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India

Jharkhand Tribal Empowerment & Livelihoods Project (JTELP: Loan No. 879 – IN)

Supervision Mission, 16 to 22 October 2019

A. Mission Objectives and Key Conclusions

Background and main objective of the mission

IFAD fielded a Supervision Mission from 16 to 22 September 2019 in the State of Jharkhand, with the following objectives:

- (i) To perform the regular supervisory, accountability and fiduciary responsibilities in line with IFAD's direct supervision and implementation support policies.
- (ii) To review progress in the implementation of the recommendations of the last supervision mission.
- (iii) To provide support to the project team in identifying and resolving any bottleneck or emerging issues.
- (iv) To review the performance of the NGO partners of the project, the DPMU and SPMU staff, as part of the assessment of project management.
- (v) To review the project logframe and project guidelines as required.
- (vi) Review Project exit strategy and sustainability.

Following the SPMU presentation of the JTELP progress on 16 September 2019, the mission divided into three teams and travelled to the field from 16 to 22 September. It covered all fourteen project districts and visited 29 blocks out of the 32 blocks where the project operates, and 52 villages out of 1,780. In the field, the mission teams had interactions with GSPECs, SHGs, Youth Groups, FNGOs and the DPMUs besides their core interaction with participating communities.

The findings and recommendations of the draft aide-memoire were presented to the SPMU and DPMs on 24 September; and to the Secretary, Welfare Department, Ms Himani Pande, on 27 September 2019. The mission aide mémoire was discussed with Dr Prasanna V Salian, Deputy Secretary, the Department of Economic Affairs (DEA) on 9th October, 2019, and DEA provided its endorsement in writing on 21 November 2019. The mission would like to thank the SPD and other senior staff of JTELP for their courtesy and hospitality during the mission's stay in Ranchi and in the field. The mission would like to thank the SPD and other senior staff of JTELP for their courtesy and hospitality during the mission's stay in Ranchi and in the field.

Key mission agreements and conclusions

The mission congratulates the project for a turn-around in the performance of the sub-component 1.3 of the project related to support to PVTG communities and sub-component 3.2 on integrated production and marketing with special focus on intensification of crop production which started since last rabi season. The support to Barbati cultivation, a major crop for PVTG communities, has brought about transformational change in these communities and enabled them to reduce reliance on moneylenders for financing the inputs required for the crop, namely seeds. The Targeting Hard Core Poor initiative is enabling destitute SHG households to develop their asset base and graduate out of extreme poverty. Thanks to more participatory approach to planning the agricultural activities and to timely supply of inputs, the project is able to cover the full production system in the villages and reach out to 70% of the households. The on-boarding of the Technical Support Agency for agriculture (PRADAN Development Services) has enabled the project to train the Community Resource Persons and the farmers on simple agricultural techniques: seed treatment, row sowing, fertilization and bio-pesticides were well applied and farmers understood the basis for the selection of short and longer maturing varieties of rice. This is the first year JTELP experiments with direct seeded rice and farmers' response is very positive. The observations in the field show that the late onset of monsoon and long dry spells are impacting crop yield: water security is urgent and the mission recommended that the project addresses this issue through developing small scale irrigation and equipping it with solar power in collaboration with Indo-German Energy Programme - Promotion of Solar Water Pump (IGEN-PSWP), as well as stepping up soil and water conservation in convergence with MGNREGA.

These are very positive results from the last rabi and this kharif seasons, but they are insufficient to move the project out of problem status. As a result, the mission proposes to re-rate the project on development effectiveness and overall implementation progress after the rabi planting: in the event the project reaches its set target for rabi in terms of outreach and area under cultivation, the mission would consider that the project is on target to scale up its activities and achieve its objective.

The main factors still constraining JTELP performance are: (i) the scale of the interventions remains small and although JTELP is now able to cover the majority of targeted number of PVTG households, it just reached about 38% of tribal beneficiary households, as villages covered with integrated activities represent 30-35% of total project villages; (ii) the financial and physical progress against the AWPB 2019-20 is very low at 12% and the reason for this is that many engineering activities (shed construction, irrigation schemes, farmer service centers) as well as capacity building activities for the community organizations were planned in quarter 1 and 2, and not implemented. The SPMU should avoid planning such activities before and during the kharif season as the workforce of the project is fully focused on getting the kharif season and related technical training right, and this leaves little time for other activities which can best be implemented in quarter 4; (iii) the continued vacancies in SPMU and DPMUs which are limiting the implementation capacity of the project. This is also seen in the expenditures, which for the last 3 years have plateaued at 25 to 30 Crore INR/ year from the IFAD loan, and 12 to 14 Crore INR/year from SCA to TSP. This signals that current vacancies are limiting delivery. As a result, the IFAD loan is not likely to be fully utilized; (iv) at two years from completion, the community institutions and resource persons supported by the project are not yet self-reliant, and JTELP should firm up its exit strategy.

The mission would like to make the following 5 main recommendations:

Actions	Responsibility	Deadline
Re-assessment of project effectiveness and implementation performance after rabi sowing - IFAD and Welfare Dept to re-assess progress in scaling up JTELP activities and results achieved after rabi sowing	Welfare Dept/IFAD	December 2019
Water security - JTDS to enter into a cooperation agreement with GIZ's Indo-German Energy Programme - Promotion of Solar Water Pump (IGEN-PSWP), a bilateral technical measure mandated to support sustainable deployment of solar water pumps.	SPMU	October 2019
Improve the human resources available to JTELP - Fill the vacant position immediately (ensure effort to recruit female staff), and if required hire the manpower agency that JSLPS works with - Finalise the staff performance assessment - Finalize the application of the revised salary scale for JTELP	PD	November 2019
Reallocation of IFAD loan resources to category IV and partial cancellation of the loan - Category IV of the loan is overdisbursed and JTELP should submit a request for re-allocation to DEA for approval; and about 15 million USD of the IFAD loan are projected to remain unutilized and should therefore be cancelled (see annex 1 for proposal).	Welfare Dept/DEA/IFAD	November 2019
Exit strategy of JTELP - JTELP needs to draft the exit strategy that will turn community institutions and resource persons more self-reliant and autonomous in accessing support services.	SPD/APD	March 2020

B. Overview and Project Progress

Component 1. Community Empowerment

Rated as moderately satisfactory (4) against 3 last year.

Sub-component 1.1. Promotion of Self Help Groups (SHG) and Youth Groups (YG)

Rated as moderately satisfactory (4), equal to last year. The mission heard powerful testimony from SHGs about how they no longer rely on moneylenders. YGs are active on social and economic fronts and the work is recognized by the State Government through additional seed capital allocation of INR 25,000 from the Chief Minister.

From 5,500 SHGs planned, 5,265 were formed. 5,221 opened an account and 4,938 received seed capital (INR 5.43 cr.); 64,432 women are SHG members; 10% of the SHGs is exclusively PVTG. Since 2017, JTELP coordinates with Jharkhand State Livelihood Promotion Society (JSLPS) the hand-over of 4,055 SHGs. JSLPS has not been able to continue support to all SHGs, manifested in SHG books not always updated or available. Inter-loaning is suitable, as women can select what to use it for. The rate is 2% per month instead of 10%

charged by moneylenders. Repayment schedule is adapted to the needs i.e. per month or upon harvest. The rate of inter-loaning stands at 50% of savings at a repayment rate of 28%. About 37% of SHGs are Grade A, 53% Grade B, and 10% Grade C. High percentages of defunct JTELP SHGs were reported in villages where only entry point activities (EPAs) and Gram Sabha Project Executive Committee (GSPEC) formation were implemented with no livelihood activities at scale.

SHGs are often reluctant to spend the seed capital, explaining the low inter-loaning rates. It is frequently spent on non-productive purposes, and on activities that are familiar, leading to SHGs in one village selecting the same activity whereas for profitability, it would be better to diversify. JTELP should coordinate with JSLPS to share information on successful SHG enterprises within the project and outside.¹ Business management training can help the women understand the potential and risk of income generation.

739 out of 800 YGs planned were established and 683 have opened a bank account and were given seed capital at a total of INR 2.05 cr. 23% of the groups are female, and there are 14 mixed groups. JTELP support was uniform, even if groups had different needs, like Kishori groups (15-18 years of age), who are in need of different activities as compared to working youth. They could be engaged in raising community awareness and sports activities. Although recommended last year, the action plan for youth was not systematically implemented in the different blocks. 40% of the seed capital of YGs is currently unutilized.

Subcomponent 1.2. Building capacity of Community Resource Persons (CRPs), GSPECs and staff of Facilitating NGOs (FNGOs) and the Jharkhand Tribal Development Society (JTDS)

Rated moderately unsatisfactory (score=3), equal to last year. Of training planned, less than 18% of target was achieved. Given the upcoming election and code of conduct, it is unlikely that the target will be achieved, unless corrective measures are taken. The Technical Support Agencies (TSAs) have trained CRPs, CFs and GSPECs. The GSPECs were trained by CRPs and CFs, but still need handholding support.

CRPs are instrumental to the progress in villages, and additional tasks could further benefit this, like in engagement in GSPECs described below and in basic literacy training. The CRPs are already overburdened, so it would be good to re-benchmark the number of villages and HHs per CRP and recruit new CRPs dedicated to certain roles (such as agriculture extension, support book-keeping of community organizations) and further train CRPs.

The project planned training and exposure visits for JTDS/FNGO staff but there was no detailed plan on topics, participant number, areas for exposure visit and responsible people.

Subcomponent 1.3. Special support to the PVTGs

Rated as moderately satisfactory (4), up from 3 last year. The JTELP intervention in PVTG villages is now substantive. The support to Barbati cultivation, food crops, fruit trees, livestock intensification, and the Targeting Hardcore Programme (THP), targeting PVTG communities, are set to have a transformative effect on PVTG livelihoods. The barbatti cropping area was 12,000 acres, and 4,000 beneficiaries were reached. Income earned is about 6000 Rs/ household, which helped free them from money lenders which was the main objective of this support. Also, part of the harvest ends up on their plates. The project offered an MSP of 45 Rs/ Kg for the Barbati crop (10Rs higher than market price) whereby producers would sell at this price to youth groups who in turn would sell it for a mark-up on the market. However, the youth could not obtain a remunerative price on the market, and this transaction resulted in losses. The main lesson is that involvement in marketing transaction needs careful planning and assessment of market trends: one advantage with collective marketing is reduction of transport costs and better bargaining thanks to larger volumes. MSP was not required in this case.

The THP programme is under implementation in 4 districts of Santhal Pargana with an objective to graduate 5000 PVTG households out of extreme poverty. The THP is in its early stage: the beneficiaries, all poor women, have already been identified, enterprises selected and assets transferred. Periodic mentoring is under way. Enterprises include petty shop, livestock rearing (goat and backyard poultry), sal plate making, etc.. Women selected 2-3 different activities. The Welfare Dept requested and the mission agreed, to scale up the THP to the single women headed households among the Scheduled Tribe communities of Saraikela, Ranchi, Khunti, Gumla, Lohardaga and Latehar districts. Accordingly, the Welfare Dept will share a proposal with IFAD to make best use of the remaining implementation period.

