acronyms

AOS	Annual Outcome Survey
CBO	Community-based organizations
CPE	Country Programme Evaluation
ha	hectares
MIS	Monitoring and Information System
MTR	Mid-term review
NERCORMP II	North Eastern Region Community Resource Management Project for Upland Areas
NGO	Non-Governmental Organisation
NARMG	Natural Resources Management Groups
PCR	Project Completion Report
RIMS	Results and Impact Management System
SHG	Self-help groups

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