

DEA-IFAD Tripartite Portfolio Review Meeting

2nd Dec 2015, New Delhi

Summary of Discussions and Agreed Actions

1. North Eastern Region Community Resource Management Project for Upland Areas (NERCORMP) 794-IN			
Summary of Performance: High performing project, expected to achieve physical and financial targets and objectives in remaining 9 months, with most physical targets achieved against the appraisal targets. The NERCORMP model has been scaled-up by Gol in Arunachal Pradesh and Manipur, and by the World Bank in Nagaland, Sikkim, Tripura & Mizoram. Overall very good physical progress, overshooting in some indicators; nevertheless project needs to achieve more in the areas of market linkages for agro-horticultural products from upland farmers, land productivity, more efficient water resource management and quality of SHGs and their federations.			
Innovations of national interest			
<ul style="list-style-type: none"> Project strategy of Community-based Biodiversity Conservation involving the traditional village institutions and NaRMGs (with active participation of women) in the promotion/ activation /rejuvenation of community forest management for social, cultural, economic and environmental benefits has potential for scaling-up. Overall project strategy (planning and implementation through inclusive local institutions) has been recognized as an effective development approach in conflict areas of the NE which has led to the successful scale up of the project. Big potential for further scaling-up. 			
	Agreed Actions	Responsibility	Timeline
1	No full time MD since mid Feb 2015. Selection is under process; advertised twice already but no suitable candidates; position lowered to Director level (from JS level); post is being re advertised for the third time;	DoNER/ NEC	The process may be completed by March 2016
2	Need to undertake impact studies: project will undertake studies during PCR	NEC/ Project Authorities	Together with Project Completion Report(PCR)
3	Exit strategy to include smooth transition of NERCORMP initiatives to LAMP in Meghalaya.	NERCORMP/ LAMP	Initial discussions have taken place and transition will take place once LAMP project is fully in operation.
4.	Too late for a top-up loan. New project concept note being developed by NEC should focus on the full value chain including access to local/regional/even bigger markets, selected niche commodities, address jhum, upscale innovations from current project, etc. Geographically it should focus on a state where there is no scope for overlap with other IFAD or World Bank projects. The project design should be focussed and redesigned to have buy-in from beneficiaries, and leverage area-specific strengths. Appropriate communication strategy should also be put in place. Concept notes already underway/ prepared for the states of Assam and Mizoram.	NEC/ DoNER	At the earliest

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

Summary of performance: A good performer since March 2013 after being problem project for 3 years. Full achievement of physical targets related to SHG mobilization and SHG Federation formation with the exception of bank linkage target which remains low, despite recent improvement.

Very strong social empowerment of participating households. Particularly notable is fact that such strong mobilization of SHGs was done without initial investment in seed capital. Capacity of Village Level Committee members to identify and solve social issues remains very high including facilitating members to access entitlements. Project has achieved major success in convergence and drudgery reduction. The project has taken steps to strengthen capacity of Federations but much more needs to be done. A recent ISM from IFAD helped the project identify key gaps and strategies for addressing them.

Project received a supplementary loan of USD 15 million in 2014 with a 2 year extension. There has been no disbursement from this and the full top up loan needs to be spent in 2 years which is a major challenge.

The pace of the project has slackened in the last one year. Some successful models of livelihood interventions (vegetable cultivation, kodo-kutki millet seed banks, goat rearing and lac cultivation, collective farming on lease land by landless households) were initiated and these have potential for replication/ scale up in the rest of the project areas but this has not been done.

Innovations of national interest

- **Shaurya Dal initiative** to address violence against women has started to show great results and is being scaled up by the GoMP across the state. The Shaurya Dal initiative has won the TOI social impact award, the SKOCH Gold Award and is shortlisted for another national award.
- **Best practice example of convergence with NRLM.** MVVN has entered into a MOU with NRLM to mobilize 4,900 SHGs in 3 blocks and is now being engaged by NRLM to cover an entire district. No more confusion and duplication of work on the ground.
- **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 even 4,500 farmers outside the project area.

