



Investing in rural people

Republic of India

Mitigating Poverty in Western Rajasthan

Supervision report

Main report, appendices and annexes

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Abbreviations and acronyms

AO	Accounts Officer
AOS	Annual Outcome Survey
AWPB	Annual Work Plan and Budget
BPL	Below poverty line
BPM	Block Project Manager
BPMU	Block Project Management Unit
CF	Community Facilitator
CmF	Centre for Micro Finance
CLF	Community Livestock Facilitator
CRP	Community Resource Person
DEA	Department of Economic Affairs (of Government of India)
DRD	Department of Rural Development (GoR)
FNGO	Facilitating NGO
GBLG	Goat-based Livelihood Group
GoR	Government of Rajasthan
GP	Gram Panchayat
ICO	India Country Office (of IFAD)
IFAD	International Fund for Agricultural Development
IGA	Income generating activity
INR	Indian Rupees (also shown as Rs)
JRM	Joint Review Mission
KM	Knowledge Management
KS	Krishi Sakhi, Agricultural Assistant
LP	Livelihood Plan
M&E	Monitoring and Evaluation
MGNREGS/A	Mahatma Gandhi National Rural Employment Guarantee Scheme/Act
MIS	Management Information System
MoU	Memorandum of Understanding
MPOWER	Mitigating Poverty in Western Rajasthan
MTR	Mid-Term Review
NABARD	National Bank for Agriculture and Rural Development
NGO	Non-Government Organization
NRLM	National Rural Livelihoods Mission
PD	Project Director
PFS	Project Financial Statement
PLA	Project Loan Agreement
PMU	Project Management Unit
PS	Pashu Sakhi, Livestock Assistant
RGAVP	Rajasthan Gramin Ajivika Vikash Parishad
RIMS	Results and Impact Monitoring System
RNGO	Resource NGO
SHG	Self-help Group
SOE	Statement of expenditure
SPMU	State Project Management Unit
SRTT	Sir Ratan Tata Trust
ToR	Terms of Reference
VDP	Village Development Plan
VDC	Village Development Committee
VF	Village Facilitator
VO	Village Organisation of SHGs
WA	Withdrawal Application

A. Introduction

1. The MPOWER project is financed by IFAD loan of SDR 18.46 million and a grant of SDR 370,000. The Project Financing Agreement was signed on 17th October 2008. IFAD financing became effective on 11th December 2008, and with a two year extension, the project completion date is 31st December 2016 and closing date of 30th June 2017. The project is co-financed by the Sir Ratan Tata Trust (SRTT) for a grant amount of USD 3.2 million equivalents. A Memorandum of Understanding was signed with the Rajasthan State Government on 23rd September 2008. The GoR is expected to contribute by way of counterpart and parallel financing for an aggregate amount of about USD 21.0 million equivalents. The Lead Implementing Agency is the Department of Rural Development (DRD), Government of Rajasthan, through its umbrella society for all livelihood projects in the state - the *Rajasthan Grameen Ajeevika Vikas Parishad* - RGAVP.

2. The overall goal of the project is to mitigate poverty of the target group households through strengthened capacity, improved livelihoods, sustainable enterprises and natural resource management and increased access to credit and markets. The project area covers the poorest administrative block in each of the six districts of Jodhpur division, namely: Sankra Block (Jaisalmer), Baitu Block (Barmer), Abu Road Block (Sirahi), Bali Block (Pali), Sanchore Block (Jalore) and Baap Block (Jodhpur).

3. This Supervision Mission¹ visited four of the six project Blocks and held meetings with the Project Management Unit (PMU), Jodhpur, Facilitating NGOs, Block PMUs, Centre for Micro-finance (CmF) and other stakeholders. It has also met the Mr Ratan Lahotiji, Divisional Commissioner, Jodhpur and briefed him of key issues. The mission would like to thank SPMU, CmF, FNGOs and BPMU staff for their support and cooperation, including active participation in field visits. Mission's observations were shared with SPMU, BPMUs and FNGOs in a meeting held on 7th October 2015 in Jodhpur. The findings and recommendations of the mission were discussed at a wrap-up meeting held on 9th October 2015 chaired by Mr Shreemat Pandey, Principal Secretary, Department of Rural Development, Government of Rajasthan. The Mission also called on the Chief Secretary, Mr C S Rajan and apprised him of the key findings. The wrap-up meeting with Mr. Rishikesh Singh, Director (MI), DEA, MoF, Gol was held on 23rd October 2015.

B. Overall assessment of project implementation

4. **Annual implementation progress** is rated as *moderately satisfactory* (score=4). After a slow start, the pace of implementation picked up after the MTR in 2012 and the revision of contracts between the project and facilitating NGOs (FNGO). Total expenditure of IFAD funds in FY 2014-15 was INR 221.79 million, up from INR 90.5 million in 2012-13, while expenditure in the first five months (April to August) of FY 2015-16 includes INR 70.38 million of IFAD funds. Cumulative use of IFAD funds is about INR 731.30 million, that of SRTT and GoR is INR 38.67 million and INR 1,766 million respectively. Although the project has done well in developing livelihoods and community infrastructure, the desired quality in building Self-Help Groups (SHG), the basic community institution of the project is yet to be achieved; the vibrancy of groups in terms of borrowing and repaying loans is less than it would be expected.

5. **Likelihood of achieving development objectives** is rated as *moderately satisfactory* (score=4). SHGs and Village Organisations (VOs) need considerable strengthening and the project is likely to reach fewer households than anticipated in project design. Against this, infrastructure

¹ The Mission consisted of Mr A M Alam (Mission Leader, Project Management, CDF and Project Economics), Ms Girija Srinivasan (Social Mobilisation, Rural Finance and Enterprise Development), Mr Sankarasubramaniam Sriram, IFAD India Country Office (Financial Management and Procurement), and Mr Claudio Mainella, Finance Officer, IFAD, Rome (Finance Management) (October 1-6, 2015). From SRTT, Mr Jaipal Singh, Micro-finance Expert and Ms Malika Srivastava, Asst Programme Officer, SRTT joined the mission between 27 Sept and 3 Oct 2015. The mission was accompanied by MPOWER officials: Mr V S Rathore, GM Micro-finance, Mr Akhil Tayal, Asst Executive Engineer and Mr G K Vyas, GM Training. Ms Meera Mishra, Coordinator, ICO, IFAD and Mr Ganesh Neelam, and Mr Kumar Ranjan, SRTT joined the wrap up meeting in Jaipur

development often benefits entire community not just SHG members, and livelihood activities are spilling over to neighbouring households. The combination of livelihood development combined with SHG financial and social inclusion is producing significant benefits for poor women and their families.

C. Outputs and Outcomes

Component 1: Strengthening Grassroots Institutions

(a) **Mobilisation and Capacity Building** is rated as *moderately satisfactory* (score=4).

6. During the year, key initiatives were taken to revitalise SHGs and ensure transparent performance monitoring which include: (a) audit of SHG accounts for assessment of position of SHGs and their financial position, b) operationalizing *Sakh Darpan* and ensuring SHG transactions are input for every meeting, c) development of 225 internal CRPs; deployment of external CRPs to improve the quality of Village Organisations (VOs), (d) deploying and training 1,010 SHG book-keepers; and (e) training and organising exposure visits to well-functioning federations in the state to some 298 out of 418 VOs.

7. In all 4,827 SHGs with 51,953 members were mobilised. As of August 2015, 4,410 SHGs are functional with 45,437 members. The project aims to increase the number of active groups to 4,610 by next fiscal. Some 418 VOs have been formed and are being strengthened and 4,079 SHGs are members of these VOs. A federation of SHG formed in Bali Block by SRIJAN has been registered. Another three federations – two by PRADAN and one by ACF - are in different stages of mobilisation. During June 2015, a 5 day workshop for the staff of NGOs with inputs from external consultant was organised and road maps were drawn for strengthening of these federations.

8. One of the credible initiatives that the project has taken during the year is to audit the books of accounts of SHGs and ensure automation of the data to improve performance monitoring. Audit of SHGs of PRADAN has recently been completed. Monitoring on the basis of *Sakh Darpan* reports has commenced since last one month. Based on *Sakh Darpan* data and few other qualitative parameters, 1,678 SHGs are undertaking self-grading and these are displayed in VOs as well.

9. There are some issues which need further attention – a) The capacity of staff especially data entry operators of NGO is still limited; the NGO Team leaders should ensure the accuracy of data input, b) Only about 3,200 SHG data are being input on an average every month; in URMUL, and SRIJAN many members have more than 3 concurrent loans from SHGs and *Sakh Darpan* does not accept data of group members with more than 3 loans; members are reducing the number of loans. PRADAN data for 432 SHGs is yet to be input. c) Data on loans especially loan instalments are not written by some of the staff leading to confusion about repayments, d) Book-keepers now cover only 2,434 SHGs; there is a need to identify suitable book-keepers for other villages. CMF should ensure, with the support of SPMU focal point and DPMUs that *Sakh darpan* data is updated regularly, analysis is carried out and suggestions for improvement are shared.

10. **Village Organisations** - The VOs visited during the mission were articulate, with a few committees formed to address social issues, but most were not having concrete actions. VOs should review SHG performance especially recovery issues and also performance of all project activities in their villages. Project should pilot repayment of seed capital by SHG to VO for further lending to needy SHGs. This will ensure financial discipline among the groups since group members have been tending to treat seed capital as non-repayable Government support. The strengthening of VOs and providing them with adequate support facilities such as training and capacity building and office space will be the key activities in the forthcoming year.

11. SRIJAN federation in Bali Block is involved in economic activities such as custard apple value addition, and promotion of farm-based activities, addressing social issues systematically. The federation leaders are found articulate. However, few of the leaders themselves are defaulting on repayments; the repayment of SHGs is weak, and some members have more than 3 outstanding loans. Unless there is financial discipline, the SHGs and federation will become dysfunctional. Federations should integrate goat cluster related activities, crop and horticulture related interventions

and SHG monitoring as sub groups of the federation, given the constraints of distances, governance burden and cost coverage for different structures.

Agreed action	Responsibility	Agreed date
1. VOs and internal CRPs should be given specific tasks of improving the quality of weak SHGs since about 30% of the groups are still weak. They should be trained in good practices of credit, issues of over indebtedness and repayment.	SPMU, DPMUs, FNGOs	Oct 2015 onwards
2. CMF to evaluate the performance of internal CRPs in strengthening of SHG and VOs.	CmF, SPMU	Study in Jan 2016
3. Similarly CMF should evaluate the performance of book keepers and provide refresher training. SPMU to facilitate adequate payment from SHGs over next one year to book keepers.	SPMU, CmF	Study in Jan 2016
4. VOs should be involved in a) selection of SHG members for various project related activities; b) reviewing the performance of other project activities in the village, c) reviewing goat groups, SHG performance, bank linkage, MLP implementation, utilisation of seed capital and recovery in each meeting, and d) reviewing the performance of Book keepers, Krishi Sakhis and Pashu Sakhis. Core committees should be formed to review the above. CMF to design task based training. Books of accounts also to be introduced early. Considering enhanced roles of VOs, each VO should be provided a separate office building.	SPMU, DPMU, CmF, FNGO	Oct 2015 onwards
5. CMF to deploy staff with skills in micro finance at SPMU level immediately; CmF to follow up with NGO to ensure that the data of all SHGs is put on the portal. CMF to carry out in-depth analysis NGO partner wise each month pointing out the critical areas that the NGO need to focus on. DPMUs and CMF staff in the districts to solve the issues of NGOs in <i>Sakh Darpan</i> as and when they arise. NGOs to ensure quality data entry operators and checking of accuracy of data by team leaders.	CmF, DPMU, NGO	Oct 2015 onwards
6. Federations should integrate goat and farm related activities. While existing federations need to be further strengthened to address social, gender and nutrition issues, the fundamental financial discipline in repayment of loans should be ensured especially among the leaders of SHGs, VOs and federations.	DPMUs, FNGOs, CmF	Oct 2015 onwards

(b) Community Infrastructure Development is rated as *satisfactory* (score=5).

12. During the last two fiscals infrastructure development was significantly scaled up in two categories: (i) common works and (ii) individual works. Common works included ground level reservoirs with pipelines, community tanka, diversion-based irrigation channels, flood control works, poly houses etc. Individual works included goat sheds and cattle sheds, tanksa, *khadins*, sprinklers and drip irrigation, trellis, fencing and plantation around tanka etc. The AWPB for 2015-16 allocated INR 71.3 million of IFAD funds for community infrastructure development. Overall a total sum of INR 259.4 million was sanctioned for 6,883 works and INR 190.5 was advanced to BPMUs during 2014-15. As on date completion certificates covering some 4,028 works accounting for about INR 159.8 million excluding community contribution were received. The beneficiary contribution was 9.3% in case of common community works and 22% in individual works. Till end of current fiscal, completion certificates for another INR 3.15 million is likely to be received. The project will be able to handle works amounting to about INR 60.0 million more during the last fiscal 2015-16.

13. In addition convergence with MGNREGS has resulted in the project facilitating INR 371.0 million of additional works. These included labour intensive works such as desilting of ponds, gravel roads, plantation to control desertification, water tanks, and land levelling.

14. Infrastructure development is benefitting significant numbers of households, both SHG members and others in their communities (but priority is given to SHG members). However the mission noticed that, in a number of instances group leaders and or relatively well-off households seem to have benefited most from infrastructure development.

Agreed action	Responsibility	Agreed date
7. Distribute infrastructure works for individual households as equitably as possible, and including the poorest households. Greater participation by communities (especially via VOs) in the selection of works and beneficiaries is also needed.	BPMU, FNGO	Immediate
8. In order to address the manpower shortages services of retired civil engineers may be engaged on a short term basis.	SPMU	Dec 2015

(c) Drudgery reduction is rated as moderately satisfactory (score=4).

15. The drudgery reduction sub-component is one of the most appreciated interventions by the members of SHGs. Drudgery reduction items provided by the project include solar lights, agricultural implements, plastic pitchers, cooking stoves, smokeless *chulhas* (stoves), chaff cutters, *chhach belona* machines (milk cream separator), and pressure cookers. In some pockets of the project, women told the mission that construction of tanks for storage of water was the most valuable project intervention that significantly reduced the drudgery of women.

16. There is the need to improve access to potable water, either by strengthening the CIDF implementation processes and targeting needy beneficiaries, or by linking communities with government programmes that address drinking water issues. The mission also noted with concern the slow and limited progress of compliance of the recommendation of the last supervision mission on drudgery reduction. There has been inordinate delay in procurement of drudgery reduction items and in some areas women after paying their contribution have been waiting for more than 18 months. As of August 2015, the project has provided over 17,332 units of various drudgery reduction items to almost equal number of households. This included 1,518 solar lights, 1,950 agricultural implements, 2,606 plastic pitchers, 5,205 cooking stoves, 50 smokeless *chulhas*, 50 chaff cutters, 2,940 *chhach belona* machines, 1,600 pressure cookers, 180 spray pumps, 430 sprayers, etc.

Agreed action	Responsibility	Agreed date
9. Expand drudgery reduction intervention to cover more SHG and also non-SHG poor households in project villages, enhance unit cost to INR 2,000/household and identify eligible households through VOs and SHGs.	BPMU	Dec 2015
10. Provide funds to VOs and SHGs to procure small items under drudgery reduction.	BPMU	Dec 2015

Component 2: Livelihoods Support

(i) Income Generation, Marketing and Employment Creation is rated as *satisfactory* (Score=5)

17. Up to the end of August 2015, some 1,979 livelihood plans have been prepared (compared to 1,208 plans by July 2014), of which 1,489 have been approved by BPMUs. Quality of the plans has shown improvement with further trainings imparted in three Blocks. However, the implementation of the livelihood plans has to be monitored through VOs.

18. Agriculture and horticulture clusters: Support for livelihoods is being scaled up: the coverage for the current year under crops is 13,818 farmers in 34 clusters; the target being 12,300. (During 2014, 9,212 farmers were supported in 15 clusters for millets, maize, pulses, as against the target of 16,700 farmers). Cluster beans, moong and sesame have been initiated this year. PRADAN is covering nearly 3,600 farmers but adopting different methodology. Coverage in desert Blocks in proportion to the members of SHGs is lower than in Tribal Blocks. Under orchards 1,900 farmers are covered including 600 farmers from last year. During the year, 1,640 farmers in 7 clusters are receiving support for growing vegetables (during last year 718 farmers were covered). Some 102 Krishi Mitras (out of which 3 are female) and 569 Krishi Sakhis (all female) are facilitating at the grassroots level. Krishi Sakhis is the new cadre that was introduced during the year.

19. The project supports farmers newly joining the demonstrations on an average up to 75% of cost of inputs and for the repeat farmers at 50% of costs which the repeat farmers resent and do not wish

to participate. To sustain the efforts, in future, VO can procure and supply the inputs and members can borrow from SHGs for the inputs. Farmers covered under demonstration earlier but affected due to floods during this year, can be covered again next year.

20. Yield data on sample basis shows significant gains. Orchard clusters are facing issues with late delivery of saplings and resultant high mortality. The farmer drop out study in vegetables has given pointers on ensuring technical support and appropriate selection of farmers which have to be followed.

21. **Goat-Clusters:** As against the target 40 goat clusters agreed with the 2013 Supervision Mission, as of September 2015 there are a total of 29 goat clusters with 651 goat-based livelihood groups and 8,347 SHG members (551 Goat-based Livelihood Groups with 5,830 members by August 2014). These GBLGs are supported by 242 Pashu Sakhis (all female) and 30 Community Livestock Facilitators (all male) – both drawn from the local community. During the year, 208 weighing machines to the Pashu Sakhis and 18 castrating tools to CLF have been provided. In all 360 bucks have been introduced (except in PRADAN and SRIJAN operating Blocks). Goat sale fair was organised in Baitu the results of which have to be studied before replication. Two dairy clusters are being developed with 200 members each.

22. In the older goat clusters visited, the time spent by Pashu Sakhis varies from 2 days to 10 days each month with 2 hours of work each day. Their receipts books showed issue of medicines on an average 3 to 5 times in a month through which Pashu Sakhis earn INR 15 to INR 25 apart from medicine cost as against the honorarium of INR.800 paid by the project for first 2 years. Their medicine kits contained invariably expired medicines since they are unable to read. Pashu Sakhis need to be trained more on animal diseases. While Pashu sakhis are keen to continue with the services beyond project support, the sustainability of the mechanism is yet to evolve. In new goat clusters, the mechanisms for sustainability of services have to be put in place right from the beginning.

23. FNGOs like IFFDC, SURE and URMUL have initiated formation of the Goat Rearing Development Committee (GRDC) and as of August 2015, 13 GRDCs are functional. This institutional form is in nascent stage but GRDCs are developing mechanisms for collection of service charges for payment to Pashu Sakhis, procuring medicines for Pashu Sakhi etc., so that transparency can be ensured. While vaccination and de-worming of animals through line departments has been ongoing, for gap filling expenditure GRDCs will need funds so that vaccination can be done as per schedule. Refrigerator and ice box for vaccine keeping should be provided to all FNGOs who are associated with the development of goat clusters.

24. The reported results to date are impressive in some clusters with mortality rates being halved from 18% to 9%, women report getting higher prices due to the weighing mechanism put in place and also their increase in confidence in negotiation with traders; in some clusters the data on the health and mortality have not been made available to the mission. Project monitoring mechanism has to improve and needs to be consistent.

25. The project continues to fund vocational training, with the cumulative total of youth trained now being 2,226 (936 males and 1,290 females). However only 345 have been placed in jobs, with a further 755 reported to be self-employed.

