



Investing in rural people
Investir dans les populations rurales
Invertir en la población rural
الاستثمار في السكان الريفيين

20 December 2017

Dear Mr. Tsering,

Subject: India: Meghalaya Livelihoods and Market Access Project (LAMP) - Management Letter of the Supervision Mission 10 November – 19 December 2017

I have the pleasure to refer to the third Supervision Mission for LAMP undertaken from 10 November to 19 December 2017 in Meghalaya State and wish to inform you that the management of IFAD has concurred with the findings and recommendations which were discussed and agreed during the wrap up meetings at state level. While expressing our gratitude for Government of Meghalaya's (GoM's) continued support to LAMP, I wish to draw your kind attention to the project implementation performance highlights and key agreements reached during the wrap-up meeting for priority consideration by the GoM and the management of Meghalaya Basin Management Agency (MBMA).

I have noted that the project has finally started implementation of its activities during this financial year. The project has prepared Natural Resources Management (NRM) plans for 272 villages out of 1,350 villages. Funding has been released to Meghalaya Wasteland and Watershed Development Agency for field level implementation. This activity needs to be fast tracked. The project has established Enterprise facilitation Centres (EFCs) in 40 blocks out of 46 blocks in the state. These EFCs have registered 60,850 persons, trained 27,781 persons and bank linked 1308 persons. There has been considerable reduction in the interest levels of the community to access services of the EFCs as there is no concrete support to the community other than providing information and training.

Under the integrated production and marketing activities, the project has established 34 value chain clusters, and trained 970 Lead Farmers and 8,923 farmers in production, processing and marketing and conducted 4 trial marketing efforts. However, efforts to address production related constraints and to move the farmers up in the value chain through market linkages remain limited. The project is yet to implement market improvement activities though considerable mobilization work has been undertaken. The project is planning to complete construction of 121 km of rural roads by March 2018 and project funds have been released to State Rural Employment Society for this purpose. The project has mobilized 138 Integrated Village Cooperative Societies and registration is completed for 40 IVCSs. 15 Livestock Development Centres and 92 pig breeding units have been established and 21 village level facilitators have been trained.

Mr. Y. Tsering, IAS
Chief Secretary
Government of Meghalaya
Shilling 793001
Meghalaya

I wish to bring to your kind attention that this project has almost completed three full years of implementation and the project implementation progress has been limited. Overall, the project's financial performance has been highly unsatisfactory with disbursement amounting to only 4.72 per cent of the total IFAD loan funds. With implementation picking up during this financial year, the challenges related to financial management, procurement and project management have become apparent. The main challenges include: (i) putting in place a sound financial and procurement management system with adequate internal control mechanisms; (ii) overlapping functions of the top management in the nested institutional structure of Meghalaya Basin Development Authority and its subsidiaries (MBMA, Institute of Natural Resource Management and Institute of Enterprise Development) with inability to exercise oversight over the subsidiaries; (iii) multiple levels of management with low levels of delegation; and (iv) project managed by part-time functionaries with inability to develop coherent project management processes and implementation plans.

I am pleased to note that during the wrap up meeting, you have agreed to constitute a committee comprising a small group of senior officers to recommend changes to the project management structure and to put the financial and procurement management processes of the project in order. During the meetings with the project team, detailed recommendations for each project component have been discussed and agreements have been reached to fast track project implementation. I request you to advise the project management to initiate speedy action to implement the recommendations made by the Mission.

I thank you for the excellent co-operation given to the Mission and assure you of our continued support towards your endeavour for successful implementation of the project. As is the practice, please advise LAMP to send a detailed action taken report on the agreed actions to IFAD-ICO, New Delhi within 90 days from the date of receipt of this letter.

Yours sincerely,



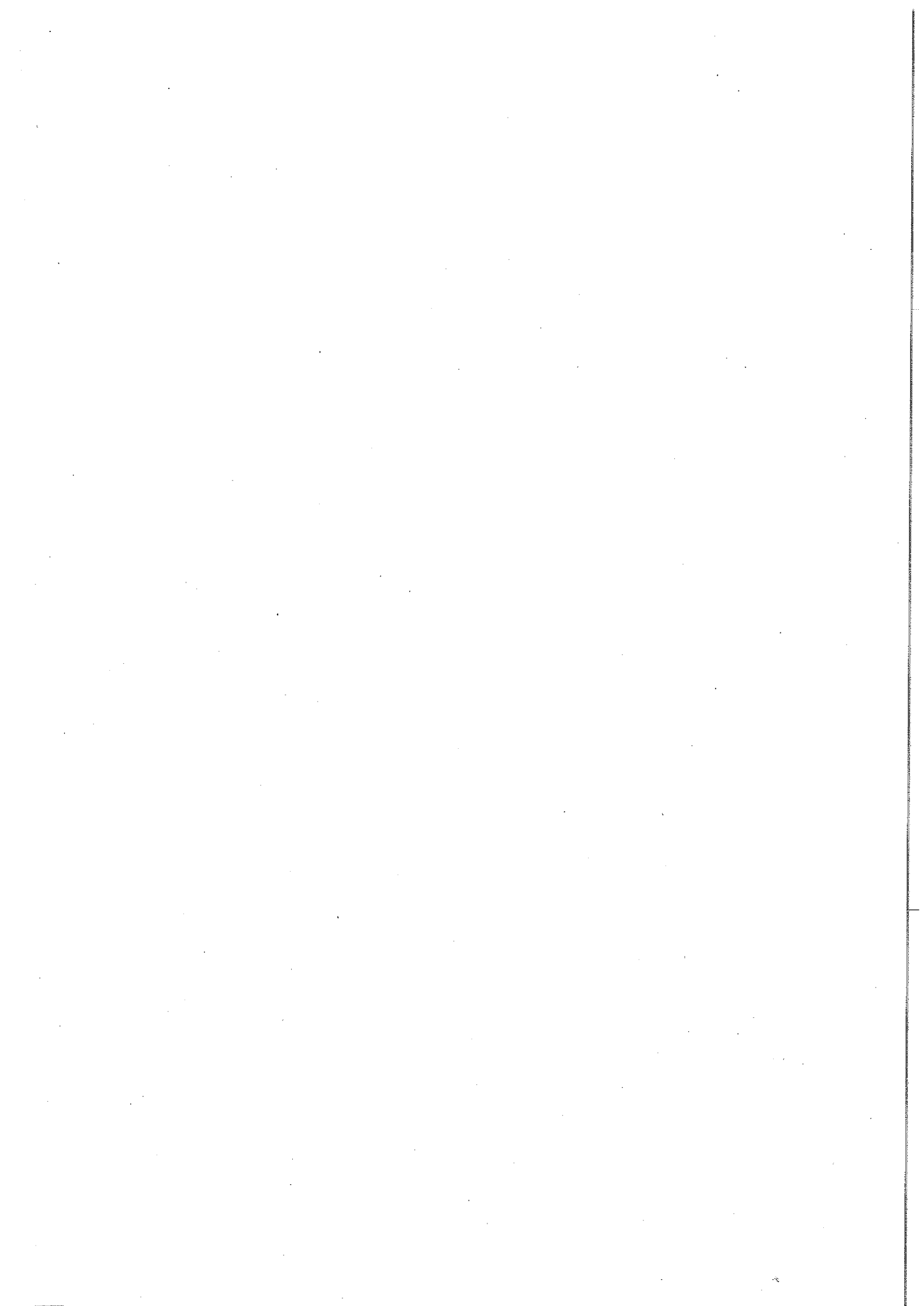
Hoonae Kim
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Copies with compliments to:

