



Investing in rural people

India

Livelihoods Improvement Project in the Himalayas

Project Completion Report Digest

Document Date: 22-Sep 2014
Project No. 1226
Asia and the Pacific Division
Programme Management Department

India - Livelihoods Improvement Project in the Himalayas

Item	Assessment Remarks	Ratings
Country & Project Name	India - Livelihoods Improvement Project in the Himalayas	
Loan No.:	624-IN	
Project Id.	1226	
Board Date	18 December 2003	
Entry into Force	01 October 2004	
Completion Date	31 December 2012	
Final Closing Date	30 June 2013	
Total Project Cost US\$(M)	84 286	
IFAD loan & Grant US\$(M)	39 920	
Cofinanciers (if any)	Government (Local): US\$11 438; Beneficiaries: US\$9 485; Dom. Fin. Inst.: US\$23 443	
Cooperating Institution	IFAD/IFAD	
Implementing Agency	Government of India, state governments of Meghalaya and Uttarakhand and respective rural development societies	
Principal Components	The project will adopt a flexible, process-oriented and demand-driven approach and will also respond to the emerging opportunities for microenterprise development. Accordingly, the proposed project comprises components related to empowerment and capacity-building of communities and support organizations, livelihood enhancement and development, development of livelihood support systems, and project management. The institution building strategy adopted by the project aims to create community-owned organizations from the village level upwards, and gradually transfer project ownership and management to these institutions after suitably equipping them to perform this role.	
Project Performance		
Relevance	<p>The Uttarakhand Livelihood Improvement Project for the Himalayas (LIPH) and Livelihood Improvement Project in the Himalayas- Meghalaya (MLIPH) were designed as part of a two-state IFAD financed programme entitled the Livelihood improvement Project for the Himalayas (LIPH), with projects using a common approach for development of livelihoods in hill areas being implemented independently in Uttarakhand and Meghalaya.</p> <p><u>For Uttarakhand</u>, the project was in alignment with Government of India's (Gol's) policies for rural development. At the time of project design, Gol was placing emphasis on SHGs as a platform for poverty alleviation and livelihood development, and also envisaged a greater role of local government. ULIPH was in line with the policy on using Self Help Groups (SHGs) as a platform for development; this was also the focus of IFAD's COSOP at that time. Although there was a clear logic to this strategy, the approaches to project implementation showed some important flaws. Above all, it was a mistake to plan a project with two separate implementing institutions (UGVS [UttarakhandGramyaVikasSamiti] and UPASaC [UttarakhandParvatiyaAajeevikaSanvardhan Company]) delivering services to the same households. This resulted in duplication of efforts in the field, poor coordination and inability to contract local NGOs who would have been better able to deliver both the requested activities. Feedback from NGOs is that the ULIPH design was very good and highly relevant to the needs of poor people in rural Uttarakhand, but suffered due to implementation modalities and management.</p> <p><u>In Meghalaya</u>, MLIPH was designed for a state that had a widely distributed sparse rural population. The project's design was consistent with the main issues faced by small farmers: i) agricultural production activities carried out at a subsistence level; ii) households facing the prospect of hunger for certain periods during the year; iii) severely limited financial services; iv) practice of shifting cultivation practices (Jhum); v) lack of evidence of enterprise activity and processing of agricultural produce. The components designed were very relevant for targeting the poorer sections of the population. Mobilizing them into groups in order to build social capital as also reducing cost of delivery of financial and technical services was a very apt design initiative in a sparsely populated geography with limited access to services. Introduction of new farming practices and crop varieties through a strong component of demonstration integrated with training of people filled a gap in farm-based livelihoods. Building people's organizations to potentially deal with marketing of crops as also to facilitate supply of inputs brought badly needed institutional structures for sustaining the momentum imparted by the project. The investments made in the project for training, capacity building and creating awareness among people aimed at improving their livelihoods and quality of life through a variety of interventions in drudgery reduction, health, education, sanitation, were seen as very relevant in the context of the state and its people. On the other hand, there were two major shortcomings at design level: i) the M&E system has not been design in a manner that would appropriately serve the project; ii) the demonstrations related activities were not designed well by the project. Money was made available to the groups and individuals with general advice on inputs and marketing of outputs. This led to failure of demonstrations and abandonment in a number of cases.</p>	5
Effectiveness	In <u>Uttarakhand</u> , after a slow start in the initial years, the project gathered momentum in its last two years. The project met most of its main physical targets for projects outputs, however, with some	4