PVTG HHs were supported with horticulture (2,000 HHs in 2018/19, 8,000 HHs in 2019/20). Also, 121 beneficiaries are engaged in papaya plantation. The PVTG women received assets for starting IGAs such as tailoring, grocery shops and leaf plate making. PVTG SHGs receive double the amount compared to non-PVTGs (INR 20,000 resp. 10,000)

5,000 solar lanterns were distributed to support women in cooking and children to study. It diminished health risks and saved costs for kerosene lamps. Still, there are difficulties in estimating the number of operational solar lanterns and assessing beneficiary satisfaction. Discussions with Jharkhand Renewable Energy Development Agency (JREDA) indicate reluctance to initiate a tender for solar lanterns. JREDA has an outstanding amount of INR 23.35 Lakh which JTELP can use for solar lanterns or solar pumps. The mission recommends to not

¹ For instance from OPELIP. Examples are plant nursery, food processing, mushroom cultivation, weaving

distribute Solar Home Systems, as initially recommended, given limited after-sales services and incremental risks posed from improper battery disposal.

Component 2. Integrated Natural Resources Management

Rated overall as moderately satisfactory (4) against 3 last year.

Subcomponent 2.1. Community Mobilization

Rated as moderately satisfactory (4), from 3 last year. 1,718 GSPECs (97% of revised target) were formed with 18,867 members (45% women) and bank accounts opened in 1,616 villages. 1,202 Gram Sabha Resource Management and Livelihood Plans (GSRMLPs) were approved. 1,254 villages received Village Development Funds (VDFs) totalling INR 17.9 cr. 253 villages will receive the funds this year.

Not all GSPEC members attend meetings regularly. The VDF is not utilized as per guidelines and GSPECs hardly invest the VDF. Some invested money in livestock and repaid and most put it aside for future maintenance and repair. The VDF is not meant for financing collective or individual loans. While maintenance/ repair is agreed for use of the fund, procurement of assets and services for the community was foreseen (e.g. agricultural and processing equipment). This would help aggregate produce or agri-inputs, add value, improve marketability and increase income. The GSPEC board members are unaware of this, and of the potential to generate income to build capital for repair and maintenance.

Exchange visits for GSPECs and CRPs must be organized. GSPECs, YGs and CRPs were trained on bookkeeping and leadership, and similar topics were proposed for the current year. The project has to conduct training need assessment and formulate training topics. 133 Social Audit Committees have been recently formed (78%) but these are still in training.

Subcomponent 2.2 Land and Water Resource Development

Rated as moderately unsatisfactory (3), equal to last year. There were no trainings in integrated natural resource management (INRM) out of 64 planned for GSPECs/ CRPs and no exposure programs of the 32 planned for PECs/PRIs. For 2019/2020, the claimed MGNREGA contribution (42% of target) needs clarification; SCA –TSP's contribution is only 7%. In total, for land and water management, INR 243 cr. is expected from MGNREGA in 1,350 villages and INR 18.30 cr. from SCA-TSP for irrigation in 1,330 villages. The project has reported works in 1,244 villages involving MGNREGA funds amounting to INR 169.33 cr. (70% of target) and SCA-TSP funds totalling INR 10.49 crores (57% of target). It is not clear if the financial figures refer to overall works undertaken in the indicated villages or only to natural resource management (NRM) works aligned with the GSRLMPs.

The JTLP recognizes that it needs to step up soil and moisture conservation works. In addition to GSRLMP, a more detailed planning is now required based on the local topography to prepare shelf of works to match local specificities. The JTLP proposes to expand the scope of work of PRADAN to cover NRM issues.

Irrigation facilities were installed in 78 villages only (12% of target); 32 shallow wells were achieved at 23% of target; actual expenditure for irrigation facilities was only 3.3% of plan (INR 22.40 cr.) and for shallow wells 14% (target of INR 42 lakhs). Beneficiaries noted significant benefits of water harvesting structures and irrigation facilities, but these are few and far between, and there is no noticeable impact at village level. A "saturation" approach must be adopted. Everywhere, people complained about water shortages for both drinking and irrigation. This problem can be remedied by adopting soil and water conservation (SWC) measures for in-situ water harvesting to improve the soil moisture regime and recharge ground water.

Such measures must be implemented on a "ridge-to-valley" basis with priority to soil conservation over water harvesting measures. This includes contour/staggered trenches, water absorption trenches, contour stone bunds, farm bunds, and compartment bunds. Drainage line treatments include gully plugs, earthen bunds, gabions, underground and surface weirs. SWC works, especially farm and compartment bunds, undertaken on a "saturation" basis, would significantly increase rain water capture, benefitting most people.

Subcomponent 2.3: Productivity enhancement and crop diversification

Rated as moderately satisfactory (4), up from 3 last year. Out of 64 FSCs targeted, 48 have been constructed and the rest are under construction. 40 FSCs have received partial sets of equipment for custom hiring equipment. The project has not implemented the 2018 supervision mission recommendation on FSC fee-based management. Different models of FSC management were seen: set up of a FSC committee, SHG or CF in charge of management. The machinery is focused on transplanted rice and supply of weeders for dry seeded rice were delayed. The service fee charged is very low (INR 5) and the expected revenue is about INR 300/ month, which is well below capacity.

PRADAN trained 40 project coordinators and Community Facilitators (CFs) as Master Trainers. In addition, during Kharif season 143 CFs and 27 PCs were trained on direct seeded rice, raised bed nursery, seed germination, and Integrated Pest Management (IPM). In addition, 273 CRPs were trained on crop practices and plant protection. Training modules were designed in simple local language using pictorial representations. This helped the CRPs to disseminate knowledge to farmers more easily increasing the outreach. ASSET&W trained 130 community animal health workers (CAHWs) on livestock management and treatment. Out of these, 45 women work in JTLP.

Component 3. Livelihoods Support

Rated as moderately satisfactory (4), against 3 last year.

Subcomponent 3.1 Support to IGAs

Rated as moderately satisfactory (4), against 3 last year. The project has achieved only 25% of outreach target and the financial target of IGA income was not achieved due to high mortality and poor feeding. During the last rainy season the mortality rate had significantly decreased. This is attributed to mass de-worming and vaccination of animals and birds and administering stress reduction drugs to the newly inducted animals and birds, helping reduce transit related stress.

The villages appreciated the CAHWs or Pashu Sakhis, who were able to share the knowledge from training. CAHWs were trained on one module out of five. Livestock population is stable, there is a good uptake of *Azola* production, awareness posters are displayed visibly, and training manuals distributed to CAHWs. Issues include: (i) only 59% sheds have the intended number of herds fully financed by JTELP; (ii) no segregation of animals based on condition and sex; (iii) no service based model for Pashu Sakhis for feed production/vaccine services. The project should encourage CAHWs to charge fees for their services to enhance motivation for community support, as a promising sustainable service-based model. Refresher trainings should include schedule of vaccination, shed management, rearing and feeding practices, waste management and facilitation skills; (iv) improve goatery and piggery sheds to ensure waste management and rainwater harvesting collection methods given future intensification of livestock activities; (v) block/district level consultations needs to address vaccines storage throughout the year (considering solar energy at panchayat/block level and in farmer service centres). JTELP is considering expanding the role of ASSET&W and the contract can be revised to ensure larger village coverage.

The project should support the adoption of biogas in goatery/piggery sheds and breeding centres to enhance mixed crop-livestock systems; waste of animals would become resource for biogas digesters and bioslurry can significantly increase agricultural production.

Subcomponent 3.2 Integrated Production and Marketing Support

Agricultural uptake has changed since Rabi 2018-19 and the appointment of PRADAN in March 2019. A well-designed participatory strategy was developed, based on inputs from senior agronomists and PRADAN, and deployed based on farmers' engagement, providing them and FNGOs and CRPs with training and on-site support. During Kharif 2019, a campaign was launched, reaching 616 villages covering 68,100 acres and 47,321 farmers. It was noted that (i) in villages where it is implemented, intensification of agriculture covers over 80% of HHs and each HH benefits from support upland and lowland fields; (ii) seeds and fertilizers support is largely subsidized and the supply to villages organized by JTELP; (iii) there was water stress in direct seeded rice planted in upland areas and in transplanted rice in lowlands, which is likely to reduce yields. Despite this, farmers expect a net benefit since most of the upland was not cultivated previously during kharif. The harvest is set to boost food security at HH level.

The crop productivity is expected to increase from last year, and there may be surplus produce for selling. Yet, there is little effort going into supporting the beneficiaries to sell their produce or improve access to markets. Food processing is not pursued either.

Subcomponent 3.3 Innovative Interventions

Rated as 4, equal to last year. A total of 20 biogas units were set up. Rather than concentrating them geographically, they were installed in all districts, making after-sales services provision costly and time-consuming. Farmers' targeting was not appropriate as HHs were targeted with 3-4 cattle rather than prioritizing districts with the highest number of piggery sheds/breeding centres and a willingness to pay cash or in-kind. The prohibitive cost of the Deenbandhu model installed remains a challenge. The cost of a biogas plant is INR 71,000 (INR 33,000 for raw materials and manufactured items, INR 28,000 for construction and INR 10,000 for service charge). Awareness on biogas benefits (especially bioslurry) was limited. The mission recommends JTDS to identify piggery sheds and breeding centres to adopt biogas as a waste management tool to improve community sanitation. Awareness raising on piggery shed management (daily cleaning, improved sheds, rooftop water harvesting) is also required.

In total, 1,000 improved biomass cookstoves (IBCs) at INR 1,175 each were distributed. The women beneficiaries appreciated lower fuelwood use, reduced smoke emissions, and adequate cooking time. The IBC promotion is a sustainable alternative, compared to other clean cooking fuels. Only a few beneficiaries were regularly using LPG stoves from Ujjwala Yojana. The scheme was less successful due to: (i) high upfront refilling costs; (ii) distant supply points; and (iii) traditional firewood use practices.

There is potential to use solar powered irrigation systems for beneficiaries' needs. Solar water pumps promotion can be integrated within existing ponds and wells, small-scale irrigation, horticulture production, nutrition gardens and water for livestock. As JTELP is considering setup of mother units and intensification of livestock husbandry, solar energy can be used for incubators and vaccine storage. GIZ promotes solar energy application in agriculture in Jharkhand and can provide technical assistance to pilot solar powered irrigation, which is explained in the technical note that will be annexed to the supervision report.

