



Investing in rural people

**India**

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## **Tejaswini: Maharashtra Rural Women's Empowerment Programme**

### **Supervision report**

Main report and appendices

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## Currency equivalents

Currency Unit	=	Indian Rupees (INR)
USD 1.0	=	INR 62

## Weights and measures

1 kilogram	=	1000 g
1.000 kg	=	2.204 lb.
1 kilometre (km)	=	0.62 mile
1 metre	=	1.09 yards
1 square metre	=	10.76 square feet
1 acre	=	0.405 hectare
1 hectare	=	2.47 acres

## Abbreviations and acronyms

ADS	Access Development Services
AWPB	Annual Work Plan and Budget
BPL	Below Poverty Line
CRP	Community Resource Person
CMRC	Community Managed Resource Centre
DCO	District Coordinating Office
DWCD	Department of Women & Child Development
EC	Executive Committee
ISM	Implementation Support Mission
IWMP	Integrated Watershed Management Programme
JLG	Joint Liability Group
MAVIM	Mahila Arthik Vikas Mahamandal
MLP	Micro-livelihood Plan
MSRLM	Maharashtra State National Rural Livelihoods Mission
NABARD	National Bank for Agriculture and Rural Development
PRA-BPL	Participatory Rural Appraisal identified Below Poverty Line
PRIs	Panchayat Raj Institutions
RMO	Regional Monitoring Officer
RNGO	Resource NGO
RGB	Representative Governing Body
SDR	Special Drawing Rights
SHG	Self Help Group
USP	Ultimate Selling Point
VLC	Village Level Committee
VO	Village level Organization

## A. Introduction<sup>1</sup>

1. Government of Maharashtra (GoM), has been implementing the Tejaswini programme designed with the overall goal of enabling poor women to make use of choices, spaces and opportunities in economic, social and political spheres for their improved wellbeing. The total programme cost was estimated at USD 160 million and financed by an IFAD loan of SDR 18.6 million (USD 26.45 million), GoM contribution of USD 11.32 million and the balance by the financial institutions and communities. IFAD loan was declared effective on 23 July 2007 and the programme is scheduled for completion on 30 September 2015 with the loan closing on 31 March 2016. MAVIM is the Lead Programme Agency for implementing this programme.

2. IFAD fielded a seventh Supervision Mission (SM) to review progress and agree on any changes and adjustments to be recommended for consideration by GoM and by IFAD. The Mission was first briefed on the progress by MAVIM and then visited four programme districts (Solapur, Osmanabad, Gondia and Bhandara) where discussions were held with the respective District Offices of MAVIM, Resource NGOs (RNGOs), Community Managed Resource Centres (CMRCs), Village level Committees (VLCs)/Village Organizations (VOs) and SHG members.

3. The Mission met with Mr. Sudhir Srivastava, Additional Chief Secretary (Finance) and Mr. Sanjay Kumar, Principal Secretary, Department of Women and Child Development (DWCD) on 13 Jan 2015. In this meeting, it was agreed that the GoM will: (i) allow MAVIM to utilize the unspent balance in the IFAD loan account amounting to about SDR 5.32 million by amending the original Government Resolution (GR) issued on 5 February 2007 which stipulates IFAD loan amount at INR 1154.5 million which will have to be amended to INR 1640.0 million as this variation is on account of devaluation of Indian Rupee against SDR; (ii) process the request of MAVIM and write to Department of Economic Affairs (DEA), Ministry of Finance, New Delhi seeking an extension to the programme completion date by two years and seeking reallocation within the existing IFAD loan categories; and (iii) provide necessary government contribution to cover salary and operating costs of MAVIM. The General Manager- Programme of MAVIM was advised to move the file for according official sanction to these requests. MAVIM has already submitted the request to DWCD.

4. The Mission also met with Mr. V. Giriraj, Principal Secretary, Rural Development and Panchayat Raj who was instrumental in entrusting SHG mobilization and other related tasks under Vasundhara – Integrated Watershed Management Programme (IWMP) to MAVIM. The mission briefed him on the progress made by MAVIM both under IWMP and MSRLM in implementing the SHG mobilization activities and also the salient features MAVIM's in developing a home-grown model of SHG and apex structure development with focus on financial discipline linked bank linkage and apex structure development based on service charge contributed by the members to ensure real empowerment and ownership.

5. The Mission requested him to visit some of the SHGs and CMRCs of MAVIM to study the strengths and weaknesses of the MAVIM's model of SHG and apex structure development. The Mission also informed him that MAVIM has been entrusted with SHG related tasks in six blocks under Maharashtra State Rural Livelihoods Mission (MSRLM) and it is necessary that MSRLM demarcates clusters/blocks where MAVIM has largely saturated villages and allocate tasks related to implementation of MSRLM in these clusters to MAVIM. This will allow an experienced partner to continue its activities and also build on the investments made by GoM during the last 10 years. The Principal Secretary agreed to visit some of the MAVIM supported SHGs and CMRCs and thereafter take a decision on the requests made.

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<sup>1</sup> Mission composition: Shreekantha Shetty, Mission Leader (Project Management and Livelihoods); Girija Srinivasan, GIB and Microfinance Specialist; Meera Mishra, Country Coordinator, India Country Office; and Kajal Chakraborty, Financial Management Specialist. The mission received valuable inputs from Sonali P Vayanganar, Managing Director, Kusum Balsaraf, General Manager-Programmes and other MAVIM Officials.

6. This Aide Memoire contains the findings and recommendations of the Mission which were discussed at a wrap up meeting in Mumbai on 19 January 2015 chaired by Ms. Kusum Balsaraf, Officiating Vice Chairperson and Managing Director and General Manager-Programme of MAVIM. The Mission would like to express its sincere appreciation and thanks to the staff of MAVIM, representatives of RNGOs and the members of Community Managed Resource Centres (CMRCs) and SHGs for the co-operation and support provided during field visits as well as during the meetings in districts and in Mumbai. The Mission, on 4 February 2015, briefed Mr. Bhaskar Dasgupta, Director (MI), DEA, Ministry of Finance, New Delhi on the implementation progress.

## **B. Overall assessment of programme implementation**

7. The implementation performance is rated as Moderately Satisfactory (Score=4). This programme was on the verge of a rerating during SM of 2014 as a Satisfactory (Score=5) programme. The programme would have achieved its much anticipated rerating with implementation of a few activities directed towards improvements in CMRC sustainability, expansion of livelihood related activities, IFAD loan disbursement and knowledge management related activities. During the SM of 2014, DWCD had in principle agreed to seek extension of the programme completion date and seek reallocation of funds within the categories of expenditure stipulated in the financing agreement. Subsequently, no action was taken to this effect. GoM released only 22% of the funds required for implementing approved AWPB during 2014-25. This has resulted in a setback to the pace of programme implementation. On account of MAVIM's efforts on convergence and bank linkage, and ability of CMRCs to pay for services, there has been no let-up in activities that did not require programme funding. As result, there is substantial improvement in quality of grassroots institutions promoted and the programme rating remains unchanged.

8. Tejaswini-Maharashtra is one of the better performing projects in IFAD's India Country Portfolio with large outreach and low investment per household. This programme has reached 933,000 households as against the target of 950,000 households and mobilized 68,936 SHGs. In addition, MAVIM has mobilized 3157 SHGs in six blocks of three districts with funding from MSRLM. MAVIM has also taken up the task of SHG mobilization under the Convergence of Agricultural Interventions in Maharashtra's Distressed Districts Programme (CAIM) and has till date mobilized 1,399 new SHGs in Vidarbha region.

9. The most important feature of this programme is the efforts of MAVIM to build sustainable three tier grassroots institutions focussing on empowerment and financial inclusion related activities. About 65% of the grassroots institutions have achieved 50% cost coverage through member contribution to defray their operating costs. This is a remarkable feat to achieve in an era of right based and subsidy oriented implementation mind-set prevailing in the government programmes. It is expected that about 65% of the Community Managed Resource Centres (CMRCs) will become self-sustainable over the next two years subject to increased pace of implementation of livelihood activities.

10. MAVIM has been successful in inculcating financial discipline amongst SHG members coupled with computerization of SHG accounts and yearly audit by Chartered Accountants. As a result, the bankers have disbursed INR 7410 million to MAVIM promoted SHGs during the last seven years. Over 60% of the loans during the last three years have been disbursed by ICICI Bank, a private sector bank which is testimony to the quality of SHGs promoted by MAVIM. The on-time repayment rate of bank loans remains at 97%. MAVIM leveraged the strength of the grassroots institutions built to facilitate the members to access funds and converge with various entitlement and livelihood related government programmes.

11. MAVIM has been implementing various government schemes of DWCD, Department of Justice and also a small part of MSRLM. MAVIM has been quite successful in implementing these schemes on account of its footprint across 33 districts in the form of grassroots institutions nurtured over the last seven years. However, while allocating these tasks, the government departments normally do not allocate management costs to MAVIM assuming that MAVIM is a government agency and its costs are always covered by the government. MAVIM does not have a regular budget line from its parent department apart from a provision of INR 20.00 million as management subsidy per year which was

fixed seven years ago. In addition, MAVIM has demonstrated a sustainable model of SHG wherein grassroots institutions become self-sufficient without large subsidy or capital infusion from the government. MAVIM's bank linkage efforts were purely based on quality of SHGs and their financial discipline as against government directed credit of other programmes which does not incentivise credit discipline. The need is to replicate this home grown model's best practices into other SHG programmes such as MSRLM and IWMP.

12. Tejaswini is a twin state programme and is being implemented in Madhya Pradesh as well. Government of Madhya Pradesh has requested for an additional financing of USD 15.00 million and extension of programme completion date by two years which has been already approved by Gol and IFAD. Gol now allocates funds from non-performing projects to performing projects. Tejaswini Maharashtra deserves additional resources for taking participating households to the next level of self-sustainable development. In the event, GoM makes a request for additional resources, it is very likely that Gol and IFAD may favourably consider the request based on performance of this programme.

13. The fortunes of Tejaswini changed in 2015 with the changes in the administrative set up in Maharashtra both at the level of Department of Women and Child Development and also Finance Department. Finance Department has only recently approved an additional government contribution from INR 501.10 million to INR 780.60 million. The proposal for extension of loan closing date, utilization of balance available in IFAD loan account and provision of additional government contribution to cover salary and operating costs for the extended period are expected to be officially approved within the next 15 days. This will enable MAVIM to complete all activities shelved during the last 12 months and drive majority of grassroots institutions towards self-sustainability.

## **C. Outputs and outcomes**

### **Component I**

14. **Grassroots Institution Building Component:** The implementation performance of this component is rated as satisfactory (Score=5). MAVIM has surpassed the physical target by mobilising 68,936 SHGs against appraisal target of 62,675 SHGs with 944,329 members. MAVIM has established 8,851 Village Level Committees (VLCs) as against the appraisal estimate of 10,495 VLCs being 84% of the target. 172 new VLCs have been formed during the year. 1420 VLCs have been transformed to Village organisations (VOs) on the pattern of MSRLM. Three RGNOs engaged by the programme have in total mobilised and revived 14,177 SHGs against the target of 15,000 and have taken over management/establishment of 79 CMRCs. The programme has in total established 315 CMRCs achieving the target.

15. The key initiatives taken up during the year focussing on improving the quality improvement include: (i) implementation of an early warning system with alerts to address any slippage in SHG quality; (ii) increasing number of SHGs per CMRC through CRPs to improve economies of scale; (iii) saturation of 2359 villages by including members into existing SHGs; (iv) revising the business and sustainability plan in order to increase service charges with different models of cost coverage; (v) linking micro livelihood plans with CMRC sustainability; (vi) involving Executive Committee (EC) members in review of CMRCs; and (vii) facilitating convergence linkages with various departments.

16. Overall, there has been good progress in SHG functioning, CMRC functioning and sustainability indicators. About 56% of CMRCs are in "A" grade, 42% in "B" grade and 2% in "C" grade. CMRCs have revised the service charge payable according to the age of SHGs and displayed a schedule of rates for various services. Some of the CMRCs continue to levy service charge of INR 600 since last 4 years. The concept of financial sustainability of CMRCs remains the identity of MAVIM promoted institutions and this needs to be the USP of MAVIM while seeking resources from government departments and other donors. About 65% of the CMRCs will become sustainable within next two years. Others require handholding for a longer period of time.

17. RGNOs were not provided any funds during the year. Despite this, they have been supporting 79 CMRCs and the quality has improved considerably during the year. SHE software implementation

lags behind in both Chaitanya and NIWCYD. They will need technical support from MAVIM. Some of the CMRCs being managed by the RNGOs are yet to be registered.

18. There is a need to develop a clear strategy for weak CMRCs of both MAVIM and RNGOs who are covering less than 25% of costs. There is a need to facilitate the Representative Governing Board (RGB) and Executive committee of the CMRCs to restructure the CMRCs. In tribal districts, CMRCs in remote locations will have to initiate livelihood activities seeking financial support if needed from MSRLM and also other departments so that migration is arrested, members' income increase, SHGs become vibrant thus paving way for CMRCs' sustainability. These CMRCs require longer term funding. Tribal districts will also require additional human resource support to develop and implement MLPs, mobilise resources through convergence etc.

19. There is a need to transform role of senior Sahyoginis in case of Grade "A" CMRCs to move away from conduct of SHG meeting, writing books of accounts and SHG accounts functions to livelihood, convergence related activities and also build their capacity to become managers of CMRCs. During 2014-15, 1027 defunct SHGs (SHGs that are not submitting data for six months are classified as defunct SHGs) were closed down in spite of counselling and other measures. Three major reasons for SHGs becoming defunct are: (i) some of the members becoming wilful defaulters of internal loans which need stricter action; (ii) calamity and personal tragedy linked default; and (iii) internal disputes. These needs to be carefully addressed

20. The corpus of CMRCs varies from INR 200,000 to INR 1.30 million and CMRCs have started using their own funds for paying part of staff salaries. In order to further empower the CMRCs, it would be appropriate to allow flexibility in using corpus funds in businesses such as input centres, aggregation and marketing of produce etc., that generates income for CMRCs and also benefits members to access their requirements at competitive prices and also sell their produce at a better farm gate price.

21. Some of the CMRCs have implemented innovative practices to improve stakeholder involvement and leadership development. These best practices need to be documented, disseminated and adopted by other CMRCs. It includes: (i) conduct of EC meeting of CMRCs by rotation in each of the villages; (ii) rotational taking over the responsibility of presiding over the EC meeting by each of the EC members; (iii) requesting government line department officers to the EC meeting to gather information about various government schemes; (iv) business plan and service charge target setting for all Sahyoginis which is reviewed by RGB; and (v) dividend distribution system.

22. Though the SHG member wise data have been made up to date in SHE software in most of the CMRCs, some districts lag behind due to lack of technical expertise to resolve issues and also due to turn over of staff. In many CMRCs individual savings and loan balances of some of the members are to be reconciled. Loan data of CIF from VO to SHG lending is being tracked separately and so is the case with JLG loans. Early warning SHG alerts are not automatically generated and tracking changes month to month is laborious if done manually.

Agreed action	Responsibility	Agreed date
In order to achieve economies of scale and self-sufficiency, restructure weak CMRCs: (i) merging of CMRCs; (ii) hastening saturation of villages to increase SHGs; (iii) termination of inefficient staff of CMRCs and deployment of new staff.	MD and GM-P	February 2015 onwards
For CMRCs in remote tribal blocks/districts develop a different strategy of providing additional human resource, initiating livelihoods to increase incomes and thereafter increasing savings and internal lending including bank linkage.	GIB/GM-P/RNGOs	March 2015
Develop a position paper on MAVIM's model of financial sustainability of CMRCs	GM-P	March 2015
Complete registration of all CMRCs, ensure maintenance of proper books of accounts, audit of CMRCs and preparation of demand and collection register of service charges with display of names of SHGs	GIB/RNGOs	June 2015



that are chronic defaulters in payment of service charges		
Arrange systematic training to district, CMRC staff, EC and RGB on SHG alerts; review of CMRC business plans for improving resource mobilization efforts including increasing service charges	GIB/MF/MIS/RMO	February 2015 onwards
Capture unique and best practices adopted by CMRCs to improve stakeholder interest and institutional sustainability and disseminate	GIB/MF/KM/GM-P	March 2015 onwards
Review the need for CMRCs In urbanised and industrialised districts like Pune, Nagpur, Raigad with options for closing down CMRCs where members do not show interest in SHGs.	MD/GM-P	June 2015
Provide flexibility to CMRCs with more than INR 600,000 corpus to deploy a part of it in businesses such as Agriculture Service centres for aggregation of agriculture inputs and outputs, bulk procurement household items, etc.	GIB/GM-P	May 2015
Develop additional software programme if needed to process data from SHE software for SHG alerts and generation of perforated sheets in Marathi. Make modifications in SHE software or develop a new software to track VO financing and JLG financing and livelihoods related data.	MIS/GM-P/DHAN	April 2015

## Component II

23. **Microfinance Services Component:** The implementation performance in respect of this component is rated as highly satisfactory (Score=6). Key initiatives in this component include: (i) monthly assessment of SHGs completing loan tenure and ensuring next credit linkage; (ii) partnership with other banks Vainganga Kshetriya Grameen Bank (VKGB), Bhartiya Mahila Bank, Central Bank and NABFINS; (iii) deepened partnership with ICICI bank by linking more CMRCs; (iv) systematic follow up on delinquency of bank loans by Head office; (v) formation of JLGs and securing bank finance under micro-livelihood plans; (vi) appointment of 900 bank mitras from community to accelerate credit linkages with nationalized banks; and (vii) monitoring of internal loans and repayments through SHG alerts.

24. SHGs have mobilised cumulative savings of INR 2,773 million as of 30 November 2014 registering an increase of 11 % over savings outstanding as at 31 March 2014. MAVIM has taken steps to increase the quantum of compulsory savings. As at 30 November 2014, 12,084 SHGs (as against 18,207 SHGs in November 2013) have increased savings. 36,238 members have made additional savings in SHGs during the year to the tune of INR 93.00 million largely for purchase of livestock. 90,095 members have made savings in banks, post offices including savings linked insurance to the tune of INR 97.00 million for specific purposes such as purchase of livestock, health, education and creating assets. 41,070 women have taken insurance coverage during the year. Cumulatively 21,445 women have been covered under pension scheme by forging partnership with UTI this year. A notable achievement is opening of individual accounts of 54,116 women members under Jan Dhan Yojana, the financial inclusion scheme of Govt.

25. During this year, MAVIM has started the process of identifying the non-borrowing members of SHGs who are also poorer members and engaging with them along with other SHG members to understand their issues, build their confidence and prepare their livelihood, credit and convergence plans. 7396 women were covered under this initiative. Through this, Sahyoginis are able to convince other members of SHGs to lend to these members and also VLCs/VOs to take up convergence issues.

26. MAVIM has started implementing Bank mitra concept. Bank mitras visit bank branches to follow up on loans. However, this strategy has to be concretised and the steps to be taken include : (i) Bank mitras to act as individual BC/BF in the financial inclusion drive of Government so that they get steady income; (ii) sign MOU with central office of the bank with defined roles of and remuneration structure; (iii) train Bank mitras on banking documentation; and (iv) facilitate Bank mitras to get seating arrangement within banks to gain confidence of the branch officials.

27. As of December 2014, about 43,404 SHGs (83% of eligible SHGs) have an outstanding loan. Out of the target of 24,663 SHGs for 2014-15, as of 30 November 2014, 12,667 (51%) SHGs have been disbursed bank loans to the tune of INR 1180 million. Nearly 70% of the groups have been financed by ICICI bank – in few districts more than 90% linkages are with ICICI bank. In order to reduce over exposure and dependency on a single bank, district offices need to pursue with other banks though their service quality may not be comparable to ICICI.

28. Loan repayment data made available by ICICI Bank shows that 97% of the loans have been repaid on time. MAVIM has stepped up monitoring on recovery. Delinquency in 3 districts is high due to distance from ICICI Bank branch, concentration of loans with 2 to 3 members especially leaders and also due to lack of adequate follow up by districts. In distant branches Sahyoginis are collecting and depositing the repayment which is not a good practice.

29. JLG financing for enterprises has picked up in the districts visited by the Mission. This is first step in graduation of enterprising members from SHGs to taking larger individual loans. JLG loan data will also need to be entered in SHE software and monitored to ensure that members do not become over indebted. CMRCs are yet to receive the honorarium for bank linkage of JLGs. As per feedback from districts, members are aspiring larger loans for housing improvement and repair. There is possibility to pilot loan products for housing and sanitation through CMRCs.