Item	Assessment Remarks	Ratings
Country & Project Name	India - Livelihoods Improvement Project in the Himalayas	Ratings
	<p>differences. The targets for capacity building and extension activities were exceeded, by a considerable margin. However, the project performance has been weak on enterprise development, as the target for the number of enterprises was unrealistic and was not achieved. Rural finance did not reach its targets for the number of borrowers and volume of lending. The equity and quasi equity investments in small-scale linkage enterprises did not materialize, as UPASaC did not disburse any of the Social Venture Capital Fund (SVCF) until the last three months of the project. In terms of outcomes, although key project activities of training and demonstrations do not seem to have been particularly effective, as being implemented more on the basis of quantity than quality, they do seem to have reached most households. Although the project met its targets in terms of mobilisation of households into CBOs and membership of savings and credit groups was 86% of that anticipated, only 39% of these members were active borrowers at the end of the project. With only 61% of SHGs being linked to banks for access to bank loans, the project was as not effective as desired in getting households to take loans for investment purposes.</p> <p>In <u>Meghalaya</u>, the project suffered as in the initial 4 years there were too many changes and too many ad-hoc project directors who were multi-tasking with other items of work with the Government. Till the MTR, the project expenditure was very low and the momentum in the project picked up only after 2010. However, within its last three years, the project experienced a frenetic pace of implementation, which at times led to loss of monitoring information and inadequate review of outcomes. Another constraint was that the M&E system and the monitoring processes had not been designed in a manner that would appropriately serve the project. The lack of a sound monitoring system and internal control did impact the project adversely and made availability of information for performance reviews difficult. Above all, project's effectiveness has been hampered by its weak performance in targeting, which went against what had been stated at appraisal, as when seen as a proportion to the number of households that were in the project area, the coverage of more affluent sections of society has been higher. The low risk taking ability of the poorest households, the enterprise instinct among the affluent families and the need to show successful models to the other households were the reasons for the coverage of better-off people. But this still does not justify the decision to go against the clear targeting strategy as outlined at appraisal.</p>	
Efficiency	<p>In total for the two states, IFAD disbursed 84% of funds committed for the project. In Uttarakhand, in terms of effectiveness lag, the time lapse between loan approval and loan effectiveness was 9.6 months, less than the IFAD average of 12.3 months, but slightly above the average for the Asia and Pacific Region (9.1 months). The pace of project implementation was held back in the initial years, with expenditures in the first four years being only 30% of appraisal allocation. Of the portion of the loan allocated to Uttarakhand, 89% was disbursed. With a total cost of INR 1,523 million (excluding bank loans), the cost per beneficiary was INR 35,533 per household/INR 7,106 per person. This compares with INR 8,025 per person for MLIPH. If around 4,000 other benefiting households are included, the cost per person falls to INR 6,481 (US\$118 at current exchange rates). This is significantly higher than the average US\$33 per person for all IFAD projects approved in the last five years. The base case Economic Internal Rate of Return (EIRR) has been estimated at 18% over twenty year period. The recalculated EIRR is below the 27% forecast at appraisal, but still considered at an acceptable level, even during sensitivity analysis.</p> <p>In <u>Meghalaya</u>, the project did not start off well in the first 4 years of its implementation period and the staff costs were being incurred without significant implementation. The management and implementation structure needed to drive field interventions was not in place. Most of the physical budget had to be expended in the last 4 years of the project. The initial dormancy of about 4 years led to crowding of activities in the latter half of the project and also to loss of effectiveness. A completion, the EIRR stood at 14%, against a value of 27% calculated at Appraisal. In terms of costs and financing, of the total project outlay including rural finance and beneficiary contributions, the project is estimated to have utilized 76% at closure. The project has reported expenditure achieving about 90% of the funds allocated. The differences in the percentages of achievement are due to disallowance of expenditure in the last 10 withdrawal applications.</p>	4
Project Performance		4
Partner Performance		
IFAD	<p>In <u>Uttarakhand</u>, IFAD took over missions in the year prior to the MTR. Project staff said that IFAD was generally supportive, took a practical approach, with disbursements made in a timely manner. IFAD also gave useful support in development of value chain approaches and in monitoring and evaluation. However, the PCR points out that some frequent changes to mission personnel (the four review missions were led by three different people) have sometimes led to inconsistent recommendations.</p> <p>In <u>Meghalaya</u>, IFAD fund releases have been found to be timely and adequate. The supervision and implementation support missions were periodic and regular. There was a feeling among the project staff that the some of the supervision missions and implementation support missions could have provided better guidance with greater clarity especially in the initial years of the project.</p>	4