Actions	Responsibility	Deadline
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1. SHGs stronger and more diversified engagement in livelihood activities <ul style="list-style-type: none"> - Assess and document successful examples of SHGs' engagement in livelihood activities and share these with all SHG members - Provide the SHG women with a simple business management training, based on options for their village - For the 1,210 SHGs not yet handed over to JSLPS, JTLP will be responsible for the activities, for the others it will be under JSLPS 	JSLPS, with support from JTLP	April 2020
2. Strengthening Youth Groups <ul style="list-style-type: none"> - Train the YGs (to enable them prepare their own development agenda incorporating: (a) social action plan; (b) culture & sports action plan; and (c) economic improvement action plan). - Seek support from resource people including from Nehru Yuva Kendra Sangathan (NYKS). - For Kishori groups, explore collaboration with the World Bank funded TEJASWINI project. 	SPD, DPMU, Gender Officers	Ongoing
3. Number and quality of CRPs to ensure quality implementation <ul style="list-style-type: none"> - Assess the number of households and villages that each CRP is responsible for and revise the benchmark, and recruit new CRPs accordingly. 	SPMU	December 2019
4. Disaggregation of MGNREGA funds <ul style="list-style-type: none"> - Activities and funds reported as converged from MGNREGA and SCA-TSP, etc., should be disaggregated (from the start of the project to end August 2019) and only those in line with the GSRLMP-related NRM activities should be reported 	SPMU	October 2019
5. Appropriate workplan livestock sheds <ul style="list-style-type: none"> - Develop a work plan to improve poultry/goatery/piggery sheds include rainwater harvesting and waste management methods (composting/biogas units). Shed remodelling works to be financed by beneficiaries 	SPMU, DPMU, Heifer	March 2020
6. Feed and fodder production and composting units <ul style="list-style-type: none"> - Start feed and fodder production i.e. <i>Berseem</i> (leguminous fodder) for pig and goats and concentrate feed for goat, pig and poultry - Provide composting units in all sheds and breeding centres - Support training on composting in all districts/villages where there is an intensification of livestock activities 	Heifer, SPMU, DPMU, FNGOs	November 2019
7. Populating livestock sheds <ul style="list-style-type: none"> - ASSET&W to map the sources of supply of desi and improved breeds adapted to the local conditions, including potential supply from the breeding centres established by WB-funded JOHAR. ASSET&W to work out a shed populating action plan for each block. 	ASSET&W and JTLP	December 2019
8. Improve biogas implementation / inclusion <ul style="list-style-type: none"> - Amend contract with Punjab Agricultural University to include an additional 18 biogas units, to be installed in piggery sheds/breeding centres. Technical details will be provided in annex to supervision report. 	SPMU, DPMU, FNGOs, Punjab Agricultural University,	December 2019
9. Improve IBC implementation <ul style="list-style-type: none"> - Extend the contract with Sardar Patel Renewable Energy Research Institute (SPRERI) until December 2021, and increase the target of improved biomass stoves from 3,000 to 5,000 in areas where Ujjawala Yojana scheme is difficult to implement. 	SPMU, DPMU, FNGOs, SPRERI	October 2019 / December 2021
10. Improve solar pump implementation <ul style="list-style-type: none"> - Sign a cooperation agreement with GIZ's Indo-German Energy Access (IGEN) - Promotion of Solar Water Pump (PSWP) project. 	SPMU, DPMU, GIZ, FNGOs	October 2019
11. Revise the TSA contract <ul style="list-style-type: none"> - Amend the current contract with ASSET&W to cover larger number of project villages for livestock intensification - Amend the current contract of PRADAN to provide additional support related to NRM 	SPMU	15 November 2019
12. Targeting Hard core Poor (THP) <ul style="list-style-type: none"> - JTDS/Welfare Dept to submit proposal for scaling up THP among ST communities 	SPMU/Welfare Dept	15 November 2019

C. Project implementation

i. Effectiveness and Development Focus

Development Effectiveness

Justification of rating

Rated as moderately unsatisfactory (score=3), equal to last year. The assessment of the results of AOS from 2015 to 2018 point to improved performance of JTELP in terms of HH income improvement and food security. The JTELP is operating in 32 blocks all 14 tribal sub-plan districts, and covers currently 169 Gram Panchayats. To date, 1,718 GSPECs were established so far, exceeding the initial target of the project and this is explained by the fact that since MTR, the project covers all villages within a Gram Panchayat. The project now reaches to 196,646 households out of 215,000 households in the targeted Gram Panchayats, and 95% of households reached are from tribal communities. The main issue is that although JTELP seems to be improving its performance overall, this is only felt in 30-35% of the villages it covers where it is implementing integrated activities. The main challenge of JTELP is to achieve the scale required in its objective, ensure better returns from livestock activities, and ensure equity and sustainability in use of natural resources (especially small-scale irrigation/water harvesting infrastructure). As JTELP has a gradual approach for reaching the scale of 150,000 HH by this rabi, the mission suggests that the rating for effectiveness may be reviewed again in December 2019, based on progress in the rabi season. The target of 10,000 PVTGs will be met thanks to the THP which reaches out to 5000 households and expansion of agriculture intensification in PVTG areas which this year is set to reach 8000 HH.

The objective of JTELP is to empower and enable 136,000 tribal households including 10,000 PVTGs households to take up livelihood opportunities based on sustainable and equitable use of natural resources. Based on the RIMS reporting for FY 2018-19, 103,500 households increased their income including 4000 PVTG households who participated in the cultivation of Barbaty during the last kharif season. The number of total households however seems on the higher side as the project is only implementing integrated activities of agriculture and livestock intensification, combined with developing irrigation potential in about 35% of the villages covered by JTELP so far. The estimate based on AOS would be that in these villages, 68% of beneficiary households are reporting increase in income. For these households, the results of the AOS conducted from 2015 to 2018 point to a degree of socio-economic mobility : (i) households with less than 1700 Rs average monthly income decreased from 53% to 18%; households with monthly income in 1700-5000 Rs bracket have increased from 45 to 55%; (iii) households with monthly income from 5001-9000 Rs increased from 2 to 21%; and households with a monthly income exceeding 9000 Rs stand at 6% in AOS 2018. In comparison, non beneficiary households have suffered an overall reduction in income.

For beneficiary households, the AOS suggests that the increase in income comes from the diversification of the sources of livelihoods and better incomes from agriculture. Reliance on wage labour is reducing but the income from wage labour has improved. This proves that the activities being undertaken by JTELP are effective in reaching the dual objective of better HH incomes and improved food security which increased from 65% in 2015 to 88% in 2018. In non-beneficiary households in control villages, the survey reveals that food security declined alarmingly from 72% to 66%. In terms of equity and as suggested in the section below on poverty targeting, JTELP should promote revenue sharing arrangements resulting from project funded assets and recommend a ceiling to ensure fairness to all stakeholders.

Since last rabi, JTELP is demonstrating how agriculture can be intensified by taking up cultivation of hardy crops (such as horse gram, linseed, grasspea) in tanr land which was otherwise left uncultivated. Intensification comes with a simple package of practice consisting of selection of adapted varieties of crops, seed treatment, line sowing, chemical fertilization and application of bio-pesticides. Supplementary irrigation is recommended when water is available. This increased intensification yielded an additional income of 10,000 Rs/acre on average to 16,600 HH approx. The project has set itself the challenge of reaching 68,100 acres this kharif and 86% was achieved corresponding to 55,300 HH. In rabi of this FY 2019-20, the JTELP is further increasing outreach to 150,000 producers in 100,000 acres.

Log-Frame Analysis & Main Issues of Effectiveness

Progress against logframe outcome indicators is as follows:

Outcome 1. 122,400 tribal households from highland benefit from increased food production, greater participation and returns from improved rainfed farming practices. 41,177 HHs (37%) of the target highland and upland farmers adopted improved technology and in situ water-harvesting measures. Income increase per HH / year was reported as INR 5,445 against the plan of INR 2,075; the average yield was expected to increase from 1,624 kg/ha to 2,070 kg/ha; currently it was reported as 1,987kg/ha; 46% Households reported an increase in production. With regards average cropping intensity increasing from 75% to 105%, JTELP is not yet tracking and reporting on this indicator.

Outcome 2. 26,640 households in lowland benefit from improved village irrigation facilities. 10,024 HHs (38%) benefited from improved village irrigation facilities in the lowlands. 27% reported increase in farm yields against the plan of 40%. The command area under irrigation is currently estimated at 3095 acres (cumulative command area of ponds, shallow wells and irrigation wells). Currently 1202 villages out of target 1330 villages have irrigation infrastructure. In its AWPB 209-20, JTELP is planning to install irrigation in 640 villages and this activity must be taken on mission mode in Q3 and Q4, to complement greater focus on vegetable production in rabi season and need for supplementary irrigation, even for lowland (don lands) in kharif given dry spells. With

availability of irrigation, cropping intensity is expected to reach 123% but this indicator is not yet tracked by JTELP.

Outcome 3. 42,650 households benefit from market-linked, commercial production and livelihoods activities. The bulk of the beneficiaries under this component are those benefitting from the intensification of livestock activities and who are estimated at 6,308 households so far (households who were provided with herd and sheds). However, the income earned from the livestock activity does not exceed 5,000 Rs/ year and this represents 10% of the targeted income. The main reason for low earnings is the high mortality of adults and kids especially among goats and pigs. The project is currently working on stabilizing herd population by engaging in periodic campaigns of vaccination and de-worming with support of ASSET&W, the agency hired for technical support on animal husbandry. The project also launched mangoes and papaya clusters: for mango, the mortality of the seedlings is very high (75%) ; and for papaya, the investment costs are high in view of current level of return from first harvest. The project launched vegetable clusters in kharif in FY 2018-19, and the supervision mission advised to discontinue such activity due to disease burden. The project supported vegetable production in rabi on 966 acres and earnings varied from 26,000 to 37,000 Rs/acre. The expansion of vegetable production is set to accelerate with expansion of irrigation and planned support from International Potato Centre for growing potato under contract farming arrangement. The mission suggests that the target for commercial production may be revised downward: the project current strategy is to intensify and diversify crop and livestock production with focus on food security, improved agricultural productivity and adoption of good agricultural practices. Commercial crops will be taken up where irrigation and market potential exist.

Development Focus

Targeting and Outreach

Rating: 4

Justification of rating

Rating is moderately satisfactory (score =4), equal to last year. JTELP overall manages to reach out to poor tribal families, and THP had helped re-establishing the target and outreach when it comes to ultra-poor, women-headed PVTG households. Four thousand out of the targeted 5,000 were reached with the first interventions. In general, having more capacitated CRPs in place would help reaching out and ensure the capacity issues are addressed. In a few cases, slightly better-off villagers would benefit from cluster agriculture or leading the GSPEC board.

Main issues

All targeted beneficiaries live in the geographical area as intended at design (14 Tribal Sub-plan Districts). Activities and assets reach the target group as foreseen, which was characterized as STs, PVTGs, women-headed households, rural youth and families living below the poverty line. Even if no hard data are collected on the income situation of targeted households, the mission observed sufficient evidence that the majority of the target group was poor to very poor, the latter especially when coming from PVTG households.