Agreed Actions	Responsibility	Timeline
Expedite approval of comprehensive livelihoods proposals.	MVVN	By 31 st Dec 2015
Strengthen capacity of Federations with support from IFAD	MVVN with IFAD support	Ongoing including ISM in January 2016
Take steps to fast track expenditure	MVVN	Immediate
Develop workable credit linkage model for SHGs in consultation with Banks	MVVN	Immediate

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

Summary of Performance: High performing project with the largest outreach (approx. one million) in the country portfolio and excellent progress in SHG formation and self-financing of most of the 315 Community Managed Resource Centres (CMRCs). The project is an outstanding model of high level of community ownership and is a replicable model worthy of being adopted in other states too. Over INR 16 crores have been contributed by the communities. MAVIM is now an implementing agency for NRLM -

mobilized 3157 SHGs in 6 blocks of 3 districts. NRLM may accept all 315 CMRCs as Cluster level Federations for the programme. Bankers have disbursed INR 741 crore to MAVIM promoted SHGs during the last seven years. Repayment rate of bank loans remains at 97%. Project has demonstrated excellent convergence performance mobilizing over INR 336 million during 2014-15 from other government agencies for livelihood activities. On 25th November, the project won the IFAD global award on Gender, selected as the best from the entire Asia Pacific Region for 2015.

In the last two months the project has been able to resolve issues pertaining to government counterpart funding and has been granted extension for 2 years. The project has recently sent its request for reallocation to DEA. The remaining two years will be crucial for making make CMRCs fully self sustaining as well as scaling up livelihoods activities.

Innovations of national interest:

- **Sustainable, self financing models of Federations (CMRCs)** without large subsidy or capital infusion from the government. Currently 85% 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.
- **Computerized accounting of SHGs** using SHE Software and audit by Chartered Accountants has led to transparency and authenticity of records, leading to partnership with private sector banks, especially with ICICI Bank with very low delinquency rate of 1.6%. Over 60% of the loans during the last three years have been disbursed by ICICI Bank, a testimony to the quality of SHGs promoted by MAVIM.
- Project has the potential for being positioned as a key learning site for other such initiatives of Government including NRLM and project representatives should be invited to national and international events to share their success..

	Agreed Actions	Responsibility	Timeline
1.	Unallocated funds of US\$ 2.9 million have to be reallocated. The request for reallocation has been sent by the GoM to DEA. This needs to be formally sent by DEA to IFAD for approval	IFAD	Immediate
2.	Expedite implementation to catch up on lost time, especially with regards to livelihoods activities and further consolidation of Federations	MAVIM	Ongoing

4. Orissa Tribal Empowerment & Livelihoods Project (OTELP) 585-IN

Summary of performance: OTELP was a high performing project due to which it was provided a top up loan of USD 15 million. The project is due to end in March 2016 but has not been able to spend even half of the top up loan. No further extension is possible. The initial outputs and outcomes were very impressive and proved the effectiveness of an integrated community driven approach even in the LWE areas. Project formed SHGs which are nearly double the Appraisal target of which 90% are active with regular meeting and saving and 95% repayment of loans. Dependency on private money lenders has reduced from 37% to 15% (as per AOS). However, in the last one year the pace of the project has slowed down and unless concerted efforts are made a significant amount will be cancelled at closure.

NOTE: No one from the project participated in the TPRM. It may be ensured in future that Project Director attends the TPRM.

Innovations of national interest:

- Land titling to landless families using CRP model, be it under FRA and/or state land laws, with support from LANDESA, very effective and worthy of scaling-up. Over 26 038 landless families settled with land titles
- OTELP has demonstrated an effective "model tribal development programme" that is successful in LWE areas. This has led to scaling-up of project to more districts with State Govt finance ("OTELP plus").
- Successful demonstration of low cost micro-irrigation technology for rain-fed areas to enhance vegetable production (low cost inputs, less water use).

Agreed Actions			
	Agreed Actions	Responsibility	Timeline
1.	The project should judiciously work for maximum utilization of the remaining top-up loan as there can be no further extension	PD	Ongoing
2.	The project to prepare a clear exit strategy including handing over of the assets to the communities and convergence plan for at least 5 years to enable the communities to access other government programmes and funds including linkages with the new OPELIP.	PD and STSCDD	31st March 2016
3.	Resolve matter related to PCR Report in consultation with IFAD	OTELP and IFAD	10 th Dec, 2015 (by the end of the SM)

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

Summary of performance: Working in a challenging area of Western Rajasthan; the project remains a slow disbursing project using an Integrated rural development model. Community infrastructure development has performed well in providing animal sheds and low cost irrigation infrastructures. Goat based livelihood models are working well with approx. 6000 members. The project has successfully improved traditional rainwater harvesting/water-storage structures, allowing increased cultivation of millets/veg. 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. Exposure visit to PTSLP was conducted. However, the NABARD-NABFINS pattern will not work in MPOWER as NABFINS does not have a base in Jodhpur; linkages being done with RMGB/ICICI banks, 2888 SHGs are now linked to banks.