30. With bank assurance becoming target oriented, it is seen that some of the SHG/JLG members have been sold policies which appear to be high cost. Sahyoginis will need education on prevalent bank assurance policies and suitability of products.

<b>Agreed action</b>	<b>Responsibility</b>	<b>Agreed date</b>
Credit life insurance policies for SHG loans of INR 25,000 and above will have to be insisted.	MF/GM-P	30 Jun 2015
Develop processes and procedures for dealing with wilful default and explore steps like writing to Village panchayat, Block offices, district offices, filing complaints with police. Introduce demand promissory note from persons borrowing more than INR 20,000.	MF/GM-P	30 June 2015
Initiate steps to develop a risk fund at CMRC level to cope with default on account of personal tragedy. Seek contribution from philanthropists and Corporate Social responsibility.	MF/GM-P	30 Sept 2015
Monitor usage of accounts created under Jan Dhan Yojana to ensure full benefits to SHG members and avoid each member having multiple non-operational accounts	MF/DCOs/GM-P	February onwards
Ensure linkages with banks other than ICICI Bank to avoid over exposure to one bank.	MF/GM-P	Immediate
Institutionalise the bank mitras in banks	MF/GM-P	April 2015
In CMRCs with distant branches of ICICI Bank, explore creation of a separate bank account of CMRC with a local bank for collecting all the repayments of SHGs for electronic transfer to branch of ICICI Bank.	MF/GM-P	30 Jun 2015
Pilot CMRC acting as BC through ICICI Bank preferably in Gondia. Pilot test CMRC aggregating loan repayment and paying ICICI Bank in locations having difficulty to access banks.	MF/GM-P	30 Sept 2015
Link more JLGs for dairy with private banks by providing first loan default guarantee if necessary; the guarantee can be 50% from members and 50% from the programme as part of MLP.	MF/GM	February 2015 onwards
Link with specialised housing finance institutions like Swarnapragati for house improvement and repair and also with Watsan for water and sanitation loans.	MF/GM	April 2015
With SHG alert available on loans outstanding with leaders, systematically monitor this aspect.	MF/GM	Feb onwards
ICICI Bank and other banks to pay the commission due every month. MAVIM to ensure that the necessary code is generated for all CMRCs.	MF/GM	Feb onwards
Loan repayment data of other banks have to be monitored from data of SHE software.	MF/GM	Immediate

### Component III

31. **Livelihoods and Micro-Enterprise Development Component:** The implementation performance of this component is rated as Moderately Satisfactory (Score=4). MAVIM in the absence of funds converged with the Skill Development Mission and other government departments to access funds for implementing livelihood activities. The key initiatives under this component include: (i) implementation of MLPs with Tejaswini funding and largely through convergence with line departments; (ii) MAVIM-Tejaswini umbrella brand development for 60 different commodities; (iii) introduction of JLG concept for accessing higher loan amount for livelihood activities; (iv) preparation of household level micro-credit plans for taking up income generating activities through bank finance; and (v) implementation of livelihood plans using specialized agencies such as BAIF and Access Development Services (ADS).

32. MAVIM has sanctioned 143 MLPs to CMRCs with grant support of INR 19.3 million. Of this, funding for 96 MLPs has been disbursed amounting to INR 12.8 million. Of the 143 MLPs, 56 MLPs are from the dairy sub-sector. MAVIM grant support covers interventions covering backward and forward linkages covering aspects such as training of dairy farmers, training of CRP, interventions in feed and fodder including demonstrations in Azolla, hydroponic fodder and napier grass cultivation and silage production, insurance of animals and conducting animal health camps. Members purchase animals through bank loan and there is no subsidy on purchase of animals. Under these dairy MLPs, 20 milk collection centres have been established with accurate recording of milk fat and milk SNF resulting in an increase of INR 3-6 per litre of milk. In order to enable the members to get larger loans, MAVIM has piloted loans with joint liability to members of SHGs.

33. Goat rearing is another major activity taken up under MLPs. MAVIM has supported 50 goat rearing MLPs. MAVIM support is directed towards training of women, CRP training, weighing machine, introduction of quality buck for breed improvement, insurance and health camps. Under these MLPs, the SHG members have purchased over 1,000 goats using bank finance and 151 Osmanabadi bucks using programme funds. Best practices implemented include extensive use of weighing machines and sale of goats based on weight, aggregation of goats for better price realization, and castration of all bucks except the quality bucks purchased from outside for breed improvement.

34. Other MLPs include broom making, vegetable cultivation and backyard poultry. In addition to this, the SHG members have taken various income generating activities catering to local demand using bank loan. In total 377,580 members have taken up various income generating activities exclusively using bank and internal loans. MAVIM has also facilitated the members to converge with other government programmes and have received 30 tractors with subsidy from the Justice Department. Other interventions include shade nets, water pumps, and other agriculture equipment from the agriculture department.

35. BAIF Mitra continued its work with 6 CMRCs of Nadurbar district. The number of households covered by BAIF Mitra has increased from 1670 to 3500. BAIF has facilitated 1190 households for vegetable cultivation/Floriculture, 1250 households for crop improvement and 859 households for goat rearing. BAIF-Mitra has established two cattle development centres for providing artificial insemination related activities. These centres have undertaken 1276 artificial inseminations with confirmed pregnancies in 427 cows and 115 buffaloes. MAVIM also signed an agreement with ADS for strengthening capacity of CMRCs. ADS has also conducted a gap assessment study, conducted a workshop to beef up institutional systems and refine the sustainability plans of CMRCs. ADS is also supporting 16 MLPs that have been approved and developing 18 new MLPs.

36. There is a need to accelerate pace of implementation of livelihood activities including preparation of MLPs, appraisal and sanction during the remainder of the programme period. At least 10 MLPs per CMRC will have to be implemented. In addition, there is a need to enhance intra-MLP exposure visits and also campaigns by best performing CMRCs in weak CMRCs on strengthening of CMRCs and their role in livelihood enhancement.

37. Currently, most of the MLPs are around dairy farming, goat rearing and vegetable cultivation. In addition to this, focus will have to be on the agriculture production sub-sector to reduce input costs and increasing farm gate prices. This needs establishment of Agriculture Service Centres in all CMRCs. The Agriculture Service Centres will have to undertake renting of agriculture machinery, aggregated purchase and sale of inputs, soil health testing, accessing expert advice on crops for production enhancement and judicious use of pesticides, and aggregation of output and grading for achieving better farm gate prices. MAVIM will have to fund these activities from programme resources and access convergence funds wherever possible.

38. There is also a need to move beyond milk collection centres in respect of dairy MLPs. In some places, where there is inadequate competition amongst dairy operators and in places where there is substantial supply and inadequate off take from the dairy, it is necessary to move into milk processing. Establishment of such milk processing centres will have to be taken up after making an assessment of the product to be manufactured and also availability of the local marketing arrangements for these products. There is also a possibility to develop a MLP for supporting landless households to take land on rent. MLP can cover a part of the initial advance paid to the land owners coupled with training on high value agriculture production technology.

39. Presently, the programme trains CRPs under each of the MLP for a period of about 7 days in various first aid related activities and vaccinations. As a result, a separate CRP is trained for dairy, goat rearing and poultry. There is a need to provide comprehensive training of about 45-60 days for a CRP in each panchayat with dairy, goat rearing and poultry MLPs covering types, schedule and administration of vaccination for various diseases of dairy animals, goats/sheep and poultry. CMRC thereafter will have to work out schedule of rates for using the services of CRP. This will enable CRP to generate income and provide services to the community sustainably.

Agreed action	Responsibility	Agreed date
Sanction and implementation of 10 MLPs per CMRC during next two years with at least 5 in 2015-16	MD and GM-P	Starting from April 2015
Organising Intra-MLP exposure visit and campaigns by best performing CMRCs to weak CMRCs on strengthening of CMRCs and their role in livelihood enhancement.	LED/DCOs/GM-P	30 Sep 2015
Establishment of Agriculture Service Centres in all CMRCs to reduce input costs and increasing farm gate prices	LED/DCOs/GM-P	31 Dec 2015
Engage sub-sector specialists to support MLP implementation	LED/DCOs/GM-P	31 Dec 2015
Establishment of milk processing centres in Dairy MLPs and develop innovative MLPs such as taking land on rent for cultivation,	LED/DCOs/GM-P	Starting from April 2015
Organising comprehensive training programme of about 40-60 days for CRP-Vet in each Panchayat with dairy, goat rearing and poultry MLPs.	LED/DCOs/GM-P	31 Dec 2015
Develop a new proposal for continued engagement of BAIF-Mitra in tribal areas. Salient features to be Included are: (i) 45-60 day training of CRP-Vet; (ii) improved coordination with CMRCs with placement of BAIF staff in CMRCs; (iii) provision of household assets as loan from CMRCs ; and (iv) joint sourcing of convergence funds by CMRC, District offices of MAVIM and BAIF	LED/DCOs/GM-P	31 May 2015
Request ADS to focus on their core strength of developing a spice value chain and providing higher order marketing linkages to the MLPs.	LED/DCOs/GM-P	31 Mar 2015

## Component IV

40. **Women Empowerment and Social Equity Component:** The implementation performance of this component is rated as Highly Satisfactory (Score=6). This component has three major focus areas that include: (i) gender integration; (ii) creating an enabling environment; and (iii) enhancing women's capabilities. The efforts during the year have been constrained due to paucity of funds. MAVIM has continued to motivate SHG members to contest in Panchayat elections and when elected participate effectively in governance. During the year, 24,826 members (constituting 3% of members) are participating in different PRIs.

41. A pool of master Kaydasathis (barefoot legal advisors) has been created who in turn have trained 3,500 village level Kaydasathis. During the year, 341 Kaydasathis have received identity cards from the district level judicial authority; a recognition of their work. 47 legal reference centres have been opened at CMRC where Master Kaydasathis on a weekly basis analyse the cases and refer to police and judiciary. Preraks at village level are easily accessible to village women to build confidence of women and to share their issues which can then be escalated to Kaydasathis. Village Kaydasathis will need a local support team consisting of both men and women. They are also to be inducted into Tanta Mukti Samiti of villages set up to ensure quarrel free villages. They will require further training on key social legislation and legal rights. Kaydasathis will have to be paid at least the transportation costs.

42. During the year, the drudgery reduction models implemented by the programme were reviewed and about 70 models were not operating properly of which 43 are remodelled. Attention will have to be focussed on implementation of drudgery reduction models in villages covered by RNGO promoted CMRCs. The major social activities undertaken by VLCs include: (i) health campaign for safe drinking water; (ii) welcoming the girl child; (iii) women and child nutrition; (iv) educating girl children beyond primary education; and (v) joint asset ownership. Some of the activities initiated such as women and child nutrition have to be systematically monitored and followed up.

43. Prevention of tobacco project which was implemented in collaboration with SEARCH in Gadchiroli district has given positive results. In Chandrapur and Bhandara districts base line data has been collected and prevention of tobacco related interventions will be carried out during the next year. Integrating health with micro finance is being implemented in Nanded in collaboration with Micro credit Summit and Freedom from Hunger. 433 SHGs are being trained in Reproductive health, nutrition and general health aspects. As a result of training, clinical check-ups have gone up, breast cancer cases were detected and treated by linking with Rajiv Gandhi Jeevandayi Yojana.

Agreed action	Responsibility	Agreed date
Set up village support team consisting of 2 men and 2 women for assisting Kaydasathis in resolving village level issues.	GIB/GM- P	30 Sep 2015
Through advocacy ensure that Kaydasathis are inducted into Tanta mukti samitis	GIB/GM-P	30 Sep 2015
Ensure RNGO CMRCs implement adequate numbers of drudgery reduction activities	GIB/GM-P	31 Dec 2015
Nutrition related activities of VLCs have to be systematised with proper follow up by linking with DWCD	GIB/GM-P	30 Jun 2015
Explore possibilities to extend to other districts the pilot on integration of health education into micro-finance, in collaboration with Health department.	GIB/GM-P	30 Sep 2015

#### D. Programme implementation progress

44. **Project management performance.** The implementation performance of this component is rated as Moderately Satisfactory (Score=4). Despite inadequate flow of funds and also without a full time Vice Chairperson and Managing Director, MAVIM team has made extraordinary efforts to keep traction in implementation of the programme which is praiseworthy. MAVIM had to dig into its general pool of funds to keep respectable level of programme implementation. The staff morale remains high despite non-receipt of salary for two months.

45. MAVIM has brought all Regional Monitoring Officers (RMOs) to the Head Office in order to increase their management capacity through regular interaction with the top management. This strategy has largely worked and the RMOs are able to exercise better control over the district offices as they are viewed as representatives of Head Office. MAVIM has also undertaken monthly review of District Coordinating Officers (DCOs) using SHE software generated reports and also the alert system. The travel allowances of MAVIM acts as a disincentive for the RMOs and other Head Office (HO) staff to travel in the field.

46. Human Resource Issues at the district and CMRC level continue to impact MAVIM operations. Trained staff of MAVIM have been absorbed by other similar programmes in the state. This has led to

short-term decline in the performance of districts and CMRCs. There are four weak districts (Nashik, Gadchiroli, Raigad and Jalna) and about 40 weak CMRCs that require adequate attention to improve their performance. During the next six months performance enhancement measures will have to be implemented on a fast track basis. These include: (i) introduction of a system of CRPs with payment for their services in areas with low Sahyogini presence and performance; (ii) changes to the SHE software to generate reports that can replace the perforated sheet system of MAVIM and reports in Marathi; (iii) merging of CMRCs where required and appointment of a Cluster Coordinator to coordinate the tasks of CRPs and Sahyoginis with clear cut tasks and reporting systems; (iv) CMRC mentoring allocation for district staff; (v) engagement of part-time staff for CMRCs to improve quality of CMRCs; (vi) develop an incentive package for persons operating in tribal CMRCs linked to performance; and (vii) fast track implementation of MLPs in poor performing CMRCs in general and tribal CMRCs in particular.

47. In respect of poor performing districts, the performance enhancement measures will include: (i) allocate mentoring role to a District Coordinating Officer of a nearby well performing district; (ii) priority engagement of staff to fill in vacancies; (iii) provision of additional staff to districts with more than 5 CMRCs; (iv) termination of services of poor performing district staff based on a system of performance appraisal; and (v) capacity building initiatives for district staff including computer skills and SHE software skills.

48. The final set of measures based on an assessment of the performance after implementation of performance assessment measures will include: (i) closure of CMRCs in areas other than tribal areas; (ii) seeking funding from MSRLM and other government schemes for continued support of SHGs in the tribal area where it is expected that CMRCs will take longer to achieve self-sustainability; and (iii) closure of district offices in case the district office is not able to develop at least three well performing CMRCs.

49. IFAD funded Tejaswini programme is in its last stage of implementation and at this stage it is necessary to envision road map for growth of CMRCs. This requires development of an apex institutional structure owned and managed by the CMRCs. The most important task of such a structure would include; (i) assessment of support required for sustained growth of CMRCs on both social and economic development fronts; (ii) lobby with the government to access funds from national and international sources for the development of CMRCs; (iii) develop strategies for pooling and deployment of CMRC corpus to earn better return on investment; (iv) decide on quality standards, human resource policy and allowing flexibility in deployment of a part of the corpus for business of CMRC; (v) fix quality standards for CMRCs, fix audit requirements and monitor performance; and (vi) provide handholding support to weak CMRCs.

50. IFAD has been fielding Implementation Support Missions (ISM) on a continuous basis to enhance programme implementation performance. An early warning system on health of SHGs has been developed and implemented with ISM support. This apart, MAVIM was assisted in preparing a proposal to seek funding from Bill and Melinda Gates Foundation. Future implementation support requirements include: (i) conducting a study on the processes and results of implementing computerised SHG accounts; (ii) developing strategies for accessing financial resources for MAVIM's activities; (iii) developing a monthly newsletter for dissemination of performance of collaborative work with MSRLM and other government departments.

51. CMRC staff were initially engaged by MAVIM and thereafter shifted to CMRCs. There exists weak control of CMRC Executive Committee over the staff. This needs to be strengthened with development of staff policies of CMRCs and also signing of a code of conduct between the staff and the CMRC. There is a need to transform the role of Sahyoginis from SHG meeting, savings, internal lending and bank linkage activities to livelihood related activities. This needs to be piloted in A grade CMRCs and will have to be coupled with reduction in workload related to writing of perforated sheets.

Agreed actions	Responsibility	Agreed date
Complete the tasks related to approval of GoM for extension of the programme completion date and also for using utilized balance form IFAD loan through issuance of a GR.	MD and GM-P	28 Feb 2015

Seed the concept of formation of apex federation at the state level and take steps for establishment subject to overwhelming interest by CMRC leaders – Provide support for promotion, establishment, office and secretarial support and handholding support using IFAD loan funds	MD and GM-P	30 Jun 2015
Revise the policy related to board and lodge expenses of MAVIM staff and devise a fair system of daily allowances	MD and GM-P	31 Mar 2015
Deliberate, document and implement Performance enhancement measures for weak SHGs and weak CMRCs.	GIB/GM-P	31 Mar 2015
Deliberate, document and implement Performance enhancement measures for district offices.	GIB/GM-P	30 Jun 2015
Deliberate, document and implement final set of measures after implementing the performance enhancement measures.	GIB/GM-P	30 Sep 2015
Design staff policy and code of conduct for CMRCs, transform role of Sahyoginis in Grade "A" CMRCs and make them responsible for livelihood activities. Reduce the workload related to writing of perforated sheets.	GIB/GM-P	30 Jun 2015
Provide Implementation Support to MAVIM	IFAD	Starting from Jun 2015

52. **Coherence between AWPB and implementation:** This is rated Moderately Unsatisfactory (Score=3). During 2013-14 the approved budget was INR 510 million and the achievement was INR 361 million (70% of the target). During this financial year, the approved budget was INR 370 million and the achievement till 31 December 2014 is INR 156 million (43%). The government released INR 82.27 million against approved AWPB of INR 370.60 million during 2014-15. However, MAVIM's financial achievement during 2014-15 will be only about 40% due to non-release of funds from the government.

53. **Monitoring and evaluation.** This is rated Satisfactory (Score=5). MAVIM has been rigorously implementing monitoring of SHG quality using data generated through SHE software. Reviews at all levels (CMRC, districts and state) are based on the MIS reports generated from SHE software. MAVIM has also started village level and SHG level discussions on SHG performance using SHE software. Focussed review at all levels has resulted in considerable improvement in the performance of SHGs during this year compared to last year. MAVIM has undertaken Annual Outcome survey in 2014 and a report is yet to be produced.

54. MAVIM has engaged three agencies in 2013 to conduct three studies to analyse operational challenges to feed into implementation. In addition, SM of 2014 had suggested conducting four studies. These studies have not been completed due to non-availability of funds. These studies have to be completed during 2015-16. MAVIM has produced a RIMS report and an Annual Programme Progress Report to comply with the review and reporting requirements. MAVIM's MIS needs have changed substantially with the implementation of livelihood related activities, JLG lending and convergence. It is now necessary to devise formats for data collection to capture livelihood and convergence related activities and the possibility to developing a small module within SHE software needs to be explored.

55. There is a need to enforce greater discipline in reporting between the Sahyoginis/CRPs/CMRC Accountant with the CMRC Manager and also the District staff/CMRC Managers with the District Coordinating Officer (DCO). The reporting officer (CMRC Manager and DCO) will have to make telephonic verification regarding field visits of staff. This type of reporting and telephonic verification helps in enforcing discipline.

Agreed action	Responsibility	Agreed date
Complete the studies recommended in SM of 2013 and 2014	GM-P	31 Mar 2016
Devise formats for data collection to capture livelihood and convergence related activities. Explore the possibility of developing a module within SHE software.	GM-P	30 Dec 2015
Develop a telephonic verification system for the field visit of all staff and implement the same	GM-P	30 June 2015

56. **Gender focus.** This is rated as Highly Satisfactory (Score=6). This programme exclusively targets and focuses on women. Through participation in member owned three tier community institutions, women have been able to express and address their needs. MAVIM's confidence building

measures have enabled women to contest in PRI elections and systematic capacity building efforts have enabled elected leaders to participate effectively in local governance. Women raise their voice against social evils through the village level committees and where necessary through CMRC. Men especially youth have been roped in mitra mandals in some of the VLCs to support the efforts in addressing gender issues. CMRCs have enabled women to access their entitlements and also specific government schemes through convergence. Some of the livelihoods promoted during the year challenge the gender roles played so far. In all livelihood promotion activities, market linkages have been facilitated in such a way that women have complete access to sale proceeds. MAVIM has also facilitated processes to ensure that land is registered in both the spouses names which is path breaking.