SHG members in PVTG were very poor, often, all members were illiterate, an indication of their poverty. In one of the PVTG HHs, the group was discontinued since even 10 Rupee savings per week was too much. After JTELP took off, they had income from agriculture and restarted the group. Now the same group owns a power tiller.

THP targets especially households among PVTGs, where women are breadwinners, are virtually landless and have little or no other source of income. These women and their households are supported with assets and capacity building to start their own enterprises. The women get to choose the type of income generating activity they want to implement and for this they receive assets. In the majority of cases, the same village is covered by regular JTELP activities, and women are members of SHGs. The THP is supported by Bandhan-Konnagar, an NGO with experience in this approach. The implementation as seen by the mission was good, and the Participatory Rural Appraisals that were used to guide the selection were of good quality and recognised and supported by the beneficiaries.

Outreach to youth is specifically achieved through working with Youth Groups. There is a need to clearly demarcate the approach in certain age brackets though, since most of the groups consisted of participants above 18, but some of them were formed by adolescents, who were still in school, and cannot be targeted with income generation at risk of missing their education.

The mission noted certain instances of elite capture. In a few GSPECs better off, more educated and thus stronger men would take the leadership and use it to their benefit. Quite a large number of the water harvesting structures have been found availed by the relatively more influential and better off persons in the village with men being the largest recipient of such structures. It was also observed that the beneficiary contribution of 10% of labour costs for water harvesting structures was largely recovered from the wages of labourers and mostly not paid for by the owner. This was not intended by project design, and it becomes particularly objectionable when the beneficiaries take undue advantage of the created asset. For example, some owners of ponds, have demanded as much as 50% of the produce, and a land owner had asked the YG raising goats for 25% of the net produce.

Actions	Responsibility	Deadline
13. Nature of revenue sharing - Review the nature of revenue sharing arrangements resulting from project funded assets and recommend a ceiling to ensure fairness to all stakeholders.	SPMU/DPMU/ FNGO	November 2019

Gender equality & women's participation

Rating: 4

Justification of rating

Rated as moderately satisfactory (score=4), equal to last year. JTELP has a strong focus on poor and tribal women and strives to close the gender gap by strengthening their empowerment through SHGs and in GSPECs, by capacity building, increasing their income and by strengthening access to assets. There is a risk however that their work burden further increases. Though women mostly participate at least equally in capacity building, a few issues were observed, including on awareness about government schemes. The proportion of women among the staff implementing JTELP is very far below the 50 per cent recommended by the Gender Strategy.

Main issues

JTELP has recently developed a Gender Strategy (2019). The strategy highlights, that 57% of agricultural labourers in Jharkhand are women. Their work burden is larger than men's, even more so if household work is included, at 14.9 against 9.1 hours per day. JTELP provides women equal or at times even better opportunities than men to benefit, supports them with empowerment, capacity building, income generation and increase in productivity, and women's access to (agricultural) assets has increased as well, even though ownership of land, which is mostly in the hands of men, is not a focus area of the project. Decreasing the work burden is addressed with providing cookstoves and access to biogas, however, there is still a risk that the work load will further increase. In one of the villages, the SHG members could not work with their seed capital since they were too busy, which included other JTELP supported activities. The project should therefore be careful not to increase women's drudgery.

SHGs have helped building women's empowerment in terms of speaking up and decision-making. In the board of the GSPEC, JTELP has set a quota of 50% for female participation, and it was estimated that 40% was achieved. In the three key positions, one (usually treasurer or secretary) was always taken by a woman, as per quota. SHG women regularly participate in GSPEC meetings, but they do not speak up often and mostly come to obtain information, which they say is useful to them.

Among youth groups, 77% has male members only. If compared to SHGs, the youth groups in most cases have a more business-like approach, they have a better task distribution, they make more profit and they have invested a larger proportion of their seed capital and savings. Women members of SHGs seem more hesitant, they tend to invest in education, health and household expenditure rather than in productive assets, and they are less aware of what is possible. More exchange with youth groups (in areas where these are operational) as well as introduction to business management and successful examples of suitable small enterprises could help the women overcome this constraint (see above). Also, it would be good to promote women's participation in youth groups more strongly.

Women participate equally in agricultural activities and they are equally targeted in training. Nonetheless, it was found that in a PVTG village, only men were trained, since "women were shy to come forward", which is something that should not happen. Moreover, awareness among youth groups is raised on government schemes (see section on human and social capital). On the other hand, among trained CRPs, 78% is female, and all trained Community Animal Health Workers are female.

Even though JTELP has a strong focus on women, and the Gender Strategy prescribes having 50 per cent female staff, the proportion of women among the staff in SPMU, DPMUs and FNGOs is extremely low. More effort should go into achieving equal representation in the JTELP workforce.

Actions	Responsibility	Deadline
14. Do not increase women's drudgery - Promote solutions for child nurseries as a pilot in areas with FSCs - Consider mechanizing threshing and milling with the increase in rice and other cereal production - Assess provision and use of labour saving equipment for women	SPMU, DPMUs, FNGOs	November 2020
15. Increase female proportion of staff - When recruiting new candidates for the still unfilled vacancies and in future, strengthen the effort to find female candidates. If candidates are equally suitable, always select a woman. - Engage women in selecting new staff in general and in particular for the vacancies that still need to be filled - Help female staff to find solutions to implement JTELP activities that suit their needs - Ensure contracts, job descriptions and labour conditions are gender sensitive	SPMU, DPMUs, FNGOs	Continuous

Agricultural Productivity **Rating: 5**

Justification of rating

Rated as satisfactory (score=5), against 3 last year. An effective strategy was developed that includes identifying the resource base and farmers' challenges, building on their traditional knowledge, farm/ parcel-specific crop selection planning and training to farmers, CRPs and FNGOs. Demonstrations of 4-5 types crops were done in each district based on suitability and community preferences. Farmers expressed appreciation for the Kharif planning and hands-on-training approach. As a result, the POP and specificities of seed varieties are better understood. This is in stark contrast to last kharif season, where promoted crops were decided in a top-down fashion, limited training was provided, and implementation was not technically sound.

Main issues

540 out of 768 training events to be conducted during the year, were done. Against a target of 40 Master Trainers (PCs/CFs), 170 (143 CFs/ 27 PCs) were trained (+325%). On average, each PC and CF was exposed to 10-12 days of training. Against this year's target of 100 CRPs, 273 (+173%) were trained on different crop practices and plant protection measures. Each CRP was exposed to about 9 days of training. Trainings have been conducted both in classrooms as well as on field. Paddy demonstrations were undertaken at scale (on 0.80 acres/ family). A total of 6,074 farmers (60% female) were engaged. The impact – though the target this kharif was to bring 65,000 acres under improved cultivation practices and despite poor rainfall in most project blocks - a notable 58,619 acres was covered.

These efforts are showing results. Farmers are more aware of and are increasingly using improved practices and integrated nutrient, pest and disease control measures for plant growth and protection. Wherever water harvesting structures and wells have been created, area under cultivation and productivity has increased and crop diversification occurred.

Farmers who adopted the line sowing method of paddy cultivation have reported an average per hectare production of 4.69 tonnes, 2.6 times more than in 2016-17.² Those growing paddy using traditional methods say productivity declined from 2.9 tons/ha in 2017-2018 to 2.5 tons/ha (14%), mainly due to drought. The results of this year's Kharif campaign are not yet due, but from what is observed in the field, they should be promising.

JTLP supplied barbatti seeds and inputs to the PVTGs, enabling them to break their dependence on trader-lenders who advanced them these as loan before the rains and recovered it at usurious interest rates against the produce at harvest time. The sales of 546 tonnes of barbatti at market prices fetched the PVTG farmers INR 2.06 cr. – much more than they would have otherwise got.

Orchard development has not been successful. Targets have been achieved in the case of crop and vegetable cultivation and trainings; in regard to apiculture, 90 HHs have benefitted from trainings (18% of target) and the rest will be covered post kharif.

For papaya, an exotic variety (Taiwan Red Queen) has been promoted. Mortality has been high (36%) due to pest/ disease attacks. JTLP may consider growing locally adapted varieties such as Jharkhand Papaya. The costs of establishing such plantations are high – an investment of INR 6,74,500 for 5 acres established in April/May 2018 yielded a revenue of only INR 57,000. The viability and continuance of the scheme must be assessed.

The challenges to be urgently addressed are:

- (i) A separate village level cadre (Krishak Mitras - KMs) is needed as CRPs are fully engaged. Mission recommends 3 KMs per GP (total 507) be appointed on par with the existing CRPs.
- (ii) Efficient market linkages and a coherent marketing strategy involving CFs, CRPs, KMs (if approved), PSs/ YGs, SHGs, are necessary to realise better prices. This should address the challenge to sustain remunerative returns to farmers growing barbatti (and papaya) post project. The TSA shall lead this effort supported by JTLP.
- (iii) Currently, JTDS is driving the agriculture program – it procures and supplies all key agricultural inputs and facilitates market linkages. The Pashu Sakhis/KMs/ CRPs can be trained to become agri-entrepreneurs to provide these services for a fee - supplies of inputs, aggregation, advisories, and market linkages. The TSA shall lead this effort supported by JTLP.

Actions	Responsibility	Deadline
16. Finalise the Rabi Plan at the earliest drawing upon lessons learnt	TSA supported by JTLP	Mid October 2019
17. Appoint Krishak Mitras (3/GP-507 in all) and identify revenue generation model that will sustain their activities post JTLP completion	JTLP/ SPMU	Mid October 2019
18. Train interested KS/CRPs/SHG/ YG on trading and marketing agri-produce on pilot basis and assess based on the lessons learned	TSA supported by JTLP	December 2019

² AOS:2018-2019 and MTR Report

Nutrition **Rating: 3**

Justification of rating

Rated as moderately unsatisfactory (3), up from 2 last year. JTELP approaches improving nutrition through creating the availability of and access to, a more diversified diet though more diversified own production or production at village levels, which looks like it is gradually being taken up. Food security has strengthened as a result of agricultural production and diversification. There is nonetheless a need for more nutrition specific activities, including already tested successful local approaches and stronger collaboration with Anganwadi Centres.

Main issues

Malnutrition is a serious issue among rural children in Jharkhand, as 71% of children (6-59 months) suffer from anaemia and 49.8% are undernourished.³ The target group of JTELP is therefore the right one to address nutrition issues. The approach to improving nutrition of JTELP is through access to and consumption of more and more diversified food items. Some SHG members reflected that the increased “hard cash” income enabled them to spend more on nutrition. Ponds are often used simultaneously for irrigation and fish farming; thus they help improve crop production as well as provide fish for diets or sales. The project had supported nutrition gardens, which only lasted one season and were discontinued by beneficiaries. Nonetheless, many SHG members shared that they had eaten more vegetables last year than in previous years, because they had become more habituated to growing and eating vegetables, and since they had more money to spend on the daily diet. Livestock provided by JTELP also contributed to this, even if in some cases it was still too early to tell. Villages eat pork, goat meat and eggs from their own production, whereas poultry is mostly sold. As for rice, for most beneficiaries this remains the main source of food. Rice production has considerably increased in the last Kharif season under JTELP, and many respondents shared that whereas they used to entirely be subsistence farmers not able to cover their own needs, they cover their own consumption needs now and even at times are able to sell the small quantity that remains.

