

## **DEA-IFAD Tripartite Portfolio Review Meeting**

**9<sup>th</sup> August 2016, New Delhi**

### **Summary of Discussions and Agreed Actions**

#### **General Observations:**

The Tripartite Portfolio Review Meeting (TPRM) for IFAD assisted projects in India was held in New Delhi on 9<sup>th</sup> August 2016. The meeting was inaugurated by Mr. Raj Kumar, Joint Secretary (MI), DEA and Ms. Rasha Omar, Country Representative, IFAD in India.

2. In his opening remarks, Mr. Kumar welcomed the participants and highlighted the need to bring improvement in the implementation of the projects. He observed that the IFAD projects in India usually have a long gestation period with an average project implementation period ranging from 8 to 10 years, which needs to be improvised. Multiplicity of objectives also affects the project implementation. He also drew attention of the participants to the recurrent issues related to delays in release of funds by the States and rapid turn-over of project officials. He strongly recommended to IFAD and the States to simplify project design, and focus during implementation on those activities with higher impact and sustainability for the economic betterment of the smallholders. He referred to the findings and recommendations of the Country Programme Evaluation (CPE) with particular emphasis on the findings on efficiency and effectiveness of the IFAD funded portfolio in India, and observed that DEA has also highlighted the need to address these issues.

3. In her presentation, Ms. Omar drew on the findings of the CPE to compare the performance of the India portfolio with the regional average of the Asia and Pacific Division. The IFAD funded programme in India scores high on relevance of interventions to country needs, on innovation and scaling up and on gender equality and women empowerment. However, it scores lower than the regional average on effectiveness, efficiency and impact. Improvement across these three domains is what IFAD ICO will strive to achieve by focusing on more proactive management of partial loan cancellation (from slow disbursing projects) and re-allocation to fast disbursing projects, of result measurement and reporting.

#### **4. Specific Observations :**

The specific observations discussed during the TPRM on the project performance, innovative features and agreed actions are reported below. Emphasis was put on accelerating disbursements and ensuring reporting on project results in terms of increase in agricultural productivity, in incomes and in number of households moving out of poverty, as well as on institutional sustainability of the grassroots organizations.

**1. Tejaswini Rural Women's Empowerment Programme – Maharashtra (TRWEP MH) 682-IN**

**Summary of Performance: Moderately satisfactory project performance.** Moderately Satisfactory rating applies on account of the programme's inability to achieve its full physical targets and scale up due to the release of only 33% of IFAD loan funds against the approved budget during 2015-16. GoM has only released 15 Crore towards MAVIM costs. Funds for programme activities as per AWPB 2016/2-17 have not yet been released even though the programme has been ready for the roll out of livelihoods initiative for the past 18 months. This is also seriously undermining the project and government's credibility within communities and also their ability to improve the financial viability of the remaining 20% CMRC and ensuring their access and successful implementation of the micro-livelihood plans.

In the event that Government of Maharashtra does not release adequate funds to MAVIM, there is a possibility of substantial non-utilization of IFAD loan funds despite extension of the programme completion date and the State's commitment to honour all its financial obligations.

The project reporting on outcomes was appreciated: results were presented in terms of improved crop and livestock productivity and increased incomes from selected agricultural and livestock activities.

**Innovations of national interest – Updated from last TPRM**

- **Sustainable, self- financing models of Federations (CMRCs)** without large subsidy or capital infusion from the government. Currently 80% of CMRCs are recovering over half of their costs through service fees in return for high quality services provided to SHGs. This is an exceptional achievement, with great potential for scaling-up nationally.
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	<b>Agreed Actions</b>	<b>Responsibility</b>	<b>Timeline</b>
	Plan and implement an independent evaluation for the TRWEP MH with special focus on the effectiveness of and sustainability of the CMRC model.	IFAD to submit request to Independent Office of Evaluation (IOE) <sup>1</sup>	Immediate
	Govt of Maharashtra to release funds for the projects by end September 2016. In the event this is not done, the cancellation of unutilized loan funds may be initiated.	Govt of Maharashtra/DEA	30 Sep 2016