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Department of Economic Affairs
Ministry of Finance
India





Investing in rural people

Aide memoire

India

Meghalaya Livelihoods and Access to Markets Project (LAMP)

Supervision mission: 10 November – 19 December 2017

A. Background and main objectives of the mission¹

1. Meghalaya Basin Management Agency (MBMA) is the lead agency for implementing the Meghalaya Livelihoods and Access to Markets Project (LAMP). The total outlay of the project is estimated at USD 169.9 million funded by an IFAD loan of SDR 32.4 million (USD 50 million), Government of Meghalaya (GoM) contribution of USD 49.7 million, bank credit of USD 29.3 million, convergence of USD 28.2 million and beneficiary contribution of USD 12.7 million. The project objective is to improve family incomes and the quality of life of rural households in the state through expanded and sustainable livelihood opportunities adapted to the hill environment and to the effects of climate change. Key focus areas are natural resources and food security, livelihoods support and knowledge services. LAMP is part of the Integrated Basin Development and Livelihoods Programme (IBDLP) of GoM and coordinated by the Meghalaya Basin Development Authority (MBDA). The project became effective on 9 December 2014 and the project completion date is scheduled for 31 December 2022.

2. This is the third Supervision Mission (SM) for LAMP which follows on from an implementation support mission in May 2017. The mission started its work with presentation and discussion of the physical and financial progress by component and the action taken report with LAMP team led by Mr Sushilesh Sahai, Additional Project Director. The mission visited all the eleven project districts, held discussions with stakeholders and staff. This Aide Memoire contains the findings and recommendations of the Mission. Overall findings were presented in a wrap up meeting chaired by Mr Y. Tsering, Chief Secretary on 23 November 2017 and detailed discussion on recommendation were held with the project team on 24 November 2017. Mr Anwar Shaikh, Director (MI), Department of Economic Affairs, Ministry of Finance for DEA, endorsed the mission recommendations via email dated 19 December 2017.

B. Overview and Project Progress

3. This project has almost completed three full years of implementation. The project implementation progress has been limited during the first two years. Implementation started in right earnest during this financial year and the implementation challenges have started to become evident. The project has prepared Natural Resources Management (NRM) plans for 272 villages out of 1,350 villages. Funding has been released to Meghalaya Wasteland and Watershed Development Agency (MWWDA) for field level implementation which is yet to begin. The project has established Enterprise Facilitation Centres (EFCs) in 40 blocks out of 46 blocks in the state. These EFCs have registered 60,850 persons, trained 27,781 persons and bank linked 1,308 persons respectively. There has been considerable reduction in the interest levels of the community to access services of the EFCs as there is no concrete support to the community other than providing information and training. Integrated

¹ Mission composition: Shreekantha Shetty, Mission Leader (Enterprise Development, Food Security, Knowledge Services and M&E); N. Srinivasan (Grassroots institution building and Rural finance); Ricardo Hernandez (Agri Food Economist – CIAT); Venkatesh Tagat, (Natural Resource Management); Mr Sanjay Kumar Gupta (Value Chains and Market Access) and Pratul Dube (Financial Management and Procurement). Meera Mishra, Country Coordinator, IFAD-ICO and Sankarasubramaniam Sriram (Procurement Specialist- IFAD-ICO) joined the Mission during 19-24 November 2017. The mission received valuable inputs from LAMP team.

production and marketing activities have established 34 value chain clusters, and trained 970 Lead Farmers and 8,923 farmers in production, processing and marketing and conducted 4 trial marketing efforts. However, efforts to address production related constraints and efforts to move up in the value chain remain limited. The project is yet to implement market improvement activities though considerable mobilization work has been conducted. The project has also constructed 11 kms of rural roads and is planning to complete construction of 121 km of rural roads by March 2018 and Rs 21.00 crores has been released to State Rural Employment Society (SRES) for constructing 100 kms of road. The project has also mobilized 138 Integrated Village Cooperative Societies (IVCSs) and registration has been completed in respect of 40 IVCSs and has established 15 Livestock Development Centres (LDCs) and 92 pig breeding units and trained 21 Village level facilitators (VLF).

4. Financial management, procurement and project management remain the weakest links. The project does not have an acceptable financial management system and IFAD procurement guidelines for engaging various agencies on a single source basis have not been followed. In addition, the project management system remains complicated with complex institutional structure, multiple levels of management with part-time functionaries in the top management with overlapping functions.