A few SHG groups lived close to an Anganwadi Centre, and they were trained on nutrition and health. They indeed demonstrated a stronger knowledge and better practice with regard to household diets than was seen in other groups. There is opportunity to include simple approaches into JTELP to strengthen the focus on nutrition, which have been discussed but not introduced yet. The Saat din Saat Ghar and Tiranga Thali models are simple and well working approaches from the IFAD-supported Tejaswini Rural Women Empowerment Programme in Madhya Pradesh and have a strong potential to be introduced and scaled up in JTELP. In this regard, strong engagement of Anganwadi staff is instrumental. It should be ensured that community members visit Anganwadi Centres if these are sufficiently close. Additionally, Anganwadi staff should be invited to GSPEC meetings to help raise awareness on nutrition.

Actions	Responsibility	Deadline
19. Include existing successful nutrition approaches - Initiate the model of Saat din Saat Ghar and Tiranga Thali initiatives in project areas. - Engage Anganwadi staff into JTELP to strengthen awareness on nutritious diets.	SPMU / DPMUs	December 2019

Adaptation to Climate Change **Rating: 4**

Justification of rating

Rated as moderately satisfactory (score=4), equal to last year. JTELP was not designed to address climate change. However, the activities proposed and undertaken, namely, building human and institutional capacities, diversifying and increasing agriculture production, land and water management and enhancing irrigation potential, promotion of nutrition and market oriented farm and non-farm based production systems and livelihoods help build resilience to climate change and adaptive capacities of communities.

Main issues

Soil and water conservation works augment water stocks on ground, sub-surface and underground, reduce soil erosion, conserve soil fertility and improve the soil moisture regime. This enhances water security and the ability of communities to raise crops and livestock for food and income and pursue related livelihoods. It is recommended that the project promote in-situ soil and water conservation works in a big way across the landscapes on priority followed by water harvesting along the drainage channels.

Promoting agricultural practices and products that are environmentally low impact and yet result in enhanced yields - such as, low external input agricultural practices that build soil health, support microbial life, friendly biota (pollinators, natural predators and dispersal agents) and reduced chemical use - can make agriculture more climate resilient, more viable and better able to provide nutritious foods.

³ JTELP Gender Strategy 2019 based on State Factsheet for Jharkhand, National Family Health Survey 4, 2015-16.

There is need to inform communities of how climate variability (which is already being experienced) - precipitation and temperature patterns - are likely to change in the coming years as also the increasing likelihood of extreme weather events and apprise them of how these will affect their health, agriculture, livelihoods, access to water and agriculture, economic and social well-being. This will prepare and help them to cope better, adapt better and mitigate, to an extent, the adverse effects of climate variability and climate change.

With weather becoming increasingly erratic, JTELP with support from the TSA agriculture, can consider familiarising farmers with the weather based crop advisories issued by the IMD disseminated through the Kisan Portal of the Agriculture Ministry. Those with mobile phones should get their numbers registered with the Agriculture Department in order to avail of this free service.

By project completion, JTDS should ensure a cumulative quantification of greenhouse gas emissions reduction potential from the implementation of all the various renewable energy technologies deployed.

ii. Sustainability and Scaling-up

Institutions and Policy Engagement **Rating: 4**

Justification of rating

Rated as moderately satisfactory (score=4), up from 3 last year. JTELP implements the Welfare department's livelihood activities. The department manages other government schemes, like SCA to TSP, Art 275 and Conservation-cum-Development Fund, and provides the best opportunity to converge, and use lessons learnt for policy input. Given the lead role that JTELP is playing in the State in regard to tribal development, an effective engagement with MGNREGA would be a significant opportunity to develop a successful convergence model that addresses the key challenges facing villagers (especially in regard to water security and crop productivity) and which can be scaled up across Jharkhand. Other opportunities that JTELP can explore is crowding-in public investments especially from the District Mineral Funds.

Main issues

A key element to secure water resources and enhance agricultural productivity and allied livelihoods in a context of changing weather patterns is to undertake integrated soil and water conservation measures on a "saturation" basis in each of the project villages. The MGNREGA offers the possibility to achieve this. There is need to put in place an institutional mechanism to ensure that cooperation is intensified, and greater funds are leveraged from MGNREGA for this purpose.

In Godda, the District Collector requested to replicate the gravity flow irrigation system that JTELP developed. The district administration appreciates the good value for money of the intervention which is likely to bring 18 acres under irrigation and provide potable drinking water to the village, The District Collector requested a proposal from JTELP to replicate this in all tribal villages of the district where access to potable and irrigation water is lacking.

Partnership-building **Rating: 4**

Justification of rating

Rated as moderately satisfactory (score=4), up from 3 last year. The project is currently working in partnership with 1) MGNREGA for NRM; 2) JREDA for innovations in the use of renewable energy; 3) JSLPS for handover and capacity building of SHG; and 4) NYKS for support of YGs. There is a strong interaction between the JTDS and JSLPS team. The project has handed over 4,055 SHGs have been handed over to JSLPS (77%). The foreseen collaboration with NYKS has not taken off due to their lack of manpower. Collaboration with MGNREGA and JREDA is still sub-optimal.

Main issues

MGNREGA is a major partner of the project. Active engagement to the desired extent has not been forthcoming. However, with the proposed institutional arrangement and regular monitoring as well as the emphasis being given by MGNREGA on SWC measures, it is expected that greater on-field collaboration will take place and works at scale will be undertaken.

NYKS has provided 30 trainings (out of 49 total) for YGs on different topics including leadership and bookkeeping.

There were some successful partnerships in the area of innovation. There was collaboration with SPRERI in deploying 1,000 IBCs and plans to further implement 5,000 IBCs. Cooperation materialized also with the Department of Energy Engineering at the Central University of Jharkhand. Moreover, JTDS has collaborated with the Punjab Agricultural University for the installation of biogas digesters and is expected to support an additional 18 units in piggery sheds/breeding centers with the objective to promote waste management technologies for better community sanitation.

Human and Social Capital and Empowerment **Rating: 4**

Justification of rating

The rating is moderately successful (score=4), equal to the last rating. Capacity building is being successfully implemented through asset creation and various forms of training, on technical training in agriculture but also soft skills. Livestock training however has not been implemented as planned. The lack of basic literacy / numeracy skills hampers SHGs to function optimally and allow women to get a full insight of and access to the potential.

Main issues

Capacity building and technical assistance to communities (both PVTGs and non-PVTGs) has contributed to their increased knowledge and skills in agriculture and livestock, through training and follow up refresher training. On a parallel trail, leadership trainings are provided to selected members in GSPEC and SHGs which help establish group coherence and planning, as well as empowerment, in particular for women members of SHGs.

In terms of technical training, the Technical Support Agency (TSA) PRADAN is doing very well training on crop production, and good agricultural practices being implemented on time. PRADAN had staff on the ground and baseline data handy and could start implementing right away. The quality of training was perceived as good and most farmers had been able to successfully utilise their acquired skills and knowledge, which appeared to lead to better results.

ASSET&W on the other hand was delayed with their livestock training, since they had to recruit staff first and do a baseline. At the time of the mission, they had just finished training the community animal health workers, who would be an asset to livestock recipients in the communities. CAHWs were trained for seven days in Ranchi, to be followed by refresher training and one-year on-the-job support, on among others, animal rearing, hygiene, feeding, shed building, azola preparation, and making local mineral cakes. The training had been so recent though, that CAHWs had been provided a kit, but had not been able to provide any services to the community. The foreseen training for community members, which already should have been ongoing, had not started yet.

One of the issues hampering the progress of SHGs in multiple ways is the level of literacy. Women members, particularly from PVTGs, are not able to keep records of their own meetings and do the bookkeeping due to their lack of literacy and numeracy. This is a serious threat to sustainability, and JTELP needs to address this.

Another observation was on convergence. There was only limited linkage to government schemes in the villages visited by the team, and awareness among SHGs was low. The SPMU reports, that 6,218 beneficiaries have received seeds and fingerlings, 1,760 training, 1,101 farm equipment and 531 benefited from other collaboration under convergence, so these are relatively small numbers.

It appeared, that youth group members were trained on awareness of government schemes and how to apply for those, but SHGs were not. In order to make convergence successful and create equal access also for women, it is recommended that SHGs are also trained on this topic and supported in their applications.

Actions	Responsibility	Deadline
20. Speed up and further support to the livestock recipients - Ensure ASSET&W starts and finalises training of livestock recipients soon	SPMU / DPMU, ASSET&W	December 2019
21. Improve basic literacy and numeracy of selected GSPEC and YG members - JTELP to select GSPEC and YG members with a basic level of education for basic literacy/numeracy training in SHGs where this is needed - Assess possibilities with and engage the Department of Welfare and Ministry of Education - Develop simple materials for conducting such training and support CRPs in conducting it - Conduct basic literacy / numeracy training with two / three members of each GSPEC and YG	SPMU / DPMU, FNGOs, CRPs	June 2020
22. Increase convergence through strengthening awareness and application by SHGs/GSPECS - Design, develop and conduct awareness raising sessions among SHG and GSPEC members on government schemes, eligibility and how to apply, and support the application process.	JSLPS and JTELP	December 2020

Quality of beneficiary participation

Rating: 4

Justification of rating

Rated as moderately satisfactory (score=4), equal to the last rating. Overall, the various approaches through GSPECS, YGs and SHGs provided a platform for all villagers and allowed matching the support to their needs and potential. With regard to equal participation, it was observed that SHG women's participation in GSPEC was less strong and that leading community members in GSPECS were sometimes members of the VDF as well.

Main issues

The participation of communities has been ensured by working through GSPECS, SHGs and YGs. Women in SHGs and youth in YGs selected their own areas of engagement. Additionally, the THP ensured that the

most vulnerable community members were entitled to enhanced support. Individual and community assets were created among others through EPAs, promotion of weekly saving, distribution of seed capital, provision of livestock and sheds and agricultural inputs and simple agricultural equipment. These assets were confirmed by communities as matching their needs and opportunities.

Some issues in participation of community members were also noted. In most cases, SHG members participate in the monthly GSPEC meetings, though in different extents. A number of women actively participate, whereas others just listen, and they were rarely engaged in decision-making. Nonetheless, all of them reported that there was some take away from the meetings. In some GSPECs, the leader and secretary were also members of the VDF. This combined decision-making enlarges the risk of elite capture.

Moreover, a limited number of SHGs had not finalised their credit plan yet (though some of them were in existence since 2016) and had therefore not received their seed capital. FNGOs, who were supposed to facilitate this process, had not performed as expected.