Item	Assessment Remarks	
Country & Project Name	India - Livelihoods Improvement Project in the Himalayas	Ratings
Cooperating Institution	In both Uttarakhand and Meghalaya, UNOPS was IFAD's CI as the start of the project and undertook the first three annual review missions. Both UNOPS and IFAD were hampered by having to divide the supervision budget for the project between two states to cover both ULIPH and MLIPH. This is supposed to have contributed to the lack of any implementation support missions in the year after start-up, with the first review mission taking place in November 2005, 13 months after the project started. In Uttarakhand, feedback from project staff shows that UNOPS were supportive and flexible over issues such as NGO procurement. On a less positive side, UNOPS/IFAD review missions did not include a Financial Management/Procurement Specialist until post MTR. Thus, the opportunity of raising and resolving financial management and procurement issues earlier during the project implementation was lost. In Meghalaya, in the initial years when the CI was supervising the project, there was no systematic support to the project on procurement issues.	4
Government	In <u>Uttarakhand</u> , GoI facilitated flow of funds to the project through the Department of Economic Affairs (DEA). DEA also effectively managed the interface between the project and IFAD in financial matters. The performance of the State Government was also satisfactory. Despite some delays in release of funds for the first quarter of the financial year, the project activities did not suffer as there were sufficient funds in the bank unspent from earlier years. With concern to the PMU, the PCR assessed that quality and motivation of staff were above average for IFAD projects in India. However, high turnover of staff was an issue, which stemmed from competition from other programmes of government, donors and NGOs, which were able to offer promotion and higher salaries. Some issues were also detected concerning: compliance with loan covenants, fiduciary aspects, and procurement. In <u>Meghalaya</u> , flow of funds through the Department of Economic Affairs (DEA) was well facilitated by Government of India. There were certain problems in the release of funds in one or two years during the project life and releases effected towards the end of the financial year, but this has not affected the project, as the project was not able to utilize fully the released amount. Towards the last two years, the Government had fully released the budget requirement for the project. DEA also played an active role in following up on project performance through quarterly Tri-partite review meetings, and through the mission wrap-up meetings. With concern to the performance of project management, in the initial period of the project, the attention to securing competent management of the project was lacking. The non-availability of an exclusive project director in the initial period delayed the implementation and crowding of activities in the later stages. The setup of LIFCOM (Livelihood Improvement Finance Company) was delayed and in the absence of clear ideas on its role and functions did not become fully operational for the project purposes till the end. The project experiences some difficulties in terms of fiduciary aspects: financial management, procurement, audit. Generally, the project complied with Procurement Guidelines, but the project faced some difficulties in engaging consultancies services. Some issues were also reported concerning audit, as despite many repeated recommendations from the Supervision Missions, the project could not engage an internal auditor which would have helped the project to take timely action on many of the financial management issues.	4
NGO/Other	In <u>Uttarakhand</u> , a total of 29 NGOs were contracted to support SHGs. They generally performed well, although some suffered from a high staff turnover due to low remuneration. A number of other NGOs and consulting agencies have carried out studies and provided training, which were generally satisfactory. Banks provided loans for SHGs and individual enterprises, which have been essential in developing enterprises. In particular bank loans were effective in funding micro-dairy units in the later years of the project, removing the need for ULIPH to directly support the purchase of cows. On the other hand, access to bank faced some challenges: only 61% of SHGs got access to banks and the quantum of bank lending was much lower than was anticipated at appraisal. In <u>Meghalaya</u> , Resource Non-Government Organisations (RNGOs) and Facilitating Non-Government Organisations (FNGOs), played a useful role in the initial years of the project and were instrumental in ensuring social capital mobilisation and quality of SHGs.	5
Cofinancier(s)	In Uttarakhand, GIZ's Regional Economic Development (RED) project gave substantial assistance to the project, mainly by supporting value chain development. RED staff participated in two supervision missions, and studies commissioned by RED in areas such as eco-tourism and off-season vegetable value chains assisted ULIPH in implementing its activities in these areas. INBAR (an international agricultural research centre) provided very useful assistance in getting UPASaC operational.	5
Combined Partner Performance	<i>No major issues were detected in partners' relationship.</i>	
Rural Poverty Impact		
Household Income and Net Assets	In <u>Uttarakhand</u> : on physical assets, the project has improved the productivity of land, in particular with micro-irrigation systems. Farmers also reported that the productivity of land has been improved by the use of vermicomposting. On Financial assets: SHGs' members have accumulated INR 90.3 million in savings, an average of INR 2,450 per member, and 2,175 out of 3,560 SHGs are linked to banks to access additional resources for lending to their members. SHG members also report much better access to	5