57. **Poverty focus:** The implementation performance of this aspect is rated as Satisfactory (Score=5). Participatory Rural Appraisal and Wealth ranking have been used to identify women below the poverty line (BPL). With the saturation drive undertaken during the year, left out poor who are usually the poorest section in the village have been mobilised into self-help groups. MAVIM has mobilised 944,329 households into 68,936 SHGs compared to 924,346 members into 68,538 SHGs in 2013-2014. Of this, 41% are BPL cardholders and 44% are classified as PRA BPL. MAVIM has supported only 15% households classified as APL households. MAVIM has retained poverty focus in SHG mobilisation.

58. **Effectiveness of targeting approach:** The implementation performance of this aspect is rated as Satisfactory (Score=5). The programme has selected poorer blocks within the districts and has also used wealth ranking tools for household level targeting which has resulted in sharp focus on poorest households evident from the composition of groups which consist of 34 % of SC, 48% of ST and 6% of nomadic tribes. Overall 84% of the households fall within the definition of BPL although about 50% of these BPL households do not have BPL cards issued by the government. MAVIM has taken considerable efforts to during the year to include left out poor households in SHGs. Under MSRLM, the PRA BPL list is presented and approved in Gram sabha and thus these left out poor are now included in the Government's BPL list. This practice is being up-scaled in all villages. The governing body of CMRCs consist of SCs, STs, nomadic tribes, minorities and OBCs who constitute 96%. CMRCs have special focus on landless and poorest in their livelihood and business plans.

59. **Innovation and learning:** The implementation performance of this component is rated as Moderately Satisfactory (Score=4). There is no focal person handling knowledge management at the state level for last one and half year. MAVIM hired a professional agency for knowledge management - Abhivaykti Media for Development, Nashik, Maharashtra in the month of August 2014. The major deliverables expected from this agency are: (i) development of knowledge products; and (ii) redesign and update MAVIM website and dissemination of knowledge at various levels through print media. Abhivaykti has produced 15 case studies/ success stories from various districts and also documented process documentation under MSRLM activities. A new innovative, conceptually upgraded website has been created by MAVIM.

60. MAVIM has opened an account on IFAD website and this web-site is being regularly updated. MAVIM team has developed and prepared in-house training material & modules. MAVIM has published three major knowledge products in the form of resource material/training modules: (i) Community Resource Person (CRP); (ii) Training Module of Business plan; and (iii) Training module of SHG alert has been published by MAVIM.

61. Designing an early warning system on health of SHGs is an innovation of MAVIM with support from ISM. MAVIM established seven performance standards. Data from SHE software is drawn into excel sheets and a deviation analysis is conducted to determine deviation against each of the seven performance standards. Each deviation will lead to an alert. MAVIM generates report indicating number of SHGs with no alerts, less than 4 alerts, 5 alerts, 6 alerts and 7 alerts. This data for each CMRC and for each Sahyogini of the CMRCs is generated and this is used for devising strategies related to institutional strengthening. This system is fully operational and the EC members of CMRCs are using this information to monitor performance of Sahyoginis.



Agreed action	Responsibility	Agreed date
Develop a case study on computerised accounting of SHGs implemented by MAVIM detailing processes, cost effectiveness, MIS generation and its use and future software development requirements.	IFAD-ISM	30 Sep 2015
Publish a study on the processes, package of practices, implementation modality and results in respect of dairy, goat rearing and vegetable production activities undertaken by BAIF-Mitra	KM/GM-P	31 Dec 2015

62. **Climate and Environment Focus:** The programme's climate and environmental focus is rated as Satisfactory (Score=5). The programme activities at the household level do not significantly lead to increase in carbon footprint. On the contrary, the programme has been supporting the households in increasing the income levels through intensification of agriculture using cost effective and low external input regime. Increased income levels through improved livelihood options have helped the households to establish toilets improving sanitation. Milk collection centres and associated activities have helped increase milk yield of the existing livestock and breed improvement through artificial insemination. Goat rearing interventions on a very large scale will have negative impact on the environment. Tejaswini will have to take into account this while approving goat rearing MLPs.

63. **Partnerships:** This is rated Satisfactory (Score=5). MAVIM continues its engagement with MSRLM. MAVIM has been assigned the task of implementing MSRLM in six blocks. MAVIM continues to function as an agency to deliver interest subsidy to SHGs mobilised by MAVIM and NABARD. Under this scheme, the GoM provides interest subsidy to SHGs on the interest paid to banks beyond 4% rate of interest subject to prompt repayment of the loan by SHGs. MAVIM has developed partnership with ICICI Bank, three RNGOs, three LRAs and one Specialized Livelihood Agency. MAVIM has also signed MOU with four other institutions for delivery of SHG loans.

## E. Fiduciary aspects

64. **Financial Management:** The implementation performance of this activity is rated as Satisfactory (Score=5). MAVIM Finance Unit has 8 staff at the Head Office (HO), including General Manager-Finance and Administration. Out of this, only 2 are permanent staff of MAVIM and the remaining are contractual staff. However, effectively only 5 staff are actively involved in managing the accounts and finance function of Tejaswini at the HO. Each district office has an Accounts Officer handling accounting functions. The position of Accounts Officer is vacant in Pune and Gadchiroli districts. Staff turnover at the district level is low. In 2014, the Chief Accounts and Finance Officer (CAFO) and the GM – Finance and administration were trained on IFAD financial management procedures.

65. The Mission examined the books and records and assessed the internal controls at HO, district offices of Solapur and Osmanabad, a MAVIM promoted CMRC in each of these districts, a RNGO promoted CMRC in Solapur district, a VO in Solapur district and a few SHGs in both of these districts. Based on this review and interviews with various accounts and finance staff, the Mission's findings are as follows :-

- (a) Internal control mechanism in general appears to be adequate both in the HO, district offices and the CMRCs in respect of Cash and Bank, Advances, Fixed Assets, Bank Reconciliation Statements, Expenses and other financial aspects. The documentation with regard to financial transactions was found to be satisfactory. Most of the recommendations made by SM 2014 were implemented and a few are under compliance.
- (b) The amount of expenditure booked by MAVIM for all the RNGOs pertaining to 2013-14 match with the Audited Utilization Statements sent by RNGOs.
- (c) Fixed Assets registers have been maintained by MAVIM HO. However in Solapur district office it was noticed that the Fixed Assets register is re-written every year, leading to unnecessary duplication of work which needs to be discontinued. The existing assets register can be continued by making entry of newly purchased assets. MAVIM has started the process of maintaining the Fixed Assets register in MS Excel. Once this system is finalized, a print out

- of this register will have to be taken at the end of each year, verified and certified. Thereafter, the certified asset register will have to be filed.
- (d) The revised AWPB figures for 2014-15 were not incorporated in the Tally System in respect of Osmanabad district office.
  - (e) While submitting Withdrawal Application number 32 which covers the expenses for the period April to September 2014. MAVIM has claimed reimbursement from IFAD under the head Salaries and Operating costs a sum of INR 22.39 million and INR 11.05 million under category 6A and 6B respectively. This WA will have to be revised as IFAD will not reimburse salaries and operating costs for the period April to September 2014.
  - (f) Agreements with two LRAs have been cancelled and currently an amount aggregating to INR 3.05 million is recoverable from them. MAVIM has demanded refund of these sums and has also given reminders. These sums need to be recovered at the earliest.
  - (g) MAVIM has helped the CMRCs to make a detailed year-wise calculation for service charges and membership fees receivable from the SHGs to each CMRC. There is a need to systematically record demand and collection towards the service charges. Since the sustainability of the CMRCs depends on these incomes, CMRCs need to be facilitated to devise a time bound plan for collection of this amount.
  - (h) Due to non-availability of funds from the government, Tejaswini has used INR 2.00 million from April to December 2014 out of MAVIM's general pool of resources. In total, INR 102.12 million has been used for Tejaswini activities from MAVIM's general pool of resources. This amount will have to be repaid to MAVIM upon receipt of Tejaswini funds.
  - (i) Review of CMRC books and records: Books and records of Sidhheswar CMRC in Solapur district and Dyandip CMRC in Osmanabad district were reviewed. The books and records were found to be updated and generally satisfactory. Bank Reconciliation Statements are being prepared on a regular basis. Fixed Deposits were physically verified and found to be correct. In Dyandip CMRC, the ledger account of "Other Income" included "service charges" which needs to be rectified. Till date, out of 236 MAVIM promoted CMRCs, audit of 235 have been completed and audit is pending for only one CMRC. The booking keeping system in RNGO promoted CMRC visited by the Mission in Solapur district is very weak and the accounts are not audited.
  - (j) Data entries for SHE software in the CMRCs were found to be updated fully wherever these were examined. The data generated from the SHE software for a few SHGs were cross checked with the original records maintained by these SHGs and these were found to be in order.
  - (k) In respect of Mangalvera Kalanjiam, (a RNGO DHAN Foundation promoted CMRC in Solapur district), the Mission noticed a number of anomalies namely non-registration of the CMRC, non-opening of Bank Account, non-maintenance of books of account, inadequate and improper accounting of service charges, non-updating of cheque issue register, and incorrect cheque issuance.
  - (l) Review of VO and SHG records: The Mission reviewed the books and records of VO Jhansichirani in Solapur District. The books of accounts were satisfactorily maintained using double entry system of book keeping.
  - (m) Review of SHG records : The Mission also reviewed the books and records of a few SHGs in Solapur and Osmanabad districts and these were found to be satisfactory. Audit by Chartered Accountants was completed in respect of these SHGs except for SHG Dewakinandan which is a new SHG. However, it was noticed that the auditors did not give any opinion on the accounts audited and the president/ secretary of the SHG have not signed the accounts.

(n) Audit coverage by Chartered Accountant vis-à-vis the total number of SHGs in Tejaswini is only 26.25 % for 2013-14 and 15.38 % for 2012-13. These audits were conducted in 14 out of 33 districts.

66. Internal Audit: MAVIM has appointed five firms of Chartered Accountants to carry out Internal Audit. These firms have carried out the Internal Audit for the year 2013-14 for all the districts of the project and have issued reports. The reports were reviewed by the Mission and the observations were of routine nature and there was little value added recommendations.

67. **Disbursement.** The implementation performance of this activity is rated as Moderately Satisfactory (Score =4). Till 31 December 2014, IFAD has reimbursed an amount of INR 974.42 million (SDR 13.28 million) including the initial deposit of SDR 1.29 million. The rate of disbursement till 31 December 2014 is approximately 71%. A claim of INR 40.26 million (USD 0.65 million) for expenses for the period October to December 2014 is pending approval from IFAD. In the event of this release from IFAD, the effective rate of disbursement will increase to 72.16 %.

68. **Counterpart funds.** The implementation performance of this activity is rated as Moderately Unsatisfactory (Score =3 ). GoM is expected to contribute USD 16.66 million towards the programme costs over 8 year period. As per the provisions of the Programme Loan Agreement, the GoM-DWCD has to release advance funds to MAVIM (including counterpart funds) as per the AWPB. Till 31 December 2014, GoM has released INR 608.52 million as its counterpart fund and INR 1062.4 million as IFAD's share, totalling to INR 1670.92 million.

69. **Compliance with loan covenants.** The implementation performance of this activity is rated as Moderately Satisfactory (Score=4). The Programme has generally complied with the Programme Loan Covenants. Section 3.02 (b) regarding AWPB and 4.02 regarding Annual Progress Report were not complied as these were not sent to IFAD within the time stipulated. Section 5.02(a) regarding appointment of auditors was not complied as the auditors for the year 2013-14 were not appointed within the stipulated time. Requirement as against Schedule 3 Para 4.1(a) (ii) regarding the meeting of the SPAC has not been complied. No SPAC meeting was held during the year 2013-14.

70. **Procurement.** The implementation performance of this activity is rated as Satisfactory (Score=5): During the calendar year 2014, there was no major procurement for equipment and materials. There were procurements for consultancy services. The procedures for procurement namely, preparation of tender documents, evaluation, and award of contract were found to be satisfactory. Prior approval from IFAD was obtained wherever required.

71. **Audit:** The implementation performance of this activity is rated as Moderately Satisfactory (Score= 4). Audit for the year 2013-14 was carried out by a firm of Chartered Accountants. However the opinion of the Auditors on the financial statements and comments on aspects like conformity of the Project Financial Statements (PFS) with the Generally Accepted Accounting Standards, agreement of the same with books and records was not expressly stated in the report. The audit report was also silent on the correctness or otherwise of SOEs, and eligibility or otherwise of claims made, based on Withdrawal Applications and the adequacy of the procurement procedures as required by their TOR. The PFS did not include a statement showing cumulative withdrawal applications by category and comments of the auditors. No management letter was provided by the auditors which is a requirement as per the agreed TOR. The observations in the audit report needs to be better structured. The Programme maintains a basic Audit Log.

72. A system of audit is yet to be established and is essential in all RNGO promoted CMRCs though they have been collecting service charges from the members during the last two years. CMRCs being directly supervised by MAVIM have established a system of audit and audit reports are available. These reports yet do not have a standardized template for application of funds statement, income and expenditure (receipts and payments) statement and balance sheet. SHG audit are largely carried out by Sahyoginis who manage the groups.

Agreed action	Responsibility	Agreed date
Revise Withdrawal Application No 32 with a reduced claim of INR 22.39 million and INR 11.05 million against category 6A and 6B respectively.	FS/GM-FA	28 Feb 2015

Expedite settlement of accounts and recovery of advance from discontinued LRAs.	FS/GM-FA and GM-P	31Mar 2015
A time bound scheme to be devised by the CMRCs to recover old outstanding service charges and membership fees payable by the SHGs to the concerned CMRCs.	GIB/GM-P	31Mar 2015
Repay the amount transferred from MAVIM's general pool of resources for implementing Tejaswini activities - INR 102.12 million up to 31.12.2014.	FS/GM-FA	31Mar 2015
A system of audit from Chartered Accountant will have to be enforced for each SHG. During the first year, this amount can be paid from IFAD loan.	MD/GM-P/GM-FA	31Mar 2015
Obtain a Management Letter from the Auditors for the audit of 2013-14.	FS/GM-FA	31Jan2015
Ensure improvement in the quality of the deliverables of the Auditors.	FS/GM-FA	15Feb 2015
District Accounts Officers to undertake visits to all RNGO promoted CMRCs to verify the books of accounts and ensure proper maintenance book of accounts. Provide uniform templates for preparation of financial statements.	FS/GM-FA and GM-P	31Mar 2015
Ensure audit of all CMRCs both MAVIM and RNGO promoted CMRCs and provide a template for reporting Profit and loss account and Balance sheet.	FS/GM-FA and GM-P	28Feb 2015

## F. Sustainability

73. **Institutional Sustainability:** This is rated Satisfactory (Score=5). MAVIM has promoted a three tier institutional structure with SHGs at the bottom, VLCs/VOs covering 15-20 SHGs at the village level and CMRC at the cluster/block level covering 150-300 SHGs. SHG accounts are computerised and audited every year for the last two years. About 5% of the SHGs become defunct on account of four main reasons. They are: (i) inability to function as a group due to dominance of a few members- this problem exists during the early stage of SHG mobilization; (ii) wilful default; (iii) personal tragedy linked default; and (iv) increased income levels and as a result inability to devote time for SHG meetings – about 30% of the members quickly move out of poverty and become individual entrepreneurs not requiring any support from SHG. 83% of the SHGs promoted by MAVIM have active bank loans with on-time repayment rate of 97%. SHGs are largely sustainable.

74. MAVIM promoted VLCs have a strong social focus and have functioned on a voluntary basis. These will continue to function as the women need this platform to address social issues related to violence against girls and women, anti-alcohol drive and to act as a pressure group of the community to represent in various forums of the local governance structures. Under MSRLM, MAVIM has transformed the VLCs into VOs and these VOs have started financial intermediation. With the provision of Community Investment Fund (CIF) and deployment of these funds as loans earning 12% interest, VO are expected to be sustainable.

75. CMRCs have been envisaged as the apex structure to support SHGs and to become sustainable institutions by charging service fee to member SHGs. CMRCs have made substantial progress as member owned and managed institutions. The CMRCs are registered both under the Society's Act and also under the Trust Act. They have a representative governing body with representation from each village and an Executive Committee for day to day management of the CMRC. Rotation of leadership, management of SHGs accounting through dedicated software, tally based systems for CMRC accounting, and collection of service charges to cover costs are some of the best practices that help in achieving institutional sustainability.

76. **Economical and financial sustainability:** This is rated Moderately Satisfactory (Score=4). SHGs that are more than years old promoted by the programme have achieved financial sustainability. Their books of accounts are being audited to ensure correctness of the balance sheet and income and expenditure statement of each SHG. There is substantial improvement in progression of CMRCs towards self-sustainability.

77. **Empowerment and Social Sustainability:** This is rated Satisfactory (Score=5). This programme suffered during the early years of its implementation on account of unwillingness of banks to provide loans for economic activities. This situation did not lead to dissolution of the groups mainly on account of the empowerment and social sector activities taken up by MAVIM. Women considered

moving out of the house, meeting other women and sharing their problems and happiness, and ability to travel to towns with other women for depositing savings as the most important achievements during the initial years. Subsequently, these women, started anti-alcohol drive, participated in Gram sabhas and placed the demands of the community, implemented various programmes related to girl child, malnutrition and violence against women, and got elected as gram panchayat members. The Executive members of the CMRCs manage the CMRCs and their staff and have developed a business plan to manage the affairs of CMRCs. Over the years, most spouses of women SHG members have become supporters and partners in the progression of women on the social development ladder.

78. **Environmental sustainability:** This is rated Moderately Satisfactory (Score=4). The SHGs and Village level committees have taken up activities related to sanitation, education and water harvesting. These have direct positive impact on the environment. Other livelihood related activities are relatively small and low input oriented efforts. These will not have any considerable impact on environment sustainability.

79. **Quality of Beneficiary Participation:** This is rated as Satisfactory (score = 5). Payment of service charge for the services by the CMRCs is a clear indicator beneficiary participation. The beneficiaries value the services provided by the CMRCs and hence ready to pay service charges. Out of 236 MAVIM CMRCs, during 2014-15, 42% of CMRCs cover more than 75% of their costs, 25% of CMRCs between 50 to 74%, 26% CMRCs between 25 and 49% and 7% CMRCs cover less than 25% costs. Out of 79 RNGO managed CMRCs, 2% of CMRCs cover more than 75% of their costs, 17% of CMRCs between 50 to 74%, 45% between 25 and 49% and 33% cover less than 25% costs.

80. **Responsiveness of service providers:** This is rated as moderately satisfactory (score = 4). MAVIM has engaged three NGOs to undertake SHG, VLC and CMRC capacity building in 79 CMRCs. These three NGOs have been partnering with MAVIM despite non-payment of their service charges during the last on year. MAVIM has also engaged BAIF Mitra a specialized agency for implementing livelihood activities. The engagement with Livelihood resource Agencies has been discontinued on account of their inability to come up with feasible proposals for livelihood development. MAVIM has engaged ADS for improving performance of the 42 CMRCs in six districts. ADS continued its staff deployment despite not making any payment for services.

81. **Exit strategy:** This is rated Moderately Satisfactory (Score=4). MAVIM has achieved substantial progress in achieving high levels of bank linkage for loans. However, the progression towards sustainability has slowed down during the last one year on account of non-availability of funds to implement the programme activities. The proposed extension of the loan closing period with focus on livelihoods will facilitate about 65% of the CMRCs will achieve basic cost coverage by the end of end of 2017-18. However, most CMRCs over the next couple of years will move from sustainability related challenges to next level growth challenges. The sustainability related challenges will remain in case of CMRCs in tribal areas. Competing SHG programmes such as MSRLM which is completely welfare oriented as against Tejaswini strategy of cost recovery and sustainability pose a challenge to the very survival of CMRCs.