Actions	Responsibility	Deadline
23. Adapt GSPEC guidelines - Develop and include text in the guideline advising against the combination of leadership or secretariat and membership of VDF in one person.	SPMU	October 2019
24. Finalisation of SHGs action plan and disbursement of seed capital - FNGOs need to ensure that all SHGs finalise and submit an action plan of acceptable quality - Upon finalisation of the plan, DPMU must provide the seed capital and FNGOs to disburse immediately, provided that the SHGs have complied with existing rules.	SPMU / DPMUs / FNGOs	November 2019

Responsiveness of service providers

Rating: 3

Justification of rating

Rated as moderately unsatisfactory (score=3), equal to the previous score. The main service providers assessed are the FNGOs and TSAs. The support from TSAs was acknowledged as good by most of the project team staff and beneficiaries. However, the performance of FNGOs is still not at the expected level, one FNGO was disengaged but replacement was not done ; and in the same district, the other NGO requested to terminate the contract, but the project maintained it. The PMU has conducted a performance assessment for the FNGOs, but the result was not officially disclosed to them.

Main issues

The initial contract for all FNGOS was renewed twice for three months and is expected to finish at the end of this month (September 2019). The PMU has conducted a performance evaluation for all FNGOs engaged in the project, but the result was not officially presented. The project is planning to extend the contract for the FNGOs and it was agreed to include key performance indicators therein, and to systematically evaluate each FNGO and renew the contract for the remaining project period based on their performance.

Some of the FNGOs mentioned their difficulties to cover all the villages with the limited number of community facilitators (CFs) and inadequate operational costs. Given the level of engagement and difficulties to reach most of the villages, there is a need to hire additional CFs and to review the allocation for operational costs.

The project has hired PRADAN and ASSET&W as TSA to deal with agriculture and livestock interventions respectively. There is positive response from the FNGOs and DPMU on the services rendered by both TSAs. During the debriefing meeting with the project team, it was advised to maximize the support provided by the TSA teams. The TSA teams have to prepare their plan in consultation with the DPMU and PMU staff and conduct regular review meetings.

Actions	Responsibility	Deadline
25. Contract renewal of FNGOs - Renew contracts of NGOs assessed as well performing until the end of the project with provision of satisfactory annual performance assessments determining contract continuation. Key performance indicators to be clearly included in the contracts. - Extend the contracts for underperforming NGOs for 6 months with provision of periodic assessment based on key performance indicators. - Review the allocation to operational costs and increase it as appropriate - Staffing of all NGOs would include: community/gender/ institution building officer ; agriculture officer; Junior engineer; Project coordinator; accountant, and 2 CFs/Gram Panchayat	PD	October 2019

Environment and natural resource management

Rating: 4

Justification of rating

Rated as moderately satisfactory (4), up from 3 last year. A major component in the project for this purpose is the use of MGNREGA funds for purposes of land and water management. However, this facility has not been used to the desired extent. The use of SCA-TSP funds have been used primarily for building water harvesting infrastructures and providing irrigation facilities. While interventions have resulted in environmental benefits, they are restricted to relatively small patches in the project villages. SWC works which could have resulted in greater benefits to the community have not been undertaken to the extent needed.

Main issues

Environmental benefits from the adoption of IBCs are as follows: wood saved per day 6.5kg (annual wood saving of 2.37 tons per household). The project distributed 1000 IBCs with total annual wood savings of 2,370 tons (which amounts to approximately 790 trees per year – 1 mature tree saves approximately 3 tons of biomass). Other issues have been discussed above.

Exit Strategy

Rating: 3

Justification of rating

Rated as 3, down from 4 last year. On the agriculture front, most of the interventions have been targeted to individual beneficiaries who will reap the benefits of these assets, and it is reasonable to expect that they will continue these activities and benefit from higher production post project. However, the community institutions and resource persons supported by JTELP are not yet self-reliant.

Main issues

The project has adopted a multi-pronged exit strategy which consists of the following elements:

- The GSPEC is the implementing partner with the project facilitating, accompanying and building capacities. Decisions of what is to be done as well as organising the implementation effort is done by the GSPEC. This strengthens “ownership” of the effort.
- Substantial investments are made in building the capacities of village level functionaries in different aspects of project management. These skills will serve them well in the post project period for furthering their own well-being as well as in addressing developmental challenges that will arise in the future.
- The training and capacity building of local functionaries – GSPEC members/ CRPs, Master Trainers, etc. – creates a pool of locally accessible and capacitated resources persons having the knowledge and skills to access and avail of entitlements and facilities.
- The NOC/Agreement signed between the project and the individual beneficiary, endorsed by the Gram Sabha, can help ensure that the benefits of investments undertaken on private lands/ assets are shared by others too.
- By linking up the GSPEC with the governance, administrative and development machinery, familiarising them and facilitating the establishing of institutional and personal relationships, the project is putting in place an arrangement that can provide continued benefits and resources to the project villages in the post project period.
- Guidelines for use of the VDF have been issued. The project should now undertake an intensive campaign to familiarise the PECs on how it is to be used including accountability and transparency compliances.

Nonetheless, it should be observed that even if the project has put considerable effort and resources into building the capacity and ownership of local institutions and partners such as GSPECs, YGs, SHGs, FSCs, CRPs and Pashu Sakhis, none of those is sufficiently strong yet to be able to carry project activities forward if external funding and support is no longer available. JTELP needs to develop an exit strategy and plan therefore, to intensify and focus its work with these institutions on conducting the work independently, and on creating a mechanism that would enable them doing so.

Potential for Scaling-Up

Rating: 4

Justification of rating

Rated as moderately satisfactory (score=4), up from 3 last year. There is high interest in the community to scale up the project intervention especially for line sowing, direct seeded rice and cultivation of cowpea. The government has shown interest to replicate the Farmer Service Center (FSC) model of the project as well as the small-scale irrigation approach. However, activities related with pig and goat breeding centres, nutrition garden and bio gas have either just started, or not worked well or have turned out to be too expensive, hence potential for scaling up is highly limited. The TSAs are expected to support the project team in this aspect. The project is converging with existing government schemes mainly SCA to TSP, CCD and MGNREGA, but the convergence with the latter is not to the expected level.

Main issues

Farmers were very positive about the results of direct seeded rice, lowland rice and barbatti. They had already started expanding the production beyond the area supported by JTELP, and additionally were selling part of their produce as seed to others.

As for small-scale Irrigation, this was planned in 640 villages in 2019/20 but progress is still limited. Nonetheless, schemes visited (apart from the gravity flow irrigation in Godda) are low cost and yet effective, and thus there is a large potential for replication. The District Collector in Godda has already expressed her willingness to provide financial and human resources (students from agricultural college) to saturate the district with irrigation and water access for livelihood.

If the convergence with MGNREGA is properly maintained, there is high probability to scale-up the intervention related to natural resource management. The mission had discussions with both parent departments and an agreement was reached to collaborate in the project blocks. Besides, the collaboration with the Jharkhand State Livelihood Promotion Society will provide better guidance and backstopping for the SHGs and YGs established by the project in tribal communities.

iii. Project Management

Quality of Project Management

Rating: 4

Justification of rating

This component was rated moderately satisfactory (score=4), up from 3 last year. There has been considerable improvement in the project implementation since the replacement of non-performing staff last year. The new Additional Project Director (APD) and the 2 TSAs joined the project team. Following last kharif season, IFAD provided the services of an experienced agronomist to work with JTELP and modify the approach to crop development and designed a simple package of practices that the project can disseminate in target communities. As a result of all these measures, the project implementation improved both qualitatively and quantitatively. Yet, serious management issues continue to plague the project and constrain implementation capacity.

Main issues

Coordination meetings with Government authorities need to be more regular. The mission noted that the State Level Project Steering Committee meeting was not held since March 2018. It also noted that the district/block project coordination committee may not be meeting regularly. Greater oversight from the Government authorities become more prominent, as the project nears its completion and aspects related to its sustainability need to be agreed.

The project is maintaining the monthly review meeting at SPMU and DPMU level and a similar practise is followed at FNGO level. However, the topics being discussed in each meeting were not directly related with the overall plan of the project, as most of the discussion focused on routine or urgent activities. It was advised to conduct the monthly meetings to review the status of the project based on the annual planned activities.

The mission noted a lack of understanding about the project among the newly recruited FNGO teams, as there was no handover note and proper orientation. The role and responsibilities of project team members from SPMU, DPMU, FNGOs and TSAs have to be clearly communicated as there was confusion on the role of TSA in some instances. It was agreed to map out the role of each actor in the project.

Whereas a more participatory approach is now adopted for planning crop development, there was little consultation regarding the engagement of the youth groups in IGAs and these seemed to be imposed/ suggested in top down manner: for example, in one village, similar interventions were recommended for each of the youth groups.

The project could not obtain qualified candidates for the vacant positions being advertised. The mission noted that the number of vacant positions increased from 14 last year to 19 this year. Out of the 19 vacant positions, candidates' selection is being finalized for 6 positions, and the recruitment process is on-going for the remaining positions. One of the main reason for not finding qualified candidates is the unattractive salary scale in place in JTELP.

The recommendation of the 2018 supervision mission regarding revision of salary scale, inadequate DSAs and the ceiling for medical claims were not implemented. These matters must be expedited and priority should be given to the timely completion of the staff performance assessment which is currently on-going.

Agreed Actions	Responsibility	Agreed date
26. Regularity of state steering committee meetings - Ensure steering committee meeting s are conducted with the necessary regularity and minutes are uploaded on the JTDS website	PD, Welfare Development Department	October 2019
27. Recruitment of staff - Expedite the recruitment of staff for the vacant positions and consider hiring the same manpower agency as JSLPS - Provide orientation for the new staff, and request handover note for staff who are resigning	PD	November 15, 2019
28. Map out the role of each actor in the project - Prepare a brief note on the role and responsibilities of the project team from PMU, PDMU, FNGOs and TSAs and provide orientation for each team to avoid the ambiguity on the role of TSA	APD	October 2019

Agreed Actions	Responsibility	Agreed date
29. Staff performance assessment, application of new salary scale - Complete the staff performance assessment and implement the new salary scale	PD	November 2019
30. Revision of DSA - Revise the DSA in line with increase in costs	PD	October 2019

Knowledge Management

Rating: 3

Justification of rating

Rated as moderately satisfactory (score=4), up from 3 last year. The project has allocated budget for the knowledge management (KM) activities. Different information, education and communication technology (IEC) materials were produced by the project and shared with stakeholders. The project team uses social media, mainly WhatsApp, to share and disseminate information. The Project presented their experience on tech fair session of COP14. Areas for improvement include updating the project website; preparing a detailed plan for the proposed activities under KM.