C. Key Mission Agreements and Conclusions

5. The mission emphasised on three aspects that have been identified as the major challenges that constrain acceleration in project implementation. They are: (i) poor quality financial management; (ii) complicated project management structure with overlapping functions; and (iii) poor quality procurement processes. There has been agreement on establishing a small committee of senior officials to review the project management structure and work out a system of delegation of full powers to the Project Director (PD) /Additional Project Director (APD) to approve budget for implementation based on Annual Work Plan and Budget approved by the Governing Council of MBDA. There has been agreement to strengthen the financial management system by introducing computerised accounting system using Tally and to review the discrepancies identified in the withdrawal applications. In addition, there has been consensus to enter into structured Memorandum of Understandings (MoUs) with various government agencies being used as implementing agencies. The MoUs will cover the scope of work, total cost, payment conditions, procurement protocols and reporting requirements, in order to comply with IFAD procurement guidelines.

D. Project Implementation

a. Development Effectiveness and Focus

i) **Development Effectiveness** (Rating – Moderately unsatisfactory =3). The project has reached 29,479 households (102,284 persons) against a target of 143,000 households. The achievement against physical progress expected during the first three years is only about 20% and the financial progress is 7% of the total IFAD allocation. The project has started mobilization activities in respect of all sub-components and fund release has taken place for implementing NRM and road construction related activities. The outcomes from these activities will become apparent once field level implementation is completed.

Log frame analysis and main issues of effectiveness

Component 1: Natural Resources and Food Security

6. **Sub-Component 1.1: Capacity development and natural resource planning** (Rating – Moderately unsatisfactory =3). The project has prepared NRM plans for 272 villages and it is expected to complete NRM planning in 325 villages by March 2017. This achievement is against the target of 1,000 villages by March 2018. Funds for NRM plan implementation in 325 villages have been transferred to MWWDA. Field level implementation is yet to start.

7. The project has identified village leaders from the Village Employment Councils (VEC) of 272 villages for training in preparation of integrated natural resource management plans and identification of priority activities. The progress has been slow in conducting PRA exercise as only 272 VECs have

been trained so far in PRA exercise and four batches (107 persons) of village facilitators have been trained in preparation of natural resource management plans since the inception of the project. The task of preparing NRM plans was handed over to the EFCs and the project has completed preparation of NRM plans for 272 villages as reported above.

8. The NRM plans prepared by most of the village communities in these 272 villages are ambitious and would require higher order funding and these need to be taken up for convergence. This despite preparation and circulation of model low cost soil and water conservation interventions with cost estimates to facilitate NRM plan preparation. NRM plans have been prepared by EFCs with support from Basin Development Units (BDUs)/District Project Management Units (DPMUs). Subsequently, the project has engaged the MWWDA to release funds for implementing the NRM plans in 325 villages. Once the funds are released by MWWDA, it is necessary to facilitate the Village Employment Committee (VECs) to prepare a basic implementation plan of low cost NRM interventions within the budget of Rs 3.20 lakh project funding (covering both investment and operating costs) and a minimum of 20% community contribution. The guidelines for opening the bank accounts require each VEC to open two accounts for LAMP activities. This will result in multiplicity of bank accounts as all VECs have a MGNREGS account and some of the villages have another account related to MBDA activities outside LAMP. There is a need to rationalize this.

Actions	Responsibility	Deadline	Status
Guidelines on VEC bank account Revise the social agreement and issue guidelines on opening bank accounts. Allow opening of only one account for NRM plan implementation using MBDA and LAMP funds. Train the VECs to maintain separate ledgers for recording funds received from different sources and their utilization.	OSD, Ecosystems Services	15 Dec 2017	Agreed
NRM implementation with MWWDA MWWDA to be requested to release first instalment of VDF to VECs and upon release, the VECs will have to be facilitated to prepare an implementation plan covering, low cost soil and water conservation activities such as check dams, community nursery, afforestation of catchment, protection of water sources, pipes, maintenance of existing soil and water conservation structure, maintenance of assets, honorarium of village facilitator, etc., within an overall budget of Rs 3.2 Lakh from the project and a contribution of at least 20% from the community. These plans will have to be approved by the VECs.	OSD Ecosystems Services	31 Dec 2107	Agreed
Fast track NRM implementation The project needs to start facilitating the community in the remaining 1,025 villages to prepare an implementation plan as above without starting work on preparation of a detailed NRM plan as is being planned now. VDF to be released directly by the BDUs/DPMUs to VECs with appropriate training on managing accounts.	OSD Ecosystems Services	31 March 2108	Proposed
MWWDA engagement In the event government decides to use MWWDA for NRM activities in the remaining 1,025 villages, the entire set of activities related to planning, implementation and supervision should be handed over to MWWDA which shall be part of a MoU between MWWDA and MBMA after getting no-objection from IFAD on the draft MoU.	OSD Ecosystems Services	31 March 2108	Proposed
NRM convergence plan Once the VECs start implementing low cost activities using first instalment of VDF, BDUs/DPMUs or MWWDA (as decided by MBMA) will have to facilitate the VECs to prepare a convergence NRM plan with project support of Rs 2.0 Lakhs and remaining from MGNREGS. This plan should be integrated into the MGNREGS perspective plan and thereafter second instalment of VDF will have to be released.	OSD Ecosystems Services	On going	Agreed

9. **Sub-Component 1.2: Land, water resources and food crop development** (Rating – Unsatisfactory =2). The project is yet to start implementation of NRM related activities although 272 NRM plans have been prepared and Rs. 10.40 crores has been released to MWWDA for further release to VECs. The project is yet to start any activity under food crop development and support to Lead Farmers.

10. Release of funds to VECs: The project intent was to empower the VEC by providing VDF to start low cost NRM works and thereafter graduate to high investment NRM works largely using convergence funds. The project released funds to MWWDA for onward release to VECs which is an additional layer in the delivery of intervention. It is necessary that this amount is directly released to VECs through BDUs/DPMUs for implementation of NRM activities.

11. Lead Farmer Support: The project will have to train lead farmers in various aspects of crop development. The project will have to train two lead farmers (selected by VECs) in identified villages. The training for lead farmers could cover improved methods of paddy cultivation, use of bio-inputs for crop production, improving soil fertility through green manure and introduction of oilseeds and pulses after harvest of paddy.