**2. Tejaswini Rural Women's Empowerment Programme – Madhya Pradesh (TRWEP-MP) 682-IN**

**Summary of performance: Satisfactory project performance.** This project has largely achieved the physical targets for the original financing. Given its positive performance, it received additional financing from IFAD in 2014 and as result about Rs 953.00 million in IFAD funds are available for expenditure until project completion in September 2017. However over

<sup>1</sup> IFAD ICO contacted the Independent Office of Evaluation (IOE). Given IOE schedule and procedures, a project performance evaluation could be scheduled in 2018 only after TRWEP MH prepares and submits its Project Completion Report.

the past 18 months, project implementation has been sluggish owing to management issues. The new management approach has led a positive impact on decision-making and implementation.

The project reported that 30 Crore INR is yet to be released by the State towards the implementation of this year's annual work plan and budget which is estimated at 71 Crore INR. Currently the main challenge is supporting the bank linkages for the SHG and their federations, planning and implementation of the livelihoods plans by the SHG federations.

**Innovations of national interest – Updated information since last TPRM**

- **Shaurya Dal initiative** to address violence against women has shown great results and has won many prestigious awards (TOI social impact award and SKOCH Gold Award). It was scaled up by the GoMP across the state. There are now 28 000 Shaurya Dal covering 56 000 villages of Madhya Pradesh.
- **Kodo-kutki innovation has received national recognition:** The kodo-kutki (minor millets) innovation by one of the Federations of Dindori district has received two prestigious awards; the order of merit SKOCH award and the Sitaram Rao award as the third best case study in the Livelihoods-Asia Case Study Competition. The model is being adopted by 7,500 farmers outside the project area.

	<b>Agreed Actions</b>	<b>Responsibility</b>	<b>Timeline</b>
	Govt of MP to convene a meeting of the State Level Bank Committee (Lead Bank being the Central Bank of India) to discuss issues of bank linkages in TRWEP MP, develop an action plan to facilitate the access of TRWEP MP beneficiaries to financial services from the banks.	Govt of MP	Immediate
	Similar to TRWEP MH, TRWEP MP should propose to the Govt of MP to have a sub-committee that discusses the performance of TRWEP MP bank linkages.	TRWEP MP management	Immediate
	Govt of MP to provide DEA an upfront commitment to meet target expenditure of 36 Crore INR by December 2016. Accordingly, DEA to examine the proposal for extension of the project implementation period.	Govt of MP/DEA	30 September 2016

**6. Jharkhand Tribal Empowerment & Livelihoods Project (JTELP) 879-IN**

**Summary of performance: Borderline project performance.** This project was not presented at the TPRM due to the fact that the Project Management was not represented. The SPD was involved in the celebration of the Tribal People Day in Jharkhand as she is in-charge of the Tribal Research Institute where the celebrations were organized. The APD was urgently hospitalized.

**Innovations of National Interest: Project presentation did not take place**

	<b>Agreed Actions</b>	<b>Responsibility</b>	<b>Timeline</b>
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Project presentation did not take place; Project authority to send the status of disbursement and physical achievement	Project Director JTELP	Immediate
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## 7. Integrated Livelihood Support Programme (ILSP) 856-IN

**Summary of performance: Moderately satisfactory project performance.** The project had a delayed start-up of 2 years. Amongst others, the delay in start-up was largely due to the devastating floods in the state in June 2013 and the request to increase budget of UGVS by reducing the scope of work of PSWMD. Progress was further hampered due to Assembly, Panchayat and national elections in 2012, 2013 and 2014. However since the project restructuring came into effect in 2015, the project has picked up momentum as evidenced by its disbursement rate that increased significantly from 8% till 2015 to 24% (excluding initial advance) to date. The State has released approx. 40 Crore INR towards the implementation of the AWPB 2016/17. Unfortunately the release of funds came late and delayed the implementation of the watershed development works. It is expected that works will pick up again after the monsoon period.