The Government of Rajasthan has sent a request for one year extension of the project with a plan to expand coverage and utilise remaining resources. Out of total INR 170 cr, 121 cr will be spent in the current project period; remaining 49 cr will be spent in the extended period (request for extension sought till Dec -17); yearly financial targets assigned to BPMUS; two new locations proposed. The rationale for extension should focus on the immense opportunities for scaling-up and scaling-out of project innovations such as goat models of livelihoods, etc. and will be subject to firm commitment from GOR for filling up the vacancies of professional staff.

Innovations of national interest:

- Goat based livelihood models in desert environment which is doing well could be a model for replication and upscaling (involving formation of Goat Groups, identification/training of *Pashu Sakhi* for community-based support system and *Community Livestock Facilitator* for technical extension services), mainly involving women.
- An interesting model has been developed of custard apple Producer Company promoted through Public Private Partnership comprising Producers/Marketing agency/Rajasthan agriculture University (for technical support).

Agreed Actions			
	Agreed Actions	Responsibility	Timeline
1.	Review the request for extension and respond to the state government.	DEA	Before 31 st Dec 2015
2.	Based on feedback from DEA on request for extension, prepare a realistic plan for expansion and fund utilisation (indicating possible amount for cancellation, if any).	IFAD and SPMU	31 st January 2016
3.	Knowledge sharing on access to rural finance (along with NERCORMP, MAVIM etc).	IFAD to facilitate	31 st March 2016
4.	HR issues – fill up the vacant positions immediately and	SPMU & GoR	January 2016

	take necessary steps to address challenges such as incentivizing the positions as in other project in the state eg. RGAVP		
5.	Updating of SHGs data in Sakh Darpan on regular basis	SPMU, BPMUs & NGOs	On-going
6. Post-Tsunami Sustainable Livelihoods Programme for Coastal Communities of Tamil Nadu (PTSLP) 662-IN			
<p>Summary of performance: This is a high performing project successfully implementing integrated development approach in the coastal areas working with fisher communities using innovative strategies and financial products. Artificial reefs has led to increase in fish production, Fish Marketing Societies have increased bargaining power of fisherfolks and helped increase their income by 30-40%. Panchayat Level Federations are becoming business entities. VRF has helped to release loans at 6% rate of interest within 24 hours with 2 months moratorium. Nearly 16000 women have used these funds to cope with emergency needs. Patient capital model with NABFINS is also highly successful. Sub sector activities such as coconut, mud crab fattening, sea weed cultivation are highly successful. Less than 3% of HHs were covered by any insurance at baseline. But now 7 insurance products with premium ranging from 100- 365 INR are being implemented through PLFs and nearly 50% of project HHs are enrolled for insurance schemes. Project has strong gender and poverty focus- 97-99 % enterprises are with poor women. Some challenges exist- banks hesitant to finance enterprises, quality of Cluster staff out sourced from NGOs is mixed and there is a lack of good quality institutions for vocational training in remote areas.</p> <p>The project is in the process of receiving a top up loan for expansion of the successful PTSLP model in 6 additional districts vulnerable to natural disasters.</p> <p>NOTE: No one from the project could participate in the TPRM due to the shut down of the airport in Chennai.</p>			
Innovations of national interest:			
<ul style="list-style-type: none"> • Risk mitigation insurance products (covering health, accidents, assets, etc) with low premiums are hugely popular. This is ready for scaling-up. • The Vulnerability Reduction Fund (VRF) managed by PLF (Panchayat level apex body of the SHGs) are soft loans available for the members for emergencies, which is very popular among the SHGs members. • Debt Redemption Fund (DRF) managed by the FMS provide for soft loans for the members of the FMS that they can avail to repay their high-interest loans from private money lenders to come out of debts. • Project has demonstrated first example of functioning fish vending women's Joint Liability Groups (JLGs). Women retail fish vendors are the most vulnerable who get remaining catch and sell fish on road side. They have been organised into JLGs and provided access to credit which has helped them. 			
	Agreed Actions	Responsibility	Timeline
1.	Approval of the top up loan	IFAD	By 31 st Dec 2015
2.	Project innovations such as DRF, VRF, Insurance and Women Fish vendors' JLGs should be documented and built into the design of new projects	PTSLP/ IFAD	Ongoing
7. Meghalaya Livelihoods and Access to Market Project (Megha-LAMP) Loan No.2000000648			
<p>Summary of performance: The project became effective in Dec 2014 and is scheduled to close in Dec 2022. It is still at an early stage of implementation and overall there is good progress in key start-up activities. The Meghalaya Basin Development Agency (MBDA) implementing the project is a Section 25 company under the Department of Planning. During design itself some studies were done which are very useful. The project has taken action on the recommendations of the last TPRM. IFAD disbursed a one-time advance of USD 1.5 million on 27th May 2015</p>			

Innovations of national interest:

- Too early for innovations but 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 impact of the EFCs will need to be tracked during the project life cycle.