12. Social Development Fund: The project has allocated a social development fund of about Rs 37,000 per village for which planning is yet to be undertaken.

Actions	Responsibility	Deadline	Status
Direct VDF release to VECs The present system of releasing funds to MWWDA for NRM plan implementation needs to be reviewed and it is suggested that funds be released directly to the bank account of VECs after the NRM implementation plan for implementing low cost NRM activities is prepared.	OSD Ecosystems Services	31 Dec 2017	Proposed
Lead Farmer support for crop development With the support of VECs, identify lead farmers from all project villages and provide training in crop, pulses, oil, seed and vegetable production and provide a kit containing seeds and low cost tools to establish a model crop plot.	OSD Ecosystems Services	31 March 2017	Agreed
Social Development Fund through EFCs Prepare guidelines for operating a social development fund of Rs 2.5 Lakhs through each EFC to start an input supply centre to sell quality seeds, pesticides and labour saving agriculture equipment and machinery.	OSD Ecosystems Services and OSD Enterprise Development	31 Dec 2017	Proposed

Component 2: Livelihoods Support

13. **Sub-Component 2.1: Support to Enterprise Development** (Rating: Moderately Unsatisfactory = 3). The project has established 40 VFCs against 39 planned originally in the project document. Registrations have been 20% of the target, trainings 46% of the target and bank linkage 8% of the target.

14. The original project target was to establish 39 EFCs in 39 blocks of the state. Subsequently, new blocks were carved out of these 39 blocks and currently the state has 46 blocks. The project has established 40 EFCs and has plans to establish remaining 6 EFCs to cover all blocks of the state. EFC establishment and member registration had started prior to the project becoming effective. Each EFC has an Asst Manager and two Enterprise Resource Persons (ERPs) and Multi-tasking Associates. On an average there are three staff in each EFC. The project in total has registered 45,855 potential entrepreneurs (partners) prior to the project becoming effective and subsequently 14,995 partners have been registered. Initially there was high level enthusiasm to register with the EFCs with the expectation that EFCs will provide subsidy for starting enterprise. The project support was available only for training and linking up with banks for accessing loans and there was no provision for subsidy. This has resulted in considerable reduction in the interest levels of the community to register with EFCs. The EFCs trained 27,781 partners (46% of those registered) against

the target of training 60,000 partners and facilitated 1,308 partners to obtain loans from banks (8% of those registered) against the target of 15,795 partners.

15. There are several issues related to enterprise development making it difficult for EFCs to operate as an effective service provider to the community. They are: (i) inadequate coordination between the project components related to natural resource management, financial services and integrated production and management and enterprise development; (ii) inability to provide technical support to partners due to non-availability of technical staff in the fields of agriculture, horticulture and livestock; (iii) lack of a clear vision for EFCs to evolve as enterprise development facilitators; (iv) no involvement of EFCs in supporting livelihood activities that are critical for expansion of household level investment; and (v) inadequate capacity to emerge as a business entity catering to the needs of the community. The project has been reviewing the role of EFCs in the changing context of project implementation and facilitate its transformation into a Livelihood Incubation Kendra (LINK)/ enterprise incubator. However, firm plans are yet to be drawn up.

Actions	Responsibility	Deadline	Status
EFC restructuring Restructure human resource at the EFC level to ensure that the EFC team coordinates all activities related to NRM and Livelihoods (Enterprise promotion and Integrated Production and Marketing and Financial Services) activities to become one stop shop at the block level for all MBDA and project interventions. Complete recruitment for all vacant positions by engaging persons with agriculture, horticulture and livestock background to EFCs by reducing the qualification requirements if necessary.	APD/ OSD- Enterprise Development	28 Feb 2018	Agreed
EFC Advisory Group establishment Establish a small Advisory Group for each EFC comprising the lead farmers from the operational area of each EFC to act as a link between the community and the project.	OSD- Enterprise Development with other OSDs	31 Jan 2018	Agreed
Social enterprise plan development A plan of action to be prepared to start a social enterprise within some of the potential EFCs such as establishment of Input centres (quality seed, pesticide, labour saving, drudgery reducing machinery and equipment, etc.) and machinery hire centres. Start this activity in at least 5 EFCs by providing funds (Rs 250,000 per EFC) allocated under social development fund of NRM component.	OSD- Enterprise Development with other OSDs	31 March 2018	Agreed
Engagement of NGOs The engagement of NGOs to support EFCs is expected to end on 31 Dec 2017. It is suggested not to extend their contract beyond 31 Dec 2017. Payment for these NGOs to be settled prior to 31 Dec 2017. As plans are being made for EFCs to establish social enterprise and provide micro-venture capital there is no need for the project to engage NGOs for this activity. Any engagement of NGOs for skilling and employability will not be funded from LAMP sources.	APD and OSD- Enterprise Development	31 Dec 2017	Agreed
Support services with EFCs EFCs to facilitate provision of support services in collaboration with the Integrated Production and Marketing Division by identifying Lead Farmers and providing them with support for establishing input services such as nurseries, pest free ginger seed production clusters, pig breeding units, stall fed goat rearing units, small poultry hatchery, improved commercial crop production plots, etc. A system of EFC providing matching grant with a system for recovering the matching grant can be put in place. Issue guidelines comprising various support services in agriculture, horticulture and livestock sectors for supporting Lead Farmers.	APD/ Enterprise Development OSD- Enterprise Development	31 Jan 2018	Agreed

16. **Sub-Component 2.2: Integrated Production and Marketing:** (Rating: Moderately Satisfactory = 4). The project has trained 13,279 farmers through various trainings; 5,023 in 2016-17 and 8,256 in 2017-18 through 317 programs against the target of 12,000 by the end of third project year. 970 Lead Farmers have been trained against a target of 1080 by the end of third year. Implementation support to farmers started in 34 clusters against a target of 20 by the third year.