The GoUK has submitted a request to DEA for a two year extension to address the *force majeure* situation of devastating floods in 2013 resulting in delayed start up. Granting the extension at this stage, with 2.5 years remaining for project completion, will provide the project time to plan and roll out remaining activities in an orderly manner, and as per the original project delivery schedule.

### Innovations of national interest:

- The project provided support to the producer groups (PGs) and vulnerable producer groups (VPGs) through direct benefit transfer and facilitated the groups to collectively purchase quality seeds and inputs for vegetable and crop production. The members after harvest and sale of produce return the value of inputs taken and the same is credited into the bank account of the respective PG/VPG. This is an innovation in the context of PGs to ensure regular access to quality seeds and inputs.
- The project provided the second instalment of PG/VPG support to Livelihood Collectives (LCs) directly and the LCs issued share certificates to each member. This modality in one stroke provided required capital to the LCs for business activity and at the same time enhanced ownership of members. This approach also speeds up the establishment and growth of LC
- The project implemented a system of leasing fallow lands by the PG members. The members took up cultivation of fruit trees on these lands on a collective basis. This experimentation of collective farming will possibly become a solution for issues of labour shortage and also wild animal damage of crop that impact crop production in the hilly region.
- The project introduced moveable chain fencing to deal with wild animal damage of crops. These chain fences can be folded and moved to various locations in the farm to protect crops as against traditional fixed fences.

Agreed Actions	Responsibility	Timeline
Customization of Tally to report on smart SOE	PMU ILSP	On-going
IFAD to propose a solution for the difficulties with the implementation of the smart SOE experienced by the	IFAD ICO	30 September 2016

	WMD		
	Procurement of technical agencies to be expedited	PMU ILSP	Immediate
	ILSP to facilitate State response to DEA queries on the request for extension of the ILSP project duration	PMU ILSP	Immediate

### 8. Convergence of Agricultural Interventions in Maharashtra (CAIM) 779-IN

**Summary of performance: Moderately satisfactory project performance.** CAIM's approach of promoting economic empowerment and social inclusion of distressed families in community organizations is proving to reduce farmers' stress thanks to access to information, technology, markets rendering agriculture a more viable business: the increase in income is estimated to be in line with the target of 40% income increase. Given the project's strong performance on financial inclusion, livestock development and agricultural marketing, the mission estimates that the project will largely reach its objectives in these domains. However more is required on the expansion of soil and water conservation and adoption of low external input sustainable agriculture methods. The disbursement rate of the IFAD loan stands at 38%. Investment activities in the project are funded through convergence with Government programs and through beneficiaries who are able to mobilize own contribution and bank loans.

It is worth mentioning that the newly appointed PD is the first full-time PD since the project started. The PD referred in his presentation to a request from the Govt of Maharashtra to extend the project implementation period. GoM had proposed to saturate the operations in Yavatmal district due to the high rate of suicides in the district.

#### Innovations of national interest: Updated information since last TPRM

- Innovative partnership with BCI: CAIM obtained a BCI license in November 2014 and is now the largest BCI implementation partner in the world benefitting over 56,000 farmers growing cotton on approx 72,000 ha. A study of 8,000 BCI farmers and 1600 comparison farmers in CAIM districts show that with higher yield and price for their produce, and lower production costs, CAIM/BCI farmers earn a profit that is 42% higher than comparison farmers.
- Farmers' access to services is facilitated by : (i) Village Volunteers emerging as a cadre of qualified extension personnel at village level; (ii) Machinery hire centres facilitating easier farmers' access to tractor and bullock-drawn implements; and (iii) Agro-service centres, making access possible to reliable and cheaper inputs for the smallholders