Agreed action	Responsibility	Agreed date
11. Provide crop inputs for at least 2 cropping seasons to each participating farmer and cover at least 20,000 households in next crop season covering both existing and new farmers.	SPMU, CmF	Rabi/Nov 2015 onwards
12. To ensure sustainability of inputs provision, the VOs should be provided training in procurement and SHG members encouraged to borrow from their respective SHGs for purchases of inputs	SPMU, DPMU, FNGOs	Rabi/Nov 2015 onwards
13. Ensure timely distribution of planting material and inputs to farmers	SPMU, DPMU	Rabi/Nov 2015 onwards
14. Pay honorarium to all Pashu sakhis till December 2016 and devise ways and means of sustaining this beyond project level and consult	SPMU, CMF	Nov 2015 onwards

Agreed action	Responsibility	Agreed date
GRDCs of older clusters in fixing the honorarium of Pashu Sakhis for both old and new clusters.		
15. Introduce a system of monthly collection of INR 5 to 10 from each GLBG member so that Pashu Sakhi cost is covered partially; this is in addition to cost of services provided to the GLBG members by <i>Pashu Sakhi</i> .	SPMU, CMF	Nov 2015 onwards
16. Assess the demand for medicines and provide in a staggered manner. Ensure that the medicines are not kept beyond expiry period by reviewing this in each GRDC meeting, and during visit of CLF.	FNGO, DPMU,	Nov 2015 onwards
17. Provide further training of Pashu Sakhis on animal diseases and their controls.	SPMU, CMF	Nov 2015
18. Draw up a consolidated forecast of the annual requirement for livestock vaccine at the block, district and project level, and discuss this with the Veterinary Department so it can be incorporated into their annual procurement plan. If needed, MPOWER could sign a MoU with this department, and provide also refrigerators and ice boxes.	CmF, DPM SMPU	1 Jan 2016
19. Provide revolving fund of INR 20,000 to each GRDC for gap filling expenditure for vaccinations, for procurement of medicines etc., which should be collected back from members who are availing vaccination and from Pashu Sakhis for medicine cost. Provide refrigerator and cooling box to all FNGOs that are managing goat clusters.	SPMU	Nov 2015 onwards
20. VOs to review the work of Pashu Sakhis and Krishi Sakhis and they will be accountable to VO.	SPMU, DPMUs, FNGO	Nov 2015
21. Project and CMF should ensure that monitoring mechanism and data availability on the income generation activities are collated and analysed. FNGO to tabulate the data in the computer, DPMs to cross check and then pass on to SPMU/CMF	SPMU, CMF, FNGOs	Nov 2015 onwards

(ii) **Development Financial Services** is rated as *moderately satisfactory* (score=4).

26. During the year, the project has a) Built an effective partnership with RMGB and SBBJ and systematically shifted 679 SHG accounts from mini banks to MGRB and commercial banks thus ensuring better financial services and also funds flow, b) ensured reliable data on quality of SHGs which has improved the monitoring of SHGs, c) conducted two credit linkage camps in Baitu and Sanchore blocks where 423 SHGs were credit linked, and d) increased the pace of livelihood planning and release of seed capital of eligible groups. These measures have ensured substantial improvement in the fund flow to groups.

27. MIS is stabilising but can give up to date total picture only when SHG transaction sheets are entered. As of August 2015 the total savings was at INR 123 million and with revolving funds and seed capital, the group funds amount to more than INR 272 million. The total loan outstanding is INR 229 million (including bank loans). As per *Sakh Darpan* data for the three months of June to August 2015, the meeting regularity and attendance is high at 97% and 89% respectively. Savings regularity is also high at 84%. Bulk of the group funds are still idle, with cash in hand is high with average being INR 6,602.

28. Revolving fund of INR 71.98 million has been given to 4,879 SHGs (including those who have become defunct). In Bali block, RF of INR 0.9 million have been recovered from 74 SHGs. The positions about other districts need to be compiled. There is little information on proper closure and return of savings of members. Cumulatively, seed capital has been distributed to 1218 SHGs amounting to INR 82.9 million (by July 2014, it was 481 SHGs amounting to INR 30.60 million). During field visits, it was seen that a few groups with poor repayment record have received seed capital. Since seed capital sanction and disbursement is made at BPMU level, PMU should do periodical checking on the quality aspects and take action if norms are violated.

29. The responses from the banks have improved due to the efforts of the project. In most blocks bank linkage is not a major issue as it used to be. 1,678 SHG (37%) accounts are still in mini banks. While some work well, some of the SHGs face tremendous issue. During field visits, it was observed that though the seed capital had been released by the project into the SHG accounts in March 2015,

the groups could withdraw the same only in the month of September and in few cases the SHGs are yet to withdraw the funds. While project expenditure has been booked, it is not effective in achieving the purpose.

30. Partnerships with RMGB, SBBJ and ICICI bank are ensuring adequate flow of credit to eligible groups. As of August 2015, 2776 SHGs (out of 4,410 SHGs i.e. 63%) have been credit linked to banks and cumulatively INR 154 million sanctioned out of which INR 134 million has been disbursed to groups (compared to 1422 SHGs as of June 2014, with amount disbursed being INR. 56.50 million). Bank linkage ratio of PRDAN, SRIJAN, ACF, and GRAVIS is low. While SRIJAN has commenced bank linkages since last year (52 of 228 SHGs have been bank linked), PRADAN mentions that more than 50 % of their groups do not require external funds. While the credit camps facilitated large numbers of SHGs to be linked, the bankers had to depend on the NGOs to fulfil the documentation including grading of groups. Project needs to ensure that quality parameters are fulfilled in credit linkages. About 8 NGOs have not facilitated adequate interest rate to cover the costs of bank linkage. On bank loans the groups charge interest rate either same rate as the bank to groups or even lower. Thus the interest rate does not cover the transaction costs and risk costs. The cumulative repayment rate of bank loans of 981 groups, whose data were analysed by *Sakh Darpan* as of August 2015, is 78%, which is not satisfactory. While a few like BCT have 100% repayment, the overall ratio is being pulled down by poor repayment rates by groups facilitated by SURE, SRIJAN, and UDF, where repayment is less than 50%.

31. The repayment of loans by member to group is 67% for the last 3 months; some FNGOs like GVNML, BCT mention that insistence of performance benchmark at 90% repayment rate have improved their own communication and facilitation with the groups to make timely repayment. During the field visits it was seen that the accounting practices regarding repayments vary (accounting for principal first out of repayments, out of three concurrent loans repaying only one loan and considering this as full recovery etc.) where as *Sakh Darpan* adopts standard practices; FNGOs require clarification based on practical training. The project should study the repayment patterns by loan size, groups with bank loans versus others, repayment rate based on purpose of loan, to understand the capacity of the members and avoiding over indebtedness.

32. The 10 bank mitras deployed are reportedly working well though their sustainability beyond the project period depends on the usage and payment for their services by the branch managers of the Banks.

Agreed action	Responsibility	Agreed date
22. NGOs to facilitate appropriate rate of interest setting for bank loans by group to members that covers cost of funds, transaction costs and risk cost.	FNGOs, DPMU, GM MF	Nov 2015
23. Improve internal lending of groups through CRP/PRP rounds in all blocks; CMF and DPMUs to issue letters to FNGOs with data of groups with high cash in hand. This issue to be discussed in group meeting and VO meeting and plan of action agreed.	CMF, SPMU	Oct 2015 onwards
24. Repayment rate needs improvement - organise repayment camps after harvest and in periods of cash surplus	DPMU, FNGOs	Oct 2015 onwards
25. CMF to develop a training module on over indebtedness, accounting practices in interest and principal repayment and train NGO and VO and SHGs. <i>Sakh darpan</i> reports to be shared with VO for monitoring of over dues;	SPMU, DPMUs, CMF, NGOs	Nov 2015 onwards
26. FNGOs have doubts about calculation of repayment rate in <i>Sakh Darpan</i> . CMF to conduct a workshop for DPMUs, Team leaders, CFs on accounting of loans through practical training with manual calculation based on SHG books and then verification through the <i>Sakh Darpan</i> .	CMF, SPMU	Dec 2015
27. Ensure defunct groups are dissolved and savings of members are returned. Recover RF from defunct groups and draw up plans for its utilisation. Include these aspects in MPR of the project.	SPMU, DPMUs	Nov 2015 onwards

Agreed action	Responsibility	Agreed date
28. PMU to carry out periodical checking on the quality aspects of seed capital release and take action if norms are violated.	SPMU, GM MF	Oct 2015 onwards
29. Carry out periodic checking on the quality aspects of seed capital releases and take action if norms are violated.	SPMU, GM(MF)	Oct 2015 onwards
30. Assess the problematic mini banks, shift SHG accounts from these mini banks to commercial banks	GM MF, DPMUs, NGOs	Oct 2015 onwards
31. Carry out study on credit needs of groups in PRADAN	GM MF, CMF, PRADAN	Dec 2015
32. Identify well-functioning VOs in select blocks and pilot repayment of seed capital to VO for on lending to groups; this should ensure better repayment performance. VOs to be trained in loan appraisal and monitoring. First pilot, systematically document the challenges, evaluate before scaling up.	SPMU, CMF	Dec 2015 onwards
33. Ensure Sakh Darpan is fully operational by December 2015; all FNGOs to streamline data input, reports to flow back and monitoring at all levels is based on such reports. CMF to organise the trainings on usage of report. CMF to carry out additional analysis on key issues faced such as overdue analysis as mentioned in text above.	PD, CMF,	Oct 2015 onwards
34. Withdrawal Applications which Government submits to IFAD for seed capital will include details of criteria met for release to each SHG.	PMU	To be continued

D. Project Implementation Progress

33. **Project Management Performance** is rated as *moderately satisfactory* (score=4). After many changes of Project Director (PD), the project has benefited from a period of stability, with the current PD, Mr Jaipal Singh Mertia, being in post for the last 2 years. However the project is seriously short staffed, with eight out of 26 posts in the SPMU, and 16 out of 75 BPMU posts lying vacant. Key SPMU posts that are not filled include the Deputy Director (DD), GM HR and knowledge management, Accountant, and others. At the Block level, there no Asst Accounts Officers in four out of six blocks, four civil engineers, three Office Assistants and three cashiers. Even if these posts were filled there are shortages of manpower with no dedicated M&E staff (this is now an additional responsibility for the DD and BPMs) – which affects routine reporting, the assessment of results

34. With funding from SRTT, CmF have provided a technical assistance team of 10 staff. Of these five sector specialists are posted in the SPMU and five livelihood specialists in the field. There is also a computer technician in the SPMU.

35. Relations between PMU and FNGO have notably improved. Revised MOUs containing penalty and incentives clauses have been signed between the SPMU and FNGOs and these are effective from 1st July 2015 till project completion in the next fiscal. As noted above, there is a need for FNGO staff to facilitate SHG functioning around issues such as livelihood planning and use of revolving funds and seed capital to ensure that leaders do not corner the benefits, and that the needs of poorer members are prioritised. FNGOs will also need to play a major role in the implementation of the expanding livelihood development clusters, and will need additional staff for this work. It was agreed at the last wrap-up meeting that FNGO performance would be closely monitored and action taken against poor performance, while at the same time ensuring that there are adequate funds in the FNGO budget to attract good staff to work in tough conditions.

Agreed action	Responsibility	Agreed date
35. All positions in SPMU and BPMUs must be filled as a matter of urgency with remuneration levels that attract quality staff to work in difficult and remote area locations.	SPMU, GoR	Immediate
36. Additional posts should be created and staff recruited to allow SPMU staff to monitor progress more closely and ensure that SHGs get the facilitation and support that they need. These include an M&E Specialist in SPMU and M&E Officers in each BPMU. CMF to help in the hiring process and shortlisting of candidates through joint interview with the project.	GoR	Immediate
37. A team made up of the PD and senior SPMU staff should visit all BPMUs & FNGOs at least on a quarterly basis, spending at 2 or 3 days at each Block to review progress and provide guidance.	PD, SPMU	Starting from Jan 2016
38. The SPMU should review FNGO staff status and ask for replacement whenever necessary. The facilitation skills of FNGO staff need improving, and the SPMU should proactively provide training and skill development to FNGO staff.	BPMU, SPMU, CmF	Immediate
39. An action plan with quarterly milestones for key actions to ensure progress and improve performance will be attached. IFAD quarterly Implementation Support Missions will review progress against these milestones and agree with GoR on any corrective measures that may be needed.	SPMU, IFAD	IFAD ISM in Jan and May 2016

36. **Monitoring and Evaluation** is rated as moderately unsatisfactory (score=3). With no dedicated M&E staff, it is not surprising that there has not been much progress on M&E during the year. An Annual Outcome Survey has been carried out but the report only covers some of the information collected by the survey. A Progress Report as of August 2015 has been produced, with a description of activities carried out, some results obtained and summaries of key challenges and constraints. But the report does not cover all critical aspects as recommended by the last supervision mission. While the standard of production is fair, it would have been good if a table showing cumulative progress is included. As suggested by the 2013 Mission, FNGOs have produced annual narrative reports and key findings of these reports should also be incorporated in the progress reports.

37. Although significant progress has been made in getting the *Sakh Darpan* MIS functional, the work is still in progress and there are concerns with data entry accuracy.

Agreed action	Responsibility	Agreed date
40. As a matter of urgency, <i>Sakh Darpan</i> must be made fully operational for SHG and microfinance data.	CmF, also SPMU, BPMU	31 Dec 2015
41. The Annual Outcome Survey could be made more useful for the project if the questionnaires as proposed by the 2014 mission are used and data canvassed.	SPMU (M&E Specialist)	31 Jan 2016
42. FNGOs should continue to prepare annual narrative reports describing their activities in the block (including convergence with their other programmes) and the resulting outcomes and impacts.	BPMU, SPMU (M&E Specialist)	31 Dec 2015

38. **Coherence between AWPB and implementation** is rated as moderately unsatisfactory (score=3). The utilisation of fund at the end of August 2015 was only 15% of the AWPB; the project is likely to use maximum of up to 80% of AWPB by the end of the current financial year.

39. **Gender focus** is rated as moderately satisfactory (score=4). The project targets women in most of the activities. Project interventions and achievements in women's empowerment are encouraging. SHGs and VOs have 100% female membership. Overall, 85% of women from the functioning SHGs are now active borrowers and over equal % of women SHGs members have been able to access project benefits and development funds. Village Organisations are articulating a range of social issues (children education, child marriage, drudgery reduction, alcoholism etc.,) and the

project needs to provide more mentoring support in addressing these issues. The women members of SHGs are also benefitting from a range of livelihood and infrastructure related interventions. The project has engaged 569 women Krishi sakhis and 3 women Krishi mitras (total 102) for agriculture and 242 Pashu Sakhis for goats and dairy. Of the 2,226 people given vocational training, 58% were women. Drudgery reduction activities, which women articulate as their felt need, are lagging behind due to complicated procurement process.

40. During the year the project has engaged the services of *Unnati*, a resource organisation, to design and conduct Training of Trainers programme in gender sensitisation at Block level. The 3 day training has covered all DPMs, PCs of NGOs and also select team leaders of NGOs. This quarter the trained NGO staff are expected to train the CFs where a resource person from *Unnati* will guide the process. SHG member training in which both husband and wife will participate is expected to commence from the month of December. Integrating and monitoring the gender sensitive indicators is largely lagging behind.

41. Some of the project activities are addressing the deep rooted gender beliefs and inequalities. In the goat rearing groups women now market the goats and access the income which was largely male domain earlier. Pashu sakhis are undertaking castration of goats, though in small numbers, is a significant shift in gender roles. Some 15 Pashu Sakhis are being engaged by the SRLM as resource persons to train pashu sakhis in other districts which has given them recognition, boosted their confidence and also additional income. Overall, mobility and confidence to deal with external agencies has increased among women. However there is a need to continue to address the deep rooted gender inequalities through inclusive capacity building, awareness generation and action planning and execution through the women owned institutions especially village organisations and federations .

Agreed action	Responsibility	Agreed date
43. Ensure appropriate training material development for SHG member training and include village or community leaders also in these trainings.	SPMU & FNGOs	From Dec 2015
44. Ensure monitoring of the key gender-sensitive indicators already identified. Take the help of resource NGO if needed.	SPMU	Starting from Dec 2015
45. Facilitate action on the social issues that are affecting women through VOs. NGO TL and CF capacity to be built for facilitating discussions, action planning and monitoring the implementation. Good practices of <i>Pradan</i> and <i>Srijan</i> can be documented and shared with other NGOs.	SPMU and FNGOs	From Nov 2015 onwards

42. **Poverty focus** is rated as satisfactory (score=5). The selected programme villages are located in the poorest Blocks and *Panchayats* in relatively disadvantaged parts of the state. The project strategy of poverty focus has been to reach out to poor women via SHGs mainly drawn from the BPL households (at least up to 70% as per project design) with the remaining 30% coming from other poor households. As per project data, over 93.0% of SHG members are from BPL households, of which 19% are SC, 48% are ST, 21% are OBC and 12% belonging to other categories. The project would do well to strengthen the Village Organisation (VO) and reach out to these excluded poor households and members of defunct groups via VOs at least for providing drudgery reduction items, livelihoods support and household infrastructures such as construction of tanka, toilets, etc. It was also apparent that a number of households carrying out project demonstrations in agriculture seemed to be relatively well off. Given the risks in trying new technologies, this may not be unreasonable. However, BPL and very poor households having some land should also be assisted for land development and agriculture inputs, and those having marginal land or without land should be included to benefit from livestock intervention particularly goat rearing.

Agreed action	Responsibility	Agreed date
46. VOs and SHGs should identify women from very poor and disadvantaged households who are left out of BPL list and are not members of the SHGs and the project to support these households for drudgery reduction and other livelihoods support assistance as well as to link them with Government schemes; track results of such poverty focus interventions as part of the project M&E data.	BPMU, FNGO & SPMU	31 Dec 15 onwards

43. **Effectiveness of targeting approach** is rated as *moderately satisfactory* (score=4). The table below indicates that the project has reached 82% of its target for the overall number households. In terms of reaching out to SHGs target households, the project achievement is highly satisfactory at 98%. However, the underlying issue is that at least 20-25% of the SHGs could be non-functional due to inadequate facilitation and lack of strategy for appropriate follow-up. On livelihoods targeting, achievements on farm and livestock-based livelihoods is satisfactory at 100% achievement of the target households. However, the achievement under enterprise-based livelihoods is less than 20% of target households. Similarly, formation of marketing group is still a non-starter though communities are already demanding support in marketing of vegetables and livestock (goat).

44. Of the total households participating in the project, as per project data, nearly 93% are BPL, of which 19% are SC, 48% are OBC, 21% are ST and remaining are from other groups or communities. Overall targeting of women is also satisfactory (see Gender focus). The project would require greater attention in targeting enterprise-based livelihoods and market-groups in the remaining period of the programme implementation along with sustainability of these initiatives. Additionally, drudgery reduction benefits under CIDF should be extended to poor households who may not be members of SHGs.

Target group category	Number of households reached at Completion		Number of households reached as on Sept 2015		Comments
	Appraisal target	Revised at MTR	Total number (% achieved)	Of which % of women	
SHG member households	66,000	52,500	51,953 (98%)	100%	Number of SHG members equals the number of HHs;
CID households	20,880	23,850	19,765 a/ (83%)	100%	Data up to Sept 2015
Total households	<u>86,880</u>	<u>76,350</u>	<u>62,563 b/</u> (82%)	100%	9156 SHG members excluded from total to avoid double counting
Of which,					
SHG farm households	33,000	33,000	34,274 c/ (100%)	100%	Farms include agriculture, horticulture, vegetables, dairy, goat-based livelihoods
SHG enterprises households	19,800	11,800	2,302 d/ (19%)	54%	Target is still ambitious
SHG market group households	2,250	2,250	200 (10%)	100%	For want of private sector participation, no progress
a/ No of SHG members benefiting from the CID Fund are 9,156; non-SHG members are 8,209. Others benefit from MGNREGS works facilitated by the project. b/ Double-counting of SHG households adjusted in total households; c/ Includes agriculture (13,818 HHs), orchard (1,900 HHs), vegetables (1,641 HHs), dairy (400 HHs), goats (9,309 HHs) etc. d/ 2,302 youth trained in skill development, of which 1331 are women; a total of 503 have been employed (of which 370 are self-employed in tailoring, dress making, small business like grocery shops, etc.).					

45. **Climate and environment** is rated as *moderately satisfactory* (score=4). Western Rajasthan is the most arid region in India, having both low rainfall and minimal potential for irrigation. Most farmers rely on drought resistant crops such as millet and pulses. The region is particularly vulnerable to climate change with rainfall becoming more uncertain. Last year crops and vegetables were damaged by heavy rain at the time of harvest, while this year the start of the monsoon was delayed. In some areas farmers are responding by growing millet for green fodder rather than grain – which reduces the duration of the crop and does not need dry weather for harvest. MPOWER has a number of initiatives to help farmers adapt to climate change: (i) introduction of improved millet and pulses and drought-resistant fruit-trees, (ii) irrigation including more water-efficient drip and sprinkler systems, (iii) rainwater harvesting and water storage, (iv) livestock shelters to minimise mortality. Support for livestock, especially goats, enables farmers to utilise variable amounts biomass more efficiently, and animals can be sold or fed on purchased feed at times of shortage.