17. The trainings provided cover production, processing and marketing aspects. Exposure visits and commodity specific consultative meetings were also conducted as part of capacity building efforts. 56 of these programs were organised through convergence with reputed organisations such as Spice Board of India, APEDA, India Chamber of Commerce, NIRD, Central Institute of Horticulture from Nagaland, ICAR, SFAC, NEHU, Food Corporation of Bhutan Ltd.(FCBL), National Banana Research Centre, Tiruchirapalli, private players like Organic Majuli and Agriwatch and state level government agencies. The project organized three buyer-seller meets and 46 exposure visits. Out of 18 Lead Farmers identified, 2 have already established black pepper nurseries with project support of Rs. 30,000 per nursery and Rs 15,000 per nursery from the Lead Farmer.

18. The project initiated four trial marketing efforts to explore long-term market linkages against a target of 20 trial marketing efforts by the third year. Market linkages for ginger were established with Organic Majuli, a social enterprise promoting organic products based in Guwahati. In total, eight tons of ginger and vegetables were sold to this company. Eight tons of pineapple were sold to Nongstoin and Guwahati based wholesalers. The project is exploring the possibility of building market linkages for other major commodities as well. The project supported an existing cooperative society at Mawphrew in Ribhoi district for wholesaling and retailing of pineapple, ginger, banana, turmeric and bay leaf, etc., and provided plastic crates and electronic weighing machine.

19. In order to facilitate marketing of rural products, the governing council of MBDA has approved setting up of Points of Sales at Shillong, Nongphoh and Tura and at Delhi/Kolkata using existing network of GoM infrastructure in these city markets, and approved a budget of Rs 30 lakhs. This budget of Rs 30 lakhs will be used as a bridge fund for making immediate payments to farmers for procuring turmeric, black pepper, long pepper and dry ginger etc., required for B2B marketing. The project needs to support the farmers in the value chain clusters already formed to establish producer groups and come up with plans for increasing production, capacity building focusing on production constraints, soil fertility analysis, and treatment for major pests and diseases.

Actions	Responsibility	Deadline	Status
Converge with EFCs Integrated production and marketing activities to converge with EFCs to introduce a system of providing matching grant to Producer Groups (PG)/ Farmer Interest Groups (FIG) and Lead Farmers and set up a system of recovering project support into EFCs to redeploy the same for the benefit of other members of the community.	OSD -MI, OSD - Enterprise Development	Immediate	Agreed
Nursery promotion Fast track identification, technical training of Lead Farmers in nursery development (black pepper, areca nut, cardamom and cashew). Procure high quality mother plants and supply to the Lead Farmers.	OSD - MI	Ongoing	Agreed
Producer Group promotion Develop guideline to support PG/FIG Groups in the commodity clusters through a micro-plan for increasing production using quality planting material, soil fertility analysis, treatment for major pests and diseases and support for replanting. A matching grant of Rs 2.00 lakhs per PG/FIG to support these micro-plans can be considered with a system of EFCs recovering project support for redeployment.	OSD - MI	31 Mar 2017	Agreed
Support to PG/FIGs Identify vibrant PGs/FIGs, facilitate micro-plan preparation and release funds	OSD - MI	On-going	Agreed
Disease free ginger seed production Identify disease free ginger clusters and develop these clusters as ginger seed production cluster by supplying disease free seed and treatment protocol. Use the PG/FIG support guideline for this support	OSD - MI	On-going	Agreed

India

Meghalaya Livelihoods and Access to Markets Project

Supervision Mission aide memoire - Mission dates: 10 November – 19 December 2017

<p>Buyer seller meet, Exhibitions and Trade fairs Organize Buyer-Seller meets at the district as well as state level linked with the major festivals and extend invitation to major buyers from around the country. Facilitate the PG/FIGs to participate in exhibitions and trade fairs in the country. The project also needs to explore tying up with large buyers such as Sresta Organics, Patanjali and Dabur.</p>	OSD - MI	Ongoing	Agreed
<p>Organic certification Identify clusters interested in starting organic production and facilitate them to obtain required certification in collaboration with other line departments. Identify market players who offer integrated support in organic production and certification, farm management and buy back and establish market linkages with these market players.</p>	OSD - MI	March 2018	Agreed

20. **Sub-Component 2.3: Livestock Development** (Rating: Unsatisfactory = 2). The project has achieved only 12.5% of the overall target of setting up 120 Livestock Development Centre (LDCs) whereas the achievement against the target for the first three years is 19%. As agreed in the last SM, project is likely to set up 100 LDCs by March 2018. The project is yet to start implementation of activities related to pig breeding centres and goat.

21. Meghalaya Institute of Entrepreneurship (MIE) implements this sub-component. The project has established 15 LDCs against the total target of 120 LDCs. The target for establishment of LDCs by the end of third year is 77. In addition to this, the project is also expected to establish 600 pig breeding units, mainly providing 600 boars to Village Level Resource Persons (VLRPs) to offer paid natural breeding services. The project has identified 40 locations across project districts to establish LDCs. Overall 1305 pig farmers, 375 poultry farmers, 39 cattle farmers were trained. In 2017-18, the project has trained 348 pig farmers, 114 poultry farmers. 47 SAHVOs & AHVO and 21 VLRPs were also trained. Progressive livestock farmers were selected and trained as VLRPs. 279 farmers were sent on an exposure visit to Assam. The project has issued guidelines for charging service fees by the LDCs. Each LDC is expected to cater to a minimum of 360 households rearing pigs and other livestock from 6 to 20 surrounding villagers.

22. After the last implementation support mission, the approach to setting up LDCs has undergone a change. MIE now plans to set up two types of LDCs, Community LDCs and Department LDCs to be set up across the entire state. This change in the plan and also time taken to convince the Livestock and Veterinary Department about Community LDCs and service charge payment resulted in undue delay to start the establishment of LDCs under the project.