	Agreed Actions	Responsibility	Timeline
1.	Project to focus on products which could have greater market/ demand in the area (e.g. piggery)	LAMP	Ongoing
2.	Identify strategies to ensure that the performance of EFCs improves	LAMP	March 2016
3.	Ensure smooth transfer of NERCORMP areas/ functions to LAMP	LAMP	ongoing
4.	Submit first withdrawal application for justification of advance	LAMP	31 st Jan 2015

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

Summary of performance: This is a low disbursing project and IFAD's only project with the Agriculture Department. While the project has 2 years remaining, it has nearly 70% of funds undisbursed. While the project has had remarkable achievements on the ground disbursement has been a chronic challenge. CAIM has generated real benefits for the project households in terms of disseminating technologies and resources for more efficient and sustainable agriculture, leading to increased production (relative to other farmers) and/or decreased cost. Project has shown evidence on the ground for impact of improved agricultural practices in increasing productivity and incomes. A total of almost 30,000 farmers have been linked to markets via contract farming, direct selling and other initiatives. At present, the project has 64 market linkage schemes. Its greatest achievement is linkage with private sector which makes it very interesting for IFAD at the Corporate level. Improved packaging and marketing for dal has now been extended to jaggery and turmeric. Global Gap certification for oranges has been scaled up so that they can supply to international markets. However, the project suffers from some chronic challenges which include PD on additional charge (not full time); high staff turnover; mixed performance of IAs. What the project has achieved is remarkable in view of these challenges. However, it is important to assess how much the project can realistically spend in view of the past performance and accordingly decide on possible cancellation.

The project/ GoM had proposed to saturate the operations in Yavatmal due to the high rate of suicides in the district. However the detailed proposal for this has not yet been submitted.

Innovations of national interest:

- Many examples of public-private-producer partnerships linking smallholders with international value chains such as Field Fresh, TESCO, Hansen etc.
- 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 45,000 farmers growing cotton on 53,832 ha. Yield increase 18%; pesticide down 22%, profit up 44%.
- Improved agricultural practice of BBF being scaled up across the state: The broad-bed furrow (BBF) cultivation method has increased the infiltration of water along with drainage for soyabean. In total 27,865 acres of soyabean were planted using BBF (approximately 16,000 farmers). Data from 359 villages showed that use of BBF resulted in a yield increase of 49% (195 kg/ac). BBF was introduced by ICRISAT in 1983. CAIM took it up on a mission mode and took it to 60,000 farmers and will be taking it up with 100,000 farmers. GoM has allocated funds to scale it up in the rest of the state.
- Joint asset ownership: CAIM has scaled up its Joint Asset Ownership Campaign, which puts land into the joint ownership of the husband and wife, with 5,210 households making initial applications

<p>which are getting approved by the Revenue Department with project's help.</p> <ul style="list-style-type: none"> In a bad year for farmers of Vidarbha, project is educating them to deal with delayed monsoons and helping them to switch to other crops so as to reduce their risks. Next year the project will be increasing it to 64,000 farmers and eventually to 1 lakh farmers. 			
	Agreed Actions	Responsibility	Timeline
1.	Saturation plan for one district to be submitted at the earliest in view of the drought this year	PD CAIM/ GoM	31 st Dec 2015
2.	Next IFAD Support Mission(SM) to assess realistically the project's ability to spend and accordingly recommend cancellation so that this can be reallocated to a well performing project or a new project	IFAD SM	15 th March 2016
3.	Staff turnover issue to be resolved as part of the strategy to improve performance. SM to review the matter.	PD	ongoing
4.	Government of Maharashtra(GoM) and Project Director need to demarcate the areas for IFAD and convergence activities in order to eliminate overlap	GoM & PD	31 st January 2016