46. **Innovation and learning** is rated as *moderately satisfactory* (score=4). The project does not have any specific innovation initiatives, although there is potential to innovate in SHG recording and management systems once *Sakh Darpan* is fully operational. The mission noticed that tomato growers were starting to use polymire wire to support their plants – it being both cheaper and may be

more durable than steel wire. **Learning:** KM products produced in the last year include: (i) a newsletter in English; (ii) information and extension material on goats, crops and vegetables; and (iii) case studies. Information has been shared through the project website (which has been up-dated) and via meetings, workshops and visits. In particular the State Level SHG Federation orientation and promotion training for the project and NGO staff. A documentary showing the best practices in goat development has also been developed. Ideas from MPOWER that are being taken up by other programmes include goat sheds by MGNREGS, and goat development and other livelihoods by NRLM.

Agreed action	Responsibility	Agreed date
47. The Project has produced livelihood profiles for goats, dairy, agriculture and horticulture. These have some good information and guidance for implementing development in these sectors, and these should be translated into English for wider dissemination, including to other IFAD projects.	GM(KM)	31 Jan 2016
48. The project should continue to produce case studies as recommended by last mission. It would be useful if the project could engage a short-term writer-editor to assist with case studies. CmF may also be able to assist.	GM(KM), CmF	31 Jan 2016

47. **Partnerships** are rated as *moderately satisfactory* (score=4). MPOWER is being implemented through a number of partnerships: with FNGOs, RNGOs (CmF), banks and research agencies. A two day workshop and field visit was organised by CAZRI on the utilisation of *Prosopis juliflora*, but a pilot in the project area has not yet started. The Arid Forest Research Institute is now carrying out a study on the effects of MPOWER climate change mitigation and adaptation. The ICRISAT was to have implemented an IFAD grant-funded programme for millet and pulses, but this grant has now come to an end without any useful outputs. MPOWER is making use of resources for infrastructure development from the government through its MGNREGS programme, which in turn requires close cooperation with local government. At the local level BPMUs and FNGOs work with government line agencies, such as the Veterinary Department to provide animal health camps. BPMUs and FNGOs have mobilised resources for project groups from other programmes – such as demonstrations of improved millet from the Department of Agriculture, and homestead vegetable gardens promoted by one of the FNGOs.

E. Fiduciary Aspects

48. **Financial management** is *moderately satisfactory*. (Score=4) Financial management arrangements of MPOWER are satisfactory with an acceptable correlation between budgeting, accounting and reporting, flow of funds and audit. The internal control environment ensures an adequate segregation of duties and controls with few limitations especially due to the extensive use of manual processes in the accounting and reporting area. Manual accounting is performed at SPMU and BPMUs level despite the availability of accounting software (Tally) which is mainly limited to the record of disbursement transactions. The set of internal controls mitigates risks of errors and omissions, but a residual possibility remains. The composition of the project's finance team at SPMU level appears to be adequate with experienced staff; at BPMUs level few finance related positions are still vacant, the mission recommends speeding up the recruitment of Assistant Accounts Officers in BPMUs. Expenditures are in line with 2015-16 AWPB and its implementation stands at 18% only. Financial transactions are recorded timely both at SPMU and BPMUs level. Financial reports from Block offices are transmitted to SPMU within the first week of the following month. The accounting of BPMUs disbursements to FNGOs do not correspond to FNGOs balances in many cases; the mission recommends the performance of a reconciliation exercise between the BPMUs and the FNGOs to ensure balances accounted are correct, both sides. As disbursements to SHG seed capital is now increasing fast, it is necessary to ensure that FNGOs and their Facilitators support SHGs for keeping correct accounting and reporting of activities, especially loans to and repayments of members.

49. **AWPB.** The approved budget for 2015-2016 amounts to INR 983 224 000 (equivalent to approx. USD 16.4 million) of which IFAD financed portion is 65% (INR 638 429 000 or approx. USD 10.6 million). The execution as at August 2015 stands at 18%, with a forecast of utilization by the end of the year of approximately 80%. The seed capital disbursements to SHGs should boost disbursements. The preparation of ambitious budgets is driven by the imminent project's completion in about 15 months' time.

50. **Funds flow:** Funds flow is regular; the project is not suffering any shortage of funds, due to the annual budget advances received from the GoR in one or two instalments. WAs for withdrawal of IFAD funds are prepared on a quarterly basis, with the scope of reimbursing Government funds received in advance.

51. **Project Accounts, Smart SOE review and deployment of Smart SoEs:** Bank reconciliations for both the loan and the grant were checked with no issues to report. These are prepared regularly. Project Bank Accounts management is satisfactory. The mission selected the last 2 WAs (RF-21 and RF-22 for USD 482, 636 and USD 1,112,070) for review. Tests were executed in accordance with CFS procedures, with no relevant issues to report. Documentation was readily available, complete and treated in accordance with relevant internal procedures. Finance Manager and his team are proficient in the preparation of withdrawal applications so it was decided to anticipate the deployment of the Smart SOEs methodology for WAs preparation. The new methodology was appreciated at project level and deemed feasible. Main constraints are foreseen for the compilation of some part of the forms. There will be attempts to customize Tally; otherwise the forms will be prepared manually using Excel. The mission encourages the finance team to explore the possibility of automatic production of smart SOEs using the accounting software. This would increase reliability of reports and reducing the risk of errors.

52. **Assets management:** Fixed assets register is maintained at both SPMU and BPMUs level. All registers are kept manually. Physical verification at SPMU and BPMUs needs to be performed regularly with the write off of obsolete and out of work items. The tagging system is not efficiently implemented. SPMU should verify BPMUs assets during periodic visits also even if the value of assets maintained at Block level is not particularly material. The mission verified existence and status of maintenance of assets at SPMU on a sampling basis, without any relevant exception to report. All goods procured should be received by the Store In charge and then the invoices sent to Finance Unit for payment.

53. **Status of last supervision mission recommendations.** Out of three financial management related recommendations, two have been implemented (increased ceiling for check signing powers, and engagement of an internal audit firm), while the chronic level of vacant positions remains an issue.

54. **Disbursement** is *unsatisfactory* (Score=2). The disbursement status of IFAD Loan 748-IN as at 30 September 2015 is SDR 8,665,170 that is 47% of the total Loan financing of SDR 18.46 million. The above amount includes unjustified initial deposit advance of SDR 1,260,160 which reduces the disbursed amount for eligible expenditure against categories to 40%. The programme is on its 7th programme year and its last programme year will be 2016-17. By the Project Disbursement Profile, the project should have disbursed 90% of the resources. Considering the average annual disbursement for the last 3 years, the project will not be able to utilise the full loan resources. The project was given a two year extension, restoring the total programme years planned during design.

55. The disbursement status of IFAD Component Grant 1029-IN as on 30 September 2015 is SDR 254.034 that is 69% of the total Grant financing of SDR 370.000. The above amount includes the unrealised advance of SDR 72.490 which reduces the disbursed amount against categories to 50%. The project should take priority steps to utilise the grant resources fully.

56. **Counterpart funds** is *satisfactory* (score=5). Disbursement of counterpart funds from GoR is satisfactory. The GoR contribution to the project amounts to USD 21 million; as in August 2015 the project received contributions amounting to more than USD 42 million (201%). Funding from the

SRTT stands at 30%, financing from participating banks for loan to SHGs stands at 47.2% and beneficiary contributions at 14.18% based on the current exchange rate. In INR terms, the achievement is higher.

57. **Compliance with loan covenants** is satisfactory (score=5). All loan covenants are being complied with.

58. **Audit** is *moderately satisfactory*. (Score=4) The 2014-15 audit was submitted on time. "M. Vaidya and Associates" audit firm was engaged and submitted a qualified opinion with exceptions. Generally the audit work performed was in line with the TORs also if no separate opinion was expressed on the use of the SOEs procedure. The management letter was informative. Auditors identified a series of internal control issues which need to be resolved. The main ones deserving project's management attention included the following: (i) regular bank reconciliations at BPMUs level; (ii) fixed assets management, including tagging; and (iii) ensuring that withdrawal applications submitted to IFAD are prepared in accordance with the stipulated percentage of financing. The project hired an internal audit company to support application of internal controls and introduction of efficiencies. The internal audit firm will start its assignment in the next few weeks.

59. **Procurement** is *moderately unsatisfactory* (score=3). All procurement under the project is as per the approved procurement plan. However, the value of the procurement undertaken in 2015-16 is much lower than estimated in the Plan, which is causing implementation difficulties. There is no prior review procurement undertaken by the project.

60. The Mission has reviewed the procurement of seeds and agricultural inputs at the Block level. These are purchased from the Government Cooperative Societies on direct procurement by placing consolidated demands at the Block level. The demand per beneficiary and the seed variety and the agricultural inputs like nutrients and fertilizers submitted by the FNGOs, delivery receipts are available at the Block offices.

61. Common infrastructure works were executed by the Panchayats. Individual infrastructure works like Goat sheds; water storage structures are constructed through FNGOs and community participation. Assistant Engineers (AEs) are engaged in 2 out of 6 Blocks to certify the completion. Due to non-availability of AEs in other Blocks, many completed works are yet to be certified and booked as expenditure. PMU proposes to rotate these AEs to other Blocks to certify the constructions so that these are handed over to the communities. CIDF works executed are of satisfactory quality and appreciated by the community members.

62. There is an inordinate delay in procurement of drudgery reduction items. PSC directed that drudgery reduction items to be procured through a District Procurement Committee. This has caused considerable delays in procuring these items. The Mission reviewed the file noting and the quotations received at Sanchore Block for the procurement of solar lantern, milk churners and pressure cookers. There was only one supplier who qualified for the solar lantern and the procurement committee decided to re-advertise in newspapers. The request for bids was announced as one package without the lots, and estimated cost was also indicated, which is not a good practice and thus all the quotations were within the estimated budgets. The District Procurement Committee asked for the samples of the items but the evaluation was neither systematic nor restricted to technical specifications. During the field visits, communities expressed their displeasure in the long delays and dropping of items demanded by them. The Mission recommends that procurement of drudgery reduction items should be left to the SHGs or Village Organizations and the funds transferred to their group or VO accounts. The processes of the community procurement are detailed in the Working Paper. As the project is facing significant delays in procuring items, a simple process for local shopping is detailed in the working paper. In spite of recommendations of the previous Missions, the procurement powers of the Project Director and the BPMs have not been enhanced.

63. **Financial management assessment and risk summary:** Overall, the project is classified as LOW risk from the fiduciary point of view. Details are presented in Annex-5.

Agreed action	Responsibility	Agreed date
49. Implementation of external auditor's recommendations and action taken to be submitted to IFAD	SPMU Finance Manager and BPMUs PMs	Dec 2015
50. Advances released for the CIDF works to the NGOs to be adjusted at the earliest. The interest receivable should be calculated from the bank statements of the NGO and to be used for programme expenditure or to be refunded. All future advances to NGOs to be released on the Monthly projection of works undertaken and not for the total sanctioned works.	BPMs/SPMU FM to review and monitor	30 Nov 2015
51. Procurement of drudgery reduction items to be handed over to SHGs/VOs immediately	SPMU/BPMUs	31 Oct 2015

F. Sustainability

64. **Institutional sustainability** is *moderately unsatisfactory* (score=3) since effective capacity building and institutional strengthening of SHG and VOs, as well as facilitation and monitoring of good operating and management processes for the distribution and repayment of loans requires further work. VOs, internal CRPs, book-keepers to be assigned specific tasks and accordingly provided orientation training. Further training of FNGOs field staff for ensuring data integrity of Sakh Darpan is needed. Inequitable groups where leaders corner the benefits are unlikely to be sustained. Federations can be sustained by integrating the goat and farm-based groups.

65. **Social sustainability (Empowerment)** is rated as *moderately satisfactory* (score=4). As stated in the section on gender focus, the project should take a number of actions to ensure that women really become empowered. Interventions related to financial services do not necessarily lead to empowerment unless deep-rooted gender inequalities are also addressed.

66. **Economic and financial sustainability.** Although livelihood interventions lead to increased income, investigations of the market for vegetables are needed because, as production expands, local markets can become saturated. In addition community service providers for goats (CLF and PS) do not seem to be generating the amount of service charge fees needed to make this service sustainable without project support. The mission is also concerned that the proposal for a cluster level goat development committee to take over these services has not been thought through with regard to its likely sustainability.

67. **Technical sustainability** is *moderately satisfactory* (score =4). Inputs for improved crops appear to be available from local cooperative sponsored by GoR, and the project is already phasing out support so farmers are now buying inputs through these outlets. But there are reports of shortages of vaccines for goats in some places.

68. **Environmental sustainability:** overall the project will not have any adverse impact on the environment. There may be some increase in use of agro-chemicals, but only a small area of high value crops will be sprayed. In some areas, project interventions have led to an increase in goat population and possible pressure in grazing and this is mitigated with increased production of crop residue as fodder. Soil and water conservation works including the construction of water retention reservoirs (*Khadins*) enhances recharge to groundwater and soil-moisture. Use of drip and mini-sprinklers ensure effective water use efficiency, and increased area under rainfed crops and orchards minimise wind erosion.

69. **Exit strategy** is rated as *moderately satisfactory* (score=4). The project has produced exit strategy. A more detailed plan as recommended by the last supervision mission has been prepared by the SPMU and it is presented separately in Annex-6. More detailed discussion with SPMU would be needed.

G. Impact

70. **Physical and financial assets** are rated as *moderately satisfactory* (score=4). Physical assets have increased with significant construction of various types of infrastructure for communities and

individual households. Farmers have also invested loans and farm profits (particularly from vegetables) in buying assets such as irrigation pumps and motorcycles. There has been a significant increase in financial assets, with total SHG savings increasing from INR 47 million to INR 123 million.

71. **Food security** is rated as moderately satisfactory (score=4). Improved crop production for around 8,400 households will have improved food security, while keeping goats under better conditions is reported to double milk yields for household consumption. Data in AOS showed that 30% of project households report improved food security compared with 14% in the control group.

72. **Increase in incomes** is rated as *moderately satisfactory* (score=4). So far the project has only had a limited impact on overall livelihood and income. The AOS found that 30% of project households reported increased income in the last year, and 8% reported decreased incomes, while only 10% of the control group reported increased income and 20% a decrease. In Abu Road and Bali households generating significant income from sales of tomatoes and other vegetables, but only 900 farmers are involved in these clusters. Overall crop demonstrations on millets and maize improved productivity by over 80%. There are prospects that goat production will generate significant increases in income for a larger number of farmers – the target increase is INR 5,000 per household per year but interviews with goat keepers suggest it could be substantially more. Overall goat mortality rate reduced by about 10%.

73. **Policy impact** is rated as *moderately satisfactory* (score=4). Good progress on livelihood development – such as goats, vegetables and the custard apple value chain, are being taken up by NRLM in the state as examples of good practice. MGNREGS is also adopting goat houses as one of the items of infrastructure that it supports.

74. **Quality of natural asset improvement and climate resilience.** Rated as moderately satisfactory. Series of tankas (water storage tanks) constructed at community and individual households' levels will enhance the water harvesting, storage and water regime conditions of the land. Legume crops promoted, largely through ICRISAT grant, will contribute to soil quality and soil fertility enhancement through the root nodules of these crops. The legume crops introduced are also improved drought resistant varieties thereby contributing to climate resilience of the communities.

H. Conclusion

75. Although the rate of project expenditure continues to increase, this is being driven by infrastructure development. Progress on SHGs, VO strengthening and even expansion of livelihood activities faltered last year due to increasing shortages of staff and bottlenecks such as procurement. The MIS, Sakh Darpan is generating the reports needed to monitor SHGs and micro-finance and so identifies areas where performance is poor. Inputting reliable data from SHGs into the system should be ensured by FNGOs. The quality of SHGs is highly variable and, although there have been some good improvements, many appear to be functioning at a low level, and availing credit and repayment need to be more robust.

76. The willingness of banks to lend to SHGs has improved, and over half of the active groups have bank loans. Although getting a bank loan is one of the criteria for disbursement of project seed capital to groups, only one third of bank-linked SHGs have received seed capital as they fail to meet other group quality criteria (such as the percentage of group funds that are being utilised for lending), or do not yet need these funds. Livelihood development in crops, horticulture and livestock is generating good results.

77. Overall the project is suffering from a severe shortage of manpower with 29% of PMU posts lying vacant. With only just over one year remaining for project, additional staff positions are needed to scale up livelihoods and to operationalize the MIS – a key to improving the quality of SHGs. In the remainder period, the Project has to focus on (i) strengthening village organisations through effective training and need-based support facilities, (ii) producer-group based livelihoods and cluster-based crop demonstrations and their upscaling, (iii) support to livelihoods-based infrastructure; and (iv) meeting the community needs of drudgery reduction. These critical milestones are summarised in

Attachment-1. IFAD will field quarterly Implementation Support Missions in January and May 2016 to monitor the progress of this plan and agree on any corrective actions needed with the project management, SRTT and the Government.

78. At the wrap up meeting the Principal Secretary pointed out that (i) the pace of MPOWER implementation has picked up after 2012; (ii) with the stability of project management in the last two years the expenditure rates have also been increasing; (iii) there is a need for consolidating the gains already achieved under MPOWER with a view to upscaling them to other areas in the state as livelihoods activities of MPOWER are providing models for adoption by State Rural Livelihood Mission (SRLM); and (iv) there is potential for livelihoods and CDF interventions in the adjoining Blocks but within the Jodhpur division where the target groups are predominantly Tribal and BPL households. He further added that originally the project implementation period was 8 years which at the time of loan negotiation was reduced to 6 years at the behest of Government of Rajasthan. Thereafter during the supervision mission of 2013, Government of Rajasthan requested that the 8 year implementation period be restored and this was accepted by Government of India and IFAD.

79. The Principal Secretary sought a one year extension so that the project can increase its outreach in livelihood interventions, enterprises and productive community infrastructure. Moreover, with the extension of one year, the project can be scaled-up to 2 more Blocks within Jodhpur Division where SHGs have already been mobilized under SRLM and livelihood models through FNGOs can be implemented. An extra year will enable MPOWER to provide a very useful model for Rajasthan for scaling-up livelihood initiatives under SRLM. An extra year will also enable significantly enhanced chances of institutional sustainability as the SHG and SHG federations become more mature and stable. The Mission mentioned that the State Government can approach the DEA, Ministry of Finance, Government of India in the matter. They, on agreement, will take it up with IFAD.