82. **Potential for scaling up:** This is rated as satisfactory (score = 5). Tejaswini's implementation modalities were derived from the best practices of the SHG mobilization methodology of leading NGO practitioners. This methodology sets up performance standards and drives towards sustainability with rewards for performance as exemplified by first bank linkage subject to compliance to minimum quality standards and subsequent linkage to repayment of earlier loan. Similarly, service charge concept allows poor women to access services with least transaction costs. Availability of SHGs and VLCs that are empowered and sustainable has provided MAVIM footprint across the state to implement various other government programme. This capacity is evident from the ability of CMRCs to converge with other government programme and the interest of district officials to entrust work to CMRCs. MSRLM, CAIM and IWMP have allocated the tasks related to SHG mobilization and livelihood promotion to MAVIM. The local governments also have full faith on the quality of SHGs and CMRCs and continue to allocate work under various government programmes. This indicates the ability of the institutions promoted under Tejaswini to scale up using other resources.

## G. Other

83. **Impact on Physical and financial assets:** This is rated Moderately Satisfactory (Score=4). There has been substantial increase in the bank linkage. The total bank loan disbursement during 2014-15 (9 months) was INR 1180.00 million compared to INR 1465.00 million during 2013-14. Similarly, the average loan size has increased from INR 10,000 per member to INR 22,000 per member. The MIS data of the programme indicates that 83% of the households have active loans in 2014-15 from banks compared to 80.53% during 2013-14. The main uses of credit indicate decline in loan for consumption purpose from 23% in 2013-2014 to 19% in 2014-15. There has also been an increase in loan for income generating activities from 52% in 2013-14 to 81% in 2014-15.

84. **Impact on Food security:** This is rated Moderately Satisfactory (Score=4). The outcome survey of 2014 indicates that no SHG members have experienced food shortage. 95.5% of the Tejaswini beneficiaries have reported increase in crop productivity and 63.6% have reported increase in herd size.

85. **Impact on incomes:** This is rated Moderately Satisfactory (Score=4). The outcome survey conducted in 2014 indicates that about 56%, 40% and 4% have respectively one, two and three source of income compared to 72%, 25% and 3% in 2013. This survey also indicates that about 37.1% of the households have indicated increase in the levels of income compared to 19.8% from the control group.

86. **Policy Impact:** This is rated Moderately Satisfactory (Score=4). Quality assurance mechanism set up by MAVIM has enabled the CMRCs to attract attention of other government departments. MSRLM has allocated six blocks of three districts to MAVIM for implementation of SHG related activities. In addition, IWMP has also allocated mobilization of 50,000 SHGs to MAVIM in 163 blocks. Performance of MAVIM promoted grassroots institutions (SHGs and CMRCs) has prompted the policy makers at the local level (districts and blocks) to use them for delivery of government services. As a result, there has been spurt in convergence with line departments and has resulted in increasing recognition of performance.

## H. Conclusion

87. MAVIM has moved SHG mobilization and bank linkage strategy to the next level with noteworthy support from ICICI Bank. There have been continuous efforts to improve institutional capacity and credit discipline amongst SHG members and also supervision capacity of CMRCs as evidenced by SHG rating, CMRC grading and alerts on deviation from performance standards. Implementation of MLPs has given MAVIM new level of confidence. It took some time for MAVIM to internalize the process of MLP proposal development, appraisal, sanction and implementation. Three challenges need to be addressed by MAVIM for strengthening grassroots institutions. They include: (i) reducing the number of SHGs that become defunct and revival of defunct groups and introducing a system of dividend distribution; (ii) strengthening weak CMRCs and improving sustainability of CMRCs; and (iii) improving performance of weak district teams. The challenges related to microfinance include: (i) providing bank linkage to all unlinked groups of more than 6 months; (ii) ensuring continued on-time recovery performance of more than 95%; and (iii) facilitating the SHGs to avoid overexposure to a few members (large loans to a few members). The challenges related to livelihoods development include capacity improvement and engagement of sub-sector specialists to support CMRCs in design and implementation of livelihood plans.

With the closure of Tejaswini, MAVIM will have new generation issues. They include: (i) support to CMRCs particularly in the tribal areas that have difficulty to achieve cost coverage; (ii) support for new generation CMRC growth challenges in respect of corpus management, staff supervision, and audit; and (iii) sourcing funds for continued handholding of CMRCs. This requires establishment of an apex structure of CMRCs at the state level to plan for institutional and financial capacity building of CMRCs and lobby for resources required for next level growth.

## Appendix 1: Summary of project status and ratings

Project: Tejaswini Maharashtra Rural Women's Empowerment Programme

### A. Basic Facts

<b>Country</b>	<b>India</b>	<b>Project ID</b>	1314	<b>Loan/DSF Grant No.</b>	IN- 682
<b>Project</b>	<b>Tejaswini Rural Women's Empowerment Programme, Maharashtra</b>			<b>Supp. Loan/DSF Grant</b>	
Date of Update:		Last Supervision/MTR	Feb 2014		
Supervising Inst.	IFAD	No. of Implementation Support/Follow up missions	1		
No. of Supervisions	7	Last implementation Support/Follow-up Mission	Jun 2014		

					USD million	Disb.rate%
Approval	13-Dec-05			<b>Total Financing</b>	<b>167.53</b>	
Agreement	12-Oct-06	Effectiveness lag	9 months	IFAD Total	26.45	77%
Entry into Force	23-Jul-07	PAR Value		IFAD loan	26.45	77%
First Disbursement				DSF grant	0	
MTR	1-15 Jul 10	Last Amendment	Nil	IFAD grant	0	
Original completion	30-Sep-15	Last Audit	31 Mar 2014	Domestic Total	140.89	
Current completion	30-Sep-15			Government (National)	16.66	64.5
Original closing	31-Mar-16			Domestic Financial Institutions and convergence	121.53	91%
Current closing	31-Mar-16			External Co-financing Total		
No. of extensions	0					

### B. Project Performance Ratings

<b>B.1 Fiduciary Aspects</b>	<b>Last</b>	<b>Current</b>	<b>B.2 Project implementation progress</b>	<b>Last</b>	<b>Current</b>
1. Quality of financial management	5	5	1. Quality of project management	4	4
2. Acceptable disbursement rate	3	4	2. Performance of M&E	4	5
3. Counterpart funds	6	3	3. Coherence between AWPB & implementation	4	3
4. Compliance with financing covenants	4	4	4. Gender focus	5	6
5. Compliance with procurement	5	5	5. Poverty focus	5	5
6. Quality and timeliness of audits	4	4	6. Effectiveness of targeting approach	5	5
			7. Innovation and learning	4	4
			8. Climate and Environmental Focus	5	5
			9. Partnerships	5	5
<b>B.3 Outputs and outcomes</b>	<b>Last</b>	<b>Current</b>	<b>B.4 Sustainability</b>	<b>Last</b>	<b>Current</b>
1. Grassroots Institution Building	5	5	1. Institution building (organizations, etc.)	5	5
2. Micro-Finance Services	6	6	2. Empowerment	5	5
3. Livelihoods and Enterprise Development	4	4	3. Quality of beneficiary participation	5	5
4. Women's Empowerment and Equity	5	6	4. Responsiveness of service providers	4	4
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	5	5

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

#### Rationale for implementation progress rating

The programme faced unprecedented paucity of funds for programme implementation. GoM released only INR 82.27 million as against approved AWPB of INR 370.6 million for 2014-15. This has resulted in the inability of the programme management to implement planned activities using IFAD loans funds. However, the programme management used a three pronged approach to sustain the programme activities. They are: (i) focused on quality improvement at both SHG and CMRC level and a result accessed INR 1180.00 million in bank loans for the SHGs in 2014-15; (ii) accelerated the pace of convergence with other government programme and accessed INR 330.00 million in the form of convergence during 2014-15; (iii) sourced funds from other sources such as MSRLM (INR 81.86 million), IWMP (INR 2.5 million) and its own general pool of resources (INR 20.00 million) during 2014-15. The programme management has been trying its level best to convince the government to permit used of balance funds in IFAD loan account and also an extension to the programme completion date.

C5	Likelihood of achieving the <b>development objectives</b> (section B3 and B4)	5	5
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**Rationale for development objectives rating:** This programme has achieved its physical target related to SHG mobilization and CMRC establishment. The performance with regard to reaching outreach target in terms of number of households reached is 97%. The programme would have made further progress with regard to outreach expansion but for the paucity of funds. The programme has made steady progress with to cost coverage by CMRCs. About 65% of the CMRCs cover more than 50% of the salary and operating costs. SHGs mobilized by the programme have accessed INR 7410 million from banks and other financial institutions of which INR 2690 million from ICICI Bank. The programme has approved 143 MLPs using IFAD loan funds and these are at various stages of implementation. Inadequate funding during the last one year has decelerated the progress of CMRCs towards self-sustainability. This apart, there is a need to provide additional support to SHGs to facilitate their progression on economic development growth trajectory by implementing at least one MLP per village, and also continued support for financing deficits in operating costs of weak CMRCs and also CMRCs in tribal areas. This calls for an extension of programme completion date of this programme.

C6 Risks	Short description of major risks for each section and their impact on achievement of development objectives and sustainability
Fiduciary aspects	Fund flow remained an area of serious concern during 2014-15. GoM released only 22.2% of the approved AWPB citing the amount of INR 1150.00 million indicated in the Government Resolution (GR) dated 5.2.2007 as against IFAD loan of SDR 18.6 million. As a result SDR 5.32 million of IFAD loan remained unutilized. GoM during this mission agreed to revise the GR allowing MAVIM to utilize the balance amount in IFAD loan. The programme will not be able utilize the entire loan amount before the original loan closing date. This programme requires an extension of the loan closing date
Project implementation progress	There have been qualitative improvements in programme implementation. Paucity of funds resulted in inability to implement planned activities. MAVIM has entered into collaboration with IWMP to implement SHG and CMRC activities in 163 blocks and with MSRLM to implement MSRLM in six blocks. MAVIM has approved 143 MLPs and of which 120 MLPs are under implementation. This will enable faster growth in household income and as a result, CMRCs will be able to increase service charges and attain self-sustainability
Outputs and outcomes	The programme has reached the physical targets related to SHG mobilization and CMRC establishment. It is expected that even the physical targets with regard to household outreach will be reached within this financial year. Credit linkage of SHGs with banks has shown substantial progress with on-time repayment of 97%. Average loan size has doubled and also quantum of loan deployment to productive purposes. Livelihood related activities have started gathering pace both with programme support and with convergence. Outcome surveys indicate to low level of risks at the output and outcome level – programme activities are generating satisfactory results.
Sustainability	There has been substantial progress towards sustainability. About 65% of the CMRCs are able to cover 50% of the costs. Only 7% of the CMRCs cover less than 10% costs. Bank linkage through ICIC Bank collaboration has become the main driver as well as incentive to push the members towards financial sustainability of CMRCs. The risk related to CMRC sustainability remains moderate on account of welfare oriented schemes by the government as against business oriented and sustainability focussed programme being implemented by MAVIM.

#### D. Proposed Follow up

Agreed action	Responsibility	Agreed date
In order to achieve economies of scale and self-sufficiency, restructure weak CMRCs: (i) merging of CMRCs; (ii) hastening saturation of villages to increase SHGs; (iii) termination of inefficient staff of CMRCs and deployment of new staff.	MD and GM-P	Feb 2015 onwards
For CMRCs in remote tribal blocks/districts develop a different strategy	GIB/GM-	Mar 2015



India

Tejaswini: Maharashtra Rural Women's Empowerment Programme

Supervision Mission - Mission dates: 7 Jan 2015 to 19 Jan 2015

of providing additional human resource, initiating livelihoods to increase incomes and thereafter increasing savings and internal lending including bank linkage.	P/RNGOs	
Sanction and implementation of 10 MLPs per CMRC during next two years with at least 5 in 2015-16	MD and GM-P	Starting from Apr 2015
Complete the tasks related to approval of GoM for extension of the programme completion date and also for using utilized balance form IFAD loan through issuance of a GR.	MD and GM-P	28 Feb 2015
Seed the concept of formation of apex federation at the state level and take steps for establishment subject to overwhelming interest by CMRC leaders – Provide support for promotion, establishment, office and secretarial support and handholding support using IFAD loan funds	MD and GM-P	30 Jun 2015



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

Narrative Summary	Key Indicators	Means of Verification	Critical Assumption
<b>A. Development Goal</b>			
<p><i>Poor Women make use of choices, spaces, and opportunities in economic, social and political spheres for their improved well being</i></p>	<ul style="list-style-type: none"> <li>- Number of households with improvement in household assets ownership index</li> <li>- Reduction in the prevalence of women and child malnutrition (w/h; h/a; w/a), by gender</li> <li>- No. of households with improved food security</li> <li>- No .of girls attending and completing schools</li> <li>- Increased mobility of women</li> <li>- Increased role of women in household decisions</li> <li>- Effective representation of women in local governance-</li> </ul>	<ul style="list-style-type: none"> <li>- RIMS and project surveys at baseline, mid term, and completion</li> <li>- Final project evaluation</li> <li>- Secondary data from Govt on people BPL</li> <li>- PRA/Wealth ranking results / MIS</li> <li>- Data from Education Department</li> <li>- Topical surveys</li> </ul>	<ul style="list-style-type: none"> <li>- Social and cultural constraints in the material and social environment of women can be effectively overcome</li> <li>- Empowerment of women benefits all household member</li> <li>- Overall policy environment remains in favour of women empowerment</li> <li>- Level of income generated is sufficient for households to cross the poverty line.</li> </ul>
<b>B. Overall Project Purpose</b>			
<ul style="list-style-type: none"> <li>- Creation of strong and sustainable SHGs and SHG apex organisations who provide their members with economic and social support</li> <li>- Provide access to savings, credit and insurance services and build up financial security</li> <li>- Opportunities with new and improved livelihood opportunities with enterprise established or extended and market linkages and support services</li> <li>- Access to functional education and social services, labour saving infrastructure and participation in local governance</li> </ul>	<ul style="list-style-type: none"> <li>- Women perceptions regarding changes in their social economic status, income and livelihood opportunities</li> <li>- No. of SHGs with acceptable financial performance (recovery rate of more than 95%)</li> <li>- No of financially sustainable CMRCs</li> <li>- Policy and product changes by banks/MFIs/Insurance companies</li> <li>- % of increase in average household income-</li> <li>- % of households reporting diversification of IGAs / setting up enterprises</li> <li>- Increase in use of new/appropriate technology in the villages for labour saving at household land community level</li> <li>- Increase in the no. of SHG members in PRIs and various governance committees</li> </ul>	<ul style="list-style-type: none"> <li>- Project surveys at baseline, midterm, and completion</li> <li>- Periodic mini surveys of targeted hhs related to various component indicators</li> <li>- Policy studies on banks and MFIs</li> <li>- Topical surveys</li> </ul>	<ul style="list-style-type: none"> <li>- Favourable govt policy to strengthen the community institutions</li> <li>- SHG sustainability is not adversely affected by other subsidy driven programs</li> <li>- Favourable bank/ MFI policy in SHG lending</li> <li>- Program is able to foster the entrepreneurship spirit amongst the SHG members</li> <li>- Market conditions and rural terms of the trade remain acceptable.</li> <li>- Program will be able to foster a strong convergence with the other govt. agencies/line departments, NGOs</li> </ul>
<b>C. Project Components</b>			
<b>Component 1- Grass root Institution Building</b>			
<p><b>Component 1- Grass root Institution Building - Outcome</b> Community institutions mobilised and strengthened as a peoples owned /governed institutions to achieve sustainable social – economical development of community</p>	<ul style="list-style-type: none"> <li>- Number of community Institutions i.e SHGs, VLCs, CMRCs operational and functional with grade A * three years after formation-</li> <li>- No .of secondary community institutions i.e VLCs supporting SHG management activities at village level.</li> <li>- No .and % of SHGs reporting availing paid services from CMRCs by type**</li> <li>- No. of CMRCs covering their costs with their earnings</li> </ul>	<ul style="list-style-type: none"> <li>- Community Institution's gradation record (Sahyogini and CMRC office)</li> <li>- Mini Surveys (District office)</li> <li>- HH interviews (District Office)</li> <li>- SHG's, VLC and CMRC MIS</li> </ul>	<ul style="list-style-type: none"> <li>- SHGs actively participate in implementing community development programs through their apex versions</li> <li>- Favourable support from other local institutions to foster convergence</li> <li>- SHGs accept the ownership and accountability in building institutions</li> <li>- Political interest may seed to capture the GIBs especially the CMRCs for their own political purposes</li> </ul>

<p><b>Outputs</b></p> <p>1.1 FNGOs identified and allotted CMRCs</p> <p>1.2 CMRC staff (CMRC Manager, CMRC Accountant, Sahyoginis) recruited and trained by type</p> <p>1.3 Scheme wise new SHGs formed</p> <p>1.4 VLCs formed</p> <p>1.5 CMRCs established</p> <p>1.6 Development of sustainable SHG's &amp; people's organisation</p>	<ul style="list-style-type: none"> <li>- Number of CMRC staff (CMRC Manager, CMRC Accountant, Sahyoginis) recruited and trained (by type of training) MAVIM and FNGOs</li> <li>- Number of scheme wise new SHGs formed classified by grade</li> <li>- SHG composition by poverty and caste</li> <li>- Number of VLCs formed and functioning</li> <li>- Number of CMRCs established and registered</li> </ul>	<p>Percentage, means and t-test.</p> <p>Case studies/impact studies</p>	<p>Men accept women's participation ARM and APR; qualitative analysis report in half-yearly progress reports.</p>
<b>Component 2. Livelihood and Enterprise Development</b>			
<p><b>Sub Component 2.1 Livelihood skill development</b></p> <p><b>Outcome</b></p> <p>On-farm and off-farm production based income enhanced/ improved,</p>	<ul style="list-style-type: none"> <li>- Number and % of women reporting their income from on-farm, off farm and nonfarm IGA has improved</li> <li>- Percentage of beneficiaries reporting expansion of <u>livelihood</u> activities to enterprises.</li> </ul>	<ul style="list-style-type: none"> <li>- Periodic Mini Surveys</li> <li>- PRA</li> <li>- Data from District Agricultural Department</li> <li>- Follow up database from Vocational training Institute</li> </ul>	<p>Farmers gain confidence to invest in agricultural related-IGAs</p> <p>Sufficient market demand exists to absorb increased production in support on- and off-farm sectors</p>
<p><b>Outputs</b></p> <p>2.1.1. SHG members identified and provided EAP-- <b>BLS</b></p> <p>2.2.2. SHG members identified and provided on farm EDP- <b>BLS</b></p> <p>2.2.3 SHG members identified and provided off farm EDP.</p> <p>2.2.4 Resource NGOs appointed to provide capacity building and expertise support.</p>	<ul style="list-style-type: none"> <li>- Number of women trained under EAP and EDP and percentage of persons taking-up activity related to training.</li> <li>- Number of women taking up livelihood activity through convergence with type of scheme.</li> </ul>		
<p><b>Sub-Component 2.2. Enterprise and market linkages</b></p> <p><b>Outcome</b></p> <p>New or expanded enterprises developed and new types of linkages developed between SHGs, markets and support services.</p>	<ul style="list-style-type: none"> <li>- Number of women supported through MLPs with major types of activities.</li> <li>- Number of women supported through CLDPs with major types of activities.</li> <li>- Number of women supported by SLAs with major types of activities.</li> </ul>	<ul style="list-style-type: none"> <li>- vocational training institute /Resource NGO records</li> <li>- Mini surveys</li> <li>- Topical surveys</li> </ul>	<p>Private sector and service providers will be active participants in the programme</p> <p>Sufficient labour demand exists to absorb skilled workers trained by the project</p>
<p><b>Sub-Component 2.3. Market support</b></p> <p><b>Outcome</b></p> <p>Micro and macro level marketing tie ups developed and enhanced marketing opportunities created</p>	<p><u>-No. and percentage of enterprises reporting access to increased marketing opportunities</u></p> <p><u>- No. and types of additional marketing tie ups established.</u></p>		