Actions	Responsibility	Deadline	Status
<p>Support services by Department LDC The project will have to ensure that the Department LDC provides support services to the Community LDC by helping them in procuring medicines in bulk and selling, vaccines and other inputs such as protein concentrate and mineral mixtures to Community LDCs. An additional allocation for initial procurement of vaccines, medicines and other inputs not supplied by the government needs to be provided.</p>	DDG-MIE	Ongoing	Agreed
<p>Implement 100 LDCs The project needs to set up additional 100 LDCs. Streamline and simplify account keeping systems related to service charge. The potential for establishing LDCs within the project blocks is only 57 and project intends to expand it to all the blocks in the state. The project needs to send a proposal to IFAD detailing the proposed expansion and seek NOC.</p>	DDG-MIE	March 2018	Agreed
<p>Livestock support service activities The project needs to implement livestock activities by issuing guidelines and preparing plans for implementation of pig breeding, goat breeding and poultry rearing units. This needs to be implemented in collaboration with EFCs by identifying, training and by providing matching grant to Lead Farmers with a system of recovery through EFCs.</p>	DDG-MIE and OSD-Enterprise Development	March 2018	Agreed

Implementation of Livestock plans The project should form producer groups (Farmer Interest Groups) of various livestock producers and support them bank/IVCS finance, convergence funding and matching grant assistance. EFCs need to be the focal point for this activity. A system of recovering the matching grant may be put in place.	DDG-MIE	March 2018	Agreed
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23. Sub-Component 2.4: Access to Markets and Community Infrastructure

24. **Sub-Component 2.4.1: Access to markets** (Rating: Unsatisfactory = 2). Despite considerable ground work by the project, not even one proposal for market development has been taken up for implementation against an overall target of 55 markets during the entire project period and a target of 10 markets by the third year.

25. In order to make the process of market selection demand driven, project had invited expression of interest (EOIs) from markets to take up reforms and infrastructure improvement with support from LAMP. EOIs from 12 markets have been received so far and community dialogues have been conducted in 19 markets to finalise the entry point activities. Most of these entry point activities are common across markets and mainly include toilets, drinking water, drainage, footpath, slaughter house, waste management, and parking area and improvement of approach road.

26. The project introduced a new step of conducting feasibility study into implementation of this activity and has engaged SCSTE to conduct feasibility studies. Introduction of this step of conducting a study costing Rs 5 lakhs to assess feasibility of Rs 10 lakhs investment is unwarranted.

Actions	Responsibility	Deadline	Status
Review of MOA Review the MoU signed with SCSTE and conduct only a feasibility study on pilot basis for comprehensive development of one market.	OSD-MSD	Immediate	Agreed
Issue revised guidelines for market development Issue a guideline covering implementation steps for market development. This should include: (i) dialogue with the market owners and market committee covering the reform agenda and investment availability from the project; (ii) submission of EOI from the market owners; (iii) Signing of a tripartite MoU between the project, market owners and market committee; (iv) BDUs to engage services of an engineer for preparing cost estimates and supervision work; (v) release of funds to the market owner through BDUs for implementation of agreed infrastructure development and funds to the market committee for maintenance.	OSD-MSD	Immediate	Agreed
Facilitation for market development Market owners of shortlisted markets will have to be facilitated through engagement of an engineer through BDU to prepare detailed plans and cost estimates. Market committee in consultation with the market owner will have to prepare a maintenance plan. The copies of these to be submitted to MBMA.	OSD-MSD and BDUs	31 Jan 2018	Agreed
MOUs with shortlisted markets Conduct a tripartite consultation comprising the market owners, market committee and the project to sign a tripartite MOU for each market. Major areas to be covered include: (i) market reform requirements and the deadlines for implementation; (ii) Role of the market owners; (iii) role of market committee; (iv) costs and financing plan; (v) tentative project contribution; (vi) procurement processes for construction; (vii) bank account opening - open separate banks accounts for private markets and not for ADCs/Municipality; and (viii) fund flow, account settlement and reporting requirements. Enter into MOUs for the shortlisted markets.	OSD-MSD and BDUs	31 Jan 2018	Agreed
Implementation of market development plan The plans submitted by the market owners of shortlisted markets	OSD-MSD and BDUs	31 Mar 2018	

to be reviewed and approved by the APD. Upon approval, the market owner to advertise and engage a contractor for construction and funds to be released by the project in two/three instalments based on submission of utilization certificate by the market owners.			
Dialogue with market stakeholders Prepare a plan to conduct dialogue with the markets that are yet to submit EOI and facilitate them to participate in market development activity	OSD-MSD and BDUs	31 Jan 2018	

27. **Sub-Component 2.4.2: Communication Infrastructure** (Rating: Moderately Satisfactory = 4). The total project target for construction of rural roads is 250 kms, 20 low cost bridges and 10 rope ways. The target for completion by 3rd project year is 25 km of rural roads and 5 low-cost bridges. BDUs were allocated funds for construction of 21 km of rural roads and 1 low cost bridge. BDUs/DPMUs have completed 11 km of rural roads during the last year, and another 10 kms are under various stages of construction using plastic cell technology. The project is likely to complete another 100 km by March 2018. The project received a proposal for constructing a bridge from West Khasi Hills district and the estimated cost was in excess of Rs 46.00 lakhs which is much beyond the budget allocation in the project.

28. In order to speed up the work, the project signed a MoU with SRES on 7th August 2017, to construct the remaining 229 km of rural roads using plastic cell technology. In the October last month, project transferred Rs 21 crores as per MoU terms towards the construction of 100 kms of road and the balance 9 crores to be released after verification by Meghalaya Infrastructure Development and Finance Corporation (MIDFC). As per MoU terms, 100 kms of road construction was to be completed by end October 2017 and the remaining by March 2018. SRES plans to transfer funds to Block Development Offices by end November to start the construction work through local VECs. Once this work is completed, the project will release funds for the remaining 129 kms of road construction.

Actions	Responsibility	Deadline	Status
Finalize road construction plans for 100Kms Organize meeting with SRES to start planning and implementation of road construction works and complete construction of 100 Kms.	OSD-MSD	31 Mar 2017	
Plan for remaining 129 Km of road construction Plan and complete construction of remaining 129 kms of roads.	OSD-MSD BDOs	31 Dec 2018	
Identification of potential locations Plan for identifying potential locations for constructing low cost bridges and ropeways. Entrust this task to SRES.	OSD-MSD BDOs	31 Mar 2018	

29. **Sub-Component 2.5: Rural Finance** (Rating: Moderately Satisfactory = 4). The project has mobilized 138 IVCSs out of the total target of 300 IVCSs. Of these, 40 IVCSs have been registered. It is expected that 120 IVCSs as planned will be established by March 2018.