Attachment 1: Summary of key milestones

Milestone for Key Agreed action	Responsibility	Agreed dates			
		Oct 2015	Nov 2015	Dec 2015	Jan 2016
(4) VOs to be involved in a) selection of SHG members; b) review performance of other project activities in the village, and c) review the performance of goat groups, SHG, bank linkage, MLP implementation, use of seed capital and recovery, Book keepers, Krishi Sakhis and Pashu Sakhis. Core committees in each VO should be formed to review the above. CMF to design task based training. Books of accounts also to be introduced early.	SPMU, DPMU, CmF, FNGO	October 2015 onwards			
(7) Distribute CIDF works for individual households as equitably as possible, and including the poorest households. Greater participation by communities, especially via VOs in the selection of works and beneficiaries is needed.	BPMU, FNGO	October 2015 onwards			
(8) In order to address the manpower shortages services of retired civil engineers may be engaged on a short term basis.	SPMU			Dec 2015 onwards	
(9) Expand drudgery reduction intervention to cover more SHG and also non-SHG poor households in project villages, enhance unit cost to INR 2,000/household and identify eligible households through VOs and SHGs.	BPMU			Dec 2015 onwards	
(10) Provide funds to VOs and SHGs to procure small items in particular for drudgery reduction interventions and inputs purchases.	BPMU			Dec 2015 onwards	
(11) Provide crop inputs for at least 2 cropping seasons to each participating farmer and cover at least 20,000 households in next crop season covering both existing and new farmers.	SPMU, CmF		Rabi 2015 onwards		
(14) Pay honorarium to all Pashu sakhis till December 2016 and devise ways and means of sustaining this beyond project level and consult GRDCs of older clusters in this respect.	SPMU,CMF		Rabi 2015 onwards		
(15) Introduce a system of monthly collection of INR 5 to 10 from each GLBG member so that Pashu Sakhi cost is covered partially; this is in addition to cost of services provided to the GLBG members by Pashu Sakhi.	SPMU,CMF		Nov 2015 onwards		
(16) Assess the demand for medicines and provide in a staggered manner. Ensure that the medicines are not kept beyond expiry period by reviewing this in each GRDC meeting, and during visit of CLF.	FNGO, DPMU,		Nov 2015 onwards		
(18) Draw up a consolidated forecast of the annual requirement for livestock vaccine at the block, district and project level, and discuss this with the Veterinary Department so it can be incorporated into their annual procurement plan. If needed, MPOWER could sign a MoU with this department, and provide them also refrigerators and ice boxes.	CmF, DPM SPMU				Jan 2016
(19) Provide revolving fund of INR 20,000 to each GRDC for gap filling expenditure for vaccinations, for	SPMU		Nov 2015 onwards		

Milestone for Key Agreed action	Responsibility	Agreed dates			
		Oct 2015	Nov 2015	Dec 2015	Jan 2016
procurement of medicines etc., which should be collected back from members who are availing vaccination and from Pashu Sakhis for medicine cost. Provide refrigerator and cooling box to all FNGOs that are managing goat clusters.					
(33) Ensure Sakh Darpan is fully operational by December 2015; all FNGOs to streamline data input, reports to flow back and monitoring at all levels is based on such reports. CMF to organise the trainings on usage of report. CMF to carry out additional analysis on key issues faced such as over due analysis as mentioned in text above.	PD, CMF,	Oct 2015 onwards			
(34) Withdrawal Applications to IFAD for seed capital will include details of criteria met for release to each SHG.	PMU	To be continued			
(35) All positions in SPMU and BPMUs must be filled as a matter of urgency with remuneration levels that attract quality staff to work in difficult and remote area locations.	SPMU, GoR	Immediate			
(38) The SPMU should review periodically FNGO staff status and ask for replacement whenever necessary. The facilitation skills of FNGO staff need improving, and the PMU should proactively provide training and skill development to FNGO staff.	BPMU, SPMU, CmF	Immediate			
(46) VOs and SHGs should identify women from very poor and disadvantaged households who are left out of BPL list and are not members of the SHGs and the project to support these households for drudgery reduction and other livelihoods support assistance	BPMU, FNGO & SPMU			31 Dec 15 onwards	
(51) Procurement of drudgery reduction items to be handed over to SHGs and VOs immediately	SPMU, BPMUs	31 Oct 2015 onwards			

Appendix 1: Summary of project status and ratings

A. Basic Facts

Country	India		Project ID	1029	Loan number	748-IN	
Project	Mitigating Poverty in Western Rajasthan				Supp. Loan/Grant	1029-IN	
					Financing terms	HC	
Date of Update:	4-Dec-15	Last Supervision	Sept 2014				
Supervising Inst.	IFAD	No. of Supervisions	6		Financing	USD m	%
Approval	24-Apr-2007	No. of implement supp.	5		IFAD loan	30.35	49%
Agreement	17-Oct-2008	Quality at entry rating			IFAD grant	0.61	1%
Effectiveness	11-Dec-2008	Effectiveness lag	7.7		Govt of Raj.	21.00	34%
MTR	2-19 Sep 2012	Problem project	Not at risk		SRTT	3.20	5%
Current completion	31-Dec-2016				Beneficiaries	2.64	4%
Current closing	30-Jun-2017	Last Amendment	14-May-2013		Banks etc.	4.43	7%
No. of extensions	1	Last Audit	30-Sep-2013		Total	62.23	100%
							65%

B. Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	4	1. Quality of project management	4	4
2. Acceptable disbursement rate	2	2	2. Performance of M&E	3	3
3. Counterpart funds	4	5	3. Coherence between AWPB & implementation	5	3
4. Compliance with loan covenants	5	5	4. Gender focus	4	4
5. Compliance with procurement	3	3	5. Poverty focus	4	5
6. Quality and timeliness of audits	3	4	6. Effectiveness of targeting approach	4	4
			7. Innovation and learning	4	4
			8. Climate and environment focus	4	4
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Strengthening grassroots institutions:		4	1. Institution building	3	3
1.1 Mobilisation and capacity building	3	4	2. Empowerment	4	4
1.2 Community infrastructure development	5	5	3. Beneficiary participation	4	4
1.3 Drudgery reduction	4	4	4. Service providers	4	4
2. Livelihoods support:		4	5. Exit strategy	3	4
2.1 Income generation, marketing, employment	5	5	6. Potential for scaling up	4	4
2.2 Development financial services	4	4			
B.5 Impact	Last	Current	B.6 Partnerships	Last	Current
1. Physical/financial assets	4	4	Partnerships	4	4
2. Food security	4	4			
3. Increase in incomes	4	4			
4. Policy impact	4	4			
C. Overall Assessment and Risk Profile				Last	Current
C 1 Overall implementation progress (Sections B1 and B2)				4	4
C 2 Likelihood of achieving the development objectives (section B 3 and B4)				4	4
C3 Quality of natural asset improvement and climate resilience				4	4
Rationale for implementation progress rating: Although the rate of expenditure has improved, cumulative disbursement is still much less than expected. Planned procurement for goods could not be completed due to administrative delays, poor understanding of procurement processes, and insufficient procurement powers for the PD and BPMUs. The project management rating is pulled down by the severe shortage of staff, while that for M&E by the lack of a fully operational MIS for SHG and micro-finance data.					
Rationale for development objectives rating: The rating for mobilisation and capacity building is depressed by the poor quality of many SHGs (although in some places there are significant improvements). Infrastructure development has accelerated and livelihood development is ahead of many other projects.					
C 4 Risks					
Fiduciary aspects	The main fiduciary risk is lack of accounts staff, resulting in the project not being able to fully operationalise the accounting software, and weak internal controls. An internal auditor is needed.				
Project implementation progress	The main risk to progress is the severe shortage of staff – both in terms of vacant positions and lack of posts for monitoring and livelihood development. There are still some risks that the computerised MIS will not work, although this has reduced as the system is now technically functional.				
Outputs and Outcomes	If the project were able to make better progress in implementation, there would be little risk to outputs and outcomes.				
Sustainability	More work is needed before project institutions (SHG and VO) become sustainable. There are some risks in finding markets for the increasing volume of vegetables that are being produced. Generating sufficient income for providers of community animal health care services is another risk.				

Major Recommendations and agreed actions		
Issues/ problem	Recommended Action	Status/Timing
Ensure that the vast majority of SHG members have access to functional SHG services	Take a review based on MIS data and revise the numbers upward/downward thereafter. Develop an FNGO-wise strategy for revival of groups, with internal CRP development as a key focus area. FNGOs to support and supervise this initiative.	30 Nov 2015 onwards
SHG bookkeeping is poor and most Village Facilitators are unable to do this work.	Select book keepers from the SHG members and train them intensively for book keeping and conducting meetings.	30 Nov 2015 onwards
Much more work is needed to improve the quality of SHGs and to facilitate equitable decision making	Develop the capacity of internal CRPs for institution building through training, exposure visits – follow NRLM type of intensive engagement. Pay them adequately for their work following NRLM pattern. Evaluate their performance in terms of grade of the SHGs and VOs after 6 months. Then develop plans for withdrawal of CF of FNGO from SHGs.	10 January 2016
More households need to be reached for goat development	A further goat clusters may have to be established and more households to be covered under crops inputs demonstrations	30 January 2016
MIS for SHG data is still not in operation.	Ensure Sakh Darpan is fully operational by December 2015; allow FNGOs to hire additional staff for data entry where needed.	30 December 2015
In a few locations good quality SHGs may not be able to link with banks.	Identify in two Blocks (Sanchole and Baap/Sankhra), 2 branches where bank linkages have been consistently difficult, identify clusters with 20 to 25 villages in the service area of these branches in each block, form VOs, build capacity of VO (visit NRLM VOs, CRP rounds), facilitate their monitoring of SHG with Sakh Darpan data and then enable appraisal of seed capital through VO over six to eight month period. First pilot, systematically document the challenges, evaluate before deciding on scaling up.	30 December 2015
Severe staff shortages with 29% of PMU posts vacant	All posts in SPMU and BPMUs must be filled as a matter of urgency.	30 December 2015
Lack of dedicated staff for M&E is hindering implementation of MIS as well as other project monitoring	Additional posts should be created and staff recruited to allow PMU staff to monitor progress more closely and ensure that SHGs get the facilitation and support that they need. These include an M&E Specialist and a Tally Operator in the SPMU; and M&E Officers and Tally Operators in each BPMU.	30 November 2015
Need for a problem solving approach to project management.	A team made up of the PD and senior SPMU staff should visit all BPMUs & FNGOs on at least a quarterly basis, spending at 2 or 3 days at each to review progress and solve problems.	Immediate
Lack of accounts staff resulting in delays in disbursement	Each Block must have a full time Assistant Accounts Officer and other accounts staff. If GoR staff are not available, the project should be allowed to engage accounts staff through a service provider or on contract.	30 December 2015

Appendix 2: Updated logical framework

Results Hierarchy	Indicators/Achievement					Means of verification			Assumptions
	Name	Targets	MTR	Sept 2015	Endline	Source	Frequency	Responsibility	
Goal: Poverty of target group households mitigated	Average number of 76,350 hh assets increased	Significant increases		Significant increases		RIMS MPR AOS	Annual Monthly Annual	SPMU	Climate conditions do not worsen; Political stability; No severe downturn in market conditions
	Prevalence of child malnutrition	5% reduction				Secondary data	Annual	GoR	
	Household incomes increased %	80% over baseline	0	30%		Impact survey	Periodic	SPMU	
	Food security improved, % hunger hh to total hh	5% hh		1%		Impact survey AOS	Periodic Annual	SPMU	
Development Objectives:									
Livelihoods of 76,350 households improved and sustainable income generating opportunities created	% increase in average income of households	80% over baseline	5% over baseline	30% over baseline		Impact survey AOS	Endline Annual	SPMU SPMU	Favourable macro-economic growth conditions exist; Pro-active policies of GoR continue
	Savings of SHGs increased	0	INR 80 million	INR 123 million		Sak Darpan MIS data	Periodic	CmF & M&E	
	SHG inter-loan to members	INR 92 million	0	INR 144 million		Sak Darpan MIS data	Periodic	CmF	
Component outcomes and output									
Component-1.1 Strengthening Grassroots Organisations									
Poor and marginalised households mobilised into socially inclusive affinity groups	Women SHGs organised and trained	5,000 SHG	3,701 SHG	4,832 SHG		Progress Report M&E MIS data	SPMU	Annual	Men support the processes of women empowerment; Active participation of target hh
	Women SHGs active	5,000 SHG	3,201 SHG	3,476 SHG					
	Women Village organisations organised and active	955 VOs	475 VOs	418 VOs		Progress Report M&E MIS data	SPMU	Annual	
	Women SHG federations organised and are active	10 #	0 #	3 #		Progress Report M&E MIS data	SPMU	Annual	
Component-1.2: Community Infrastructure Development									
Community infrastructure needs supported	Common infrastructure works	300 #	0 #	256 #		Progress Report M&E MIS data	SPMU	Annual	Communities and beneficiaries accept ownership of O&M of completed works
	Individual infrastructure works	6,500 #	0 #	3,820 #		Progress Report M&E MIS data	SPMU	Annual	
Component-1.3 Drudgery reduction									

Results Hierarchy	Indicators/Achievement					Means of verification			Assumptions
	Name	Targets	MTR	Sept 2015	Endline	Source	Frequency	Responsibility	
Farm and off-farm drudgery of women reduced	Households received drudgery reducing items	30,000 hh	5,234 hh	17,332 hh		Progress Report M&E MIS data	SPMU	Annual	Beneficiary participation continue
Component-2.1: income generation, marketing and employment generation									
Off farm and on farm production improved, employment opportunities increased and access to markets enhanced to poor women and men	Households participating in crop inputs demo	20,000 hh	2,674 hh	13,818 hh		Annual progress report & MIS	Annual	SPMU M&E	Households confidence in agricultural investments; Farm inputs available; Sufficient market demand exists
	Households participating in horticulture inputs demo	1,500 hh	0	1,340 hh		Annual progress report & MIS	Annual	SPMU M&E	
	Households participating in vegetable inputs demo	2,000 hh	200 hh	2,010 hh		Annual progress report & MIS	Annual	SPMU M&E	
	Households participating in goat-shed construction	3,760 hh	0	2,300 hh		Annual progress report & MIS	Annual	SPMU M&E	
	Households participating in cattle-shed construction	1,000 hh	0	200 hh		Annual progress report & MIS	Annual	SPMU M&E	
	Households in goat groups	10,000 hh	0	8,347 hh		Annual progress report & MIS	Annual	SPMU M&E	
	GRDC established and operating	52 GRDC	0	13 GRDC		Annual progress report & MIS	Annual	SPMU M&E	
	Households participated in vocational training	2,500 hh	761 hh	2,273 hh		Annual progress report & MIS	Annual	SPMU M&E	
Component-2.2 Development financial services									
SHGs enabled to access rural financial services and capacitated to manage their own savings and credit services	SHG mobilised and trained	4,550 SHG	3,762 SHG	4,500 SHG		Annual progress report & MIS	Annual	SPMU M&E	Favourable rural finance policies continue; Banks outreach increase
	SHG received revolving funds	4,550 SHG	1,016 SHG	4,879 SHG (including defunct groups)		Annual progress report & MIS	Annual	SPMU M&E	
	SHG received seed capital	3,500 SHG	481 SHG	1,216 SHG		Annual progress report & MIS	Annual	SPMU M&E	
	SHG credit-linked	3,500 SHG	1,016 SHG	2,114 SHG		Annual progress report & MIS	Annual	SPMU M&E	
	Loan repayment rate %	100%	No data	70%		Sak Darpan MIS	Periodic	CmF	
	SHG dropped, defunct		76 SHG	90 SHG					

Appendix 3: Agreed actions with agreed timeframes

Agreed action	Responsibility	Agreed date
1. VOs and internal CRPs should be given specific tasks of improving the quality of weak SHGs since about 30% of the groups are still weak. They should be trained in good practices of credit, issues of over indebtedness and repayment.	SPMU, DPMUs, FNGOs	October 2015 onwards
2. CMF to evaluate the performance of internal CRPs for the purposes of strengthening of SHG and VO.	CmF, SPMU	Study in January 2016
3. Similarly CMF should evaluate the performance of book keepers and provide refresher training. SPMU to facilitate adequate payment from SHGs over next one year to book keepers.	SPMU, CmF	Study in January 2016
4. VOs to be involved in a) selection of SHG members for various project related activities; b) review performance of other project activities in the village, c) review goat groups, SHG performance, bank linkage, MLP implementation, utilisation of seed capital and recovery in each meeting, d) Book keepers, Krishi Sakhis and Pashu Sakhis to be reviewed by VOs. Core committees should be formed to review the above. CMF to design task based training. Books of accounts also to be introduced early. Considering enhanced roles of VOs, each VO should be provided a separate office building.	SPMU, DPMU, CmF, FNGO	October 2015 onwards
5. CMF to deploy staff with skills in micro finance at SPMU level immediately; CmF to follow up with NGO to ensure that the data of all SHGs is put on the portal. CMF to carry out indepth analysis NGO partner wise each month pointing out the critical areas that the NGO need to focus on. DPMUs and CMF staff in the districts to solve the issues of NGOs in <i>Sakh Darpan</i> as and when they arise. NGOs to ensure quality data entry operators and checking of accuracy of data by team leaders.	CmF, DPMU, NGO	October 2015 onwards
6. Federations should integrate goat and farm related activities. While existing federations need to be further strengthened to address social, gender and nutrition issues, the fundamental financial discipline in repayment of loans should be ensured especially among the leaders of SHGs, VOs and federations.	DPMUs, FNGOs, CmF	October 2015 onwards
7. Distribute infrastructure works for individual households as equitably as possible, and including the poorest households. Greater participation by communities (especially via VOs) in the selection of works and beneficiaries is also needed.	BPMU, FNGO	Immediate
8. In order to address the manpower shortages services of retired civil engineers may be engaged on a short term basis.	SPMU	Dec 2015
9. Expand drudgery reduction intervention to cover more SHG and also non-SHG poor households in project villages, enhance unit cost to INR 2,000/household and identify eligible households through VOs and SHGs.	BPMU	December 2015
10. Provide funds to VOs and SHGs to procure small items.	BPMU	December 2015
11. Provide crop inputs for at least 2 cropping seasons to each participating farmer and cover at least 20,000 households in next crop season covering both existing and new farmers.	SPMU, CmF	Rabi 2015 onwards
12. To ensure sustainability of inputs provision, the VOs should be provided training in procurement and SHG members encouraged to borrow from their respective SHGs for purchases of inputs	SPMU, DPMU, FNGOs	Rabi 2015 onwards
13. Ensure timely distribution of planting material and inputs to farmers	SPMU, DPMU	Rabi 2015 onwards
14. Pay honorarium to all Pashu sakhis till December 2016 and devise ways and means of sustaining this beyond project level and consult GRDCs of older clusters in fixing the honorarium for Pashu Sakhis.	SPMU, CMF	November 2015 onwards
15. Introduce a system of monthly collection of INR 5 to 10 from each GLBG member so that Pashu Sakhi cost is covered partially; this is in addition to cost of services provided to the GLBG members by Pashu Sakhi.	SPMU, CMF	November, 2015 onwards
16. Assess the demand for medicines and provide in a staggered manner. Ensure that the medicines are not kept beyond expiry period by reviewing this in each GRDC meeting, and during visit of CLF.	FNGO, DPMU,	November 2015 onwards
17. Provide further training of Pashu Sakhis in animal diseases and their controls.	SPMU, CMF	November 2015
18. Draw up a consolidated forecast of the annual requirement for livestock vaccine at the block, district and project level, and discuss this with the	CmF, DPM	1 Jan 2016

Agreed action	Responsibility	Agreed date
Veterinary Department so it can be incorporated into their annual procurement plan. If needed, MPOWER could sign a MoU with this department, and provide them also refrigerators and ice boxes.	SMPU	
19. Provide revolving fund of INR 20,000 to each GRDC for gap filling expenditure for vaccinations, for procurement of medicines etc., which should be collected back from members who are availing vaccination and from Pashu Sakhis for medicine cost. Provide refrigerator and cooling box to all FNGOs that are managing goat clusters.	SPMU	November 2015 onwards
20. VOs to review the work of Pashu Sakhis and Krishi Sakhis and they will be accountable to VO.	SPMU, DPMUs, FNGO	November 2015
21. Project and CMF should ensure that monitoring mechanism and data availability on the income generation activities are collated and analysed. FNGO to tabulate the data in the computer, DPMs to cross check and then pass on to SPMU/CMF	SPMU, CMF, FNGOs	November 2015 onwards
22. NGOs to facilitate appropriate rate of interest setting for bank loans by group to members that covers cost of funds, transaction costs and risk cost.	FNGOs, DPMU, GM MF	November 2015
23. Improve internal lending of groups through CRP/PRP rounds in all blocks; CMF and DPMs to issue letters to FNGOs with data of groups with high cash in hand. This issue to be discussed in group meeting and VO meeting and plan of action agreed.	CMF, SPMU	October 2015 onwards
24. Repayment rate needs improvement - organise repayment camps after harvest and in periods of cash surplus	DPMU, FNGOs	October 2015 onwards
25. CMF to develop a training module on over indebtedness, accounting practices in interest and principal repayment and train NGO and VO and SHGs. Sakh darpan reports to be shared with VO for monitoring of over dues;	SPMU, DPMUs, CMF, NGOs	November 2015 onwards
26. FNGOs have doubts about calculation of repayment rate in Sakh Darpan. CMF to conduct a workshop for DPMs, Team leaders, CFs on accounting of loans through practical training with manual calculation based on SHG books and then verification through the Sakh Darpan.	CMF, SPMU	December 2015
27. Ensure defunct groups are dissolved and savings of members are returned. Recover RF from defunct groups and draw up plans for its utilisation. Include these aspects in MPR of the project.	SPMU, DPMUs	November 2015 onwards
28. DPMU should inform the SHGs of the release of seed capital and there after check up on actual withdrawal and utilisation and pursue with mini banks where necessary.	SPMU, DPMUs	October 2015 onwards
29. PMU to carry out periodical checking on the quality aspects of seed capital release and take action if norms are violated.	SPMU, GM MF	October 2015 onwards
30. Assess the problematic mini banks, shift SHG accounts from these mini banks to commercial banks	GM MF, DPMUs, NGOs	October 2015 onwards
31. Carry out study on credit needs of groups in PRADAN	GM MF, CMF, PRADAN	December 2015
32. Identify well functioning VOs in select blocks and pilot repayment of seed capital to VO for on lending to groups; this should ensure better repayment performance. VOs to be trained in loan appraisal and monitoring. First pilot, systematically document the challenges, evaluate before scaling up.	SPMU, CMF	December 2015 onwards
33. Ensure Sakh Darpan is fully operational by December 2015; all FNGOs to streamline data input, reports to flow back and monitoring at all levels is based on such reports. CMF to organise the trainings on usage of report. CMF to carry out additional analysis on key issues faced such as over due analysis as mentioned in text above.	PD, CMF,	October 2015 onwards
34. Withdrawal Applications which Government submits to IFAD for seed capital will include details of criteria met for release to each SHG.	PMU	To be continued
35. All positions in SPMU and BPMUs must be filled as a matter of urgency with remuneration levels that attract quality staff to work in difficult and remote area locations.	SPMU, GoR	Immediate
36. Additional posts should be created and staff recruited to allow SPMU staff to monitor progress more closely and ensure that SHGs get the facilitation and support that they need. These include an M&E Specialist in PMU and M&E	GoR, SPMU, CmF	Immediate