<p><b>Outputs</b></p> <p>2.1.1. producer companies established</p> <p>2.1.2. Stakeholder policy meeting conducted</p> <p>2.1.3. Marketing consultant appointed</p>	<p>- <b>No. of Producer companies operational and functional three years after establishment.</b></p> <p>- No. of stakeholder policy meetings conducted</p> <p>- No. of marketing consultant appointed and his/her are services hired.</p> <p>-Nb and percentage of women participating in the project benefiting from different Government programmes/schemes activated in the programme areas</p>	<p>- Baseline survey</p> <p>- Percentage, means and t-test. Case studies/impact studies</p> <p>- Percentage, means and t-test. Case studies/impact studies</p>	<p>ARM and APR; qualitative analysis report in half-yearly progress reports.</p> <p>ARM and APR; qualitative analysis report in half-yearly progress reports</p>
<p><b>Component 3. Micro Finance Services</b></p> <p><b>Outcome</b></p> <p>Women enabled to access rural financial and insurance services and develop and independently manage thrift and credit services for their members and build up financial security.</p>	<p>- Number of functional SHGs Loan repayment rates (internal loans and external loans)</p> <p>- <u>Number of households covered by formal insurance-</u></p> <p>- Annual percentage increase of participating banks/MFIs portfolio (savings / credits) in targeted communities</p> <p>- % of groups. increasing their savings</p>	<p>- SHG Grading reports</p> <p>- Banks/MFIs Records</p> <p>- SHGs records/Kits</p>	<p>Favourable rural financial policies formulated and implemented</p>
<p><b>Outputs</b></p> <p>3.1 SHGs members trained on micro credit aspect</p> <p>2.2.1. SHGs linked to banks for loans</p> <p>2.2.2. SHGs linked to MFIs or other corporations for loans.</p> <p>2.2.3. SHGs accessing loans from MSN.</p> <p>2.2.4. Pilot action and research / studies/action research undertaken and new/revised relevant policies developed.</p>	<p>- Number of savings products developed</p> <p>No. of SHGs members trained on micro credit aspect</p> <p>- No. of SHGs linked to banks for loans, linked to MFIs, MSN or other corporations for loans cumulatively and currently</p> <p>-</p> <p>- No .of pilot action, research /studies/action research undertaken new/revised relevant policies developed.</p> <p>- Number of women buying insurance products by types.</p>	<p>- SHG training records</p> <p>- SHGs, CMRC records</p> <p>- Banks and MFI records</p> <p>- MSN linkage reports</p> <p>- Projects records</p>	<p>Banks and MFIs interested in providing outreach and working with the rural poor in the poorest blocks and remote areas</p> <p>Adequate credit funds are released on a timely and regular basis, with low transaction costs</p> <p>MSN will act as friendly credit institution to provide bridge finance.</p>
<b>Component 5. Women's Empowerment and Social Equity</b>			
<p><b>Sub Component 4.1- Gender Integration</b></p> <p><b>Outcome</b></p> <p><u>1 COMMUNITY LEVEL</u></p> <p>- Women are aware and actively working to remove gender based discrimination in family and community settings</p> <p>- Enhanced status (equity wise) of women within family, community, and panchayat</p> <p>- Increased decision making in family on self and family matters</p> <p>- Elimination and reduction of violence on women</p>	<p>- no of women taking initiative to raise concern/voices about gender discrimination in family and community matters</p> <p>- No of SHGs raising concerns/taken action related to gender discrimination of their group as a whole and of individual members as a collective.</p> <p>- No of staff operational and trained specially to monitor gender concerns</p> <p>-</p>	<p>- Progress Reports and MIS</p> <p>- Programmatic and Administrative decisions</p>	

<p>2 MAVIM LEVEL-- AT DISTRICT AND HO</p> <ul style="list-style-type: none"> <li>- Gender sensitive MAVIM's Staff at HO and District level</li> </ul> <p>Gender based discrimination within MAVIM'S programmatic design and structure minimised</p>	<ul style="list-style-type: none"> <li>- Clearly elucidated gender policy regarding MAVIM and Tejaswini Program</li> <li>- No of staff is aware and trained to incorporate this policy in implementing these programs</li> </ul> <p>No of policy, program and implementation strategy includes a statement clarifying gender concerns in built therein</p>	-	
<p><b>Outputs</b></p> <p><b>4.1.1 Gender cross cutting group operational and functional three years after formation</b></p>	<p><b>- Gender cross cutting group operational and functional three years after formation</b></p>	<ul style="list-style-type: none"> <li>- Project records</li> <li>- MIS</li> <li>- Reports from mass media agencies/institutions</li> <li>- Training records</li> <li>- Household interview/FGD</li> </ul>	
<p><b>OUTCOME</b></p> <p><b>4.3 Women with increased awareness related to gender concerns related to men's roles, legal protection for themselves and drudgery reduction</b></p> <p><b>OUTPUT</b></p> <p>4.1.2 Mass level social awareness programs organised by type.</p> <p>4.1.3 Radio and other mass communication programs organised</p> <p>4.1.4 Sensitisation programs organised for men in leading /influential role.</p> <p>4.1.5 Para legal training organised for the SHGs</p> <p>4.1.6 Village level drudgery reduction models operational and functional.</p>	<ul style="list-style-type: none"> <li>- No. of mass level social awareness programs organised by type.</li> <li>- No. of radio and other mass communication programs organised</li> <li>- No. of sensitisation programs organised for men in leading/influential role</li> <li>- No. of Para legal training programs organised for SHG members</li> <li>- No. of community level drudgery reduction models operational an functional</li> <li>- <u>Men's and women's perceptions regarding sharing the labour of women as a part of drudgery reduction</u></li> </ul>		
<p><b>Sub Component 4.2 - Enhancing Women's Capacities.</b></p> <p><b>Outcome</b></p> <p><b>SHG women Empowered due to enhanced skills related to social and economic development and gender equity</b></p>	<p><u>Increase in the no. of women participating in the local governance to raise critical issues (Mahila Gram Sabha, Gen. Gram Sabha)</u></p> <ul style="list-style-type: none"> <li>- <u>Increased areas and nos in which women's decision is being considered</u></li> </ul>		
<p><b>Outputs</b></p> <p>4.2.1 Functional literacy training program organised for women</p> <p>4.2.2. Adult Literacy Kit supplied to SHG members who joined the adult literacy drive</p> <p>4.2.3 Family Life Education programs organised for the adolescent girls and boys from the villages.</p> <p>4.2.4 Health master trainers identified from amongst the SHG members and health training kits provided</p> <p>4.2.5. Training on governance provided to the elected leaders or potential leaders.</p> <p>4.2.6 Women reading newspapers/magazines or</p>	<ul style="list-style-type: none"> <li>- No. of Functional literacy training program organised for women.</li> <li>- No. of Family Life Education programs organised for the adolescent girls and boys from the villages.</li> <li>- No. of health master trainers identified from amongst the SHG members and</li> <li>- No. of trainings on governance provided to the elected leaders or potential leaders.</li> <li>-</li> <li>- Percentage of women are satisfied from project service providers</li> <li>- No. of house uses drudgery reduction technology</li> </ul>	<ul style="list-style-type: none"> <li>- Training records</li> <li>- Reports from education department/Health department</li> <li>- AMR and APR and Qualitative methods: focus group &amp; "H" on annual basis.</li> <li>-AMR and APR and focus group &amp; Key informant interviews on annual basis.</li> </ul>	<p>ARM and APR; qualitative analysis report in half-yearly progress reports</p>

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<p>using other mass communication means to seek information for self and family development /livelihood development etc.          4.2.7 Women achieving empowerment and reporting it.          4.2.8 women achieving social and economic empowerment          4.2.9 Women are benefited by the various project services at satisfactory level.          4..2.10 adoption drudgery reduction technology by Household</p>		<p>HYPR &amp; APR</p> <p>Percentage, means &amp; test. case studies/impact studies</p>	
<p><b>Component 5. Project Management</b></p>			
<p><b>Outcome</b></p> <p>Efficient project management system operated by project staff and stakeholders to effectively manage the project</p>	<ul style="list-style-type: none"> <li>- Supervision Mission ratings</li> <li>- Fully operational PMUs, BPMUs, and NGOs unit</li> <li>- Timely coordination meetings take place</li> <li>- % of interventions/activities effectively implemented as planned in AWPB</li> <li>- Perception of programme stakeholders regarding project management capacity to plan, implement, and monitor programme interventions</li> </ul>	<ul style="list-style-type: none"> <li>- Supervision reports</li> <li>- Annual Progress reports</li> <li>- Knowledge Management records/ICP website</li> <li>- Financial management records</li> <li>- Audit reports</li> <li>- PRA</li> <li>- PMU records</li> </ul>	<p>Gov staff appointed and retained till completion</p> <p>Relationship between the Project authorities and the NGOs are mutually supportive and favourable.</p>
<p><b>Outputs</b></p> <p>3.1. New staff sanctioned under project appointed and trained.          3.2. Project operational arrangements in place          3.3. Survey and studies undertaken          3.4. RIMS, M&amp;E, and knowledge management systems established.          3.5. Compliance Audit undertaken          3.6 Outreach of staff to poorer communities and women</p>	<ul style="list-style-type: none"> <li>- Number of additional project staff sanctioned under project recruited and trained, by gender</li> <li>- Operational manual approved</li> <li>- Number of studies undertaken</li> <li>- Number RO-AWPB prepared and submitted timely</li> <li>- Number of RIMS and project progress reports submitted</li> <li>- Number of compliance audit recommendations complied with</li> <li>- Time spent in office and time spent in field in hours</li> </ul>	<ul style="list-style-type: none"> <li>- Annual Progress Reports</li> <li>- Joint review mission reports</li> <li>- Project records</li> <li>- NGOs records</li> <li>- Baseline study doc</li> <li>- Training needs assessment reports</li> <li>- Action taken report</li> <li>- RIMS survey report</li> <li>- HYPR &amp; APR</li> </ul>	<p>Dedicated, culturally sensitive and competent staff are available for NGOs and Project Units at all level throughout the project period</p> <p>Competent public and private service providers available to work with the project in targeted areas</p>





**Appendix 3: Summary of key actions to be taken within agreed timeframe**

Action Area	Agreed action	Responsibility	Agreed date
Sustainability	In order to achieve economies of scale and self-sufficiency, restructure weak CMRCs: (i) merging of CMRCs; (ii) hastening saturation of villages to increase SHGs; (iii) termination of inefficient staff of CMRCs and deployment of new staff.	MD and GM-P	Feb 2015 onwards
Sustainability	For CMRCs in remote tribal blocks/districts develop a different strategy of providing additional human resource, initiating livelihoods to increase incomes and thereafter increasing savings and internal lending including bank linkage.	GIB/GM-P/RNGOs	Mar 2015
Sustainability	Develop a position paper on MAVIM's model of financial sustainability of CMRCs	GM-P	Mar 2015
Outputs	Complete registration of all CMRCs, ensure maintenance of proper books of accounts, audit of CMRCs and preparation of demand and collection register of service charges with display of names of SHGs that are chronic defaulters in payment of service charges	GIB/RNGOs	Jun 2015
Outputs	Arrange systematic training to district, CMRC staff, EC and RGB on SHG alerts; review of CMRC business plans for improving resource mobilization efforts including increasing service charges	GIB/MF/MIS/RMO	Feb 2015 onwards
Sustainability	Capture unique and best practices adopted by CMRCs to improve stakeholder interest and institutional sustainability and disseminate	GIB/MF/KM/GM-P	Mar 2015 onwards
Outputs	Review the need for CMRCs In urbanised and industrialised districts like Pune, Nagpur, Raigad with options for closing down CMRCs where members do not show interest in SHGs.	MD/GM-P	June 2015
Outputs	Provide flexibility to CMRCs with more than INR 600,000 corpus to deploy a part of it in businesses such as Agriculture Service centres for aggregation of agriculture inputs and outputs, bulk procurement household items, etc.	GIB/GM-P	May 2015
Outputs	Develop additional software programme if needed to process data from SHE software for SHG alerts and generation of perforated sheets in Marathi. Make modifications in SHE software or develop a new software to track VO financing and JLG financing and livelihoods related data.	MIS/GM-P/DHAN	April 2015
Outputs	Credit life insurance policies for SHG loans of INR 25,000 and above will have to be insisted.	MF/GM-P	30 Jun 2015
Outputs	Develop processes and procedures for dealing with wilful default and explore steps like writing to Village panchayat, Block offices, district offices, filing complaints with police. Introduce demand promissory note from persons borrowing more than INR 20,000.	MF/GM-P	30 June 2015
Outputs	Initiate steps to develop a risk fund at CMRC level to cope with default on account of personal tragedy. Seek contribution from philanthropists and Corporate Social responsibility.	MF/GM-P	30 Sept 2015
Outputs	Monitor usage of accounts created under Jan Dhan Yojana to ensure full benefits to SHG members and avoid each member having multiple non-operational accounts	MF/DCOs/GM-P	February onwards
Outputs	Ensure linkages with banks other than ICICI bank to avoid over exposure to one bank.	MF/GM-P	Immediate
Outputs	Institutionalise the bank mitras in banks	MF/GM-P	April 2015
Outputs	In CMRCs with distant branches of ICICI bank, explore creation of a separate bank account of	MF/GM-P	30 Jun 2015

	CMRC with a local bank for collecting all the repayments of SHGs for electronic transfer to branch of ICICI bank.		
Outputs	Pilot CMRC acting as BC through ICICI bank preferably in Gondia. Pilot test CMRC aggregating loan repayment and paying ICICI Bank in locations having difficulty to access banks.	MF/GM-P	30 Sept 2015
Outputs	Link more JLGs for dairy with private banks by providing first loan default guarantee if necessary; the guarantee can be 50% from members and 50% from the programme as part of MLP.	MF/GM	Feb 2015 onwards
Outputs	Link with specialised housing finance institutions like Swarnapragati for house improvement and repair and also with Watsan for water and sanitation loans.	MF/GM	Apr 2015
Outputs	With SHG alert available on loans outstanding with leaders, systematically monitor this aspect.	MF/GM	Feb onwards
Outputs	ICICI bank and other banks to pay the commission due every month. MAVIM to ensure that the necessary code is generated for all CMRCs.	MF/GM	Feb onwards
Outputs	Loan repayment data of other banks have to be monitored from data of SHE software.	MF/GM	Immediate
Outputs	Sanction and implementation of 10 MLPs per CMRC during next two years with at least 5 in 2015-16	MD and GM-P	Starting from Apr 2015
Outputs	Organising Intra-MLP exposure visit and campaigns by best performing CMRCs to weak CMRCs on strengthening of CMRCs and their role in livelihood enhancement.	LED/DCOs/GM-P	30 Sep 2015
Outputs	Establishment of Agriculture Service Centres in all CMRCs to reduce input costs and increasing farm gate prices	LED/DCOs/GM-P	31 Dec 2015
Outputs	Engage sub-sector specialists to support MLP implementation	LED/DCOs/GM-P	31 Dec 2015
Outputs	Establishment of milk processing centres in Dairy MLPs and develop innovative MLPs such as taking land on rent for cultivation,	LED/DCOs/GM-P	Starting from Apr 2015
Outputs	Organising comprehensive training programme of about 40-60 days for CRP-Vet in each Panchayat with dairy, goat rearing and poultry MLPs.	LED/DCOs/GM-P	31 Dec 2015
Outputs	Develop a new proposal for continued engagement of BAIF-Mitra in tribal areas. Salient features to be Included are: (i) 45-60 day training of CRP-Vet; (ii) improved coordination with CMRCs with placement of BAIF staff in CMRCs; (iii) provision of household assets as loan from CMRCs ; and (iv) joint sourcing of convergence funds by CMRC, District offices of MAVIM and BAIF	LED/DCOs/GM-P	31 May 2015
Outputs	Request ADS to focus on their core strength of developing a spice value chain and providing higher order marketing linkages to the MLPs.	LED/DCOs/GM-P	31 Mar 2015
Outputs	Set up village support team consisting of 2 men and 2 women for assisting Kaydasathis in resolving village level issues.	GIB/GM- P	30 Sep 2015
Outputs	Through advocacy ensure that Kaydasathis are inducted into Tanta mukti samitis	GIB/GM-P	30 Sep 2015
Outputs	Ensure RNGO CMRCs implement adequate numbers of drudgery reduction activities	GIB/GM-P	31 Dec 2015
Outputs	Nutrition related activities of VLCs have to be systematised with proper follow up by linking with DWCD	GIB/GM-P	30 Jun 2015
Outputs	Explore possibilities to extend to other districts the pilot on integration of health education into micro-finance, in collaboration with Health department.	GIB/GM-P	30 Sep 2015
Programme	Complete the tasks related to approval of GoM for extension of the programme completion date and	MD and GM-P	28 Feb 2015

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Implementation	also for using utilized balance from IFAD loan through issuance of a GR.		
Programme Implementation	Seed the concept of formation of apex federation at the state level and take steps for establishment subject to overwhelming interest by CMRC leaders – Provide support for promotion, establishment, office and secretarial support and handholding support using IFAD loan funds	MD and GM-P	30 Jun 2015
Programme Implementation	Revise the policy related to board and lodge expenses of MAVIM staff and devise a fair system of daily allowances	MD and GM-P	31 Mar 2015
Programme Implementation	Deliberate, document and implement Performance enhancement measures for weak SHGs and weak CMRCs.	GIB/GM-P	31 Mar 2015
Programme Implementation	Deliberate, document and implement Performance enhancement measures for district offices.	GIB/GM-P	30 Jun 2015
Programme Implementation	Deliberate, document and implement final set of measures after implementing the performance enhancement measures.	GIB/GM-P	30 Sep 2015
Programme Implementation	Design staff policy and code of conduct for CMRCs, transform role of Sahyoginis in Grade "A" CMRCs and make them responsible for livelihood activities. Reduce the workload related to writing of perforated sheets.	GIB/GM-P	30 Jun 2015
Programme Implementation	Provide Implementation Support to MAVIM	IFAD	Starting from Jun 2015
Programme Implementation	Complete the studies recommended in SM of 2013 and 2014	GM-P	31 Mar 2016
Programme Implementation	Devise formats for data collection to capture livelihood and convergence related activities. Explore the possibility of developing a module within SHE software.	GM-P	30 Dec 2015
Programme Implementation	Develop a telephonic verification system for the field visit of all staff and implement the same	GM-P	30 June 2015
Programme Implementation	Develop a case study on computerised accounting of SHGs implemented by MAVIM detailing processes, cost effectiveness, MIS generation and its use and future software development requirements.	IFAD-ISM	30 Sep 2015
Programme Implementation	Publish a study on the processes, package of practices, implementation modality and results in respect of dairy, goat rearing and vegetable production activities undertaken by BAIF-Mitra	KM/GM-P	31 Dec 2015
Fiduciary	Revise Withdrawal Application No 32 with a reduced claim of INR 22.39 million and INR 11.05 million against category 6A and 6B respectively.	FS/GM-FA	28 Feb 2015
Fiduciary	Expedite settlement of accounts and recovery of advance from discontinued LRAs.	FS/GM-FA and GM-P	31Mar 2015
Sustainability	A time bound scheme to be devised by the CMRCs to recover old outstanding service charges and membership fees payable by the SHGs to the concerned CMRCs.	GIB/GM-P	31Mar 2015
Fiduciary	Repay the amount transferred from MAVIM's general pool of resources for implementing Tejaswini activities - INR 102.12 million up to 31.12.2014.	FS/GM-FA	31Mar 2015
Fiduciary	A system of audit from Chartered Accountant will have to be enforced for each SHG. During the first year, this amount can be paid from IFAD loan.	MD/GM-P/GM-FA	31Mar 2015
Fiduciary	Obtain a Management Letter from the Auditors for the audit of 2013-14.	FS/GM-FA	31Jan2015
Fiduciary	Ensure improvement in the quality of the deliverables of the Auditors.	FS/GM-FA	15Feb 2015
Fiduciary	District Accounts Officers to undertake visits to all RNGO promoted CMRCs to verify the books of	FS/GM-FA and	31Mar 2015

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	accounts and ensure proper maintenance book of accounts. Provide uniform templates for preparation of financial statements.	GM-P	
Fiduciary	Ensure audit of all CMRCs both MAVIM and RGO promoted CMRCs and provide a template for reporting Profit and loss account and Balance sheet.	FS/GM-FA and GM-P	28Feb 2015