	Agreed Actions	Responsibility	Timeline
	Project Director to report to DEA on expenditure of 40 Crore INR by November 2016. This may require focusing on key activities.	CAIM	End November 2016
	CAIM/Govt of Maharashtra to send response to DEA queries on the letter submitted by the State of Maharashtra regarding the request for the extension of the project duration and additional financing.	CAIM/GoM	Immediate
	IFAD will plan a review mission in December 2016 to take stock of implementation and revert back to DEA with advise on project extension	IFAD ICO	December 2016

### 9. Mitigating Poverty in Western Rajasthan (MPOWER) 748-IN

**Summary of performance: Moderately satisfactory project performance.** Working in a challenging area of Western Rajasthan; the project remains a slow disbursing project achieving only 54% disbursement on the IFAD loan.

The project made good progress in promoting agricultural livelihoods such as goat rearing, improved traditional rainwater harvesting/water-storage structures, low cost irrigation infrastructures leading to increased cultivation of millets/vegetables. Staffing situation remains a concern, so also efficient functioning of Sakh Darpan (SHG data base software) especially timely data entry using this MIS, strengthening of Village Organisations (federation of SHGs) and SHGs.

The project implementation period was extended by one year to December 2017 upon the request from the State of Rajasthan to replicate MPOWER activities jointly with NRLM in 2 new blocks primarily to transfer the knowledge that will facilitate the subsequent replication of the MPOWER livelihood approaches by NRLM all over the state.

**Innovations of national interest:**

- The project collaboration with NRLM on livelihood development approaches is likely to generate innovations that could be further scaled up within the State and across States.

	<b>Agreed Actions</b>	<b>Responsibility</b>	<b>Timeline</b>
	Project to send a proposal for re-allocation of loan proceeds, if required, to DEA	PMU MPOWER	Immediate
	Submit an undertaking to DEA that the project will achieve expenditures of 30 Crore INR by November 2016.	PMU MPOWER	30 <sup>th</sup> September 2016
	Review the progress of the project in December 2016	IFAD	31 <sup>st</sup> December 2016

**10. Post-Tsunami Sustainable Livelihoods Programme for Coastal Communities of Tamil Nadu (PTSLP) 662-IN, 691-IN and Additional loan no 2000001433**

**Summary of performance: Satisfactory project performance.** This project successfully implemented an integrated development approach in the coastal areas working with fisher communities using innovative strategies and financial products. On account of its satisfactory performance, upon request from the State of Tamil Nadu, the project received additional financing of 22 million USD equivalent to 279.49 million INR, to replicate the successful interventions in 6 new districts. The amendment to the financing agreement was signed in February 2016. The project has initiated fact finding missions to the new districts and is in the process of identifying the implementation partners. However, the implementation in the new districts is hampered by : 1) the approval is pending from the State Finance Dept for the new positions to be created for the staff of the District Implementation Offices, 2) the release of funds as per AWPB 2016/17 by the State.

**Innovations of national interest : New from last TPRM**

- 100 Crore INR Fund insurance scheme to be established by the State to scale up the successes of the PTSLP in this field. A knowledge sharing event is planned in the 3<sup>rd</sup> quarter 2016 on the subject.

	<b>Agreed Actions</b>	<b>Responsibility</b>	<b>Timeline</b>
	Submit request for re-allocation of loan proceeds	PMU PTSLP	On-going