Agreed action	Responsibility	Agreed date
Officers in each BPMU. CMF to help in the hiring process and shortlisting candidates through joint interview with the project.		
37. A team made up of the PD and senior SPMU staff should visit all BPMUs & FNGOs at least on a quarterly basis, spending at 2 or 3 days at each to review progress and solve problems.	PD, SPMU	Starting from Jan 2016
38. The SPMU should continuously review FNGO staff status and ask for replacement whenever necessary. The facilitation skills of FNGO staff need improving, and the PMU should proactively provide training and skill development to FNGO staff.	BPMU, SPMU, CmF	Immediate
39. An action plan has been drawn up with quarterly milestones for key actions to be taken to ensure progress and improve performance. IFAD will field quarterly Implementation Support Missions to review progress against these milestones and agree with GoR on any corrective measures that may be needed.	SPMU, IFAD	IFAD ISM in January 2016
40. As a matter of urgency, Sakh Darpan must be made fully operational for SHG and microfinance data.	CmF, also SPMU, BPMU	31 December 2015
41. The Annual Outcome Survey could be made more useful for the project if the questionnaire was modified to collect data that is more relevant to this project.	SPMU (M&E Specialist)	31 January 2016
42. FNGOs should continue to prepare annual narrative reports describing their activities in the block (including convergence with their other programmes) and the resulting outcomes and impacts.	BPMU, SPMU (M&E Specialist)	31 December 2015
43. Ensure appropriate training material development for SHG member training and include village or community leaders also in these trainings.	SPMU & FNGOs	From Dec 2015
44. Ensure monitoring of the key gender-sensitive indicators already identified. Take the help of resource NGO if needed.	SPMU	Starting from Dec 2015
45. Facilitate action on the social issues that are affecting women through VOs. NGO TL and CF capacity to be built for facilitating discussions, action planning and monitoring the implementation. Good practices of Pradan and Srijan can be documented and shared with other NGOs.	SPMU and FNGOs	From Nov 2015 onwards
46. VOs and SHGs should identify women from very poor and disadvantaged households who are left out of BPL list and are not members of the SHGs and the project to support these households for drudgery reduction and other livelihoods support assistance as well as to link them with Government schemes; track results of such poverty focus interventions as part of the project M&E data.	BPMU, FNGO & SPMU	31 Dec 15 onwards
47. The Project has produced livelihood profiles for goats, dairy, agriculture and horticulture. These have some good information and guidance for implementing development in these sectors, and these should be translated into English for wider dissemination, including to other IFAD projects.	GM(KM)	31 January 2016
48. The project should continue to produce case studies as recommended by last mission. It would be useful if the project could engage a short-term writer-editor to assist with case studies. CmF may also be able to assist.	GM(KM), CmF	31 January 2016
49. Implementation of external auditor's recommendations and action taken to be submitted to IFAD	SPMU Finance Manager and BPMUs PMs	December 2015
50. Advances released for the CIDF works to the NGOs to be adjusted at the earliest. The interest receivable should be calculated from the bank statements of the NGO and to be used for programme expenditure or to be refunded. All future advances to NGOs to be released on the Monthly projection of works undertaken and not for the total sanctioned works.	BPMs/SPMU FM to review and monitor	30 November 2015
51. Procurement of drudgery reduction items to be handed over to SHGs/VOs immediately	SPMU/BPMUs	31 October 2015

Appendix 4: Physical progress measured against project targets²

Physical Progress measured against project targets

	Appraisal Target	Annual Acheived								Total Actual
		2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual upto Aug.	
Number of village covered	955	0	0	456	407	33	6	3	0	905
Numbered of VDC/Vo formed	955	0	0	20	83	152	99	86	302	742
No. of Vo functioning at year end	955	0	0	0	21	33	173	169	262	658
Number of VDP Prepared	955	0	0	159	539	70	51	113	138	1,070
Number of VDP implemented	955	0	0	2	198	102	508	115	123	1,048
Number of SHG formed in year	5,000	0	0	1,420	2,418	355	934	219	15	5,361
No. of SHGs dropped out in year	0	0	0	0	76	62	232	252	0	622
No. of SHG supported in year	5,000	0	0	1,325	3,762	4,067	4,757	3,391	3,254	4,832
of which SHGs active at year end	5,000	0	0	1,169	3,201	3,394	4,536	3,596	3,476	4,425
of which number of SHGs defunct	0	0	0	5	47	44	183	139	43	461
No. of SHG with bank account	5,000	0	0	1,051	2,604	3,193	4,366	1,561	1,801	14,576
No of SHG Members in active SHGs	50,000	0	0	15,421	27,860	37,620	47,587	37,932	37,252	48,365
Livelihood demonstration:								0	0	0
No. of demonstration topics	0	0	0	5	20	16	16	23	34	114
cumulative farmers to date	33,000	0	0	94	2,674	5,416	11,521	11,923	21,536	53,164
No of farmers participate in year							5,695	9,061	13,766	28,522
Drudgery reduciton								0	0	0
No. of HH covered in the year		0	0	2,512	5,234	4,562	4,885	4,180	0	21,373
Capacity Building								0	0	0
No. of VDC members trained		0	0	0	380	287	1,366	322	732	3,087
No of SHG members trained on SHG management and accounting	48,760	0	0	10,146	15,577	5,993	13,500	8,053	360	53,629
People trained on crop production		0	0	94	2,632	3,352	6,204	5,766	12,548	30,596
People trained on livestock produ.		0	0	0	34	424	1,789	1,684	2,252	6,183
People trained on marketing		0	0	0	0	0	32	21	332	385
People trained on Social Issues		0	0	500	2,348	500	512	502	241	4,603
Youth receciving vocational training	2,500	0	0	123	761	321	724	223	121	2,273
of Which male		0	0	0	0	0	0	34	247	281
of Which female		0	0	0	0	0	0	132	386	518
People atteding workshops		0	0	0	0	0	4,120	573	108	4,801
people going on trours/visits		0	0	594	561	311	5,072	2,598	3,568	12,704

² For want of systematic project M&E, there are variations between Physical Progress, RIMS indicators and Monthly Progress Reports compiled for the Mission. The Project has been informed these lapses and advised to rectify the se discrepancies as soon as possible.

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

Table -5A Financial performance by financier and disbursement

Financier	Approval (USD'000)	Disbursements (USD'000)	Percent disbursed
IFAD loan	30,291.70	10,395.00	43.23
IFAD Grant	607.80	400.00	65.81
Co-financier SRTT	3,207.10	594.89	18.55
Government of Rajasthan	21,362.10	27,172.31	127.20
Domestic, Beneficiary participation	2,643.20	369.23	13.97
Banks	4,430.50	2,059.46	46.48
Others	0.00	0	0.00
Total	62,542.40	39,730.89	63.53

IFAD Loan and Grant disbursements are as per Flexcube data.

Other financier disbursement were converted from INR using current exchange rate of 1 USD = INR 65. Due to depreciation from last year levels, the financial performance in USD terms is less than previous year.

Table 5 B Financial Achievements – by component and sub-component (INR '000)

Component / sub-component	IFAD Loan			IFAD Grant			SRTT Grant			GOVT		
	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
A-Grassroots Development												
1. 1 Grassroots Institution Development	2,50,839.13	1,14,485.00	45.64				4,779.18	2,939.00	61.50	31,166.50		
1.2. Community Infrastructure Development	2,60,480.12	2,35,186.00	90.29		1,188.00		34,515.28	11,512.00	33.35	8,84,567.72	17,65,697.00	199.61
Sub-total A	<u>5,11,319.25</u>	<u>3,49,671.00</u>	<u>68.39</u>	-	<u>1,188.00</u>	-	<u>39,294.46</u>	<u>14,451.00</u>	<u>36.78</u>	<u>9,15,734.23</u>	<u>17,65,697.00</u>	<u>192.82</u>
B-Livelihood Support												
2.1. IGA & Marketing Support	5,77,486.82	1,42,292.00	24.64	11,221.70	9,510.00	84.75	45,332.20	10,378.00	22.89	3,375.62		
2.2. Develop. Finance	1,35,515.27	88,095.00	65.01	14,138.22	7,933.00	56.11	55,409.62	5,639.00	10.18	4,539.47		
Sub-total B	<u>7,13,002.09</u>	<u>2,30,387.00</u>	<u>32.31</u>	<u>25,359.92</u>	<u>17,443.00</u>	<u>68.78</u>	<u>1,00,741.83</u>	<u>16,017.00</u>	<u>15.90</u>	<u>7,915.09</u>		-
C. Project Management												
3.1. Project Management Unit	1,38,807.44	1,32,618.00	95.54	1,988.38			4,283.59	8,200.00	191.43	37,646.00	503.00	1.34
Sub-total C	<u>1,38,807.44</u>	<u>1,32,618.00</u>	<u>95.54</u>	<u>1,988.38</u>			<u>4,283.59</u>	<u>8,200.00</u>	<u>191.43</u>	<u>37,646.00</u>	<u>503.00</u>	<u>1.34</u>
Grand Total	<u>13,63,128.77</u>	<u>7,12,676.00</u>	<u>52.28</u>	<u>27,348.30</u>	<u>18,631.00</u>	<u>68.12</u>	<u>1,44,319.88</u>	<u>38,668.00</u>	<u>26.79</u>	<u>9,61,295.32</u>	<u>17,66,200.00</u>	<u>183.73</u>

..... Continued

Table 5 B Financial Achievements – by component and sub-component (INR '000), continued

Component/ sub-component	Beneficiary contribution			Banks			Total		
	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
A-Grassroots Development									
1.1 Grassroots Institution Development							2,86,784.81	1,17,424.00	40.94
1. 2.Community Infrastructure Development	60,390.82	22,181.00	36.73				12,39,953.94	20,35,764.00	164.18
Sub-total A	60,390.82	22,181.00	36.73				15,26,738.75	21,53,188.00	141.03
B-Livelihood Support									
2.1 IGA & Marketing Support	2,489.39	1,819.00	73.07	7,108.26	54,554.00	767.47	6,47,013.98	2,18,553.00	33.78
2.2. Develop. Finance	56,067.51			1,92,262.39	79,311.00	41.25	4,57,932.48	1,80,978.00	39.52
Sub-total B	58,556.89	1,819.00	3.11	1,99,370.64	1,33,865.00	67.14	11,04,946.46	3,99,531.00	36.16
C. Project Management									
3. 1. Project Management Unit							1,82,725.42	1,41,321.00	77.34
Sub-total C							1,82,725.42	1,41,321.00	77.34
Grand Total	1,18,947.72	24,000.00	20.18	1,99,370.64	1,33,865.00	67.14	28,14,410.63	26,94,040.00	95.72

The Project does not track component expenditure in USD. In case the current exchange rate is used, the total expenditure in USD is less than the previous year cumulative expenditure. There has been depreciation of INR against USD since Design (from INR 45 to INR 65 at present). Hence Component expenditures are provided in INR, as reported by the project.

Table 5C Status of Funds by Category (in SDR)

**IFAD LOAN: Account Number 1000003100 Alternate Account Number L-I-748-
 Customer Short Name INDIA**

Category	Category Description	Allocated	Disbursed	%	Available Balance
072646	AUTHORIZED ALLOCATION - SPECIALL ACCOUNT	0.00	1,260,159.97	0.00%	-1,260,159.97
115481	CIVIL WORKS	2,550,000.00	2,333,678.06	91.52%	216,321.94
115504	EQUIPMENT	280,000.00	56,976.04	20.35%	223,023.96
115505	DEMOSTRATIONS	1,280,000.00	141,889.62	11.09%	1,138,110.38
115506	ENTERPRISE DEVELOPMENT	5,170,000.00	895,820.42	17.33%	4,274,179.58
115507	SURVEYS, STUDIES AND TECHNICAL ASSISTANCE	100,000.00	23,612.64	23.61%	76,387.36
115508	CAPACITY BUILDING AND TRAINING	5,260,000.00	2,549,998.07	48.48%	2,710,001.93
115509	SALARIES AND ALLOWANCES	1,180,000.00	1,152,567.65	97.68%	27,432.35
115510	OPERATIONS & MAINTENANACE	240,000.00	250,458.23	104.36%	-10,458.23
117559	UNALLOCATED	2,400,000.00	0.00	0.00%	2,400,000.00
TOTAL:		18,460,000.00	8,665,160.70	46.94%	9,794,839.30

**IFAD Grant: Account Number 1000003083 Alternate Account Number G-I-C-1029-
 Customer Short Name INDIA**

Category Code	Category Description	Allocated	Disbursed	%	Available Balance
072647	ADVANCE TO THE GRANT BANK ACCOUNT	0.00	72,489.54	0.00%	-72,489.54
115482	DEMONSTRATIONS AS PROVIDED IN PAR 2(I) OF SCHED 2	116,000.00	71,681.24	61.79%	44,318.76
115512	ENTERPRISE DEVELOPMENT AS PROVIDED IN PAR.2 (I) OF SCHEDULE 2	36,000.00	10,661.79	29.62%	25,338.21
115513	SURVEYS, STUDIES AND TECHNICAL ASSISTANCE AS PROVIDED IN PAR. 2(I) OF SCHEDULE 2	52,000.00	37,256.10	71.65%	14,743.90
115514	CAPACITY BUILDING AND TRAINING AS PROVIDED IN PAR. 2 (I) OF SCHEDULE 2	166,000.00	61,945.03	37.32%	104,054.97
TOTAL:		370,000.00	254,033.70	68.66%	115,966.30

Appendix 6: Compliance with legal covenants: Status of implementation

	Section/Covenant	Target/Action Due Date	Compliance Status/Date
	Main Articles of the PROJECT AGREEMENT: Article II		
1	SECTION 2.02. Availability of Loan and Grant Proceeds and Implementations. The State shall make the proceeds of the Loan and Grant available to DoRD & PR for the purpose of Project implementation.	Condition of Project Implementation	Complied
2	SECTION 2.03 Use of Proceeds. The State shall ensure that it and each Project Party shall use the proceeds of the Loan and Grant exclusively to finance Eligible Expenditures in accordance with this Agreement, the Financing Agreement and the General Conditions.	Condition of Project Implementation	Complied
3	SECTION 2.04. Availability of Additional Resources. In addition to the proceeds of the Loan and Grant, the Co-financing, Counterpart Funds and Parallel Financing from the State, the State shall make available to DoRD & PR and each other Project Party, promptly as needed, such funds, facilities, services and other resources as may be reasonably required from time to time to carry out the Project in accordance with this Agreement and the Financing Agreement.	Condition of Project Implementation	Continuous/ on-going
4	ARTICLE III. Effectiveness ; Termination ; Continuing Effect SECTION 3.01. Effectiveness Upon execution by the Parties hereto, this Agreement shall come into force and effect as of the Effective Date of the Financing Agreement, provided however that the State shall have provided to the Fund a favourable legal opinion, by a competent legal counsel of the State, in form and substance acceptable to the Fund.	Date: Effective from 11 December 2008	Complied
5	SECTION 2.03. Special Account. (a) The Borrower shall open and thereafter maintain in the Reserve Bank of India, or another bank proposed by the Borrower and accepted by the Fund, an account denominated in USD, for the purpose of financing the Project (the "Special Account"). (b) The Borrower shall operate the Special Account in accordance with Section 4.08 of the General Conditions.		Complied
6	SECTION 2.04. Grant Bank Account. (a) The Borrower shall open and thereafter maintain in the Reserve Bank of India, or another bank proposed by the Borrower and accepted by the Fund, a Grant Bank Account denominated in USD for the purpose of receiving Grant proceeds.		Complied
7	SECTION 2.05. Use of Proceeds. The Borrower and each Project Party shall use the proceeds of the Loan and the Grant exclusively to finance Eligible Expenditures in accordance with this Agreement and the General Conditions.		Complied
8	SECTION 3.02. Annual Work Plans and Budgets and Procurement Plan. (a) The PMU shall prepare a consolidated draft AWPB for the Loan and Grant for each Project Year. (b) Before each Project Year, the PMU shall submit the draft AWPB to the Fund for its comments, no later than 60 days before the beginning of the relevant Project Year.		Complied
9	SECTION 3.04 Availability of channelling of Loan and Grant Proceeds and channelling of Counterpart Funds and Co-financing. (a) The Borrower shall ensure that the State makes available the Financing to the Lead Project Agency and each other Project Party and shall ensure that the State Coordinates the availability of the Co-Financing (b) For such purpose, the Borrower shall ensure that the State makes budgetary allocation for each Fiscal Year equal to the Counterpart Funds called for in the AWPB for the relevant Project Year and make such allocation available to the Lead Project Agency		On-going
10	SECTION 3.06. Procurement. All procurement financed from the proceeds of the Financing shall be carried out in accordance with Schedule 4 during the Project Implementation Period, except as provided in paragraph 5 of Schedule 2 hereof regarding retroactive financing.		Complied

	Section/Covenant	Target/Action Due Date	Compliance Status/Date
11	<p>ARTICLE IV. Implementation Reviews and Reports</p> <p>SECTION 4.01. Monitoring. The LPA shall establish, in no event later than 180 days after the Effective Date, and thereafter maintain an appropriate information management system in accordance with the Fund's "Guidelines for Project Monitoring and Evaluation" and using the Fund's Results and Impact Monitoring Systems (RIMS) indicators to enable it to continuously monitor the Project.</p> <p>SECTION 4.02. Progress Reports. The LPA shall submit to the Fund six monthly and annual progress reports on Project implementation, as required by Section 8.03 (Progress Reports) of the General Conditions, on later than two months after the end of each six-monthly and annual period during the Project Implementation Period.</p> <p>Section 4.03 Mid Term Review</p>		<p>Complied</p> <p>Complied</p> <p>Complied and action being taken.</p>
12	<p>ARTICLE V</p> <p>SECTION. 5.01. Financial Statements. The PMU shall prepare the Consolidated Financial Statements to the Fund within three (3) months of the end of each such period.</p> <p>SECTION 5.02. Audit Reports. Within 90 days of the Effective Date, the State shall confirm the appointment of independent auditors to audit the Consolidated Financial Statements relating to the Project for the first Fiscal Year. Thirty (30) days after the beginning of each succeeding Fiscal Year, the State shall confirm such auditors' appointment for such Fiscal Year.</p> <p>The LPA through its PMU shall have the Consolidated Financial Statements relating to the Project audited each Fiscal Year by such auditors in accordance with the International Standards on Auditing. In addition to the audit report on the Consolidated Financial Statements, the auditors shall provide: (i) an opinion on the certified statements of expenditure and the operation of the Special Account, Grant Account and Treasury Account; and (ii) a separate management letter, addressing the adequacy of the accounting and internal control systems.</p> <p>The LPA through its PMU shall deliver the above-mentioned items to the Fund within six (6) months of the end of each such Fiscal Year. The LPA through its PMU shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof.</p>		<p>Complied</p> <p>Complied</p> <p>Complied</p>
13	<p>SCHEDULE -1- Para 2 <i>Target Group.</i> The project shall benefit all Below Poverty Line (BPL) households in the Project Area including those who are not currently on the BPL lists but are eligible for inclusion as identified by a community based wealth ranking exercise ratified by the Gram Sabha and Gram Panchayat ("Target Group"). The Project shall focus on the poorest among the BPL, especially women.</p> <p>SCHEDULE -1- Para 5.3 <i>Project Management Component:</i> The Project shall finance the costs associated with the establishment of: (a) a Project Management Unit (PMU) at Jodhpur; (b) six (6) Block Project Management Unit (BPMUs); and (c) capacity building of the executing and the implementing agencies and establishment of Monitoring and Evaluation systems. A Private Sector Promotion Team (PSPT) will be housed within the Marwari Chamber of Commerce and Industry (MCCI) at Jodhpur and support the PMU in marketing aspects</p>		<p>Complied</p> <p>Complied. PSPT could not be established as the MCCI has not responded to the project proposal.</p>
14	<p>SCHEDULE -2 Para 3: Minimum Withdrawal Amounts. Except for replenishments of the Special Account under Section 2.03 (b), withdrawals from the Loan Account and Grant Account shall be made in amounts no less than USD 50,000 or its equivalent, or such other amount as the Fund may designate from time to time.</p> <p>Para 6: Conditions Precedent to Withdrawals- Overall Programme. No withdrawal shall be made in respect of expenditures under any Category under the Loan/ Grant until the PSC shall have been duly established and the Borrower shall have duly opened the Special Account and Grant Bank Account.</p>		<p>Complied</p> <p>Complied</p>
	<p>SCHEDULE 3. 1. <u>Project Co-ordination (Paras 3.1 to 3,5)</u> Establishment of the State <i>Project Steering Committee (SPSC)</i>, Project <i>Steering Committee (PSC)</i>, <i>District Project Coordination Committee (DPCC)</i> in each project district and <i>Village Development Committee (VDC)</i> in each village shall have been established.</p> <p>2. <u>Project Management (Para 4)</u> The Project Management Unit (PMU) based at Jodhpur shall enjoy operational autonomy and shall be responsible for the Project planning, implementation, supervision, monitoring and reporting progress to the State. It shall be supported by the Private Sector Promotion Office located in the MCCI, Jodhpur.</p>		<p>Complied</p> <p>Complied</p> <p>Complied. However, at present there are vacant</p>