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

	Indicator	Unit	Period 1.4.2013 to 31.3.2014			Period 1.4.2014 to 30.9.2014			Cumulative as at 31.3.2014	Cumulative as at 30.9.2014	Appraisal Target (revised)	%
			AWP&B	Actual	%	AWP&B	Actual	%				
<b>Grassroots Institution Building</b>												
	No. of SHG established	No.	8,959	5,289	59	5,000	2,782	56	66,159	68,936	62,675	110
	No of VLCs established	No.	NT	301			179		8,672	8,851	10,495	84
	No of CMRCs established	No.	NT	NT		NT	NT		315	315	315	100
	No of households reached	No.	107,508	59,353	55	60,000	34,814	58	889,182	944,329	900,000	105
	No of households accessing benefits of Govt social security schemes	No.	NT	106,000		NT	54,195		108,000	162,195		
	No of VLCs accessing funds from other than programme sources for taking up social and community development issues	No.	NA	NA		NA	NA		NA	NA	0	
	Amount mobilized through convergence for social sector activities	INR	NT	303,400,000		NT	336,200,000		53,800,000	693,400,000		
<b>Microfinance Services</b>												
	No of SHG members trained in financial services	No.	93,800	80,535	86				407,016	80,535	506,500	16
	No of CMRC staff trained in financial services	No.	NT	NT		NT	NT			455	630	72
	No of training programmes and exposure visits for bank managers	No.	NT	NT		NT	NT			2	5	40
	No of SHGs linked to banks for credit	No.	21,239	16,347	77	24,663	12,667	51	60,205	63,421		
	Value of gross loan portfolio of SHGs from Bank and MFIs	INR million	2,000	1,628	81	2,090	1,188	57	6,408	7,410		
	Average savings per SHG	INR		7,444			4,659		37,866	40,226		
	Average interloaning loan portfolio per SHG	INR		79,281			63,064		115,232	117,804		
<b>Livelihood and Enterprise Development</b>												
	No. of women trained in on-farm activities	No.		3,358							450,000	
	No. of women trained in off-farm activities	No.		5,500			503				450,000	
	No. of women benefitting from rain fed agriculture intervention	No.								195,909		
	No. of women benefitting from vegetable	No.								22,212		

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		cultivation										
		No. of women benefitting from horticulture interventions	No.									
		No. of women benefitting from poultry interventions	No.	17,214			10,319		17,214	27,533		
		No. of women benefitting from dairy interventions	No.	29,752			14,490		29,752	44,242		
		No. of women benefitting from goat rearing interventions	No.	41,384			1,522		41,384	42,906		
		No. of women benefitting from off-farm and other interventions	No.	72,732			86,727		72,732	159,459		
		Amount mobilized through convergence for IGA and livelihood activities	INR	210,000,000			197,300,000			407,300,000		
<b>Women Empowerment and Social Equity</b>												
		No of members trained in functional literacy	No.									59,567
		No. of women trained in health	No.	4,026	3,179	79						520,936
		No. of women trained in local governance	No.	1,650	1,012	61			6,463	7,475		
		No. of villages with drudgery reduction interventions	No.	165	165	100			4,834	4,999		

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

**Table 5A: Financial performance by financier as on 31.12.2014**

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	26,450	20,438	77.27
IFAD grant			
Co-financier			
Govt of Maharashtra	16,656	10,756	64.58
Beneficiary contribution	2,700	1,196	44.30
Banks	121,530	110,362	90.81
<b>Total</b>	<b>167,336</b>	<b>142,752</b>	<b>85.31</b>

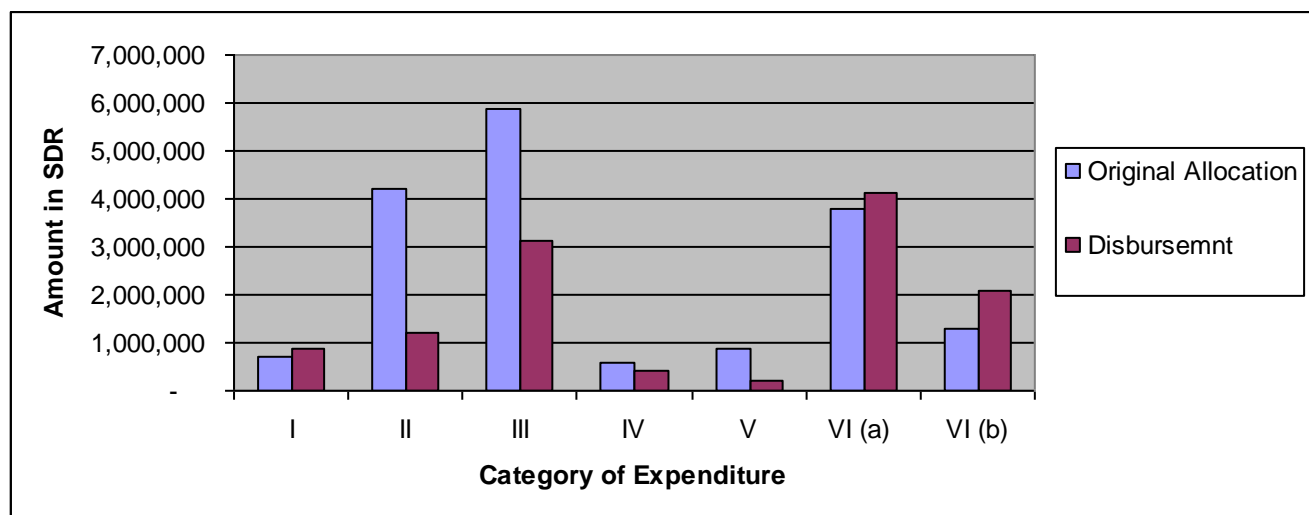
**Table 5B: Financial performance by financier by component (USD '000) ( 31.12.2014)**

Component	IFAD loan			IFAD grant			Beneficiary			Government			Banks			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Equipment and Material	1,100	1,040	95							145	102	70				1,245	1,142	92
NGO Service Provider	4,290	1,671	39							100	-					4,390	1,671	38
Training cost	8,420	4,087	49							217	-					8,637	4,087	47
Community Funds and Grants	950	546	57				200	2	1	25	-					1,175	548	47
Consultant and Studies	1,450	273	19							3	2	67				1,453	275	19
Programme management	10,240	8,727	85				2,500	1,194	48	16,166	10,651	66				28,906	20,572	71
Incremental Loan													121,530	110,362	91	121,530	110,362	91
<b>Total</b>	<b>26,450</b>	<b>16,345</b>	<b>77</b>				<b>2,700</b>	<b>1,196</b>	<b>44</b>	<b>16,656</b>	<b>10,756</b>	<b>65</b>	<b>121,530</b>	<b>110,362</b>	<b>91</b>	<b>167,336</b>	<b>138,659</b>	<b>83</b>

**Table 5C: IFAD loan disbursements (SDR, as at 31.12. 2014)**

Category	Category description	Original allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I	Equipment and Materials	700,000	861,239	948	(162,187)	123
II	NGO service providers	4,200,000	1,207,236	67,202	2,925,562	53
III	Training	5,861,000	3,116,288	67,439	2,677,273	76
IV	Community Fund Grant	569,500	430,101	(503)	139,902	23
V	Consultants and studies	877,700	202,069	6,912	668,719	108
VI (a)	Incremental Salaries and Allowances	3,798,900	4,108,218	244,122	(553,440)	158
VI (b)	Incremental Operating costs	1,306,500	2,064,617	120,463	(878,580)	158
VII	Unallocated	1,286,400			1,286,400	
	Initial Advance		1,290,822		(1290822)	
	<b>Total</b>	<b>18,600,000</b>	<b>13,280,590</b>	<b>506,583</b>	<b>4,812,827</b>	<b>71</b>

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





## Appendix 6: Compliance with financing agreement covenants: Status of implementation

Section	Covenant	Target/Action Date	Due	Compliance Status/Date	Remarks
Section 2.03	<i>Special Account</i> The Borrower, through MOF, shall open and maintain in a bank proposed by the Borrower and accepted by the Fund, an account denominated in USD for the purpose of financing the Programme.	On Loan effectiveness		Complied with	
Section 2.04	<i>Use of Proceeds</i> The Borrower shall ensure that the proceeds of the Loan are used exclusively to finance Eligible Expenditures in accordance with this Agreement and the General Conditions	Throughout programme period	the	Ongoing compliance	
SECTION 3.02	<u><i>Annual Work Plans and Budgets and Procurement Plans.</i></u>				
	(a) The MAVIM shall prepare a consolidated draft AWPB for each Programme Year for Programme activities. Each draft AWPB shall include, among other things, a detailed description of planned Programme activities during the coming Programme year and the sources and uses of funds thereof, based on work plans and Budgets prepared	On an annual basis throughout the programme period		Complied	
	b) The MAVIM shall submit the draft AWPB and to the Fund for its comments and approval, no later than 60 days before the beginning of the relevant Programme Year.	By 31 <sup>st</sup> January each year		Not Complied	AWPB was sent to IFAD on 3 <sup>rd</sup> February, 2014. Revised AWPB sent on 20.11.2014.
	c) Notwithstanding para (b) above, the MAVIM shall submit the AWPB for the first Programme Year not later than 90 days from the Effective Date.	On Loan effectiveness		Complied with	
	d) The BOD of MAVIM shall adopt the AWPB substantially in the form agreed by the Fund, and the MAVIM shall provide copies thereof to the Fund, prior to the commencement of the relevant Programme Year.	On an annual basis throughout the programme period		Complied with	
SECTION 3.03	<u><i>Programme Accounts</i></u> The Lead Programme Agency shall open and thereafter maintain in a commercial bank accepted by the Fund, an account denominated in INR for Programme operations (the "Programme Account"). The persons duly authorized by the Lead Programme Agency pursuant to their respective internal procedures shall operate the Programme Account.	Prior commencement of programme activities	to of	Complied with	
SECTION 3.04	<u><i>Availability of Loan Proceeds</i></u>				
	(a) The Borrower shall make the proceeds of the Loan available to the Lead Programme Agency to carry out the Programme.	Throughout programme period	the	Complied with	
	(b) The Borrower shall ensure that the Lead Programme Agency makes the proceeds of the Loan available to other Programme Parties in accordance with the AWPB and any subsidiary agreement to carry out the Programme	Throughout programme period	the	Complied with	
SECTION 3.05.	<u><i>Availability of Additional Resources.</i></u>	Throughout	the	Not required as yet	

Section	Covenant	Target/Action Date	Due	Compliance Status/Date	Remarks
	In addition to the proceeds of the Loan, the Borrower shall make available to the Lead Programme Agency and each other Programme Party, promptly as needed, additional funds as required under Section 7.03 (Availability of Additional Funds) of the General Conditions, as may be required from time to time to carry out the Programme in accordance with this Agreement.	programme period			
SECTION 3.06.	<u>Channelling of Programme Resources.</u> The MAVIM shall transfer available funds and other resources for certain activities called for, in the AWPB s to the respective District Offices to carry out the Programme.	Throughout programme period	the	Complied with	
SECTION 3.07	<u>Procurement.</u> All procurement financed from the proceeds of the Loan shall be carried out in accordance with Schedule 4.	Throughout programme period	the	Complied with	
SECTION 4.01.	<u>Monitoring.</u> The MAVIM shall establish, as soon as practicable but 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 Programme Monitoring and Evaluation" and using the Fund's Results Impact Monitoring Systems (RIMS) indicators to enable it to continuously monitor the Programme in accordance with paragraph 2 of Schedule 3A and Section 8.02 (Monitoring of Programme Implementation) of the General Conditions.	Within 180 days of effective date )		Complied with	
SECTION 4.02	<u>Progress Reports.</u> The MAVIM shall prepare and submit to the Fund consolidated six-monthly and annual progress reports on Programme implementation, as required by Section 8.03 (Progress Reports) of the General Conditions, based on progress reports prepared and submitted by each programme party in accordance with paragraph 4 of Schedule 3A, no later than two months after the end of each six-monthly and annual period during the Programme Implementation Period. In addition to the matters described in Section 8.03 of the General Conditions, the progress reports shall address financial progress of the Programme, as recorded against the AWPB for the relevant Programme Year.	By 31 <sup>st</sup> May and 30 <sup>th</sup> November each year		Partly Complied with	The annual progress report for the year ended 31 <sup>st</sup> March , 2014 were sent to IFAD on 18 <sup>th</sup> June, 2014.  The progress report for the half year ended September , 2014 were sent to IFAD by 12 <sup>th</sup> November, 2014.
SECTION 4.03.	<u>Mid-Term Review.</u> (a) The Borrower, the Lead Programme Agency and the Fund, shall jointly carry out a review of Programme implementation no later than the end of the thirty six months following the Effective Date (the "Mid-Term Review" or "MTR") based on terms of reference prepared by the MAVIM and approved by the Fund. Among other things, the Mid-Term Review shall consider: (i) the achievement of Programme objectives and the constraints thereon, and the performance of the Programme Parties; (ii) the conclusions of the various assessments of Programme impact and progress and recommend such reorientation as may be required to achieve such objectives and remove such constraints.	Due September 2010		Complied with	
	(b) The Borrower shall ensure that the recommendations resulting from the Mid-Term Review are implemented within the specified time therefore and to the satisfaction of the Fund. Based on the findings of the Mid-Term Review, a mutually acceptable action plan for the remainder of the Programme shall be prepared. It is agreed and understood that such recommendations may result in modifications to the Loan Documents.	Within the time frame agreed as per MTR		Complied with	

India

Tejaswini: Maharashtra Rural Women's Empowerment Programme

Supervision Mission - Mission dates: 7 Jan 2015 to 19 Jan 2015

Section	Covenant	Target/Action Date	Due	Compliance Status/Date	Remarks
SECTION 4.04.	<u>Completion Report.</u> The MAVIM shall submit to the Fund a consolidated completion report on the Programme based on the reports prepared by each programme party as required by Section 8.04 (Completion Report) of the General Conditions, no later than six months after the Programme Completion Date.	6 months from the programme closing date		Not yet applicable	
SECTION 4.05.	<u>Evaluations.</u> The Borrower and each Programme Party shall facilitate all evaluations and reviews of the Programme that the Fund may carry out during the Programme Implementation Period and for ten years thereafter, as required by Section 10.05 (Evaluations of the Programme) of the General Conditions.	During the programme period and for ten years after that		Ongoing compliance	
SECTION 5.01.	<u>Financial Statements.</u> The MAVIM shall prepare financial statements of the operations, resources and expenditures related to the Programme required by Section 9.02 (Financial Statements) of the General Conditions in respect of each six-month and annual period (the latter, the "Consolidated Financial Statements") during each Fiscal Year, and deliver such Consolidated Financial statements to the Fund within six months after the end of each such period.	By 31 <sup>st</sup> March and 30 <sup>th</sup> September each year		Partly Complied with	The programme prepares financial statements on an annual basis only and not on a half yearly basis. Consolidated Financial Statements for the year ended were sent to IFAD on 29 <sup>th</sup> September 2014.
SECTION 5.02 (a)	<u>Audit Reports.</u> Subject to Section 5.02 (c), within 90 days after the Effective Date, the MAVIM shall appoint, in consultation with the Fund, independent auditors in accordance with the procedures and criteria set forth in the Fund's "Guidelines on Project Audits (Borrowers' Use)" (2003, as may be amended from time to time) to audit the annual Financial Statements relating to the Programme for the First Fiscal year. Thereafter, as soon as practicable but in no event later than 30 days after the beginning of each succeeding Fiscal Year, the MAVIM with the prior approval of the Fund, shall confirm such auditors' appointment or so appoint new independent auditors for such Fiscal Years.	By 30 <sup>th</sup> April each year		Not Complied with	Appointment of the Auditors for the audit of 2013-14 made on 30 <sup>th</sup> July , 2014.
SECTION 5.02 (b)	Subject to Section 5.02 (c), the MAVIM shall have the annual Consolidated Financial Statements relating to the Programme audited each Fiscal Year by such auditors in accordance with the International Standards on Auditing and the Fund's "Guidelines on Project Audits (Borrowers' Use)" (2003, as may be amended from time to time) until the Loan Closing Date. In accordance with Section 9.03 of the General Conditions, in addition to the audit report on the Financial Statements, the auditors shall provide: (i) an opinion on the certified statements of expenditure and the operation of the Special Account and the Programme Accounts; and (ii) a separate management letter, addressing the adequacy of the accounting and internal control systems. The MAVIM shall deliver the above-mentioned items to the Fund within six months of the end of each such Fiscal Year. The MAVIM shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof.	By 30 <sup>th</sup> September each year		Complied with	Audited Financial Statements for the year ended 31 <sup>st</sup> March , 2014 were submitted to IFAD on 29 <sup>th</sup> September , 2014
SECTION 5.02 (c)	The audit of the Special Account shall be performed by the Comptroller & Auditor General.	No date specified as such		Not Applicable at this level	

Section	Covenant	Target/Action Date	Due	Compliance Status/Date	Remarks
SECTION 7.01	<u>Conditions Precedent to Effectiveness</u> This Agreement shall become effective in accordance with Article XIII of the General Conditions (Effectiveness and Termination) subject to the fulfilment of the following conditions precedent:				
	(a) the Senior Adviser of MAVIM shall have been appointed in accordance with the provisions of paragraph 8.1 of Schedule 3	Prior to effectiveness	loan		
	(b) the Borrower shall have duly opened the Special Account in accordance with Section 2.03	Prior to effectiveness	loan	Complied with	
	(c) the MAVIM shall have duly opened the Programme Accounts in accordance with Section 3.03.	Prior to effectiveness	loan	Complied with	
	(d) the Loan Agreement has been duly signed and the signature and performance thereof by the borrower shall have been duly authorized and ratified by all necessary administrative and governmental action.	Prior to effectiveness	loan	Complied with	
	(e) The Programme Accounts have been duly signed and a favourable legal opinion shall have been issued by competent legal counsels in respect of the Programme Agreement's legally binding nature upon the state and delivered to the fund	Prior to effectiveness	loan	Complied with	
	(f) A copy of the signed MAVIM/ DWCD MOU , in accordance with the procedure described in paragraph 3.3.1 of Schedule 3 shall have been delivered to the Fund .	Prior to effectiveness	loan	Complied with	
	(g) a favourable legal opinion, issued by the Solicitor General of the Borrower in respect of the matters set forth in Section 7.02 hereof and in form and substance acceptable to the Fund, shall have been delivered by the Borrower to the Fund.	Prior to effectiveness	loan	Complied with	
Schedule Paragraph 3	2 <u>Statements of Expenditure.</u> Withdrawals from the Loan Account may be made against certified statements of expenditures in respect of Eligible Expenditures. The records evidencing such expenditures need not be submitted to the Fund, but shall be retained by the Borrower for inspection by the representatives of the Fund, in accordance with Sections 4.07 (Statements of Expenditure) and 10.03 (Visits, Inspections and Enquiries) of the General Conditions.	During the programme period and up to ten years thereafter		Complied with	
Schedule Paragraph 5	2 <u>Conditions Precedent to Withdrawals.</u> (a) No withdrawals shall be made until :				
	(i) the Lead programme Agency shall have appointed the Finance Manager	Prior to the First Withdrawal Application request		Complied with	The GM finance has resigned w.e.f 16 <sup>th</sup> January ,2013 and this post is currently vacant
	(ii) the Lead programme agency shall have established the State programme Advisory Committee	Prior to the First Withdrawal Application request		Complied with	
	(iii) until the Programme Implementation Manual shall have been approved by the Fund in draft; a copy of the Programme Implementation Manual as adopted by MAVIM in the form so approved and certified as true and complete by a competent officer of the MAVIM shall have been delivered to the Fund	Prior to the First Withdrawal Application request		Complied with	