Item	Assessment Remarks	Ratings
Country & Project Name	India - Livelihoods Improvement Project in the Himalayas	
	insurance and remittance services than other households. The 2012 Supervision Mission report mentioned that, according to the 2011 Annual Outcome Survey, 33% of project households had their incomes increased in the last year, while 3% saying it had decreased. In <u>Meghalaya</u> , the RIMS reported an increased ownership of households' physical assets. In terms of financial services, savings of project households through their SHGs have improved. An average of INR 1,850 had been saved by each SHG member, while more than 21,000 borrowers could avail loans through the linkages established by the project. The households that participated in the project reported income increases. The average income of participating households was about INR 56300 while the control (non-participating) households reported an average annual income of INR 29000.	
Food Security	In <u>Uttarakhand</u> , both the final RIMS survey and the 2011 AOS show only 1-2% of project and non-project households reporting food shortages, compared to 18% in the mid-term RIMS survey. The 2011 Annual Outcome Survey (AOS) reported that 24% of project participants claimed they have improved food security in the last year, compared with only 7% of control group households. This suggests that the project may have helped households feel more secure in their access to food and/or have improved the quality of food consumed, in particular through its activities in dairy, poultry and vegetable production. Data in the final impact survey showed that food consumption has increased for about two-thirds of project households compared with under half of the control group. This cannot be attributed only to the project, as much of it is likely to have come from improvements to the Public Distribution System over the last eight years as well as underlying improvements in living standards. In <u>Meghalaya</u> , the situation has improved with increased production and productivity. The number of families reporting food insecurity has declined significantly over the project period. However, with respect to the RIMS anchor indicator on malnutrition, the results were ambiguous. On the one hand, there was a reduction in chronic malnutrition of 28%, but on the other hand there was a reported increase in acute malnutrition by 7%. This is difficult to explain. Without data for a control group, these changes cannot be attributed to the project, and could well be following a general pattern of improvement.	5
Ag. Productivity	In <u>Uttarakhand</u> , the improvements in farming methods introduced by the project (through the adoption of new crop varieties and improved seeds, the introduction of organic fertilizers and pesticides) have increased crop yields. The AOS for 2011 shows 60% of project group members reporting increased crop yields compared to only 25% for the control group. In addition, 57% of project group members reported an increase in crop area, compared with only 17% of the control group. Data from 649 active micro-dairy units shows an average daily milk yield per cow of 3.5 litres, much more than the 1 or 2 litres that are typical for local animals. In <u>Meghalaya</u> , the impact on production activities was quite positive. The shifting cultivation practices had declined by 50%, as the overall Jhum acreage declined from 31% of total land used in the base line to 15.6% during the end line. The acreage under selected horticulture and agriculture crops had recorded an increase and also productivity increases had been reported by 44% of households. Crop diversification was recorded in 39% of the households which reported cultivating high-value crops. On the less positive side, demonstrations had resulted in replication of some of the successful activities though the extent of replication could have been far higher.	4
Agricultural Productivity and Food Security		5
Natural Resources and Environment	In <u>Uttarakhand</u> , natural resource management in ULIPH focused on rainwater collection for micro-irrigation systems, and 410 ha of replanting of Van Panchayat (community) forests (out of the total area of the 62 ULIPH VPs of 2192 ha). Drudgery reduction activities also had positive, if limited, environmental impacts, although the shift to gas for cooking was due to a government subsidy programme rather than any project initiatives. The recent introduction of the solar lantern is meant to reduce kerosene use, and production of Napier grass has reduced pressure on forests. The promotion of organic farming methods should also help maintain soil fertility. In <u>Meghalaya</u> , the most significant beneficial impact on the environment has been through discouraging jhum farming practices. There were also promoted environmentally sound and alternative appropriate technologies such as micro-irrigation, gravity irrigation flows, grey water treatment, roof water harvesting and hydraulic rams that have led to recharge ground water, sustainable utilization of rain water and higher water retention ability of the soil, as well as lower soil erosion. Further interventions contributed to support the community conserved areas like sacred grooves, village/community forest reserves, fish sanctuaries, creation of village biodiversity register, promotion of cultivation and processing of Medicinal and Aromatic plants, creation of nurseries. Land Bank Program was another initiative where patches of biodiversity rich areas were conserved by the community and endorsed by the traditional heads.	5
Human, Social Capital and Empowerment	In <u>Uttarakhand</u> , there has been a general improvement in literacy rates, especially for women, although this is likely to be part of a state-wide pattern. The impact survey shows that more villages now have Anganwadi workers (women and child care), junior high schools and primary health clinics, with the	5