30. Steps to make the new IVCS fully operational should be taken up urgently. Supply of books and registers, training of secretaries in operations and book maintenance, release of corpus funds to IVCS that have mobilised a reasonable amount of share capital, establishing linkages with Meghalaya Cooperative Apex Bank (MCAB), preparation of operations and accounting manuals are some of the aspects needing attention. MCAB being the apex bank of primary cooperatives should be brought in to support in training and financial linkages more intensively. Continued handholding by an external resource institution such as BIRD is necessary. Action on transforming some societies formed earlier under the IVCS label has not been taken up, though some studies have been carried out. Financial Services Division (FSD) has not been able to get the required staff for attending to IVCS related tasks and also improving credit linkage with banks.

Actions	Responsibility	Deadline	Status
Plan for acceleration Prepare a plan for mobilization of remaining 200 IVCSs	FSD	15 Dec 2017	Agreed
Capacity building in savings and credit The IVCS should be able to transact with members immediately	FSD and MCAB	15 Dec 2017	Agreed

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after registration. To enable this, the Secretary and one member of the Managing Committee should be trained in the basics of cash handling, accounting, etc., using MCAB faculty. Train FSD staff and JCOs on basic accounting and operations so that they can visit the IVCSs to offer handholding in the initial three months period. All training should follow the guidelines issued based on Vaidyanathan Committee report.			
Supply of Books of accounts and registers to IVCS Registers to record member share collection, cash transactions, forms for member transactions and share scrip forms and also books of accounts and other requirements such as passbooks, loan applications, documentation for loans, etc., for managing savings and credit operations are to be supplied immediately to facilitate commencement of operations and complete member enrolment. The formats of books of accounts should follow the guidelines of Vaidyanathan Committee report.	FSD	15 Dec 2017	Agreed
Establishment of a committee for capacity building A small committee comprising MCAB, Registrar of Cooperative Societies (RCS) and LAMP officials should be set up to focus on training, supply of books and on-the-job handholding of IVCS – with the aim of commencing transactions. In consultation with MCAB, guidelines on savings products and interest rates, lending policy and procedures including loan products and loan interest rates, and regulatory guidelines covering liquidity requirements, lending to board members, etc., should be issued to IVCS for adoption.	FSD	15 Dec 2017	Agreed
Issuance of guidelines for accessing project support Guidelines should be issued on eligibility criteria and the benchmarks to be achieved by the IVCS to qualify for corpus contribution and salary of secretaries during the first year; the process of release of funds to the IVCS should be smooth and hassle free.	Finance and FSD	31 Dec 2017	Agreed
Issuance of clarification regarding IVCS legal framework RCS should be requested to clarify to MCAB that IVCS are Primary Agriculture Cooperative Societies as defined under Meghalaya Cooperative Societies Act and that MCAB should provide all support to IVCS on par with the PACS.	RCS and FSD	Immediate	Agreed
Reformation of old IVCS IVCS formed by the Cooperation Department two years ago without preparatory work should be put through the formation processes adopted for the new IVCS, after ascertaining the willingness of those societies for undergoing the process.	FSD	31 Mar 2017	Agreed
Staff for FSD Staff are needed in the field for formation of IVCS, monitoring of their progress and handholding the initial phase of operations as also liaising with banks for loans to eligible entrepreneurs. FSD need to explore the possibility of using EFCs for liaising with banks.	HR/FSD	31 Mar 2017	Agreed

Component 3: Knowledge Services

31. **Information on Natural Resources and Governance** (Rating: Moderately Unsatisfactory = 3).
The project has signed an MOA with the North-eastern Space Application Centre (NESAC) to prepare village resource maps. The project has released Rs 5.00 million to NESAC to undertake this activity. The village resource maps are being generated and these will be supplied to the villages to facilitate the community management of natural resources. NESAC is expected to develop resource maps for 1,350 villages covering 20 themes. It is planned to provide these maps to the villages but plans are yet to be made on the deadline for the delivery of these maps and on how these maps will be used by the community.

32. The project has started activities related to technology testing and action research. The project has identified in total 13 technology testing and action research sub-projects. Of these 11 proposals have been submitted by the State Council of Science and Technology and Environment and two proposals from Institute of Natural Resources Management. These action research projects are quite interesting pilots for local adaptation of technologies already tested elsewhere in the country.

33. **Knowledge Management and lesson learning** (Rating: Satisfactory = 5). The project has undertaken substantial work with regard to knowledge management and lesson learning. The project has started issuing weekly updates on the progress of various initiatives as against the bi-monthly newsletter system prevalent during the previous years. This has increased the readership and feedback from the project staff. The knowledge database being updated with all the publications and reports of the IBDLP of which LAMP is a part. These publications and reports can be downloaded from the data base. The project has prepared video tutorials related to candle making (3 videos covering different types of candles) and one video for value added fish products. These videos have been disseminated to all project staff including staff of EFCs to disseminate the same to the community. Based on the request of the community and the feedback from the district level staff, the project has engaged an agency for preparing 21 videos covering various livelihood activities based. The project has also created an e-story card (one page) containing experience, challenges and lessons from the journey of successful entrepreneurs in the project area.