	Section/Covenant	Target/Action Due Date	Compliance Status/Date
	3. Block Project Management Unit (BPMU). Each BPMU shall be established and shall be composed, inter alia, of the following staff: the Block Project Manager, a M&E specialist, Computer Operator or Programmer, Marketing Specialist, Livelihoods Specialist and Accountant.		positions, which are managed by additional charge..
*15	SCHEDULE 4. Procurement PART A. GENERAL 1. Procurement of goods, works and consulting services financed by the Loan and the Grant shall be subject to the provisions of the IFAD "Procurement Guidelines" any provision of the Procurement Guidelines is inconsistent with a provision of this Schedule, then the latter shall govern. 2. Before the commencement of procurement and annually thereafter, the Borrower shall furnish to the Fund for approval, a Procurement Plan as described in Appendix 1, paragraph 1 of the IFAD Procurement Guideline. 3. No procurement shall be undertaken if it entails a payment to persons or entities, or an import of goods, prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. The Fund shall inform the Borrower of any such persons, entities or import. PART B. REVIEW OF PROCUREMENT DECISIONS 1. The award of any contract for goods and works estimated to cost USD 100 000 equivalent or more and consulting services estimated to cost USD 50 000 equivalent or more shall be subject to prior review by the Fund. 2. All bidding documents and contracts or the procurement of goods, works and services financed by the Loan shall include a provision requiring, bidders, suppliers, contractors, sub-contractors and consultants to retain the all records and documents for three years after completion of the work and permit the Fund to inspect their accounts, records and other documents and have them audited by Fund-appointed auditors and investigators.		Complied Complied Complied Complied Except the initial engagement of NGOs, no procurement under prior review.
16	SCHEDULE 3: ADDITIONAL COVENANTS 1. Pest Management. As part of maintaining sound environmental practices as required by Section 7.15 of the General Conditions, the Project Parties shall maintain appropriate pest management practices under the Project and, to that end, the Borrower shall comply with the principles of the International Code of Conduct on the Distribution and Use of Pesticides of the Food and Agriculture Organisation of the United Nations and ensure that pesticides procured under the Project do not include any hazardous pesticides 2. Joint Forest Management Programme. The Borrower shall ensure that there is effective implementation of the Joint Forest Management Programme by the Forest Department so that benefits accrue the Target Group, who will be given incentives to protect and conserve these biotic resources. 3. Monitoring and Evaluation. M&E activities shall include: activities reporting, by which all Programme Parties shall report on a monthly basis on the activities undertaken, and the information shall be stored in the Programme's Management Information System (MIS); progress monitoring ; and impact monitoring including those indicators required under the Fund's Result's Impact Monitoring System (RIMS), shall be gathered. The Borrower shall ensure that the RIMS indicators, required by the Fund, shall be incorporated in and from part of the Programme's monitoring system. 4. Insurance of Project Personnel. The Lead Project Agency shall insure key Project personnel against health and accident risks to the extent consistent with sound commercial practice. 5. Use of Project Vehicles and Other Equipment. The Borrower shall ensure that all vehicles and other equipment procured under the Project are appropriate to the needs of the Project and are dedicated solely to Project use. 6. Fraud and corruption. The Borrower shall promptly bring to the attention of the Fund any allegations or concerns of fraud and/or corruption in relation to the implementation of the Project of which it has knowledge or become aware.		Complied Not Complied Mostly complied Complied Complied No such case so far reported by the Borrower/State

Appendix 7: Knowledge management: Learning and Innovation³ Learning

Lessons that can be taken from project successes include:

Goat development

The goat development clusters remain a success story, and member of SHGs that are outside of these clusters are requesting that goat development be extended to their areas. As clusters develop a number of new lessons are emerging. These include:

- (a) It is not that easy to generate sufficient income from animal health services as goat rearers are reported to be used to getting free services from the government, and the project has supported such services (via veterinary camps) while not providing incentives to community animal health workers to generate income (as all fees are deposited with the project). It appears that similar goat development projects, both in Rajasthan and in other states, have adopted somewhat different modalities, are more successful in this area.
- (b) Within a short period there has been a remarkable fall in goat mortality rates. In general goat rearers have only sold male goats - as with high mortality rates, all females are needed to maintain the population of breeding animals. With a sharp fall in mortality there has been a substantial increase in goat population and, with no tradition in selling females, there is a risk that rising numbers may exceed grazing resources. There is clearly a need to facilitate discussions on limiting the numbers of goats - and in one village this has already happened with people agreeing on a ceiling of 15 animals per household.
- (c) Marketing of goats is not a problem - live goats are relatively easy to transport and can be kept until market prices rise or there is a need to sell. However the introduction of weighing machines is enabling rearers to negotiate much higher prices for animals that they wish to sell.

Innovations

MPOWER has introduced a number of new approaches and improved technologies. Approaches that are new in the project area (but were already being implemented elsewhere in India) include:

- the goat development clusters with Pashu Sakhis as community resource persons providing animal health services and other technical support
- use community participation in the construction of goat-sheds and fabrication of cement-bricks and involving local masons in the GRDC structures See Attachment-1, Annex-2 for details
- agricultural development clusters, particularly for vegetable production on a commercial scale
- custard apple production, processing and marketing
- Vegetable production: (a) improved plant support using stronger poles and polymire wire (cheaper and more durable than steel wire); (b) production of seedlings in polyhouses; (c) trellis to produce gourds and other climbing vegetables; and (d) drip irrigation
- Goats: weighing goats before sale and castration of bucks.
- A system of SHG self-monitoring has been introduced with SHG Self-grading kits (booklets) distributed to all FNGOs. These include a system of scoring, using subjective criteria, of a number of indicators of SHG functioning and performance.
- A system of monitoring cards has been developed for crop and vegetable development clusters. Each farmer has a monitoring card book filled up by the Kriski Sakhi (KS - community

³ Updated from the last year SM Report

resource person) for each group (Farmer Field School) showing each crop activity and practices undertaken by the farmer. At the FFS the KS transfers this to the pre-printed FFS record book to create tables with records for all farmers. The book also has instructions for the functioning of the FFS, and details of each farmer – although much of this seems to be completed with the same data for all farmers. The books also record the production of the crop for each farmer.

These are good innovations for collection of field level data with the involvement of project participants and village level. However there does not appear to be any system for upwards reporting of this information, analysis of data, and interpretation of the lessons learned.

Annex 1: Progress against previous mission recommendations

Action taken report of the recommendations of 2014 SM			
Agreed action	Responsibility	Agreed date	Action Taken & Progress till Sept 2015
1. At least 3,500 groups should be fully functional by March 2015. Develop an FNGO-wise strategy for revival of near defunct groups, with internal CRP development as a key focus area. FNGOs to support and supervise this initiative. No new groups to be formed till March 2015.	GM (Training), CmF, BPM, FNGO	30-Mar-15	Out of 4,515 SHGs, 4,410 SHGs are functional as per audit report undertaken during the year, out of 4,410 SHGs audit done by CRPs, 4,025 have been verified by CA. Further, CA verification is pending of 385 SHGs of PRADAN. 172 internal CRPs has been deployed for 516 SHGs.
2. Rationalise the data on SHGs by removing defunct groups. Take a review based on MIS data and revise the numbers upward/downward thereafter.	M&E, CmF, BPM, FNGO	31 Dec.2014	As per Sakh Darpan 3,976 SHGs were entered with Master data (till date), 3,877 SHGs were entered with opening balance. An average of 3,200 SHGs per month are being placed over Sakh Darpan (March - 15 to August - 15). On classification - 669 SHGs are in Cat. A, 1,814 SHGs are in Cat.B and 1,161 SHGs were falling in Cat. C (on the basis of grading parameters). 447 SHGs of PRADAN are not included in these values - PRADAN is reentering SHGs data because of audit concerns and DEO left the job
3. Develop the capacity of internal CRPs for institution building through training, exposure visits – follow NRLM type of intensive engagement. Pay them adequately for their work following NRLM pattern. Evaluate their performance in terms of grade of the SHGs and VOs after 6 months. Then develop plans for withdrawal of CF of FNGO from SHGs.	CmF, BMP, GM(Training)	30-Mar-15	A total of 520 internal CRPs are identified (Counselling process + consent from families), 255 CRPs trained & 172 deployed in field for SHG revival & strengthening. Intensive training (5 days residential training centrally) designed to facilitate aligned with NRLM. CRPs have started working in field. These CRPs will be reviewed their work performance by FNGO at BPMU level at every month, and later on they will be provided refresher training after 3 months.
4. Identify active SHG women and engage them to motivate SHGs and VOs in their own/nearby villages;	BPM, CmF	30-Mar-15	As mentioned in above line, it is being done with all FNGOs. (internal CRPs will act as active women)
5. NGOs and internal CRPs to facilitate SHGs to prioritise the needs of the poorest in the groups; SHG leaders need to be sensitised.	BPM, FNGO	25 September onwards	This recommendation has been included in 5 days CRP training module.
6. *While concentrating on strengthening of SHGs, the formation and strengthening of VOs needs to be standardised in terms of their roles, content of meetings, and milestones to be achieved. These should be based on NRLM VO guidelines. Plans for each month and milestones for each quarter should be drawn up.	CmF, BMP, GM(Training), FNGO	31 Dec.2014	As per the NRLM VO guidelines, 418 VOs have been formed and out of that 298 VOs have been trained around - orientation training. Further during this financial year it has planned to conduct orientation training of remaining VOs and other trainings which includes - vision building, subcommittees trainings and leadership building training will be imparted.

Action taken report of the recommendations of 2014 SM

Agreed action	Responsibility	Agreed date	Action Taken & Progress till Sept 2015
7. <i>Abolish the system of village facilitators; select book keepers from the SHG members and intensively train them for book keeping and conducting meetings. Provide a calculator to all functional SHGs by October 2014.</i>	PMU/BPM/FNGOs	Start in Oct'14 & complete by 01-05-2015	System of village facilitator has been abolished. Total 1,058 BKs has been identified to cover 3,271 SHGs in the project. Out of 1,058 BKs, 1,010 BKs are trained under project for writing books of record. Currently, as 915 BKs are writing records in 3147 SHGs. There is still more efforts is required from FNGO side in followup and onsite support to existing BKs, there is still scope of more BKs for remaining SHGs.
8. <i>Engage CA and external CRPs to jointly audit SHGs and to set right the books of accounts, arrive at individual and group balances in consultation with members, reconcile cash and bank balances, and then make rectifications in Sakh Darpan.</i>	PD, CmF, M&E, BPMs	15-Dec	Out of 4,515 SHGs, 4,410 SHGs are audited by CA and external CRPs during the year. In case of PRADAN, CA verification is pending of 385 SHGs.
9. <i>The TOR and the proposal for engaging auditors, including the CRP process, will be sent to IFAD for prior review</i>	PD	25 Sep.2014	Done
10. Phase out CF1 and CF 2 after the Sakh Darpan stabilises	BPMU, FNGO, CmF	1 March 2015 onwards	Done
11. Distribute infrastructure works for individual households as equitably as possible, and including the poorest households. In this regard it may help to increase the proportion of community as against individual infrastructure works, amending the PIM in this regard if needed. Greater participation by communities (especially via VOs) in the selection of works and beneficiaries is also needed.	BPMU, FNGO	30 Jan. 2015	The community has been involved in identification of infrastructure works on that basis. 4500 goatsheds have sanctioned to SHG members and 4000 families are submitted in MGNREGA programs to address bigger community infrastructure programs including goat sheds, tanka, land leveling & bunding. GRDC in Sanchole has taken implementation role for 150 goat shed construction. Processes has been defined and 3 FNGOs and visited to learn from experience & in those areas, further goat sheds will be developed through GRDC/VOs.
12. For some types of works, such as soil and water conservation, where there is little in the way of tangible and immediate benefit, and where communities are reluctant to contribute towards costs, MPOWER may adopt the practice of some other government programmes and fund 100% of costs.	SPMU	31-Dec-15	These project will be sanctioned in this FY 2015-16 in Pali and Sirohi districts.
13. Some District Collectors are combining IFAD funds with that of MGNREGS (with the labour element being funded via MGNREGS). This must cease as there is a risk of double counting of physical assets, and any delay in release of wages from MGNREGS will delay completion.	BPMU	1 April 2015	Sec. RD have directed all the Six district collectors who have agreed for the same not to sanction works with IFAD dovetail. Only 553 Goat Sheds which were sanctioned earlier are in progress with IFAD and MGNREGS fund combined, out of which 210 have been completed and no new works is being sanctioned under dovetail.

Action taken report of the recommendations of 2014 SM

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14. Expand drudgery reduction intervention to cover more SHG and also non-SHG poor households in project villages, particularly from STs and SCs and other disadvantaged and poorest of poor households. Identification would be through VOs.	BPMU	December. 2014	All SHG members are being included in DRA, non SHG members will be considered after the coverage of all SHG members
15. Improve procurement processes, in particular by providing SHGs with funds to procure small items of up to INR 1000 unit cost that are locally available. The Fiduciary section has other procurement recommendations.	BPMU	December. 2014	This recommendation was discarded by SPSC (IV th) meeting, so the old procurement process have to be followed again. With old process, 11595 items have been procured in project and process for 3700 items is in progress.
16. The implementation of livelihood plans should be monitored to ensure that funds are mostly being invested in enterprises and income generation	FNGO, BPMU, CmF	Jan-15	Recommendation of fund utilization of income generating activity is incorporated in training module. Further, second round of requisite training for mclp have been imparted in Baitu, Baap and Sanchore. Mechanism for monitoring fund utilisation have been developed through SHGs & VOs, and project monitoring will be done by FNGO and BPMU.
17. A more focused market investigation should build on the findings of the vegetable value chain study and identify specific opportunities to enhance producer prices such as by accessing new markets (Annex C Attachment 4).	CmF	Mar-15	Done. CmF had developed collective marketing mechanism in consultation with promoting partners in Bali & Abu road to sell vegetables. Since 1500 farmers with projected volume of 1800 MT -Tomatoes are planned to cover in this kharif 2015 season so implementation of this mechanism will start. (It will cover distant market prices, wholesale prices, transport system and grading before sale if needed.
18. *In this connection it may be worthwhile for staff and farmers to visit ILSP in Uttarakhand to see how producer groups there market vegetables such as tomatoes and peas.	SPMU	Jul-15	The visit has been planned and scheduled in the first week of Nov'15 to see the live marketing system of producer groups
19. *A plant protection expert should be hired as a short term consultant to identify exactly what pest and disease problems are effecting vegetable crops, and suggest remedies, preferably that do not require large amounts of often dangerous pesticides. Details are in Attachment 5 of Annex C.	CmF	During period of pest attack	CmF is engaging consultants such as Dr. Dhath, Dr. Deol and Dr. Dixit regarding vegetable in Bali and Abu Road. In Baitu and Sankra doctors (on-call) from KVKs are providing consultancy.

Action taken report of the recommendations of 2014 SM

Agreed action	Responsibility	Agreed date	Action Taken & Progress till Sept 2015
20. *To allow better spacing of maize (and maybe other crops) a lightweight two row planter to be drawn by bullocks should be acquired and tested.	CmF, SPMU	Dec-14	Could not be done because of early rainfall
21. The cluster apple value chain in Bali should be funded in accordance with the proposal from Srijan, with a grant of INR 2 million from IFAD grant funds.	SPMU, CmF	Oct-14	Done.Total 45 lakhs - 20 lakhs from project & 25 lakhs from Axis bank foundation. Total Pulp extracted 13.5 Ton with sale of Rs. 20,25,000 (11.5 Ton). One producer company - Ghoomar Mahila producer company also registered in May 2015. Additionally orchard of 100 farmers have been sanctioned/supported by SPMU/CmF for FY 2015-16.
22. The technical reviews carried out in two blocks were useful and should be extended to other blocks and to also cover goat development	CmF	Mar-15	Dialoguing is already in process, will be completed by November 2015.
23. <i>A further 8 goat clusters to be established this year will bring the total to 28. Providing additional staff are recruited for FNGOs, a further 15 clusters should be formed in 2015-16 prior to December 2015, leaving 12 months before project completion in December 2016.</i>	SPMU	Jan-15	Done (28 clusters with 8959 Women farmers). Still there is scope to build total 35 clusters - 12,250 HHs in the project for scalability and produce volume for market easiness. 4 new clusters has to sanction
24. *Carry out a thematic outcome study to gather information on the results of the goat cluster. This would involve interviews with all CLF and with samples of PS, GBLG members and non-members from the same villages. Details are in Attachment 1 of Annex C.	CmF	Apr-15	Discussion with going around with ERPs, final study will be completed by end of Oct-15.
25. *Employ an animal husbandry/health specialist as a short term consultant to advise on operation of the goat programme, including the adequacy of training of PS, measures to control diseases, and on risks from over-grazing. Details are in Attachment 2 of Annex C.	CmF	Jan-15	We are facing difficulty to find out quality person and we also facing retention issue like recently we had deployed a vet. Doctor, but he left because he got govt. job, hence, the post is under recruitment process.
26. *Increase the amount of training provided to PS by adopting the training packages used by similar goat development programmes. This should include development of skills for injections and castration.	SPMU Livelihood Specialist, CmF	Jan-15	PS is not authorised for injectable exercise, however we trained PS regarding castration and injectable treatment.
27. *Extend the range of services provided by PS to include castration, deworming and vaccination, coming to an arrangement to avoid veterinary camps from undercutting their services.	BPMU, FNGO	Dec-14	PS is not authorised for injectable exercise.
28. *Increase PS service charges to levels comparable with other goat projects in the state and allow PS to retain these charges.	SPMU Livelihood Specialist, CmF	Dec-14	We are facing difficulty to find out quality person and we also facing retention issue like recently we had deployed a vet. Doctor, but he left because he got govt. job, hence, the post is under recruitment process.

Action taken report of the recommendations of 2014 SM

Agreed action	Responsibility	Agreed date	Action Taken & Progress till Sept 2015
29. *Develop other sources of income for PS, such as sales of minerals and other inputs, and provision of buck services.	SPMU, BPMU, FNGO	Jan-15	CmF had done pilot on CLF level in ACF -Bali but results are not encouraging as sales was very low and margin for service provider was not good. When it will be linked with the II tier structure -GRDC then only can use the benefit of subsidies government.
30. Transfer all health service provision to PS, and limit the role of CLF to that of supervision, support and technical back-up.	SPMU, BPMU, FNGO	March. 15	All non injectable treatment done by PS and all injectable and castration done by CLF. The role of CLF is limited to supervision support and technical support
31. *Ensure that PS are regularly paid their monthly stipend regularly and on time.	BPMU, FNGO	Nov-14	Strictly followed. No cases occurred in this period. BPM is core responsible to ensure ontime payments.
32. *The system for provision of improved bucks used by other projects should be adopted, with these being purchased and owned by a PS or other GBLG member, who will charge for services.	SPMU Livelihood Specialist, BPMU, FNGP	Mar-15	Improved breeding bucks have been introduced in all partners except SRIJAN and PRADAN. Sirohi Bucks have been introduced in Bali, Sanchoe, Baitu, Sankra and Baap. Selected members from GBLG i.e. Buck keepers are keeping buck and taking service charge.
33. *Ensure an adequate vaccine supply by communicating forecast requirements to the Livestock Department in time for supplies to be ordered, and by providing fridges and iceboxes where needed.	SPMU Livelihood Specialist, CmF, BPMU	Feb-15	Liaisoning with vet dept. is good in some places, they supply adequate vaccine and also send doctor with CLF in field during vaccination. for blocks like- Baap, Baitu- a meeting with commissioner, Jodhpur is planned in October (where concerned vet., agri., and horticulture dept will take part). Fridges and iceboxes have been introduced in old clusters (ACF, Gravis and PRADAN have fridge and iceboxes). and it has been included in the new goat cluster budget.
34. *Monitoring: rather than using forms printed on loose sheets of paper, PS and CLF should have pre-printed register books on the pattern of those used by KS to record activities and outcomes in crop and vegetable clusters.	SPMU Livelihood Specialist, CmF, BPMU, FNGO	Dec-14	Process is initiated and final register/diary will be completed by mid Nov-15.
35. *Where possible, expand the number of households covered by each PS by forming more GBLG. These may include poor households who are not now SHG members.	SPMU Livelihood Specialist, CmF, BPMU, FNGO	Feb-15	Currently one PS is looking after 2-4 GBLGs. All SHG members are covered in GBLGs. There is least possibility to include more members in GBLG because it will affect other activities as well as there are no more left out poor. However PSs are providing services beyond the GBLG as well.
36. <i>To accelerate implementation of livelihood activities MPOWER will provide fund each FNGO to hire (or itself hire and provide to the FNGO) up to two livelihood specialists (one agriculture/ horticulture, one for livestock).</i>	SPMU, BPMU	Dec-14	In new MOU of SPMU with FNGO it mention that all FNGO hire two team leader as specialist in agriculture/horticulture and one for livestock.