Item	Assessment Remarks	
Country & Project Name	India - Livelihoods Improvement Project in the Himalayas	Ratings
	increase being a little more in ULIPH than control villages. RIMS surveys show there was a significant reduction in child chronic malnutrition (i.e. stunting) from 43% to 16% (although the apparent slight increase in acute malnutrition from 10% to 16% is difficult to explain). However, these changes cannot be attributed to the project, as there are no data for a control group. Through the provision of the extensive training, there have also been built useful skills and knowledge. In particular villagers are now able to provide a range of services for themselves (as CRPs and group leaders), while others have the expertise to operate new types of enterprise or use new technologies. In terms of social capital and empowerment, project's impact has been notable. The formation and capacity building of women's SHGs has enabled most women to take collective action on a number of issues at the village level. In <u>Meghalaya</u> , with concern to human capital, training, capacity building and handholding have led to improved confidence, positive outlook towards risk taking and receptivity to new ideas. On social capital, thanks to the project's intervention, a large number of households in the project area were formed into SHGs. Furthermore, SHGs were brought together into Cluster Level Federations and group based social and economic activities were initiated. Households were found willing to bear the cost of higher level structures.	
Inst. & Policies	In <u>Uttarakhand</u> , with regard to policy impact, the project has had some impact at a local policy level, by having the local government authorities more inclined to women's needs. Another policy impact has also been identified based on the success of Federations in the collective marketing of Medicinal and Aromatic Plants (MAP). The project has had a significant impact in terms of increasing the access of rural people to a range of services and institutions. In <u>Meghalaya</u> , the MLIPH has had a policy impact in the design of a programme sequel. On the less positive side, LIFCOM has not been operational to the full extent of its potential. Finally, some CLFs have begun to prepare business plans and show good potential.	4
Markets	In <u>Uttarakhand</u> , ULIPH improved market access for producers, enabling new products to be brought to market and, in some cases, significantly improving producer returns. Collective marketing through Federations (and to some extent though SHG and producer cooperatives), has enabled producers to aggregate their production, by-pass local traders, and sell directly to wholesale markets both within and outside the state. For some products, such as MAP and organic produce, contract marketing arrangements are providing producers with much better prices (six times more than before for medicinal plants), but even simple aggregation and transport of fresh peas to wholesale markets in the south of the state can double producer prices while generating a useful income for the federation. In <u>Meghalaya</u> , access to markets has been gradually improving with small scale aggregation taking place at SHG and CLF levels. Marketable surpluses have also been increasing, placing a demand for access to markets. Contract farming arrangements are emerging providing alternate access to markets. However, the overall impact cannot be assessed as satisfactory, as market access needs radical improvements.	4
Project Impact	<i>In assessing the project's impact, though there were many positive signs of impact, the fact that they were mostly benefiting better-off households has to be taken into account.</i>	4
Overarching Factors		
Innovation	In <u>Uttarakhand</u> , innovations include: (a) Nettle fibre: along with GIZ and SRTT, UPLIH supported the programme of the Bamboo and Fibre Development Board to develop nettle as a source of fibre for weaving and value addition; (b) Federations meeting the holistic needs of communities: one federation has established a leaning centre which has been established and run by the Federation as a business; (c) Mobile phone based information system; this innovation, along with Federations as service providers, was accepted as an IFAD Learning Pathway; (d) An organic animal repellent developed by a private company has been tried by a Federation as a method of reducing damage by crops. In <u>Meghalaya</u> , the Cluster Level Federations are a useful institutional innovation as they may ensure continued support to SHGs and can aggregate the power of many groups for linkages to inputs and marketing. Land banks and funding of VECs for common infrastructure have also been found to be innovative and have scope for future replication. Many non-traditional IGAs and production practices have been introduced (such as maintaining guest houses, boat service, SRI technology in paddy) with positive results. Polyhouse cultivation of flowers under contract farming in a PPP mode is a further innovation introduced by the project. The increasing acreage under paddy cultivation using the SRI technique is worth highlighting as an innovation that is being upscaled.	4
Replicability and Scaling-up	In <u>Uttarakhand</u> , replication of demonstrations has been less than expected. With a few exceptions (Napier grass, water pitchers, and solar lanterns), the number of replications has been less than the number of demonstrations – usually less than half the number, with no replications at all being recorded for 38 out of 123 different demonstration topics. With concern to scaling up, a number of initiatives of ULIPH have been, or will be, scaled up. The SHG programme is to be scaled up across the state under the National Rural Livelihoods Mission (NRLM). The Mission headquarters in Delhi would like NRLM in the state to take lessons and expertise from ULIPH, and for UGVs to act as the implementing agency. A new project, to be supported by IFAD, the Integrated Livelihood Support	5