9. Integrated Livelihood Support Programme (ILSP) 856-IN

Summary of performance: The programme is a follow up to another IFAD assisted project in the state (ULIPH) and became effective in Feb 2011. By Oct 2015 the total disbursement is approx. 8% of a USD 90 million IFAD loan. In terms of programme activities there is satisfactory growth in the volume of farm products aggregated and marketed via Federations. Total value of these marketed products in 2014-15 was around INR 44 million¹, of which 45% was traditional crops, 28% vegetables (mainly potatoes and peas), and 11% milk. 69 federations are involved in various business activities and Rs. 9.46 crore turn over with profit of Rs 64.01 lakh. Almost 90% shareholders are women. A number of sub-projects are being implemented, largely through GoUK agencies which would require close monitoring.

In its 4th year the project was implementing activities that should have been completed in the first year (staffing, recruitment of TAs, baseline study etc). This has now been completed and implementation has picked up. The initial delays in decision making in the project were further exacerbated due to the floods in June 2013, thus severely impacting project activities. A reallocation of project budget was made, following the floods in 2013, shifting USD 28 million (INR 160 crores) to food security and livelihoods from Watershed Development component. Progress of work is yet to pick up fully in the flood-affected regions for which the reallocation was done on an emergent basis. It is highly unlikely that the project will be able to use its full resources. The Mid Term Review of the project is due in early 2016. Partial cancellation may have to be considered by the Government unless the project makes dramatic improvement in the next 8-10 months.

Innovations of national interest:

- The project has successfully converged with ICDS- in 16000 Anganwadi centres the Federations are supplying take home ration and the state is replicating this elsewhere.
- Project has set up a robust MIS system which provides all information about the project households in one click.

	Agreed Actions	Responsibility	Timeline
1..	MTR in 2016 to review the project performance, and accordingly propose cancellation and/or project extension	IFAD Mission and GoU	June 2016
2.	The venture capital Fund- UPASaC - to improve its performance	CPD/ GoU	Immediate

¹ Total Federation sales were INR 82.7 million and included INR 18.7 million from materials purchased in the market for ICDS rations and INR 20.1million from other sales such as groceries and non-farm products.

3.	Keep the project activities focussed and identify niche markets within and outside Uttarakhand, explore aggregation/bulk marketing model.	CPD	Ongoing
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10. Jharkhand Tribal Empowerment & Livelihoods Project (JTELP) 879-IN

Summary of performance: A very slow performing project; project has completed staff and NGOs and TSAs recruitment; conducted the technical start-up; selection of project villages have been carried out. Formation of GSPECs and SHGs including Youth Groups have started in programme villages. Physical progress in new JTELP villages remain below AWPB.

The project disbursement after 24 months of project implementation is only 0.13% and hence the project is at high risk if it does not pick up pace immediately. Frequent elections like Panchayat, Assembly, Lok sabha elections are part of the reason for the delayed implementation but this is common across all projects and must be factored in the plans. The project is also facing challenges in recruitment of staff: there is poor response of selected candidates in joining JTDS and frequent resignation after joining. Performance of some of the FNGOs is also not up to the mark.

Innovations of National Interest: Nothing of note as yet.

	Agreed Actions	Responsibility	Timeline
1.	Audit Reports upto 31 st March 2015 is delayed beyond 6 months and to be submitted urgently to avoid legal notice to the borrower and the State. This may be treated as most urgent.	SPD	10 th December 2015
2.	Project to review its HR policies and revise/modify the Policy and prepare timeline for staff capacity building and remuneration issues to retain quality and committed staffs.	SPD	Immediate
3.	Prepare timeline for capacity building of NGOs and undertake periodic/regular review of NGOs performance, as per the terms of reference and deliverables. An effective contract management system to be put in place.	SPD	Immediate
4.	Clearly outline the expected lines of TSAs deliverables and to have regular interactive meeting with TSAs.	SPD	Immediate
5.	Project to take active role in avoiding overlap through SPCC and other official means.	SPD	On-going
6.	Project Expenditure as per AWPB projections to be improved to reduce disbursement lag	SPD	January 31, 2016
7.	Withdrawal Applications to be submitted as per the disbursement percentages indicated in the Cost Tables (Share of each financier). Project to note that cost table is only indicative to facilitate planning for investment; however costs should be as per actuals during preparation of AWPB and project should take decisions/records through its own management systems	SPD	Continuous

	for approval for any reasonable changes to the cost tables.		
8.	Baseline Survey to be done at the earliest and the M&E system to be put in place.	SPD	January 31, 2016

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