	across categories for loan 691-IN		
<b>11. Orissa Tribal Empowerment &amp; Livelihoods Project (OTELP) 585-IN</b>			
<p><b>Summary of performance: Satisfactory project performance.</b> The project has completed in March 2016 and the loan will be closing in September 2016. At completion the overall implementation performance has been satisfactory taking into account the targets in the project's Logical Framework and the overall achievement. Notwithstanding various setbacks the project has over the years implemented all the components in all project villages. Organisation of women into SHGs and a strong emphasis on participatory planning and implementation through VDCs has enhanced the self-confidence and reduced the sense of isolation of the tribal households. Various land and water resource development activities, though modest in coverage, have demonstrated pathways towards more sustainable natural resource management practices. Similarly, though limited in scale and depth, improvements in farming systems, including agriculture, vegetable cultivation, horticulture and livestock-based enterprises have improved food security, reduced distress out-migration and enhanced incomes as observed during field visits. It is worth mentioning that due to non release of funds as per AWPB 2015/16, an amount of 6 million USD from the additional financing remains unutilized and will be cancelled upon loan closing.</p>			
<p><b>Innovations of national interest - Drawn from the draft Project Completion Report</b></p> <ul style="list-style-type: none"> <li>• OTELP put in place a process for participatory planning, implementation, monitoring and social auditing involving all adult women and men in the community. This process is being replicated by the State through OTELP Plus. The State of Odisha plans to replicate this model in the PTG communities through OPELIP.</li> <li>• The project helped communities reclaim wastelands prone to erosion, by planting mango and cashew nut plantations on these lands under rain-fed conditions, protected against cattle grazing with a live fence, using an innovative technique of providing drip irrigation to the saplings in the early stages by burying a small earthen pitcher next to the sapling, which is filled with water every week.</li> <li>• The project has demonstrated SRI and line sowing techniques of paddy cultivation, using improved seed varieties and mechanical weeding with a simple hand operated rotary weeder. Yields have reportedly risen from 400-500 kg/ha to 1500-1800 kg/ha.</li> <li>• The project has promoted rain-fed millet and tuber crops as a substitute to upland paddy as these are drought prone and climate change resilient, besides being nutrient rich. Sorghum, pearl millet and finger millet, fox tail millets, yellow-fleshed sweet potato and elephant foot yam have been promoted with seeds sourced from government extension sources and research centres.</li> </ul>			
	<b>Agreed Actions</b>	<b>Responsibility</b>	<b>Timeline</b>
	PCR submission to GOI and IFAD	PMU OTELP through ST&SC Development Dept <sup>2</sup>	15 August 2016

<sup>2</sup> The State of Odisha transmitted to DEA and IFAD ICO the hardcopy of the OTELP Project Completion Report (PCR) by letter dated 26<sup>th</sup> August 2016.

## 12. Odisha PTG Empowerment and Livelihoods Improvement Programme (OPELIP)

**Summary of performance:** The entry into force of the project was declared on 18<sup>th</sup> March 2016. The State Government designated the OPELIP Project Director (who also holds the charge of PD OTELP), and the process of recruitment of the core PMU staff is on-going. The conditions for the first disbursement are gradually being met and initial deposit should be availed in September 2016.

### Innovations of national interest:

- The lessons learned from OTELP will be carefully capitalized upon in the implementation of OPELIP especially with regards project management, investment in the facilitation and capacity development of communities, and convergence with Government programs and schemes.

	Agreed Actions	Responsibility	Timeline
	Ensure that start-up activities are expedited to ensure timely and smooth project implementation	PMU OPELIP and IFAD design/support missions	On-going

## 13. Meghalaya Livelihoods and Access to Market Project (Megha-LAMP) Loan No.2000000648

**Summary of performance: Moderately satisfactory project performance.** The project started its second year of implementation and the rate of the disbursement of the IFAD loan stands at 3%. Over the past year of implementation, the project has prepared well the ground for the effective roll out of its activities : the 54 village clusters for the implementation of integrated production and marketing support have been identified; the 55 markets proposed for rehabilitation have been identified; the bye-laws for the IVCS have been drafted and are being reviewed by the State Government; the actions to make the EFC play a strong incubating role and develop a self-financing model are under review. The project has made ground-breaking progress in negotiating new practices for market management with the marketing committees and this should facilitate replication in the other markets proposed for rehabilitation. The market committee has agreed to reform market practice, adopt a written byelaw that would bind all stakeholders and induct technical personnel from MBDA/LAMP to support implementation of reformed market conduct. Infrastructure improvements are also being planned in consultation with the market committee. This initial work is likely to facilitate the implementation of such reforms in the remaining markets proposed for rehabilitation. It is expected that the project investments will pick up speed after the monsoon season. However, it was noted that the budget provision in the State Budget for Megha LAMP is INR 161.0 million, which is far short of the AWPB (INR 984.4 million). The project management is confident they would be able to mobilize the required financing.