Section	Covenant	Target/Action Date	Due	Compliance Status/Date	Remarks
	(b) No withdrawal shall be made for any fiscal year from the loan account in respect of any expenditure under the programme until the borrower shall have confirmed its counterpart fund contribution including that to cover taxes and the contribution in Section 3.05 for each fiscal year of the programme has been included in the Borrower's Budget for the said Fiscal Year	Prior to the Withdrawal Application request	First	Complied with	
Schedule Paragraph 6	2 <u>Conditions Precedent to Withdrawals</u> No withdrawal shall be made from the loan until the MAVIM shall have recruited a Human Resource Development Consultant to draw up Staff Terms of Reference and reengineer working systems and processes.	Prior to the Withdrawal Application request	First	No Complied with	HRD consultant was appointed on 10.11.2009 and the consultant had submitted the report on 29.3.2011
Schedule 3 Part A	<u>Programme Implementation</u>				
	<u>Para 2.1 and para 3.3(a)</u> The Borrower shall cause each state to enter into a MOU with the respective Lead programme Agency ( MAVIM ) which shall provide, among other things, that:	On Effectiveness	Loan	Complied with	
	(a) the state shall transfer Loan proceeds, counterpart funds and other resources to the MAVIM Lead Programme Agency for the purposes of implementing the Programme. as follows: The state through the DWCD shall release Loan and other resources to MAVIM on the basis of the AWPBs quarterly in advance. The first advance shall be made to the Programme Account of MAVIM to cover the first six months of Programme operations in accordance with the AWPB, and the second and subsequent advances shall be made as replenishments to the Programme Accounts on a quarterly basis upon the submission by MAVIM to DWCD of Maharashtra a statement of expenditure relating to the previous advance wherein at least 60% of such previous advance shall be accounted for;	On Effectiveness	Loan	Complied with	
	(b) the Borrower, through DWCD , shall make budgetary allocations to facilitate integration of the Borrower's contribution for Programme implementation into the Borrower's annual budget.	On Effectiveness	Loan	Complied with	
	(c) MAVIM shall release Loan proceeds to their respective district offices on the basis of the AWPB s quarterly in advance in accordance with this Agreement	On Effectiveness	Loan	Complied with	
	d) the proceeds to be utilised for, <i>inter alia</i> , procurement and recruitment, budget preparation, operation of the Programme Account, release/flow of funds, accounting, audit and reporting obligations; and	On Effectiveness	Loan	Complied with	
	d) the proceeds to be utilised for, <i>inter alia</i> , procurement and recruitment, budget preparation, operation of the Programme Account, release/flow of funds, accounting, audit and reporting obligations; and	On Effectiveness	Loan	Complied with	
	<u>Para 3.3.1</u> The MAVIM shall submit a draft of the MOU to the fund for its comment before its signature	On Effectiveness	Loan	Complied with	
Schedule 3 Part A	<u>Programme Coordination</u>				

Section	Covenant	Target/Action Date	Due	Compliance Status/Date	Remarks
	<u>Para 4.1(a) (ii)</u> <u>State Program Advisory Committee.</u> A State Program Advisory Committee (SPAC) Committee, chaired by the MD of MAVIM shall be established. This Committee will meet at least once in three months a year..	Once in three months annually		Not Complied with	No meeting of SPAC has been held during the period April 2014 to December, 2014
	<u>Para 4.1(a) (iii)</u> <u>Empowered Committee</u> The committee shall be chaired by the Chief Secretary , The Principal Secretaries/ Secretaries of the Finance , Rural Development , Revenue , Agriculture , Women and Child Development , Justice and Tribal development Departments shall be members. The MD of MAVIM shall be the member secretary. This committee shall meet at least once every in every six months.	Once in six months annually		Partly Complied	Two meetings were held , one on 3 <sup>rd</sup> September , 2014 and another on 11 <sup>th</sup> November , 2014 .
	<u>Para 4.1(b)</u> <u>District Programme Advisory Committee ( DPAC)</u> A DPAC shall be established at the district level to facilitate bank linkage and convergence with other State government programmes. The DPAC shall meet at least once every quarter to assess the performance of SHGs and their linkage to the financial institutions and convergence with other government programmes at the district/block levels.	Once in every quarter		Complied With	
Schedule 3 Part B	<i>PROGRAMME IMPLEMENTATION MANUAL</i>				
	<u>Para 5.1: Preparation.</u> The DPMU and the district offices of MAVIM shall prepare a draft Programme Implementation Manual.	Prior to start of Programme		Complied with	
	<u>Para 5.2 Approval.</u> The DPMU and the district offices of MAVIM shall submit the draft Programme Implementation Manual to the MAVIM management for approval. When so approved, NABARD shall forward the draft Programme Implementation Manual to the state of Maharashtra and the Fund.	Prior to start of Programme		Complied with	
	<u>Para 5.3. Adoption.</u> The Board of Directors of MAVIM CPSU shall adopt the Programme Implementation Manual, in the form accepted/approved in accordance with paragraph 5.2 above, and MAVIM shall provide copies thereof to the Fund. If the Fund does not comment on the draft Programme Implementation Manual within 30 days after their respective receipt thereof, it shall be deemed accepted.	Prior to start of Programme		Complied with	
Schedule 3 Part C	<i>IMPLEMENTATION ARRANGEMENTS</i>				
	<u>Para 6</u> The SHG mobilization activities shall start from the first Programme Year and shall end by the fourth Programme year. In the first year the programme management structure shall be established on a sound basis. This will involve recruiting staff for MAVIM and DPMU s	From first year of programme to 4 <sup>th</sup> year of programme		Complied with	

Section	Covenant	Target/Action Date	Due	Compliance Status/Date	Remarks
	engaging Resource / lead facilitating NGO s selecting and training staff for location offices , establishing location offices . developing MIS system and undertaking baseline surveys.				
	<b><u>Para 7 Flow of Funds.</u></b> MAVIM shall release Programme funds (Loan, counterpart and other) respectively to the MAVIM district offices and DPMU s in accordance with the AWPBs as follows: the first advance shall cover estimated expenditures for the first three months as provided in the respective AWPBs for the first Programme Year; thereafter, the MAVIM district offices and DPMU s shall submit statements of expenditure attesting to the utilisation of at least 60% of the previous advance and request reimbursement on a quarterly basis.	For the first year and thereafter on a quarterly basis every year		Complied with	
Schedule 3 Part C	<b><u>Para 8 : Key Programme Personnel</u></b> <b><u>Para 8.1 Sub paras (a) and (b): Appointment and tenure of Senior Adviser of MAVIM :</u></b> The Senior Adviser of MAVIM shall be appointed subject to the prior consultation of the fund on or before the effective date. The Senior Adviser may only be removed after prior consultation of the fund.	During the programme period		NA	
<b>SCHEDULE 3 A</b>	<b><u>Additional Covenants</u></b>				
	<b><u>Para 1. Pest Management Practices</u></b> As part of maintaining sound environmental practices as required by Section 7.15 of the General Conditions, the Programme Parties shall maintain appropriate pest management practices under the Programme and, to that end, the Borrower, through the State, shall ensure that pesticides procured under the Programme do not include any pesticide either proscribed by the International Code of Conduct on the Distribution and Use of Pesticides of the Food and Agriculture Organisation of the United Nations (FAO), as amended from time to time, or listed in Tables 1 (Extremely Hazardous) and 2 (Highly Hazardous) of the WHO Recommended Classification of Pesticides by Hazard and Classification 1996-1997, as amended from time to time.	Throughout the Programme period		Complied with	
	<b><u>Para 2 . Monitoring.</u></b> Monitoring and Evaluation shall be an integral part of the process of Programme implementation. There will be an M&E unit within MAVIM and a M&E and MIS Manager and a MIS Officer. Each district shall have a M&E Assistant. The M&E and MIS assistant shall report to the M&E and the MIS Manager but shall be under the administrative authority of the District Co-ordinating office.  Monitoring and Evaluation activities shall include:  (a) activity 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);  (b) process monitoring, by which the MIS and Planning Officer based in the PIUs shall make regular visits to a sample of SHGs to obtain feedback from participating communities on Programme outputs, for storage in the MIS;	Throughout the programme period		Complied with	

Section	Covenant	Target/Action Date	Due	Compliance Status/Date	Remarks
	(b) outcome monitoring, by which NABARD shall gather information on log frame indicators via baseline beneficiary profiles and sample surveys; and  (d) impact monitoring, by which information on indicators of Programme objectives, including those indicators required under the Fund's Results Impact Monitoring Systems (RIMS), shall be gathered. The Borrower shall ensure that the RIMS indicators, required by the Fund, shall be incorporated in and form part of the Programme's monitoring system.				
	<u>Para 3 Gender Focus.</u> The Programme's targeting approach shall ensure equitable programme benefits for females. Each programme party shall ensure that women participate and be represented in Programme Activities..	Throughout programme period	the	Complied with	
	<u>Para 4- Counterpart Funds</u> The borrower shall ensure that each AWPB clearly reflects the sources and use of counterpart funds. The state shall release the first advance of the counterpart funds from its own resources to MAVIM in accordance with Section 3.05 (b) within 90 days of the Effective Date.	Fir every AWPB	year's	Complied with	
	<u>Para 5 Reporting.</u>  Each Programme Party shall prepare and submit quarterly physical and financial progress reports to MAVIM based on reporting formats developed and communicated by MAVIM to all Programme Parties. Among other things, the reports shall track financial progress of the Programme implemented by each such Programme Party against the AWPB for the relevant period. Each Programme Party shall submit its quarterly report to the respective DPMU no later than two months after the end of each quarter during the Programme Implementation Period. The MAVM shall base its six-monthly and annual reporting obligations to the Fund, as specified in Section 4.02, on such quarterly reports.	Throughout programme period	the	Complied with	
	<u>Para 6 Procurement.</u> MAVIM shall prepare a short list of interested and reputed NGO s with substantial experience in promoting sustainable SHG s and their apex organization . Each of them shall prepare and submit a Technical proposal. These proposals shall be evaluated for signing partnership agreement after obtaining approval from the Fund. Similarly selection of institutional service providers under livelihoods , community institution building , micro finance and M& E shall follow the process of advertising on the website of MAVIM and of the relevant state in one national and one regional newspaper calling for expression of interest ( EOI s) with their annual reports , activities and financial status. Based on such EOI s , a shortlist will be prepared. The short-listed service providers shall submit technical and financial proposals. Based on the evaluation of these proposals partnership agreements shall be signed after obtaining approval from the fund.	During the programme period		Complied with	
Schedule 4 Part A to Part D	<u>Procurement.</u>  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 approved by the	Throughout programme period	the	Complied with	



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Tejaswini: Maharashtra Rural Women's Empowerment Programme

Supervision Mission - Mission dates: 7 Jan 2015 to 19 Jan 2015

Section	Covenant	Target/Action Date	Due	Compliance Status/Date	Remarks
	Fund's Executive Board in December, 2004 as may be amended from time to time by the Fund.				
	2. To the extent possible, the goods, works and consulting services shall be bulked into sizeable bid packages in such a manner as to permit the optimal use of competitive bidding.	Throughout programme period	the	Complied with	
	3. 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 Guidelines. The Procurement Plan shall specify, <i>inter alia</i> , the method of procurement for each contract to be financed from, and thresholds, ceilings and preferences to be utilized in the implementation of procurement under the Programme. The Procurement Plan shall also specify any additional requirements as may be set out in the IFAD Procurement Guidelines with respect to certain methods of procurement.	For the first year and thereafter throughout programme period	annually the	Complied with	
Schedule 4 Part E	<i>REVIEW OF PROCUREMENT DECISIONS</i>				
	<u>Para 14 Part E</u> The award of any contract for goods estimated to cost USD 50 000 equivalent or more shall be subject to prior review by the Fund in accordance with the provisions of the Procurement Guidelines	Throughout Programme period	the	Complied with	
	<u>Para 15 Part E</u> The award of any contract for consulting services estimated to cost USD 20 000 equivalent or more, shall be subject to prior review by the Fund.	Throughout Programme period	the	Complied with	
	<u>Para 16 Part E</u> With respect to any other contract for goods, civil works or consulting services (except where paragraph 4 of Schedule 2 applies thereto), MAVIM shall furnish two certified or conformed copies of such contract to the Fund, together with the analysis of the respective bids and the recommendations for award, promptly after its signature and before the submission to the Fund of the first application for withdrawal of funds from the Loan Account in respect of such contract	Throughout Programme period	the	Complied with	



## Appendix 7: Knowledge Management: Learning and innovation

### Innovation:

MAVIM had initiated computerising the SHG accounts, member data and also non-financial data such as meetings and attendance of members since 2012. This was a lengthy process since SHG accounts had to be audited, individual member balances and group balances were to be tallied, any difference in cash and bank balances had to be reconciled. Many SHGs were older than 5 years and updating of accounts books and audit of them was laborious. However, the entire process improved accountability and transparency. It also built the confidence of banks to lend to SHGs.

By December 2013, almost 230 of the 316 CMRCs have completed the process, inputted the data and reports were being generated. However, MAVIM staff as well as CMRC staff and boards required training on how to use the reports. MAVIM's concern has been to improve the quality of SHGs and also to prevent dormancy and breakage. IFAD provided ISM support in June to train key staff of MAVIM. The workshop focused on how to use the data on SHGs as early warning system.

First, the key parameters that can measure the health of the groups were determined. These included meeting regularity, attendance rate, savings regularity, number of members availing internal loans currently, repayment rate of internal loans and bank loan repayment rate. Given the trend of leaders availing larger share of loans, one more indicator of % of loans with the leaders was also included. Bench marks were set for each of the parameter and performance below this benchmark will cause a red alert demanding attention.

Key performance area	Red alert if performance is
Meeting regularity	<100%
Attendance rate	<80%
Savings regularity (number of members saving during the period)	<80%
Number of members having outstanding loan from Internal savings	<80%
Repayment rate of internal loans	<90%
Repayment rate of bank loans	<95%
% of loans outstanding with leaders (president and Secretary)	>30%

Follow up action to be taken by Sahyogini, manager and EC members were also devised depending on number of alerts, severity of issue and also persistence of the bad performance.

MAVIM key staff trained the district staff and also CMRC staff on the key indicators and benchmarks. Since the software does not automatically generate this data, this is processed in excel sheet at present. SHG alerts are now being monitored for each group. In the board meeting of CMRCs the SHG alert position is reviewed. Sahyoginis are able to clearly see on what parameters their groups are falling short of good performance. They are in a position to provide feedback to SHGs to improve their performance. EC members are also able to pursue with groups who are weak in repayment performance.

While some of the CMRC managers who are computer literate have been able to make use of the data and improve the monitoring, some others require more in depth training. With funding position improving, MAVIM plans to carry out in depth training for all the staff and also EC and RGB members. MAVIM expects that the quality of SHGs will improve even further and dormancy can be stemmed.

One of the key benefits of SHG alerts has been the realisation that few members in SHGs do not take loans at all. They are usually the poorer members. MAVIM devised a tool for understanding their family, livelihood and financial position and developed plans with them for improving their livelihoods which included credit, convergence with government schemes and also sourcing entitlements. Other

members in SHGs were also counselled to provide more support to such members. This initiative will be scaled up further.

Tejaswini is the only multi-district programme covering over 33 districts and 1 million households in the country to have ensured full computerisation with on-line accounting and also systematic use of data for improving performance.

## Appendix 8: Progress against previous mission recommendations

Action areas	Agreed action	Responsibility	Agreed date	Progress
Programme Implementation	Enter into agreement with MSRLM for geographic demarcation of villages in a cluster where CMRCs are operational. This should also include RNGO clusters where feasible.	MD,GM-P	30 Jun 2014	Action taken
Outputs	Provide training to Head office staff and RMO for using the reports of SHE software.	GM-P, ISM	15 April 2014	Mrs. Srinivasan, IFAD consultant, had conducted training for MAVIM head office staff and RMO on 19 <sup>th</sup> May 2014. MAVIM developed a module on SHG alerts and provided training to all the district officers. District offices/ CMRC have started to draw SHG alerts from SHE software on a monthly basis.
Outputs	CMRCs should develop their plans and activities for the next year and present these in AGM and on the basis of which cost coverage proposals to be finalised.	GM-P	30 May 2014	AGM conducted in all the CMRCs except 4 CMRCs of Gadchiroli district. These AGMs are planned and will be completed by Jan 2015. In the AGM, CMRCs had taken yearly review. Activity plan for the next year was shared and confirmed in meeting.
Outputs	CMRCs to increase the service charges from INR 600 to INR 1200 per group and discontinue fee for entitlement related convergence.	MD, GM-P	31 May 2014	Total 142 CMRCs out of 236 have increased service charges.
Outputs	Provide additional support for CMRCs in tribal belts and seek support from the Tribal Welfare Department.	MD, GM-P	28 Feb 2014	MAVIM had submitted a proposal Tribal welfare department and is being followed up.
Outputs	Complete CMRC registration process and move into real time accounting.	RNGOs	31 Mar 2014	Out of 79 CMRCs, 33CMRC were registered.
Outputs	Review the performance of weak CMRCs and implement a plan for strengthening of these CMRCs or take a decision on closure or merger.	MD, GM-P	30 May 2014	Weak CMRCs are identified, Sampark Adhikari has adopted these CMRCs and they are giving additional handholding support to these CMRCs. Majority of these CMRCs are having governance related issues. This will be tackled separately and their performance will be observed closely. If these CMRCs are not in a position to achieve the required performance standards a decision of closure of these CMRCs will be taken. Good quality functional SHGs will be handed over to MSRLM.
Outputs	The business plans have to be broken into monthly, quarterly action plans for each Sahyogini and the achievements against these plans will have to be monitored by the respective RMO, District staff and EC of CMRC	DCOs	30 Jun 2013	CMRC activities and business Plans are broken into monthly tasks. This plan is monitored on a weekly basis by respective component heads.
Outputs	Enter into service provider contracts with CMRCs to provide programme budget for implementation and also deficits in management costs.	MD/GM-P	1 Apr 2014	This was to implemented subject to Reallocation. This task is yet to be completed.

Outputs	Scale up the savings products with banks and Post offices and pension product by documenting and sharing the good practices.	GM-P	On going	Savings products such as Pension plan, Additional saving within SHGs and outside SHGs in the form of RD and post were promoted.. 1. 21425 women are covered under pension plan through private service provider namely M/S ALANKIT. 2. Partnership with UTI is also being finalized for 88 CMRCs including Mumbai. 3. In all 90,095 members have saved outside SHGs in RD, POST, Insurance and the saving value is worth Rs.9.66 cr. 4. Similar to this 36238 members have contributed additional saving for specific consumption purposes within SHGs worth Rs. 9.29 cr
Outputs	Utilise the SHE software reports for tracking and improving repayments. Repayment in bank loans should be monitored at each level	GM-P, DCOs	on going	MAVIM has majority linkages with ICICI bank. Hence tracking of the ICICI bank linkages is done with the system made available by ICICI. At present the rate of repayment is 97% with ICICI bank.  MAVIM is tracking the repayment at all level. Daily conference calls are made with all district officers involving ICICI and MAVIM State and regional team. Chronic cases are discussed jointly to evolve solutions. The entire thrust of MAVIM is to develop the system within CMRC and district to track SHG repayment and control the cheque bounce cases.  The internal loan repayment is tracked with SHE SOFTWARE during the last 2 to 3 months. 93% SHGs are found with 90% plus repayment and 82% are with 95% plus repayment ratio.
Outputs	For financing household level enterprises/livelihoods under CLDP, institutional tie ups with a few banks and NABFINS are a priority. MAVIM will have to facilitate such linkages at corporate level.	GM-P	31 Mar 2014	NABIFNS proposed model of CMRC acting as Business Correspondent will be piloted in Yeotmal district in one CMRC. It is in principle approved by MAVIM. MOU is being signed with NABFINS.  MOU with VKGB is signed which includes finance for JLGs. It is operational from Dec 2014.
Outputs	Some of the plans which fit in with the norms of UPNRM of NABARD can be fielded to NABARD with the assistance of Consultants.	GM-P	28 Feb 2014	There is no further development as NABARD is reluctant to work directly with CMRCs.
Outputs	For dairy financing, JLGs out of SHG members can be piloted for financing by NABFINS and Grameen Banks.	GM-P	30 Apr 2014	MOU with VKGB is signed which includes finance for JLGs. It is operational from Dec 2014.  In Kolhapur district MOU with District Central Bank is signed for financing JLGs. 07 JLGs are financed @ Rs. 1.00 lakh each at 13% rate of interest. This finance is for JLGs formed under sanctioned MLPs.
Outputs	Loans provided by NABFINS to SHGs can also be made eligible for interest subvention scheme of Government/NABARD	MD	30 Apr 2014	A proposal from MSRLM is initiated to integrate the 4% schemes of both organisations. In that this clause is included. It is in pipeline at MSRLM level.