Item	Assessment Remarks	
Country & Project Name	India - Livelihoods Improvement Project in the Himalayas	Ratings
	Project, will scale up many of the specific livelihood sectors supported by ULIPH, along with aggregation for marketing through producer groups. In <u>Meghalaya</u> , replication of demonstrations has been less than expected too. In terms of scaling up, the project was considered successful by the State Government. As a result, and at the request of the State Government, a new project (Livelihoods and Access to Markets Project - LAMP), to be supported by IFAD, will scale up specific livelihood activities supported by MLIPH, in particular those focused on aggregation for marketing through producer groups. The pooled marketing activities especially in case of Bayleaf, arecanut, ginger and turmeric have considerable potential for upscaling and replication.	
Innovation, Replicability and Scaling-up		5
Sustainability and Ownership	In <u>Uttarakhand</u> , the project's achievements are sustainable at the political and social level. However, the technical sustainability is somewhat uncertain for some activities, as the supply of inputs could be a problem. In terms of institutional sustainability, although the project has made considerable efforts to build the capacity of SHGs and Federations, some SHGs are still not fully self-reliant (in terms of record keeping and management processes), and Federations are still too new to have firmly established good governance systems. With concern to economic and financial sustainability, while most of the enterprises established by the project appear to be profitable, and so should be sustained, a significant proportion of collective enterprises (run by SHGs, Federation or cooperatives) are not, and there is a consensus among project staff that individual enterprises do better. In <u>Meghalaya</u> , the different interventions have created institutions, brought in new practices and improved on products and services. There are good prospects for institutional and social sustainability, as most institutions such as SHG, CLFs, Landbanks that have been created under the project are likely to offer technical and financial services to their members in the future. However. Their sustainability will depend on continued support and handholding to transform into competent business enterprises. The technical sustainability is also positively assessed, as well as the environmental sustainability. The linkages that have been created for inputs as also markets would also be sustainable arrangements that people would use. In both areas, there has already been evidence of ownership and scaling up by the government: in Meghalaya through its influence on the Basin Development Authority, and in Uttarakhand, a large scaling-up of the same approach has been approved. Also with the continued support for the federations, there is every expectation that the main project institutions in both states will be sustainable.	5
Targeting	In <u>Uttarakhand</u> , the project's approach to targeting was partly effective. Village clusters were selected on the basis of inaccessibility (which can be taken as a proxy for poverty) and potential for livelihood development. Within the selected villages, a participatory well-being ranking, based on a sustainable livelihoods framework was carried out. The project made efforts to include the poorest households, both in terms of SHG membership and support via project services, while excluding better off households. In practice, ULIPH was not so successful in reaching the poorest households, as the poorest group were under-represented in project SHGs. In <u>Meghalaya</u> , at design level the targeting strategy focused on vulnerable households and women, and an intervention strategy that mobilised people into groups for building their capacities and raising their knowledge and skills for making informed choices in relation to their livelihoods. The foreseen targeting project strategy had prioritized the poorest and the mid poor categories of the people. However, during its implementation, it seemed the project did not do justice to the design objectives concerning its targeting approach, as it turned out to be biased in favour of the better-off households. Thus, while the relatively well-off households under Well Being Ranking (WBR) 3 category (moderate) had been covered to the extent of 91%, the poorer categories of WBR 1 (poorest) and WBR 2 (poor) had only been covered to the extent of 32% and 35% respectively.	3
Gender	In <u>Uttarakhand</u> , the project aimed to improve the position of women. It was envisaged that the majority of SHG members would be women. With SHGs being the platform for livelihood interventions, women would be at the centre of livelihood improvement and enterprise development. Initiatives to reduce women's drudgery were also planned. At completion, around 95% of SHG members were women, as were 66% of people attending training, workshops and exposure visits, while 82% of demonstrations were implemented by women. More women in project villages have reported improvements in health facilities and practices, although the difference is not large. The drudgery reduction efforts have, by reducing women's workload, improved their health. There was also good evidence of women's empowerment at the household level, with a greatly increased role in household decisions (the percentage of women saying that they are involved in household decisions increased from 17% to 75%), financial empowerment, and taking up leadership positions in SHGs, Federations and enterprises. Women have also been elected to village, regional and district councils, with 261 SHG members being elected to these forums. In <u>Meghalaya</u> , women's coverage has been highly effective through SHGs, drudgery reduction and allocation of funds under seed capital and demonstrations. Of the executive body members of SHGs,	5