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Agreed action	Responsibility	Agreed date	Action Taken & Progress till Sept 2015
37. To provide agricultural and livestock expertise for FNGOs, the BPMU should hire consultants and other experts on a short term basis, and provide them to FNGOs for specific tasks as required.	SPMU, BPMU	November 2014 to	BPMs can now hire consultants since they can now exercise power of expenditure upto Rs. 4 lakhs. (as an when required)
38. In some areas there are potential for the development of dairy clusters, but the study/proposal produced for the cluster in Sanchoe is inadequate, especially regarding improvements to milk marketing. See Attachment 3 of Annex C. An experienced consultant should be engaged to do this work.	CmF, SPMU Livelihood Specialist	Dec-14	One cluster in Baap has been started and another cluster in Baap is going to be sanctioned.
39. Improve internal lending of groups through CRP/PRP rounds in all blocks, exposure visits to groups that are functioning well.	CmF, PMU	October onwards	As per the Sakh Darpan transaction data the interlending have been improved from 38 % to 52 %. Internal CRPs deployment are in pace at field level for further improvement in intrenal lending at SHG level.
40. Repayment has to be monitored and groups facilitated to address the issue of overdue loans.	PMU,DPM, CmF, FNGOs	20 September onwards	FNGOs/BPMs are taking continuously follow up but more adequate informations are available through SD reports. Where usage of reports for repayment tracking has been initiated.
41. Monitor idle funds especially, for groups with bank loans and seed capital, very diligently on a monthly basis.	PMU, DPM, CmF, FNGOs	October onwards	we have developed a mechanism for monitoring idle funds (available at bank and cash in hand) through VO, FNGO and at BPMU level.
42. Ensure defunct groups are dissolved and savings of members are returned. Recover RF from defunct groups and draw up plans for its utilisation	PMU, DPM	31-Mar-15	Process is initiated, letter from SPMU has gone to all BPMs to take action in discussions with the Banks. Maximum amt recovered. In case of Chitalwana block no instructions given.
43. Ensure livelihood plans are well facilitated, and seed capital is released as per demand and, if need be, in more instalments as per the plan of SHG. Credit need assessment/ motivation is to be repeated as per need and not as a one-time exercise. Start the livelihood planning in groups that have completed 9 months.	PMU, DPM	30-Oct-14	A detailed circular is issued, and requisite training has been delivered and MCLP booklets are started for developing livelihood plans.
44. Ensure guidelines are followed in release of seed capital and facilitation by FNGOs is stepped up for proper usage of seed capital. Criteria for seed capital release are in Annex B, Attachment 1.	PMU, DPMs	30 October onwards	Done
45. Scale up the bank mitra initiative to ensure smooth services to SHGs.	PMU,DPMs	October onwards	As per the demand of FNGOs, 8 bank mitra's have been engaged across the project and 2 more will be sanctioned
46. Since excessive documentation being demanded by co-operative banks, arrange for their exposure visits, interaction with groups financed by other banks.	PMU,CmF	October onwards	most of the SHGs accounts in minibanks/GSSS have been shifted to nationalised bank.
47. Where feasible shift SHG accounts from mini banks to commercial banks	DPMs, FNGOs	October onwards	most of the SHGs accounts in minibanks/GSSS have been shifted to nationalised bank.

Action taken report of the recommendations of 2014 SM

Agreed action	Responsibility	Agreed date	Action Taken & Progress till Sept 2015
48. Where there are problems with bank linkages, extend ICICI bank linkages to SHGs near to an ICICI branch. Discuss with Government of Rajasthan the modalities of interest subvention for SHGs financed by ICICI bank.	PMU, DPMs	October onwards	Going with ICICI bank in 5 blocks. Nearly, 5.00 Cr. Has been disbursed in 500 SHGs and for interest subvention the matter is being put up in SLBC.
49. Identify in each of two blocks (Sanchole and Bap/Sankhra), 2 branches where bank linkages have been consistently difficult, identify clusters with 20 to 25 villages in the service area of of these branches in each block, form VOs, build capacity of VO (visit NRLM VOs, CRP rounds), facilitate their monitoring of SHG with Sakh Darpan data and then enable appraisal of seed capital through VO over six to eight month period. First pilot, systematically document the challenges, evaluate before deciding on scaling up.	PMU, CmF	From 15 November 2014 to 30-11-2015	presently the credit need of SHGs is being accessed through bank linkages with ICICI and RMGB, so providing seed capital through VO was not been piloted.
50. Ensure Sakh Darpan is fully operational by December 2014; allow NGOs like Pradan to hire additional staff for data entry where needed.	PD, CmF	31-Dec-14	Done. As per SD reports - 3976 SHGs were entered with master data (SHG profile data) have been entered, 3877 SHGs were placed with zero meeting (opening balance) and an average of 3200 SHGs being regularly entered on monthly basis. There are some challenges at grass-root level, like attrition of CF/DEO, and irregular availability of rmts affects the entry process. PRADAN is given with two terminals for data entry process.
51. Sakh Darpan has to offer off-line data entry. This is priority.	PD, CmF,		Done. A fully operational package is developed for off-line data entry. Software is installed at 13 different locations.
52. Share Sakh Darpan report with SHGs and reconcile individual savings and loan balances as well as group financial statements.	PMU, DPM, CmF	From now onwards	Ongoing, Reports (esp. rmts - II) are being produced and discussed with FNGOs through trainings and refreshers. Status reports were discussed and shared with SPMU/BPMU/FNGOs.
53. Make necessary changes in the Sakh Darpan reports to ensure that project monitoring needs are met	CmF,	30-Nov-14	With offsite support of IFAD consultant, required additional reports have been designed and existing reports were modified.
54. Provide training to DPM staff and also NGOs on usage of reports for monitoring.	CmF	November on wards	Two rounds of training and one refresher training to SPMU/BPMs & PCs were done for report production and usage. Mechanism was shared for report usage in FNGO/BPMU level meetings.
55. Finalise life insurance product for SHG members, pilot in 2 blocks and then scale up	CmF, GM(MF)	Apr-15	process was initiated, but due to other financial inclusion program launched by govt. hence, priority shifted.
56. Withdrawal Applications which Government submits to IFAD for seed capital will include details of criteria met for release to each SHG. This will be continued for three WA and may then be discontinued providing release criteria are being properly applied. A form for this is in Annex B Attachment 2.	PMU	Next withdrawal application onwards	the details have been attached with withdrawal application no. 19-21 and process will be followed regularly.

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Agreed action	Responsibility	Agreed date	Action Taken & Progress till Sept 2015
57. All posts in SPMU and BPMUs must be filled as a matter of urgency. It has been agreed that staff can be hired via SIDs, a service provider, but if this agency is unable to provide staff, then they should be recruited on the open market or via another provider, with adequate remuneration levels to attract quality staff to work in difficult and remote locations. The post of Marketing Specialist should be converted to Livelihood Specialist.	SPMU, GoR	30 Nov. 2014	Most of the post have been filled up in the BPMU and SPMU. Only the post of project adviser, DD (M&E) and GM (HR&KM) are in under selection process.
58. Additional posts should be created and staff recruited to allow PMU staff to monitor progress more closely and ensure that SHGs get the facilitation and support that they need. These include an M&E Specialist and a Tally Operator in the SPMU; and M&E Officers and Tally Operators in each BPMU.	GoR	30 Nov. 2014	M&E specialist post is denied by finance dept. and tally operated post is filled up at SPMU.
59. A senior Project Management Advisor should be recruited on a consultancy basis to advise and support the Project Director. CmF will assist the PD in identifying a suitable candidate.	SPMU, CmF	28 Feb. 2015	No suitable candidate was available for the project advisor post and the post is being readvertised.
60. A team made up of the PD and senior SPMU staff should visit all BPMUs & FNGOs on at least a quarterly basis, spending at 2 or 3 days at each to review progress and solve problems. This could replace the current Officer-in-Charge system whereby a senior SPMU officer has coordination responsibilities for an individual block.	PD	30 Oct 2014.	Recommendation is taken and review has been done in all respective blocks.
61. Most staff are assigned from the Government and subordinate offices and are not fully aligned in the project approach and strategy. They also need to sharpen their skills on engaging with communities & financial institutions, as well as basic management development including leadership skills and conflict resolution. As there may not be courses which cover all these topics, PMU may engage individual consultants to design and run the training courses. Ideally these should be for one week duration and in Hindi/English format. If required, a refresher course could be done after 6 months.	SPMU, CmF	30 Jan. 2015	Workshops and training programmes for skill development and capacity building of project staff will be started on regular basis.

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Agreed action	Responsibility	Agreed date	Action Taken & Progress till Sept 2015
62. Not all FNGOs are deploying staff with the required qualifications and skills. The PMU should continuously review this and ask for replacement whenever necessary. The facilitation skills of FNGO staff need improving, and the PMU should proactively provide training and skill development to FNGO staff.	BPMU, SPMU, CmF	30 Jan. 2015	PMU has issued instruction to BPMU ensure the quality of staff and their capacity building. This recommendation is included in new FNGO agreement.
63. The office working environment needs to be improved at both SPMU and BPMUs. This includes minor office renovation, clean toilet and drinking water facilities, air-conditioners/coolers, generator sets, new furniture, computers and other office equipment. This can be funded out of the IFAD loan.	SPMU	30 Mar. 2015	Improved toilets and drinking water facilities have been set up at all project offices. Sanchore and Baitu block offices have been equipped with air-conditions.
64. An action plan has been drawn up with quarterly milestones for key actions to be taken to ensure progress and improve performance. Details are in Attachment 1. IFAD will field quarterly Implementation Support Missions to review progress against these milestones and agree with GoR on any corrective measures that may be needed.	SPMU, IFAD	IFAD ISM in jan 2015	Recommendation is being followed and key actions for milestone achievements are being reviewed regularly
65. *There needs to be a system for upwards reporting of SHG self- monitoring and grading (to the VO, cluster FNGO, BPMU and SPMU) of the results of this self-grading.	M&E Specialist, CmF	30-Jan-15	Self-grading kit for SHGs are introduced as developed by CmF. Apart from that Flex have been used for SHG review.
66. *There also needs to be a system for upward reporting of the results of crop monitoring cards/books and for project-level data analysis. It should also be possible to implement a similar monitoring card system for goat clusters.	CmF	30-Jan-15	Project has introduced Krishi Sakhi Diary to cover data of around 8000 women famers which has a duplicate copy for upward reporting which will be used in data analysis and crop monitoring.
67. Annual Progress Reports should include tables showing annual physical progress against the AWPB as well cumulative progress against project targets.	SPMU, BPMU	30-May-15	Cumulative progress is also being updated in annual progress report along with annual achievements
68. The Annual Outcome Survey could be made more useful for the project if the questionnaire was modified to collect data that is more relevant to this project. See Attachment 2 of Annex D.	SPMU (M&E Specialist)	30-Jan-15	The annual outcome survey was carried out in new questionre developed as per recommendations of the mission

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Agreed action	Responsibility	Agreed date	Action Taken & Progress till Sept 2015
69. Where an activity only reaches a small proportion of MPOWER participants it will be useful to carry out thematic outcome surveys into specific interventions such as vegetable production and irrigation development. CmF already planned a study of goat development. Other possible topics include irrigation, crops, vegetables, fruit orchards, drudgery reduction and domestic water supply (Annex D Attachment 4)	CmF, SPMU (M&E Specialist)	28 Feb. 2015	Goat meat market study done by TAS - SRTT and CmF. We are planning to start other studies like - Agarbatti making (Sankra) and Pomogrenate (Sanchore)
70. *Plans should start being drawn up for final impact evaluation. This will include: (i) a RIMS anchor indicator survey; and (ii) a separate socio-economic survey combined with a qualitative social assessment. Draft ToR for the latter are in Attachment 6 of Annex D	PD, M&E Specialist,	Mar-15	Planning for final impact evaluation survey is under progress
71. FNGOs should continue to prepare annual narrative reports describing their activities in the block (including convergence with their other programmes) and the resulting outcomes and impacts.	BPMU, SPMU (M&E Specialist)	30-May-15	Most of the FNGOs are submitting the annual reports for their activities in the block but are not including outcomes and impacts, for which they have been instructed to incorporate in future.
72. Expand the gender training activities to include the SHGs members, male members from women SHG households and village or community leaders.	SPMU & FNGOs	Begin from 01-11-2014	One day workshop at block level and TOT at state level has been completed. PRADAN is implementing Gender training at SHG level.
73. Consolidate gender-sensitive outcomes to gauge achievements on gender equality and women empowerment based on project's seventeen key gender-sensitive indicators being tracked and monitored on regular basis; engage external agency if required.	SPMU	Starting from 01-11-2014	Workshop on gender sensitization has been organised and the process for tracking and monitoring key gender sensitive indicators will be started soon
74. VOs and SHGs should identify women from very poor and disadvantaged households particularly belonging to ST and SC who are left out of official BPL list and are not members of the SHGs and the project to support these households for drudgery reduction and other livelihoods support assistance as well as to link them with Government schemes; track results of such poverty focus interventions as part of the project M&E data.	BPMU, FNGO& SPMU	30-11 2014 onwards	Left out poors are being included in individual catogroy works under MGNREGS/MPOWER. And these HHs will be covered in SHGs after october onwards Post JRM 2015.
75. The Project has produced livelihood profiles for goats, dairy, agriculture and horticulture. These have some good information and guidance for implementing development in these sectors, and these should be translated into English for wider dissemination, including to other IFAD projects.	GM(KM)	30 Jan. 2015	project had disiminated our experience, learning and finding at different platforms (a)an state level working (learning workshop) with RGAVP, (b) National Level workshop on ruminants.

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Agreed action	Responsibility	Agreed date	Action Taken & Progress till Sept 2015
76. The project should continue to produce case studies and guidelines to help improve the quality of these studies are in Annex D Attachment 7. It would be useful if the project could engage a short-term writer-editor to assist with case studies. CmF may also be able to assist.	GM(KM), CmF	30 Jan. 2015	project had developed documentaries in form of videos in all project activities (agri., goatry, horti., vegetables and CIDF)
77. Government of Rajasthan to post full time Assistant Accounts Officers and other accounts staff at the Block level. If this is not feasible, project should be allowed to engage accounts staff from the market through a service provider agency.	GoR/SPMU	30 Nov. 2014	The matter has been referred to DTA for direct posting the same may be done at govt. level
78. Cheque signing powers of BPMs to be enhanced. Otherwise all the payments to NGOs be made at PMU level after due certification from BPMs.	SPMU	30 Dec. 2014	Cheque signing power have been enhanced of PD -10 lakhs & BPMs - 7 lakhs
79. *There needs to be a uniform practice in indicating Bank Reconciliation Statements in the cash book in all blocks.	BPMU	30-Nov-14	Instructions have been made compliance is also being confirmed.
80. The powers of the Project Director and BPMs for procurement to be enhanced by placing an agenda item in the next SPSC meeting, and the BPMs be given powers to engage short term individual consultants within a fixed limit.	SPMU	30 Dec. 2014	Power for procurement of BPMs -4 lakh & PD -10 lakh have been enhanced.
81. Major drudgery reduction procurement may be done through a rate contract process initiated at PMU level (minor items to be procured directly by SHGs)	SPMU	30-Nov-14	As per the SPSC's decision, procurement at block level has to be done by the committee under the chairmanship of Dist. Collector. SPSC has not consented for Procurement at PMU level.
82. *For short term technical assistance a roster of individual consultants at the block or at PMU levels should be compiled. Where needed rates should be revised upward to be consistent with market rates.	SPMU	30-Nov-14	The instructions have been issued to all BPM's.
83. *For the enhanced SHG audit, the project may engage the current PMU auditor so that the task will be completed before December 2014. If this is refused, the project has to invite proposals on fixed budget method. Irrespective of the value, the terms of reference for the auditor, proposal of engagement of CRPs and the time frame of deployment from CMF to be submitted to IFAD for prior review.	SPMU	30-Oct-14	done
84. The recommended threshold levels for the selection methods to be approved by IFAD and communicated to project for compliance.	IFAD/SPMU	30-Nov-14	done

Action taken report of the recommendations of 2014 SM

Agreed action	Responsibility	Agreed date	Action Taken & Progress till Sept 2015
85. *Subject matter managers and the BPMs should take the IFAD e-learning procurement course DVD and be given the materials of the Cluster Procurement Clinic. If required, the materials could also be translated in Hindi for easy understanding	IFAD/SPMU	30-Nov-14	The DVD of e-learning course for procurement has given to all block managers.
86. Contract management process to be strengthened with appropriate internal controls and review by the PD.	SPMU	30 Oct 2014.	In this regard, the orders have been issued.
87. An audit firm will be engaged for internal audit and will submit quarterly audit report. A sample terms of reference are provided in Attachment 1 of Annex E.	SPMU	30 Dec. 2014	The audit firm has been engaged for internal audit and audit work is in progress
88. *The project should ensure that the external audit report and project financial statements along with the notes, management letter should comply with IFAD requirements. The audit report should also include status of action taken on the previous audit observations.	SPMU	30 Sep. 2015	The directions is being followed
89. The project may request a reallocation of Unallocated Category of the IFAD loan when salary cost and operations & maintenance cost categories reach 100% of disbursement of allocations.	SPMU	30-May-15	The request has been sent to IFAD
90. The project must draw up a consolidated forecast of the annual requirement for livestock vaccine at the block, district and state level, and discuss this with the Veterinary Department so it can be incorporated into their annual procurement plan. If needed, MPOWER could sign an MoU with this department, and refrigerators and ice boxes could also be procured.	CmF, DMP SPMU	01-Apr-15	Liaisoning with vet dept. is good in some places, they supply adequate vaccine and also send doctor with CLF in field during vaccination, but to ensure adequate vaccine supply at block level project is planning to conduct a workshop chaired by Jodhpur commissioner with Vet. Dr. is planned in October
91. *A more detailed exit plan is needed and recommendations are in Annex F.	SPMU	30-Sep-15	Exit plan and strategy has been prepared
92. To ensure the sustainability of health services for goats, MPOWER should adopt the practices of similar programmes regarding payments for community resource persons, as well as carrying out a study into service provision and pressure on grazing. Details are in Annex C. The proposed study of goats needs to cover sustainability issues, both regarding community level service provision and pressure on grazing.	CmF	30-Aug-15	It will be covered in the Goat Programme Review study which will be planned to start in October, 2015

Action taken report of the recommendations of 2014 SM

Agreed action	Responsibility	Agreed date	Action Taken & Progress till Sept 2015
106. *Project to focus on reaching out to intended priority target groups (particularly BPL HHs belonging to SCs, STs and women) while selecting households for farm based livelihoods via agriculture, horticulture (both orchard and vegetables) and livestock (dairy and goat) and CIDF; CIDF benefits should also be targeted/extended to non-SHG members who are poor and deserving as validated by the communities. SPMU to maintain appropriate data for all these information.	SPMU, BPMU & FNGOs	30 Nov 2014 onwards	It will be challenging to do activities with non shg members because still many members left who are members of SHGs. It will decrease the interest of members towards SHGs. However non SHG members may become member of SHG first if he want to do some livelihood activities with the support of project)

Annex 2: Action Taken Report of Recommendations of ISM Mission June 2015

Agreed action	Responsibility	Agreed date	Action Taken
1. The vacant positions for deputation posts may be re-advertised forthwith and well circulated within the government departments. Alternatively, the Rural Department may identify suitable officers within its present staff who may be transferred to take up the positions, particularly that of Dy Director (Admin and M&E) and GM (HR & KM).	PD and GoR	15 July 2015	The vacant post were re-advertised for deputation or from retired personnel but no suitable candidate were found. Temporarily the additional charge of DD (Admin and M&E) has been to BPM block Bali.
2. Any vacant position for contractual staff should be re-advertised forthwith after the due date of appointment/joining as on 15 th July 2015.	PD / SPMU	30 July 2015	All vacant posts of contractual staff across project have been finalised, posting orders issued and most of the staff has joined duty.
3. Project management advisor post can be filled and IFAD grants may be utilised for the salary payment under technical assistance	PD	30 July 2015	The post of Project Advisor was not filled up due to non availability of proper candidate, which will be re-advertised.
4. The whole system has to be stabilised in next 3 months. A) Audit should be completed in Pradan. B) Master data and zero meeting data to be completed after audit for rest of SHGs especially of Pradan. C) Small technical glitches to be removed. D) RMTS flow to be further streamlined-NGOs seem to miss inputting of data of in between months - which shows negligence or irregularity of groups.	PD / SPMU, BPMs, Pradan	30 August 2015	CRP/CA audit completed. CA audit reports complete of PRADAN will be submitted by this month end. Master data of all other FNGOs SHG uploaded. Zero meetings and regular transactions are be uploaded. All technical issues resolved. RMTS flow is now being streamlined.
5. Book keepers should be provided hand holding support by CF and need to be remunerated adequately by the groups.	PMU/CMF	31 July 2015	Book Keepers are being supported by CFs. Remuneration for record writing started in many SHGs and will be focused to be followed in all SHGs by Dec.15 end.
6. From being driven by CMF, SD initiative has to be driven by the project team apart from the designated staff at PMU.	PD, BPM	Immediate	SD reports are now being generated and used at FNGO and BPMU level for review and performance of SHGs. From Oct SD data entry will be regularly monitored by BPMU, as SD will be fully functional and all data's uploaded.
7. PMU/BPMU to use NGO – team leader/CF wise report to review NGO performance in future.	PMU/BPMU	Now onwards	As SD fully functional from end of Sept so from Oct. onwards TL/CF wise reports will be used to review FNGO progress.
8. Keeping in view the terrain and carrying capacity, plan for appropriate institutional structure that will provide services for SHG as well as producers. The blue print for setting up second tier institutions may be developed after consultations.	PD and CMF	30 July 2015	The blue print for second tier structure has been finalised. The financial powers and financing of these structures is to be finalised.
9. CFs need to be provided travel allowance which the project has assured will be included in new MOU so that they visit the field to ensure data flow in RMTS.	PD and CMF	30 June 2015	Travel allowances for CF included in the new MOU effective from July 2015.