Outputs	The loan proposals of SHGs under PTR category need to be reviewed with ICICI Bank by imposing additional performance requirements and reducing the loan size to 2-3 times the savings.	GM-P	31 Mar 2012	MAVIM has raised this issue many times with ICICI. They are accepting the delay of 180 days in earlier repayment. ICICI has initiated a policy for not asking the track records for the SHGs linked before 2010. They just ask for NOC from the concerned bank about loan closure of the SHG loan.  MAVIM has requested to consider the loaning of at least 1:1 or 1:2 ratio to give another chance to such SHGs which is under consideration.
Outputs	Groups and members with low level of internal lending will have to be identified through SHE software and should be counselled and followed up by RGB members of CMRCs.	DCOs	On going	Groups and members with low level of internal lending are identified through ALERT exercise. MAVIM has recently developed a tool of Household Survey which enables assessing the reasons of member's low involvement in internal lending. Their credit needs are assessed and groups are educated to address their credit needs on top priority. This is a recently started initiative.
Outputs	Facilitate appropriate interest fixation for on-lending bank loans to members and also internal loans.	GM-P	On going	Based on the data received from districts on this issue, 31 % SHGs are lending flatly at 12% whereas 70% SHGs are lending at 24% within SHGs. Constant education of SHGs is being conducted on this issue. MAVIM has also issued guidelines to fix the appropriate rate of interest both for internal and bank loan which is affordable for the members and also will not lead to the losses of SHGs.
Sustainability	Analyse the reasons for losses in SHGs and make appropriate corrections in consultation with the SHG concerned.	GM-P, RMO,DCOs	31 Mar 2014 onwards	
Outputs	Partnership with renowned institutions like NABFINS for managing the MSN fund may be forged	GM-P	31 May 2014	The proposal of MSN to be operated through external MF agency is proposed. The agencies have been shortlisted. The meeting of Managing Committee of MSN is proposed.
Outputs	Sanction and disburse funds for implementing 5 CLDPs per LRA and sanction remaining CLDPs after reviewing their performance especially with regard to delivery related to bank loans for household level investments as planned.	MD/GM-P	31 Mar 2014	Sanctioned to 2 CLDPs in Nashik district to RAES in Amalner block. 16 CLDPs have been appraised by the appraisal committee appointed by MAVIM at State level. But, due to non-performance of LRAs on CLDP proposed interventions. MAVIM has taken a decision to discontinue them. Only one CLDP at Sangali on Dairy Development is under implementation phase through district office of MAVIM.
Outputs	Bring BAIF-MITRA promoted SHGs under the respective CMRC and allocate additional work to BAIF-MITRA in 6 CMRCs without changing the unit costs. Incorporate IA services by BAIF-MITRA into dairy MLP and dairy CLDP promoted Milk collection centres.	GM-P/LFP	30 June 14	98 SHGs of BAIF Mitra are taken into MAVIM promoted CMRCs. The proposal of 6 CMRCs prepared by BAIF Mitra on Livelihood intervention has not been processed by MAVIM due to fund crises.
Outputs	Make an assessment of actual performance against projected outputs in each MLP both in physical and financial terms. Review the leveraging norms based on this experience. Leverage ratio for new investment be reduced to 1:2 or 1:4 depending on the activity.	GM-P/LFP	30 Jun 2014	Assessment format has been developed and sent to each district to get actual achievement on physical and financial progress of MLPs. These have been reviewed and the leveraging norms have been finalized at 1:4 for MLP execution. On the basis of the finalized leveraging norms 143 MLPs across the State of Maharashtra were sanctioned. Of which 120 MLPs are functioning well as per the intervention proposed in the project

Outputs	Streamline MLP approval process. Recast appraisal committee with one external Consultant per sub-sector. Prepare essential/best practices in MLP implementation as guidance material for districts and CMRCs. Review these essential/best practices in consultation with districts before issuance.	GM-P/LFP	31 June 14	proposals. The approval process of MLP is streamlined as per sub-sector with one external consultant from the sub-sector, VCMD and Manager (Livelihood) of MAVIM and the time for sanctioning MLPs is reduced. The districts were informed to collect materials on Package of Practices of the sub sector from the technical agencies in the area such as KVK, Agriculture Department, NGOs, etc. and execute the MLPs in field.
Outputs	Introduce systematic training Para vet (Goats) and Para vet (dairy) for providing services to a cluster of MLPs – Introduce, systematic vaccination, deworming and castration in case of goat rearing.	GM-P/LFP	Start 1 Apr 2014	This training introduced and the PARA vets are taking care of the services to be delivered in each MLP of Dairy and Goatry.
Outputs	Allocate entitlement related convergence to VLCs and MAVIM to focus on MLP linked convergence and a large sub-sectoral convergence.	GM-P/LFP	Start 1 Apr 2014	MLPs are roll out at this stage. Hence the MLP related convergence and sub-sectoral convergence will be focused in the coming years.
Outputs	Engage a full time/part time Livelihood Consultant primarily to facilitate partnership development with the private sector and to facilitate accelerated MLP approval and supervision.	MD/GM-P	30 Jun 2014	Due to shortage of funds, MAVIM did not appoint full time consultant as proposed. The state and district level consultants have been empanelled to accelerate MLP approval and supervision.
Outputs	Engage Consultants/Resource Agencies to train district and Regional Monitoring Office staff in MLP preparation and implementation.	MD/GM-P	30 Jun 2014	District level consultants have been empanelled and they are involved in preparation and implementation of MLPs.
Outputs	Engage Consultants at the district level to support MLP preparation and implementation handholding to the producers. Increase the allocation for Consultants in each district.	MD/GM-P	30 Jun 2014	District level consultants have been empanelled and they are involved in preparation and implementation of MLP
Outputs	Train district staff and CMRC staff on package of practices (POPs) and implementation steps for most important crops/value chains and also implementation modalities. Entrust this task to an experienced agency. Print and issue POPs to all CMRCs and SHGs.	MD/GM-P	Start 30 Jun 2014	Regional Level workshop in three regions in Aurangabad, Amravati and Nagpur were conducted. The workshops focused on review and training on POPs to the CMRC managers. The specific training on POPs and value chain development was not done due to fund shortage.
Outputs	Appoint a full time consultant on a retainer basis .	MD	30 April 2014	Completed
Outputs	Provide village kaydasathis with identity cards, Improve the system of Gender Preraks by close planning and monitoring by CMRCs.	GM-P	30 Sep 2014	341 Kaydasathis of 11 districts i.e. Amravati, Buldhana, Washim, Yavatmal, Beed, Latur, Nanded, Osmanabad, Chandrapur and Bhandra have received Identify Card. These Identity cards are issued by the District judge.
	Enable setting up of Legal counselling/literacy cell in CMRCs and firm up honorarium for the kaydasathis.	GM-P	30 June 2014	Legal Help Desk started in 10 Districts under guidance and monitoring of CMRCs. There is no provision for Honorarium for these master Kayadasathis, Presently they are working on Voluntary basis.
Outputs	Improve the monitoring system of VLC social activities.	GM-P	30 April 2014	VLC activities are monitored systematically.
Outputs	Based on the pilot of collaboration with Micro Credit summit and Freedom for Hunger on integration of health education into micro-finance, explore possibilities to extend to other districts.	GM-P	30 Sep 2014	MAVIM had MOU with Micro Credit Summit for Pilot project in Nanded district. First Trainers of Training programme (TOT) was held on 25th and 26 <sup>th</sup> June 14. This programme is covering around 4200 women. Random assessment of 45 SHG has been completed.
Project Implementation	Request for reallocation of IFAD loan amount within the approved expenditure categories and an extension of one year to the loan closing	MD	28 Feb 2014	Proposal for reallocation and letter for extension is sent to state govt. of Maharashtra and MAVIM is doing rigorous follow up of



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	date.			the same.
Project Implementation	Train core staff of MAVIM particularly all senior permanent staff on Preparation, Appraisal and Supervision of Livelihood Proposals. Identify a premier management institute or Bankers Training College/College of Agricultural Banking to conduct this training.	MD	30 Sep 2014	Due to fund crisis, training for all senior permanent staff has not been taken up.
Project Implementation	Conduct activities related to enhancing staff morale, explore the possibility of upgrading positions of existing programme staff and revise the salary of GM-Finance and Administration.	MD	31 Mar 2014	Proposal for MAVIM restructuring is sent to Govt. of Maharashtra. Salary of GM-finance is revised and the same has been sanctioned by sub-committee of Tejaswini Empowered Committee.
Project Implementation	Consider the possibility of territorial distribution amongst senior subject matter specialists with regular subject matter related cross-learning.	MD/GM-P	31 Mar 2014	Senior subject matter specialists given special responsibility of underperforming districts. These officers will be responsible to provide all types of hand holding support. At the same time, Regional Monitoring Officers have been moved to the head office. Along with monitoring work, they are also supporting to subject matter specialist.
Project Implementation	Engage a Project Acquisition Advisor and an Executive Assistant with the responsibilities as outlined in para.	MD	30 Jun 2014	Subject to reallocation.
Project Implementation	With the help of Project Acquisition Advisor develop a strategy to build brand image of MAVIM by commissioning studies with scientific rigour covering various aspects of MAVIM's work and achievements and showcasing them to GoM and donors.	MD/GM-P	Start 1 Aug 2014	Subject to reallocation.
Project Implementation	Review the annual increments to contract staff taking into account inflation and salary levels of other GOM programmes, promote competitiveness with contests and implement strategies to enhance employee morale	MD	31 Mar 2014	Once the reallocation & SDR proposal is sanctioned, necessary actions will be taken.
Project Implementation	Develop a CRP deployment strategy	GM-P/GIBFP	30 Jun 2014	MAVIM has prepared CRP strategy paper once reallocation proposal is sanctioned further action will be taken.
Project Implementation	Provide Implementation Support to MAVIM	IFAD	Start 1 Jul 2014	
Project Implementation	Prepare TOR and engage organizations to thematic studies as outlined in para....., and organize state level workshops to disseminate the achievements and seek guidance on operational challenges.	GM-P	30 Sept 2014	MAVIM had planned to conduct 4 different studies and identify agencies for the same. Out of 04 studies 02 studies are taken up by NABCONS. Draft report of Assessment of Utilization of bank/internal loan by SHG members is ready and another in process. Other 02 studies have not started due to fund crisis.
Project Implementation	Devise formats for data collection to capture livelihood and convergence related activities. Explore the possibility of developing a module within SHE software for this.	GM-P	30 Jun 2014	Formats are customised for data collection to capture livelihoods and convergence related activities. These formats are operationalized.
Project Implementation	Revise the confirmation sheet to incorporate demand and collection of savings, loan and service charge to systematically reduce manual work at SHGs. Provide confirmation sheets in Marathi	GM-P	30 June 2014	Dhan Foundation is not ready to make these further changes
Project Implementation	Fast track engagement of professionals/agencies to generate knowledge products using the knowledge ideas provided by the district and regional teams.	GM-P	30 Sep 2014	Abhivyakti, Media for Development is appointed to work as consultant for KM. Agency is started its work from October onward.
Project Implementation	Increase the frequency of updating of MAVIM and IFAD websites with the KM products generated	GM-P	Start 1 Apr 2014	MAVIM has revised its own website and also increased frequency of updating data on IFAD website.

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Project Implementation	Commission scientifically rigorous investigations and studies on the results of larger initiatives of MAVIM. Conduct national level workshops to disseminate the results	GM-P	30 Sep 2014	Workshop is not planned due to fund shortage.
Fiduciary	Fund transfer ( district wise ) aggregating INR 14.99 million and INR 4.01 million need to be made to/ from Tejaswini project Bank Accounts respectively, to set right intra scheme fund usage in MAVIM	GM Finance and CAFO	15 <sup>th</sup> March, 2014	Reconciliation is completed.
Fiduciary	Year wise outstanding Services Charges receivable from members to be prepared for all CMRC s across the project.	CAFO	31 <sup>st</sup> March , 2014	Instructions have been given and it is implemented.
Fiduciary	The management needs to ensure that the auditors produce deliverables, strictly according to their TOR.	CAFO	During audit for 2013-14	Audit report for the financial year 2013-14 is prepared as per the TOR.
Fiduciary	Old Advances to staff at HO need to be recovered/ adjusted	CAFO	31 <sup>st</sup> March, 2014	Steps taken to clear old advances.
Fiduciary	Provident Fund Contribution payment should be made strictly on time	CAFO	On a continuous basis	Provident Fund Contribution payment is made before the due date.

## Appendix 9: Supervision Mission Schedule and Persons met

Date	Description
January	Mission arrives in Mumbai
7 January	Meeting with MAVIM Head Office Team and RNGO representatives
8-12 January	Team 1: Field visit to Gondia and Bhandara by Girija Srinivasan, Rupa Mistry and Piyush Avachar Team 2: Field Visit to Solapur and Osmanabad by Shreekantha Shetty, Kajal Chakraborty, Rajaas Kunte and Rakhi Mirashi.
12 January	Presentation by Regional Monitoring Officers and districts
13 January	Presentation by Regional Monitoring Officers and districts and discussions with BAIF
14 January	Presentation by Regional Monitoring Officers and districts discussions with Access Development Services
15 January	Discussion with Additional Chief Secretary –Finance and Principal Secretary- Women and Child Development Department
16 January	Report writing
17 January	Report Writing
17 January	Meeting with the Principal Secretary, Rural Development Department and Pre wrap-up meeting with MAVIM
19 January	Wrap-up meeting with the General Manager and staff of MAVIM

### Persons Met

Mr. Sudhir Srivastava, Additional Chief Secretary, GoM  
 Mr. Sanjay Kumar, Principal Secretary, Women and Child Development Department, GoM  
 Mr. V. Giriraj, Principal Secretary, Rural Development Department, GoM  
 Ms. Kusum Balsaraf, General Manager-Programs, MAVIM  
 Ms. Rajas Kunte, General Manager MAVIM  
 Mr. Mahendra Gamare, Manager, MAVIM  
 Ms. Rupa Mistry, Programme Manager (M& E)  
 Ms. Gauri Donde, Dy Manger (GIB)  
 Ms. Rakhi Mirashi, CAFO  
 Ms. Ashwini Bhoyar, Manager (MIS).  
 Mr. Piyush Avachar, Manager (Livelihoods)  
 Mr. Amrit Ingle, Dy. Manager (Livelihoods)  
 Ms. Archana Kshirsagar, Dy Manager Knowledge Management  
 Mr. Shri. Mangesh Suryavanshi RMO – Regional Monitoring Officer –Kokan region  
 Mr. Sandip Marathe, Regional Monitoring Officer – Nashik region  
 Mr. Vilas Bachche, Regional Monitoring Officer – Aurangabad region  
 Mr. Keshav Pawar, Regional Monitoring Officer – Nagpur region  
 Mr. Siddharam Mashale Regional Monitoring Officer – Pune region  
 Mr. Raju Ingale (A/C.) Regional Monitoring Officer – Amravati region  
 Mr. R. K. Malwiya, Chief functionary- NWICID  
 Ms. Sudha Kothari, Chairperson, Chaitanya  
 Mr. Vasimalai, Executive Director, Dhan Foundation  
 Mr. Sudhir Wagle, BAIF MITRA  
 Mr. Jayant Prasad, Joint General Manager, ICICI Bank  
 Mr. Sarat Yadav, Asst General Manager, ICICI Bank

DCO staff of Osmanabad, Solapur, Bhandara and Gondia districts, CMRC staff and Executive Committee members of Sabala, Tejaswini, Kranti, Dyandeep, Mata Savitri and Siddeshwar CMRCs.



## Appendix 10: Audit Log

Financial Year	Audit observations as per Audit Report		Audit observations Settled		Audit observations Outstanding	
	Numbers	Value	Numbers	Value	Numbers	Value
		(INR)		(INR)		(INR)
2007-08	19	96,987	19	96,987	Nil	Nil
2008-09	20	NA	20	NA	Nil	Nil
2009-10	27	6,000	27	6,000	Nil	Nil
2010-11	95	2,090,111	95	2,090,111	Nil	Nil
2011-12	10	662,454	10	662,454	Nil	Nil
2012-13	6	2,664,450	6	2,664,450	Nil	Nil
2013-14	3	304,106	Nil	Nil	3	304,106
<b>Total</b>	<b>180</b>	<b>5824,108</b>	<b>177</b>	<b>5,520,002</b>	<b>3</b>	<b>304,106</b>

### Comments on Audit Log

There are no old observations outstanding for audit issues highlighted from 2011-12 to 2012-13. All such observations have been resolved and also validated by the auditors. For the year 2013-14 the observations highlighted in the audit report have been duly considered in the current financial year 2014-15 which would be validated during the audit of 2014-15 accounts. All the observations in the audit log for the last three years relate to district offices and there are no issued pertaining to the Head Office.



## **Appendix 11: Summary of implementation support provided by IFAD**

IFAD provided Implementation support in June 2014 for: (i) identifying consolidation aspects and further customization of SHE software; and (ii) training key Head office, Regional and district staff on using the SHE software reports.

A training workshop was conducted by Girija Srinivasan IFAD consultant. Each of the SHG and CMRC report was taken, data points and how these data can be used in monitoring was discussed in depth. Possibilities of using member data for outcome and impact analysis were discussed. Concepts and measurement of portfolio at risk, arrears/overdues, aging analysis were explained and exercises were worked out with SHG data. Detailed portfolio quality analysis exercise was also carried out.

For SHG quality monitoring: (i) SHG key performance parameters were identified; (ii) bench marks were set; (iii) alerts for early warning system were developed. The key performance parameters not only covered the usual panchashutri but also emerging trend of leaders cornering loans. In all 7 key parameters were identified. Off-site support was provided in fine tuning the SHG alert early warning system. MAVIM requested DHAN for further analysis of SHG data so that SHG alerts can be automatically generated. In the meanwhile MAVIM started extracting the data in excel sheet and analysing how many SHGs are falling below the performance benchmarks triggering an alert. Due to lack of funds, further systematic training to CMRCs and ECs are yet to be carried out. However, this is part of CMRC review by RMOs; some RMOs and CMRCs have started reviewing the alerts in-depth along with EC members and Sahyoginis. The group quality and discipline in SHGs is expected to improve in coming months. MAVIM plans to set such practices in MSRLM as well where it is acting as Resource NGO.





**Appendix 12: Validated RIMS table****FIRST LEVEL RESULTS**

Results	Period ending: 1/4/2013 to 31/3/2014			Cumulative		
	AWP&B	Actual	% of	Appraisal	Actual	% of
Groups receiving project services	8,959	5,289	1	62,675	68,936	1
People receiving project services	107,508	59,353	1	752,100	944,329	1
Households receiving project services	107,508	59,353	1	62,675	68,936	1
People trained in community management topics	2,602	1,925	1	674,546		
Community workers and volunteers trained	1,260	1,233	1	13,270	1,260	
Community groups formed/strengthened		301		13,060	8,851	
People in community groups formed/strengthened		2,107		143,660	81,183	
Community groups with women in leadership position		301		10,495	8,851	
Village/Community plans formulated	NA	NA		0	NA	
Apex organizations formed/strengthened	NT	NT		315	315	
Saving and credit groups formed/strengthened	62,675	68,936		62,675	68,538	1
Saving and credit groups with women in leadership position	62,675	206,808		62,675	206,808	1
Financial institutions participating in the project				41	25	61
Staff of financial institutions trained	NA	NA		407	380	1
Voluntary savers (disaggregated by gender)	NT	77,542		NT	251,214	
Active borrowers (disaggregated by gender)		754,996		NT	802,679	
People trained in post-production, processing and marketing	NA	NA		NA	NA	
Marketing groups with women in leadership position	NA	NA		NA	NA	
Marketing groups formed/strengthened	NA	NA		NA	NA	
People in marketing groups formed/strengthened	NA	NA		NA	NA	
People trained in business and entrepreneurship skills		8,858		1,350,000	9,361	
Other social infrastructure constructed/rehabilitated	165	165	1	3,000	4,999	1

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<b>SECOND LEVEL RESULTS</b>			
<b>Component</b>	<b>Sub Component</b>	<b>Results</b>	<b>Rating</b>
<b>Component name</b>	<b>Sub component name</b>		
Grassroots Institution building	Training	Effectiveness: saving and credit groups formed/strengthened	5
	Workshop	Effectiveness: promotion of pro-poor policies and institutions	5
	Technical assistance	Likelihood of sustainability of apex organizations formed/strengthened	5
Micro Finance	Training	Effectiveness: Acceptable levels of loan disbursement	6
	Policy and action research	Effectiveness: Acceptable loan recovery rates	6
		Sustainability: improved performance of financial institutions	6
Livelihood	Skill development	Effectiveness: Access to backward and forward linkages and support services	4
	Enterprise and Market Linkages	Effectiveness: Increase in level of income	4
	Marketing support	Sustainability: Ability to pay and access for support services	4
Women Empowerment and Social	Gender integration	Effectiveness: Participation in local governance structures	5
	Creating enabling environment	Effectiveness: Actions against social evils – Violence against women and alcoholism	5
	Enhancing Women's Capacity	Sustainability: Level of participation in social development activities	5