

29 October 2020

**Subject:** Republic of India – Jharkhand Tribal Empowerment and Livelihoods Project Supervision mission (27 July to 26 October 2020) Management letter

Dear Mr Amitabh Kaushal,

I have the pleasure to refer to the Supervision and Implementation Support Mission of the Jharkhand Tribal Empowerment and Livelihoods Project (JTELP), which was remotely conducted between 27 July and 5 August 2020. I greatly appreciate the Jharkhand Tribal Development Society (JTDS) for setting aside time for this mission despite their concurrent efforts in containing the COVID-19 outbreak in the state. I am pleased to inform you that management at the International Fund for Agricultural Development (IFAD) concurs with the findings and recommendations contained in the attached conformed version of the aide-mémoire, which were discussed with you during the wrap-up meeting on 5 August 2020. I am also pleased to inform you that the Department of Economic Affairs (DEA) endorsed these recommendations on 26 October 2020.

IFAD management congratulates the Welfare Department and the JTDS for the significant efforts made during FY 2019-20 to help JTELP achieve its intended scale in terms of population coverage and persons receiving project services. I am very pleased that JTELP has achieved a large number of planned results. Among these the increase in household assets as well as in food security and income from rain fed farming, empowerment of women and community organizations. I also appreciate the special measures the project implemented to support Government efforts to deliver agricultural services, essential goods and awareness raising to the communities, despite the lockdown imposed to contain the spread of COVID-19.

I note with satisfaction that JTELP is now on track to achieve its objectives. The progress of the project across all performance domains is praiseworthy, with the exception of the areas related to human resources and financial management where performance is still lagging. With less than 18 months left to project completion, JTDS is encouraged to take decisive steps to improve performance in these two areas. In agreement with the Department of Economic Affairs, IFAD will suspend loan disbursements to JTDS should it fail to implement the agreed actions under project and financial management by the deadline discussed with JTELP management.

Mr Amitabh Kaushal, IAS  
Secretary, Welfare Dept, GoJ  
Project Building, Dhurwa  
Jharkand

Hereunder are the foremost recommendations: 1) Meetings of the Board of Directors (BOD) of JTDS as well as the Project Coordination Committee are organized regularly; 2) the staff performance assessment is reviewed by the BOD and the new salary scale implemented accordingly; 3) earlier claims made for stale cheques and for taxes are reversed; 4) the accounting software is customized for synchronization and security control measures; 5) long outstanding advances are settled; 6) an internal auditor is appointed; 7) the auditor for GS-PECs audit is hired; 8) audited accounts of the Facilitating Non-governmental Organizations (FNGOs) for the FY 2019-20 are submitted to the JTELP as per provisions of the contract; 9) statutory compliances of IT filings and claiming refunds of tax deducted at source completed; 10) the vacant positions of accounting staff/ financial officers at district management units are filled. Finally, despite assurances, the State Government has yet to release the budget for FY 2020-21 and I would appreciate your urgent assistance in addressing this matter given the serious implications thereof on project activities for the rabi season and inherent limitations to settle pending payments.

I would also seek your good offices to ensure that the JTDS takes necessary measures to double returns from high value activities such as irrigated farming, vegetable and orchard clusters and livestock rearing, and to give due consideration to the project exit strategy, as outlined in the supervision report.

On a separate but related matter, I am advised that the IFAD country team will contact you to seek an appointment to discuss the sustainability of JTDS and its development into the livelihood arm of the Welfare Department.

The Department of Economic Affairs has approved the re-allocation of loan proceeds as well as the partial cancellation of the loan in an amount of Rs 850 million corresponding to exchange rate gains, as presented in annex 1 of the conformed version of the aide-mémoire. The cancellation of this amount does not affect project financing as approved by the State Government in Indian Rupees.

I take this opportunity to thank you and the project team for the hospitality and support to the mission and reiterate our full commitment in assisting the project to achieve its target results. In keeping with the standard practice, please advise the project to kindly submit an Action Taken Report to the IFAD India Country Office within 30 days of receipt of this letter, and monthly thereafter.

Yours sincerely,



Nigel Brett  
Regional Director  
Asia and the Pacific Division

*Copies for information:*

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