Agreed action	Responsibility	Agreed date	Action Taken
10. MOU with NGOs to be expedited	PD	30 June 2015	MOU with all FNGOs for the 13 units has been completed.
11. Keeping in view the task of improving the quality of existing groups, building VOs and effective implementation time upto December 2016, new group formation may not be encouraged beyond September 2015.	PD	30 Sept 2015	As per new MOU some FNGOs are closing some defunct groups and forming new groups also. So decided to allow FNGOs to form new groups up to 31 Dec.2015 beyond which the no groups will be formed.
12. GM, Micro finance should undertake more field visits including surprise field visits and counsel NGOs for quality improvement.	GM Micro finance	30 Sep 2015	Field visits by GM (Micro finance) on intensive mode has been started.
13. CMF will hire additional livelihood resource persons as consultants to be paid by project and place them at block level at the rate of one person per NGO.	PD and CMF	30 July 2015	Hiring of additional livelihood resource persons by CmF is under process.
14. Additional livelihood proposals should be sanctioned within next 4 months to provide adequate time for implementation.	PD and CMF	30 Sept 2015	As SD was not fully functional so MCLPs not sanctioned at large scale but will be sanctioned now in coming quarter.
15. Prepare the exit cum post-project sustainability strategy in line with the recommendations and framework of JRM 2014. The draft strategy document should be ready before the upcoming supervision mission/JRM in Sep/Oct 2015 so that the mission could review and provide necessary further support if required.	PD / SPMU	30 July 2015	Exit cum Post Project sustainability strategy draft has been prepared for discussion with the Supervision Mission during the visit.

Annex 3: Mission schedule and persons met

Mission Schedule

Date	Activity	Participants
27 Sep 2015	Mission arrival in Jodhpur	A M Alam; Mrs Girija Srinivasan, Mr Sriram Subramaniam, Mr Jaipal Singh, Ms Malika Srivastava
28 Sep 2015	Briefing Meeting at SPMU and planning of field visits	All PMU & CmF Officials, SRTT & IFAD mission members
1500 hrs	Travelled to Sanchore Block; Halt	Mission members, SPMU team, CmF team
29 Sep 2015	Presentations by IFDCL, UDF Field visit to Titop gram Panchayat Lemon cluster, bajra cluster, cycle repair shop, flour mills, kirana shop and bamboo basket making; interaction with SHGs in two hamlets	Mission members, SPMU team, CmF team
	Travelled to Barmer; interaction with DPMU team and FNGOs	Mission members, SPMU team, CmF team
30 Sep 2015	Field visit in Baitu Block; visited Dhanda Kawas, Rauji ki Dhani and Sagoromani Dhani villages; interaction with SHG members, visited horticulture cluster, Tanka with hand pump and fencing, goat-shed; Interaction with SHG in Bheemgaon; Bheemgaon VO;	Mission members, SPMU team, CmF team
	Travelled to Pokhran, Sankra Block Discussions with BDO Pokhran	SRTT team returns to Delhi; Mission members, SPMU team, CmF team
1 Oct 2015	Interaction with Goat rearing groups; Pashu sakhi and interaction with GRAVIS FNGO; VO meeting in Ujjala village	Mission members, SPMU team, CmF team Mr Caludio Minella joined the mission
	Travelled to Jodhpur and arrival in Jodhpur at 2030 hrs.	
2 Oct 2015	Travelled to Bali Block in Pali district; meeting with BDO, Bali Travelled to Nana village and interaction with SHG Federation and Ghomar Mahila Samiti; visited custard apple pulp unit under SRIJAN FNGO; Interaction with VO of Kotiwada village under ACF FNGO Travelled back to Jodhpur	IFAD mission, SPMU, CmF team
3 Oct 2015	Presentation by BPMU Baap Block Jodhpur with URMUL and GRAVIS FNGOs; Presentation by Abu road Block by PRADAN FNGOs	IFAD mission, SPMU, CmF team
	Meeting with SPMU	
4 Oct 2015	Mission's internal discussions	All mission members

Date	Activity	Participants
5 Oct 2015	Meeting with SPMU and SRTT/CMF	All mission members
6 Oct 2015	Mission briefing the Divisional Commissioner; finalisation of aide-memoire	All mission members; Claudio leaves for Mumbai
7 Oct 2015	Debriefing SPMU, DPMUs, FNGOs	All mission members; Ms Malika Srivastav and Mr Yadav CfM joined the mission
	Action Plan preparation with SPMU & DPMUs	
8 Oct 2015	Travel to Jaipur	IFAD mission
9 Oct 2015	Wrap-up meeting with the Principal Secretary, Govt of Rajasthan;	A M Alam, Girija Srinivasan, Sriram Subramaniam, Mr Ganesh Neelam, Yatesh Yadav, Kumar Ranjan
	Mission departure	

Persons met

	Name	Designation	Place of posting
	C S Rajan	Chief Secretary, Gor	Jaipur
	Shreemat Pandey	Principal Secretary, RD, GoR	Jaipur
	Ujjwal Singh Rathore	Jt. Secretary, RD	Jaipur
	Ratna	SPM, RGAVP	Jaipur
	K Noordeen	SDM, RGAVP	Jaipur
	Tumul Tawar	SPMU, RGAVP	Jaipur
	Ratan Lahotiji	Jodhpur Divisional Commissioner	Jodhpur
MPOWER, Jodhpur			
	Jaipal Singh Mertia	Project Director, MPoWeR	Jodhpur
	G.K.Vyas	Gen Manager(Trg), MPoWeR	Jodhpur
	V S Rathore	Gen Manager(Microfinance), MPoWeR	Jodhpur
	Akhil Tayal	Asst Executive Engineer, MPoWeR	Jodhpur
	Shivgiri Swami	LMS, MPoWeR	Jodhpur
	K L Chouhan	Accounts Officer, MPoWeR	Jodhpur
	Ugal Singh	Cashier, MPoWeR	Jodhpur
Centre for micro-finance			
	Yetesh Yadav	Executive Director, CmF	Jaipur
	Kumar Ranjan	General Manager, CmF	Jaipur
	Ravindra Singh Chouhan	Programme Associate, CmF	Jodhpur
	Manish	Programme Officer, CmF	Jodhpur
	Amit	Senior Programme Associate, CmF	Jodhpur
	Jaypal Singh Tomar	Senior Programme Associate, CmF	Jodhpur
	Rohit Kumar	Programme Associate, CmF	Jodhpur
	Chiranjeev Singh	Programme Associate, CmF	Jodhpur
Bali Block, Pali district			
	Sanjeev Soni	Block Manager, BPMU	Bali
	Vickram Singh	BDO, Bali	Bali
	Harish Meghwal	LCS, Bali, BPMU	Bali
	Bhuvnesh Kumar	Programme Officer, ACF	Bali
	Mukesh Sharma	Team Leader, SRIJAN,	Bali
	Sanjay Joshi	Programme Coordinator, AFC	Bali
	Mukesh Jain	ACF, Rabriyanwas	Bali
	Prabhulal Saini	Programme Coordinator, SRIJAN	Bali
	Jeetendra Meena	Team Leader, SRIJAN	Bali
	Laxman	Team Leader, SRIJAN	Bali
Baitu Block, Barmer district			
	Vimal Vashithra	Block Manager, BPMU	Baitu
	Deshrati Sharma	Programme Coordinator, GVNML	Baitu
	Kanaram Prasad	Programme Coordinator, SURE	Baitu
	Hakam Singh Rathore	Team Leader, SURE	Baitu
	Kailash Sharma	Programme Coordinator, SRS	Baitu
	Rakesh Sharma	Programme Associate, CmF	Baitu
	Arvind	Programme Associate, CmF	Baitu
Sanchore Block, Jalore district			
	Arvind Singh	Block Manager, BPMU	Sanchore
	Mukesh Sharma	Programme Coordinator, UDF	Sanchore
	Hanuman Gupta	Programme Coordinator, IFFDC	Sanchore

	Name	Designation	Place of posting
Sankra Block, Jaisalmer district			
	Sanjay Amrawal	Block Manager, BPMU	Pokhran
	Bheem Singh	Team Leader, BCT	Pokhran
	Jagdish Prasad	Team Leader, BCT	Pokhran
	Ramesh Parihar	GRAVIS	Pokhran
Aburoad Block, Sirohi district			
	Arvind Godamat	Block Manager, BPMU, Aburoad	Aburoad
	Ram Dhan Singh	Staff BPMU	Aburoad
	Dinesh Agrawal	AAO, BPMU	Aburoad
	Bijoy Swain	Programme Coordinator, PRADAN	Aburoad
Baap Block, Jodhpur district			
	Dinesh Bohra	Manager, BPMU	Baap
	Nagendra Mathur	Programme Coordinator, URMUL	Baap
	Vickram Singh	Junior Engineer, BPMU	Baap
	Tej Karan Rathode	Programme Coordinator, GRAVIS	Baap
	Shamsher Alam	Programme Associate, CmF	Baap
	Chhaganlal	Programme Associate, CmF	Baap

Annex 4: Audit log

1. Summary Audit Table

Financial Year	Audit Observations as per Audit Report		Audit Observations Settled		Audit Observations Outstanding	
	Numbers	Value (INR)	Numbers	Value (INR)	Numbers	Value (INR)
2009-10	1	NIL	1	NIL	NIL	NIL
2010-11	1	NIL	0	NIL	1	NIL
2011-12	5	NIL	5	NIL	NIL	NIL
2012-13	8	NIL	7	NIL	1	NIL
2013-14						
2014-15						
Total	15	NIL	13	NIL	1	NIL

2. Detailed Audit Table

S. No.	Financial Year	Class Serous/ General	Audit Observation	Total Amount per Observation (INR)	Action taken by the project /PMU/Reply of para wise)	Present status (Auditors Validation Result)	Total Amount not Settled/ outstanding (INR)
1	2009-10	General	Computerization of books of accounts	NIL	Tally software installed and operational at S/BPMUs	Settled	NIL
2	2010.11	General	The book are computerized but the computer - ization is not effective	NIL	Because of the huge turnover of Accounts staff directed concerned BPMUs to organize training as per need.	Settled	NIL
3(i)	2011-12	General	Computerization of books of accounts	NIL	All staff of SPMU & BPMU are trained in computer	Settled	NIL
(ii)		General	Lying idle funds at PD & S.B accounts	NIL	PD account is meant to keep govt. corpus. As per need we are withdrawing money from the PD account and transfer to S/BPMU accounts, Surplus money in the project saving accounts kept in flexi account to get higher interest on idle funds.	Settled	NIL
(iii)		General	Internal Audit	NIL	Being regularly conducted by SPMU officials during their visits	Settled	NIL
(iv)		General	Verification of Assets	NIL	Its regularly been carried out	Settled	NIL
(v)		General	Bank Reconciliation	NIL	Being regularly reconciled	Settled	NIL
4(i)	2012-13	General	Preparation of Monthly Bank Reconciliation Statement	NIL	Done	Settled	NIL
(ii)		General	Physical Verification of Fixed Assets	NIL	Done	Settled	NIL
(iii)		General	TDS Entries	NIL	Done	Settled	NIL
(iv)		General	Non availability of Funds UC		Though the UC are not being submitted in a particular format but amount given in advance is adjusted after submission of expenditure vouchers	Settled	NIL
(v)		General	Advance adjustment	NIL	All advances are being timely adjusted	Settled	NIL
(vi)		General	Accounting Entries in Tally	NIL	Manually and tally entries are being done but other features are yet to be used		NIL
(vii)		General	Penal Interest on advance	NIL	Penal Interest on advance are being properly recovered	Settled	NIL
(viii)		General	Purpose of journey in TA Bill	NIL	All persons are mentioning the purpose but still take care in future	Settled	NIL

Annex 5: Summary of implementation support provided by IFAD during the year under review:

During the year under review, IFAD fielded two implementation support missions. Dates and duration of these missions and the task carried out are summarised in Table below:

Mission dates	Mission members	Tasks carried out by the mission
9-12 Feb 2015	Mrs Girija Srinivasan, consultant	<p>Pursued the key recommendations of 2014 supervision mission</p> <p>Progress on SHG audit and entry into Sakh Darpan, the computerised software was reviewed in depth.</p> <p>Field visits to Baitu block in Barmer district was undertaken for in depth discussions with the district project management unit and 4 field NGOs.</p> <p>Branch of SBBJ was visited in Baitu to review the issues in Bank mitra functioning. The reports to be generated by Sakh Darpan were reviewed in depth.</p> <p>Key recommendations included further steps for operationalizing Sakh Darpan, improving staff positions both in the project and in CMF.</p> <p>Mission findings were briefed to Mr. Rajeev Singh Thakur, Secretary Rural Development, Government of Rajasthan.</p>
16-19 June 2015	Mrs Girija Srinivasan, Consultant Mr Vincent Darlong, ICO, IFAD, New Delhi Mr S Sriram, ICO, IFAD, New Delhi	<p>Progress on action taken on the supervision mission report of 2014 was reviewed.</p> <p>The staffing issues were discussed in depth and also raised with Principal Secretary Government of Rajasthan.</p> <p>The progress in implementation of Sakh Darpan, the automated MIS for SHGs was reviewed in depth with each district team of DPMs and NGOs.</p> <p>Audit of SHGs, entry in Sakh Darpan and flow of meeting data and entry in sakh darpan was reviewed.</p> <p>Further action to improve the adoption was agreed upon.</p> <p>Progress in implementation of livelihood activities was also reviewed along with CMF and recommendations were made for effective implementation</p>

Annex 6: RIMS Table

RIMS

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India

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#1418 - Mitigating Poverty in Western Rajasthan Project - Plan for 2014

Originator
 Ismaili Mehri (PCU)
 Reviewer
 Ismaili Mehri (PCU)

	Unit	Period ending: 31-Dec			Total Progress	
		AWP	Actual			
community development						
Community groups formed/strengthened	number	100	2	(2%)	326	(72%)
Community groups formed/strengthened- planning	number				0	(0%)
Community groups formed/strengthened- self-help	number				0	(0%)
Community groups with women in leadership positions- planning	number				0	
Community workers/volunteers trained(men)	number				0	
Community workers/volunteers trained(women)	number				0	
Community workers/volunteers trained(men/women)	number	200	109	(54%)	987	(99%)
People in community groups formed/strengthened(men)	number				0	
People in community groups formed/strengthened(women)	number				0	
People in community groups formed/strengthened(men/women)	number				2580	
People trained in community management topics(men)	number				0	
People trained in community management topics(women)	number				0	
People trained in community management topics(men/women)	number				1326	(2%)
Village/community plans formulated	number	0	0		883	(84%)
Community projects implemented	number				0	
Effectiveness of community development	rating					
Likelihood of sustainability of community groups formed/strengthened	rating		3			
Number of groups operational/functional	number				0	
Likelihood of sustainability of community groups formed/strengthened- Planning	rating					
Number of groups operational/functional- self-help	number				0	
micro-enterprises						
Households receiving facilitated animals health services	number	6000	4480	(75%)	42698	(82%)
Marketing groups formed/strengthened	number	25	0	(0%)	0	(0%)
People receiving vocational training(men)	number	200	0	(0%)	780	(35%)
People receiving vocational training(women)	number	500	322	(64%)	1303	(59%)
People receiving vocational training(men/women)	number				0	
Effectiveness of creation of employment opportunities	rating		3			
management/coordination						
Government officials and staff trained(men)	number				0	
Government officials and staff trained(women)	number				0	
Government officials and staff trained(men/women)	number	50	24	(48%)	276	(115%)
food production						
People trained in crop production practices and technologies(men)	number				0	
People trained in crop production practices and technologies(women)	number				0	
People trained in crop production practices and technologies(men/women)	number	3000	2865	(96%)	11234	(108%)
Staff of service providers trained(men)	number				0	
Staff of service providers trained(women)	number				0	
Staff of service providers trained(men/women)	number	200	132	(66%)	977	(122%)
Effectiveness: improved agricultural, livestock and fishery production	rating		5			
credit						
Active borrowers(men)	number				0	
Active borrowers(women)	number	40000	28620	(72%)	83884	(168%)
Active borrowers(men/women)	number				0	
Financial institutions participating in project	number	1	1	(100%)	10	(125%)

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People accessing development funds(men)	number			0
People accessing development funds(women)	number	20000	14719 (74%)	48400 (97%)
People accessing development funds(men/women)	number			0
People in savings and credit groups formed/strengthened(men)	number			0
People in savings and credit groups formed/strengthened(women)	number			0
People in savings and credit groups formed/strengthened(men/women)	number	6600	4911 (74%)	57727 (96%)
People trained in financial services(men)	number			0
People trained in financial services(women)	number	8000	4300 (54%)	9427 (63%)
People trained in financial services(men/women)	number			0
Savings/credit groups formed/strengthened	number	558	427 (77%)	5114 (102%)
Savings/credit groups with women in leadership positions	number	558	427 (77%)	5114 (102%)
Staff of financial institutions trained(men)	number			0
Staff of financial institutions trained(women)	number			0
Staff of financial institutions trained(men/women)	number	100	74 (74%)	578 (72%)
Value of gross loan portfolio	USD' 000		1009	2895 (77%)
Value of voluntary savings mobilized	USD' 000		377	2243
Voluntary savers(men)	number			0
Voluntary savers(women)	number			0
Voluntary savers(men/women)	number			44864
Effectiveness: improved access of the poor to financial services	rating		4	☉
Effectiveness: improved performance of service providers	rating		3	☉
Likelihood of sustainability of saving and credit groups formed/strengthened	rating		4	☉
Outreach indicators				
Communities receiving project services	number			0
Groups receiving project services	number	558	427 (77%)	5021 (100%)
Households receiving project services	number	10000	5432 (54%)	68660 (79%)
Individuals receiving project services(men)	number	30000	17551 (59%)	222031 (103%)
Individuals receiving project services(women)	number	20000	10654 (53%)	219976 (101%)
Individuals receiving project services(men/women)	number			0
Households with improved food security	number			0