Item	Assessment Remarks	
Country & Project Name	India - Livelihoods Improvement Project in the Himalayas	Ratings
	58% were women. In Cluster Level Federations, 50% office bearers were women. Of the resources allocated through seed capital and demonstrations, men received an average funding of Rs 4,900 per capita while women received Rs 6,171 per capita reflecting the prioritization of women in the project. The drudgery reduction initiatives had been mostly well targeted with women reporting greater availability of time in their hands on account of easier access to water, rice mills and other such infrastructure, taking up IGAs, better sanitation and improved living standards of their family as the distinct gains.	
Overall Performance	As also stated in the PSR, not only LIPH covers two different States, Uttarakhand and Meghalaya, quite distant between them, but should be considered as a two-projects under one-loan, each of them with their own independent project management structures, specific issues, etc. Hence, ratings given in the above domains are a simple average derived from the individual ratings of each single project. The same applies to this final rating about the overall project's performance. The failure in adopting a proper targeting approach has affected the rating for overall project performance.	4
Estimated number of beneficiaries		
PCR Quality		
Scope	For Uttarakhand and Meghalaya, the scope of the PCR is fully in line with the 2006 Guidelines. All the requested annexes have been inserted. In Uttarakhand, the PCR includes a very interesting annex about the evidence of outcomes and impact. In Meghalaya, there is an interesting section on several case studies focusing on some of the project's most successful interventions.	6
Quality	For Uttarakhand, the quality of the PCR is satisfactory. It was used a good analytical approach. In Meghalaya, the quality of the PCR somehow suffered from a weak M&E system, which has resulted on a limited capacity to draw robust results, at outputs, outcome and impact level.	5
Lessons	For both Uttarakhand and Meghalaya, the lessons learned have been well conceived, being based on an in-depth analysis of projects' main successes and shortcomings.	5
Candour	For Uttarakhand and Meghalaya, the project's analysis has been overall honest, despite in some assessments the PCRs were found to be slightly too positive.	5