Main issues

Even if the KM strategy was developed and shared with the project team, some of the key project team members both at the PMU and DPMU appeared not aware of the strategy. The former Livelihoods and Knowledge Management Manager has left, and the Convergence Manager was assigned to undertake the KM interventions, but proper orientation was not provided. It was agreed to assign a focal person preferably the documentation officer to lead activities related to KM. The DPMU and FNGO staff has to be familiarized with the KM strategy and adopt based on the context of their locality.

In the current reporting period close to INR 1,672,000 was planned for KM related activities, which included publication of newsletter, study reports, website development and maintenance, IEC materials, KM trainings and workshop and documentation. However, only IEC materials worth of 147,000 were published in this reporting period. There is no detailed plan for the implementation of the activities proposed each year. It was agreed to prepare a detailed breakdown for each proposed activities and assign relevant staff at DPMU and FNGO to take the lead.

The mission appreciates the involvement of all project team members in the exchange of information on the WhatsApp group. The project has posted different banners using local language and graphics to disseminate information to the local community.

The website developed by JTDS (<http://www.jtjsharkhand.org>) provides the overview about the project activities and other relevant information. However, the information in the website was not updated and some of the information was incorrect. For instance, JTJELP operates in 32 blocks while the website indicates 30 blocks; the links to provide additional information are not working; minutes of the Steering Committee were not uploaded; the old IFAD logo was used. It was agreed to expedite the website development and assign a focal person in the team to regularly update the website.

During the debriefing session in respective DPMUs, the mission advised the project team to familiarize themselves - with the KM strategy, use of the recent logo of IFAD, sharing of the draft document of any publication for prior review by PMU, continuation of sharing the status of the project interventions on WhatsApp, organize experience sharing event within and among the villages mainly on the interventions that has been recently demonstrated like line sowing.

Actions	Responsibility	Deadline
31. Activity plan for KM Prepare detailed activity plan for each activity proposed under KM with related time frame and responsibilities	PMU	October 2019
32. JTJELP website updating Update the JTDS/JTJELP website and assign a focal person to regularly update it	PMU	December 2019

Value for Money

Rating: 4

Justification of rating

Performance is rated as moderately satisfactory (score=4), same as last year. During the year the community benefitted from the good Rabi and Kharif crops which gave them adequate returns on investment. The cost is adequate for the water infrastructure developed by the project and this has a long term impact on the livelihood activities of the beneficiaries. One area that needs to be urgently addresses is the high mortality rate in respect of goats, pigs and poultry nearly wiping out all investments. With the intensification of vaccination and de-worming campaigns and provision of guidelines on how to transport animals, the mortality is reported to have reduced. Impact on mortality will become more apparent when the Pashu Sakhi will commence their services.

Coherence btw. AWPB and implementation

Rating: 3

Justification of rating

The rating is moderately unsatisfactory (score=3), down from 4 last year. The project reports 57% achievement of the budget FY 2018/19, but this includes an unconfirmed entire expenditure of the MGNREGA budget, otherwise it is 38%. Expenditure for 2019-20 reached 20% of the annual budget.

AWPB Review

AWPBs are generally prepared in due time with full details of components and financiers. The approved budgets are provided to the districts. The budget is compared with the actual expenditure outside the accounting software. The project had budgeted INR 1,583 million during the year 2018-19, including INR 503.6 million out of MGNREGA funds. Though the project has reported an achievement of INR 905.35 million (57%) during the year 2018-19, this has been arrived at after considering the entire MGNREGA budget having been spent. The project does not have any documentary evidence for this. If the MGNREGA funds are not considered for both the AWPB and the achievement, the utilization is INR 408 million (38%) against the AWPB of INR 1079 million.

The quality of the AWPB is adequate and is generally prepared before the beginning of the fiscal year. The overall budget for the year 2019-20 is INR 1,887.3 million including all sources of funding, the achievement against which is INR 375.4 million (20%) until the end of August 2019. If the performance is measured without considering MGNREGA (for which evidence is not available), the achievement is only 12% till August 2019 against the whole year's budget of 2019-20.

Performance of M&E System

Rating:

4

Justification of rating

Rated as moderately satisfactory (score=4), up from 3 last year. The project conducts monthly meetings at PMU and DPMU level; the Annual Progress Report and the Annual Outcome Survey (AOS) were submitted on time,; different formats were developed to capture relevant field data, but additional indicators need to be captured on regular basis. The collected data were disaggregated by gender and social groups. The project has tried to use the Management Information System (MIS), which was developed with the support received from IFAD co-financed Integrated Livelihood Support Project (ILSP). However, currently only the excel-based system is functional while the online system needs upgrading to fit with the current project interventions. The team lacks expertise in-house to update the system.

M&E system Review

The project is not fully utilizing the MIS, which was developed with ILSP support. At the initial stage, the project manages to utilize the system and rollout to DPMU, and orientation was provided to respective staff. However, as additional activities were implemented by the project, the system couldn't capture the information as it needs to be updated accordingly and the M&E team has no expertise in this domain. The project has a plan to hire a MIS firm to provide support in updating the MIS. Experience from ILSP and OPELIP reveals, that in-house MIS development by staff is more effective than hiring an external consultant. This way, the staff continue to update and include additional features based on the feedback from users. It was agreed to request PRADAN which has this in-house experience to assign the relevant staff to work with JTELP and the current agreement would be revised accordingly.

The project is conducting review meetings on a regular basis at PMU and DPMU level. During the stakeholder meeting, it was agreed to breakdown the activities planned in the year into quarter and monthly basis and use this as a planning tool to review the progress of the project with the FNGOs and DPMUs.

At DPMU, the Planning and M&E officer is consolidating the information provided by respective FNGOs. The data are usually collected by the CRPs, and provided to FNGO through Community Facilitators and the FNGO compiles the information, without verifying it. Data verification methods have to be in place to make sure the data collected in the field is consistent and reliable. Sector managers from PMU and DPMU staff have to conduct systematic case studies on regular basis to validate the initial data gathered.

The planning and M&E officers at DPMU level are focal persons for the interventions of component 1. They engage in the selection and distribution of inputs and other routine activities, which divert their full engagement for planning and M&E. The mission advised the planning and M&E officers to focus on providing guidance for the FNGOs in data collection, analysis and interpretation of the data and dissemination of the information. The respective thematic specialists have to conduct studies focusing on goatery, chicken, kharif season interventions and others.

The formats that are currently being used provide ample information about the beneficiaries and the support being provided in the current financial year. Nevertheless, there are few indicators that need to be included in the format, like the status of the crop, livestock mortality, actual yield, cropping intensity and others. Regular orientation and handholding support has to be provided for the CRP and community facilitators, who collect the data at the grassroots level. The project has to revisit the formats to capture the key indicators of the logframe. It was agreed with the TSA to develop the data collection formats and provide orientation to the project team.

The AOS was conducted by the project team in the previous year, and in this reporting period the project has allocated budget to hire service provider to conduct the AOS 2019. The AOS has to focus on capturing the key outcome indicators mentioned in the logframe.

Actions	Responsibility	Deadline
33. Technical support to updating the MIS Request PRADAN to assign a MIS specialist in JTELP and amend the service contract accordingly	PD	November 2019
34. Development of data collection formats Further develop the data collection formats so that they include all needed indicators	TSA	October 2019
35. Align the organogram Adjust the organogram so that both data officer and documentation will report to M&E manager	PD	October 2019

Requirements of SECAP⁴

Rating: N.a.

JTELP was designed prior to the Social, Environmental and Climate Assessment Procedures (SECAP) being made mandatory. This section was not rated, as there was no formal SECAP conducted at or before design of JTELP.

iv. Financial Management and Execution

Disbursement Rate

Acceptable Disbursement Rate

Rating: 3

Justification of rating

The rating is moderately unsatisfactory (3), equal to last year. The loan disbursement rate stands at 40.24%, which reduces to 34.45% without initial allocation. Withdrawal applications were processed until March 2019. Under category IV, over-expenditure was observed. Partial cancellation of US\$ 15 million may be recommended.

Main issues

The project is in its sixth year of implementation and the loan disbursed till date is only 40.24% of the total allocation of SDR 33.55 million. The disbursement includes the initial allocation of SDR 1.94 million; without which the disbursement is 34.45%.

Withdrawal Applications (WAs) have been submitted and processed for the period up to March 2019. The WA for the quarter ended June 2019 for INR 27.5 million is being submitted currently. The project should submit the withdrawal applications within 45 days of the end of the quarter from the quarter ending September 2019 onwards. The amount disbursed under category IV, which is Funds to FNGOs, TSAs, SHG, GS-PEC, PG and LC is already about 107%. The reallocation was proposed in the MTR in the year 2017 considering the increase in funds being provided to the GSPECs, seed capital to SHGs and YGs, payment to CRPs from SDR 3.45 million to SDR 6.45 million. It was recommended that JTELP through Government of Jharkhand (GoJ) submit the proposal to DEA regarding the re-allocation of IFAD loan proceeds by utilizing the unallocated amount towards this. IFAD needs to reallocate the funds to provide for excess withdrawal under this category on receipt of a proposal from the project/DEA. At the same time, IFAD needs to do partial cancellation of the loan funds of an estimated amount of USD 15 million. This is based on the fact that (i) the project has been able to spend only about 35% till March 2019; (ii) the activities to be undertaken do not entail any big expenditure as of now; (iii) the exchange rate difference during project design and the present, resulting is about an additional USD 5 million. These actions viz. reallocation and cancellation should be done simultaneously and within the end of the year.

The project has segregated taxes from the expenditure incurred and has not claimed it from IFAD as recommended in the past Missions.

Actions	Responsibility	Deadline
36. Expedite the process of reallocation and partial cancellation of funds (see proposal in annex 1)	SPD/ Finance and Admin Manager (FAM)	October 2019
37. Expedite submission of WA after the end of the quarter	FAM	45 days from the end of each quarter

⁴ Social, Environmental and Climate Assessment Procedures (SECAP)

Fiduciary Aspects

Quality of financial management

Rating: 3

Justification of rating

Performance is rated moderately unsatisfactory (score=3), up from 2 last year. Action taken on key issues of last year: chart of accounts has been updated; internal auditor has been appointed; and the report for the year 2018-19 has been submitted. External auditor has test checked the vouchers. Funds have been released by the GoJ within three months of the start of the fiscal year 2019-20. However, staff vacancies have not been filled up since a year and this is the reason this performance domain is rated 3.

Main issues

A number of positions have remained vacant over the past year : the post of FAM at SPMU ; 3 posts of the Finance & Admin Officer (FAO) and 4 DPMU accountants' posts. The FAOs from the neighbouring DPMU do the work of the vacant positions without any extra remuneration. At SPMU, the FAM position is being done by a district FAO, which also does not have an accountant and hence he has to work for three portfolios. Absence of sufficient and full time staff at the SPMU results in ineffective guidance and control over the DPMUs. The posts need to be filled up immediately. Since the post of the FAM has been advertised twice without any success it is recommended that an internal candidate satisfying the eligibility criteria should be appointed as a full time FAM to streamline the accounts and finance section.