### Innovations of national interest:

- The project developed a six-stage approach to negotiations for the reform of market practices. The negotiations have been held with market committee, village heads of the catchment area of the market, households that use the market, itinerant traders that sell in the market, bulk buyers that use the market and the general assembly of the people of the concerned villages. As a result of the negotiations, the market committee has agreed to reform market practice, adopt a written byelaw that would bind all stakeholders and

<p>induct technical personnel from MBDA/LAMP to support implementation of reformed market conduct. Infrastructure improvements are also being planned in consultation with the market committee. Consultations have been initiated with five other markets. The progress achieved in markets component holds the key for significantly changing access to markets through positive reforms in other identified markets.</p> <ul style="list-style-type: none"> <li>The model of the Enterprise Facilitation Centre is innovative by design. EFCs are a one-stop-shop for enterprise development where interested entrepreneurs will get access to bank, convergence and project funding, along with advice, training and technical support. The evolving role of the EFC as enterprise incubators and the impact of the EFCs will need to be tracked during the project life cycle.</li> </ul>			
	<b>Agreed Actions</b>	<b>Responsibility</b>	<b>Timeline</b>
1	Monitor project implementation and fund release by the State of Meghalaya	IFAD ICO	On-going
<p><b>14. North Eastern Region Community Resource Management Project for Upland Areas (NERCORMP) 794-IN</b></p>			
<p><b>Summary of Performance: Very satisfactory project performance.</b> The project completion date is 30 September 2016 and loan closing date is March 2017. The project has fully achieved its physical targets and the disbursement rate of the IFAD loan is 97%. The outcome assessment of the project indicates tangible improvement in households assets (proxy to income increase) and in project villages, wealth ranking shows a reduction in the % of poor households from 65% (poor and poorest households) to 15%. The project is currently gearing up for completion and an endline survey is currently underway. The project is planning to complete activities and close in time. The project team was congratulated for its achievements.</p>			
<p><b>Innovations of national interest –</b></p> <ul style="list-style-type: none"> <li>No new innovations to report since last TPRM held in December 2015. The project will be documenting all the innovations as part of the Project Completion Report.</li> <li></li> </ul>			
	<b>Agreed Actions</b>	<b>Responsibility</b>	<b>Timeline</b>
1	NERCORMP is on track with its completion activities and drafting of the PCR		

## **List of Participants**

### **Department of Economic Affairs, Ministry of Finance**

1. Mr. Raj Kumar, Joint Secretary (MI)
2. Mr. Rishikesh Singh, Director (MI)
3. Mr. Ashok Kumar, Under Secretary
4. Mr. Anand Singh, Senior Accounts Officer, Office of CAA&A
5. Mr. Naveen Kumar, Assistant
6. Mr. Himanshu Singh, Assistant

### **IFAD**

7. Ms. Rasha Omar, Country Programme Manager / Country Representative, IFAD, New Delhi
8. Ms. Meera Mishra, Country Coordinator, IFAD India Country Office
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10. Mr. Sankarasubramaniam Sriram, Programme Support Analyst, IFAD India Country Office

### **Project Authorities**

11. Mr. Vijay Kumar, CPD, ILSP, Dehradun, Uttarakhand
12. Mr. Yugal Kishore Pant, Addl Secretary, Rural Development Dept, Govt of Uttarkhand and MD UPaSAC
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15. Ms. Kusum Balsaraf, Vice-Chairman & Managing Director (I/c), Mahila Arthik Vikas Mahamandal, Tejaswini Maharashtra, Mumbai, Maharashtra
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17. Mr. Chaturvedi, Deputy Programme Director, Tejaswini Madhya Pradesh
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19. Mr. D Nath, Director (Finance), NERCORMP Shillong, Meghalaya
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