The GoJ disburses funds to the project comprising its own and IFAD's share. Sufficient funds are available in each DPMU. Surplus funds are deposited in flexi deposits, which earn interest. One DPMU who has a current account on which no interest in earned has been advised to switch to a savings account linked to flexi deposit.

Lack of full staff strength at SPMU and the DPMUs hampers the internal control system. There is thus no segregation of duties resulting in the same person recording the transactions and checking it in cases where the staff position is vacant. The officiating FAM has managed to settle advances amounting to INR 61.21 million during the month of August 2019. However old outstanding advances still exist. The FAOs have been advised to prepare an age wise analysis of the advance and settle all old outstanding ones. The previous mission reported that some cheques issued to the SHGs and PECs have not been cleared by the bank and that these amounts were reversed and credited to Miscellaneous Income/ receipts account resulting in excess claim in the WA. For the current year, uncleared cheques have been reissued but there remain pending uncleared cheques prior to 2018. Statutory compliances such as filing of Income tax Returns will enable JTDS to claim the TDS on the interest earned.

The project uses Tally software for accounting with a uniform chart of accounts. The project should use the software for synchronization of data of all the DPMUs to facilitate the preparation of the PFS and the WAs. SoE review revealed that some entries in the SoE did not match with the Tally software as the same had been altered subsequently. If required, this should be done only with the prior approval of the SPMU. A security system should be introduced whereby entries once made cannot be altered subsequently. The claims of some FNGOs are delayed and one FNGO has submitted a claim for the full year 2018-19 at a time. All FNGOs should be advised to submit their claims within the quarter so as to include it in the WA of the quarter. Besides, DPMs should also clear the FNGOs management cost on a quarterly basis which has been delayed in a few cases. Balance confirmations should be obtained from each FNGO at the end of each year.

During the year the project introduced a system of quarterly internal audit, but since the appointment was delayed, the audit was conducted for a period of six months initially, followed by two quarterly audits. However, all the reports were issued in August 2019, which did not serve the purpose of quarterly audits. The internal audit report should be issued quarterly, and the action taken on observations of the earlier report should be reported in the subsequent one. The objective of internal audit is to have a good internal control system and not just compliance of a requirement. The internal audit report lacks quality and observations are repetitive in all the quarters. The internal auditor needs to be replaced.

Actions	Responsibility	Deadline
38. Provide deputation allowance to staff working in two different offices or posts		
39. Customize software for synchronization and implement security control measures	FAM	November 2019
40. Issue fresh cheques for reversals made in earlier years	FAO/FAM	November 2019
41. Settle balance advances particularly the long outstanding ones promptly. Prepare an agewise analysis for the purpose	FAO/FAM	November 2019
42. Appoint another internal auditor and get the audit done and reported quarterly	FAM	November 2019
43. Conduct audit of GS-PECs for 2018-19	SPD/FAM	December 2019
44. Ensure timely submission of claims by FNGOs and SPMU/DPMs to settle	FNGOs/FAM/FAO	Ongoing

management cost promptly		
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Quality and timeliness of audit

Rating: 4

Justification of rating

Performance is rated moderately satisfactory (score=4), equal to last year. The revised audit for 2017-2018 was issued in February 2019. The accounts for the year 2018-19 have been consolidated and the audit has been completed and the electronic version of the report was submitted to IFAD on 30th September 2019.

Main issues

The audit for the year 2017-18 had to be revised and the revised report was issued in February 2019. The original audited financial statements were unacceptable due to differences in the opening balances brought forward and the opinion was missing. The re-submitted version fairly presented all the necessary financial statements. The audit report did not specify cash basis accounting standards used. The audit was reported to have been conducted in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. The opinions on the financial statements and the statements of expenditure were unqualified. A separate Management Letter was issued, which contained observations, which need to be followed up and complied with. The observations in the Management Letter should be provided with specific cases and supported by evidence to enable the project to address the discrepancy and reply appropriately. The auditor should validate the management's replies to the earlier year's observations. Based on the recommendation of IFAD, the auditor has been replaced for the year 2018-19. The accounts for the year 2018-19 have been consolidated and the audit has been completed. The audit -report and the PFS have been submitted on 30th September.

The project has got the audit of all GSPECs done for three years by Chartered Accountants, which is commendable. The same should be continued for the 2018-19 also. The observations of the auditor should be communicated to the GSPECs so that the mistakes are rectified and the same are not repeated.

Actions	Responsibility	Deadline
45. Ensure submission of complete financial statements and audit report within the stipulated time	FAM/Auditor	30 September 2019

Counterpart funds

Rating: 4

Justification of rating

Performance is rated moderately satisfactory (score=4), same as last year. During the year 2019-20 funds have been received from the GoJ in June 2019 which is within three months of the start of the fiscal year. Expenditure of MGNREGA is reported based on the budgeted amount without any supporting evidence of actual expenditure incurred.

Main issues

During the year 2018-19, the GoJ has disbursed an amount of INR 50 million as its own share and INR 520 million as IFAD funds. During the year 2019-20, INR 30 million has been disbursed as GoJ contribution and INR 350 million towards IFAD funds till date. The Mission was informed that the fund for SCA-TSP had been sanctioned for the year but the same has not been received as yet. The excess expenditure of about INR 10 million towards SCA-TSP is being met from the GoJ funds.

Compliance with loan covenants

Rating: 4

Justification of rating

Performance is rated moderately satisfactory (score=4), up from 3 last year . Internal auditor has been appointed. Funds are released on time

Main issues

The project has generally complied with the loan covenants but has not complied with Clause 9.02 of the General Conditions requiring the project to submit financial statements within the end of four months from the end of the financial year. Further the meetings of SPCC as required have not been held. During the year 2019-20 funds have been disbursed by the GoJ in June 2019 which is within the prescribed period of 3 months from the start of the fiscal year. Further the internal auditor has been appointed for 2018-19 and the project has been advised to continue the system of internal audit for 2019-20 as well.

Actions	Responsibility	Deadline
46. Comply with the loan covenants by submitting the required financial reports within the stipulated time and conducting SPCC meetings as stipulated	SPD/FAM	Ongoing

Procurement Review

Procurement

Rating: 3

Justification of rating

Procurement is rated as moderately unsatisfactory (3), up from 2 last year. In the absence of full-time procurement staff, the FM manages it part-time. SPMU hired a Procurement Consultant w.e.f. 16 August 2019. Implementation of the procurement plan is only 4% as signed contracts for PP 2019-20 so far. SPMU procured seeds for kharif for INR 16.15 million successfully. There is no system to verify the quality of seeds and other items locally procured by GS-PEC. Procurement from higher bidders was made at times without justification. Procurement documentation for community procurement is often not transparent. The quality of relatively high value construction including Farmer Service Centers must be verified. Record keeping for input distribution is not satisfactory.

Procurement Review

There is no full-time procurement staff in place at SPMU level though recommended by earlier mission and the procurement is made by the Finance Manager and Accountant on a part-time basis. A procurement consultant has been hired from the 16 August 2019 with 120 days input for the next one year. During discussions, it was noted that he had similar past experience and can work effectively.

Procurement of seeds for Rabi 2019 has not even been planned until now and is thus late. Distribution of seeds procured through central contract does not have proper documentation at village level and some beneficiaries complained about receiving less quantity than expected.

The FNGOs performance review carried out so far only gives an overall impression without developing and evaluating a template with effective criteria. The contract time for all FNGOs has expired and the performance of some of the FNGOs is not satisfactory. SPMU has to develop comprehensive evaluation criteria as a basis for assessment, which should also be shared with FNGOs so that they are given a chance to improve their performance.

The majority of community procurement systems and documentation were found to be of poor quality. In some districts, it was observed that quotations were obtained from three sources, which included items not even required by GS-PEC. In other villages, photocopies of the same quotations were found. It was obvious that someone had collected a quotation for use of more than one buyer. In another case, quotation was taken from three sources, but supplies were taken from fourth source from whom quotations were not taken. In one village, three quotations were taken for procurement of fertilizers and approval was from Gram Sabha for procurement from lowest bidder. However, later, the name of the winning bidder was changed to a higher bidder in the proceedings of Gram Sabha and supplies were taken from this higher bidder. This bidder was paid INR 81,872, which is more than the threshold of direct procurement. There are similar issues in most of the villages.

Seeds have also been procured by some districts on behalf of GSPECs on single source basis from the National Seeds Corporation and payment has been made by GSPEC. IFAD has not been approached in any of these cases for no objection, even though value of purchase for some village is as high as INR 500,000.

Actions	Responsibility	Deadline
47. Manual for community procurement Prepare manual for community procurement including simple templates for quotation and evaluation	SPD	November 2019
48. Procurement training of GSPEC Arrange training of GSPEC community procurement committee and CRP/Community Facilitator to build their capacity on procurement process and document preparation	SPD	November 2019
49. Development of system for material quality verification Develop systems to verify quality of material including seeds and construction material supplied to GSPEC procured by SPMU or GSPEC	SPD	November 2019
50. Development of system for quantity verification Develop systems and documentation to ensure that quantity received by beneficiaries is as per their eligibility decided by the project	SPD	November 2019
51. Regular FNGO evaluation Develop a system for periodic evaluation of FNGOs and analysis thereof by preparing template and effective criteria. Prepare effective short-listing criteria to engage only qualified FNGOs by following EOI route of selection	SPD	November 2019

Annex 1 – Re-allocation across categories and partial cancellation of the loan, in SDR

No	Category	Initial Allocation	Disbursed Amount	Balance	% disbursement as of 4 Oct 2019	Re-allocation/Cancellation across categories	Justification
	Authorized allocation		1 943 207	-1 943 207			
I	Civil Works	2 950 000	552 069	2 397 931	18.71%	1 976 500	Allocation kept for financing small scale irrigation (about 300 schemes)
II	Vehicles and Equipment	1 200 000	394 482	805 518	32.87%	804 000	Allocation kept for equipping small-scale irrigation and Farmer Service Centres
III	Capacity building	3 600 000	736 756	2 863 244	20.47%	1 412 000	Capacity building on technical aspects of agriculture and livestock
IV	Funds to FNGOs, TSAs, SHGs, GS-PECs, PGs, and LCs	3 450 000	3 676 999	-226 999	106.58%	6 450 000	The category was exceeded as cost of IGAs was channelled through the GSPEC, and unit cost higher than planned at design
V	Livelihood Financing	6 600 000	2 650 573	3 949 427	40.16%	4 422 000	TSA support on integrated production and marketing
VI	Service Providers' Contracts	6 650 000	1 936 176	4 713 824	29.12%	4 455 500	Support expenses towards Targeting Hard Core Poor
VII	Staff salaries and Operating Costs	5 800 000	1 610 329	4 189 671	27.76%	3 886 000	
	Unallocated	3 300 000		3 300 000		0	
	Total	33 550 000	13 500 591	20 049 409	40.24%	23 406 000	