Actions	Responsibility	Deadline	Status
Land use planning support Prepare a land use map for each village and finalize the same after validation by the community. Prepare land suitability maps for growing various crops based on slope, altitude and soil texture.	OSD-NRM	On-going	Agreed
Technical video preparation Prepare technical videos on major diseases, vaccination schedules, management protocols and prophylactic and first aid measures required to address major livestock and crop diseases.	Sr Manager KM	28 Feb 2018	Agreed
Identification of labour saving innovations Identify labour saving innovations from other parts of the country relevant to project promoted value chains and disseminate the knowledge to EFCs and community in the form of videos and brochures.	Sr Manager KM	31 Mar 2018	Agreed
Annual movie-night event Conduct annual community movie-night at the EFC to disseminate knowledge on their livelihood activities with stories of successful entrepreneurs from various sectors. This can be coupled with entertainment and other activities of interest to the community.	Sr Manager KM	On-going	Agreed

ii) Development Focus

34. **Targeting and outreach:** (Rating: Moderately Satisfactory = 4). LAMP is part of IBDLP which covers the entire state. On account of IBDLP's universal coverage, there was no necessity to implement a targeting approach to project implementation. This being an enterprise and value chain led project, the selection of villages and clusters was based on the potential for cultivation of marketable crops. The natural resources management and market access related activities benefit all the households in the project villages. Enterprise facilitation is geared towards interested entrepreneurs in the block. The project has started NRM activities in 272 villages and integrated production and marketing activities in about 400 villages whereas the activities related to EFCs have started in 40 blocks. The overall outreach of the project 29,479 households covering 102,284 population. The project promoted EFCs have registered 60,850 partners as at September 2017. Outreach continues to be below expectation on account of slow acceleration in project activities and also task based approval and implementation process.

Actions	Responsibility	Deadline	Status
Accelerated implementation plan The project needs to develop an accelerated implementation plan on account of to ensure that activities start in all the villages within the next two years so that adequate time remains for implementation of activities before the project closure.	APD	31 Dec 2017	Agreed

35. **Gender equality and women's participation:** (Rating: Moderately Satisfactory = 4). The annual outcome survey (AOS) for 2016 indicates that about 24% of the households are women headed. The project had prepared a gender strategy and Gender Action Plan during 2016 including the facilitator manuals. An Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, has been set up in 2016. The project has conducted a gender orientation programme to disseminate the provisions of this Act to 115 IBDLP personnel. A three day training programme has been conducted by the Financial Services Division to train the Village Level Facilitators and gender aspects were mainstreamed into this training. The tasks related to improving women's participation in project activities has been mainstreamed into the functions of EFCs at the block level. The gender disaggregated data on women's participation in training related to production, processing and marketing is 38%. This apart, anecdotal evidences indicate that the participation of women in IVCS meetings, participatory rural appraisals and also in NRM plan preparation efforts have been fairly satisfactory.

36. **Rural Poverty Impact:** (Rating: Moderately Unsatisfactory = 3). The project is still taking preparatory steps related to project implementation. Only recently funds have been released for NRM activities and road construction. Enterprise promotion activities with facilitation from EFCs though showed initial promise with high levels of registration but could not sustain on account of inadequate support from the banks for financing enterprises. Only 46% and 2% of the entrepreneurs have been trained and linked to banks respectively. AOS for 2016 indicates that 28% of the project households have better access to natural resources compared to 22% from the control group and percentage of households reporting decrease in access to natural resources was same for project and control group households. It was reported that 24% of project households have reported increase in income, 51% reported no-change and 25% reported decline. The situation in respect of the percentage of project households reporting change in income is only marginally better than the control group with about 1-2% variance.

37. **Agricultural Productivity** (Rating: Unsatisfactory = 2). The project is yet to start taking steps related to improving productivity of food crops. The project as a part of integrated production and marketing has started the process of establishing nurseries for spice and horticultural crops which will have impact on productivity.

38. The project can increase food production by using improved crop husbandry methods and inputs. Paddy yields can be increased through improved seeds and seed treatment. There is a need to introduce oilseeds and pulses as second crop after paddy. Soil fertility management through better composting and vermicomposting and green manure crops. Soil chemical amendments, such as use of lime in acidic soils can also be introduced for increasing productivity.

39. International Potato Centre (Centro Internacional de la Papa, or CIP) started Food resilience through root and tuber crops in Upland and coastal communities of Asia-Pacific initiative in Meghalaya in collaboration with LAMP. CIP has completed a scoping study in April 2016 and the project has accepted the study report. An action framework for crop wise activities has been drawn up and is awaiting approval as it involves handholding with a few identified experts. The mission met with the visiting members from CIP and three focus areas were identified in addition to the silage training being undertaken. They include: (i) shift from promotion of potato production to seed potato production taking advantage of agro-climatic conditions of Meghalaya coupled with inability to compete with the plains of India in potato production; (ii) introduce methods of increasing soil fertility to increase production; and (ii) introduce bio inputs for seed treatment and pests that attack potato during pre and post-harvest stage.

Actions	Responsibility	Deadline	Status
Identify new varieties for introduction Collaborate with the state agriculture department and local ICAR research station to identify suitable crops and varieties that can be introduced based on the research and demonstration results.	OSD- Eco system Services	31 March 2018	Agreed
Design training programs for Increasing soil fertility / improvement Identify suitable methods of improving soil fertility and design a training for lead farmers and village facilitators on these aspects. These programs can be conducted at block level by EFC in collaboration with the local agriculture department.	OSD- Eco system Services	31 March 2018	Agreed
Action plan preparation Develop an action plan with CIP to focus on potato seed production, soil fertility management and bio-pest management.	OSD- MI	31 Dec 2017	Agreed

40. **Nutrition:** (Rating: Moderately Satisfactory = 4). As per the AOS of 2017, availability of food has improved to 19% of the households whereas it has remained constant for 73% and worsened for 8% of the households whereas the situation in respect of the control group slightly lower with 17% of the households and the food availability worsened for 9% of the households. The situation in respect of quality of food consumed also remains the same. This is not a nutrition focused project but an enterprise, production and marketing focussed project. The community level interventions are based on the priorities identified by the community. However, the project interventions are expected to increase the income levels of the community and as result nutrition levels are expected to improve. In the absence of a clearly defined pathway for promotion of nutrition sensitive agriculture, there is a need to integrate this activity into the natural resource management plan preparation by the community.

Actions	Responsibility	Deadline	Status
Support to nutrition sensitive agriculture Facilitate the community to consider the need to take up nutrition sensitive agriculture as a part of the natural resource management plan to be implemented with IFAD funding	OSD- Eco system Services	31 Mar 2018	Agreed

41. **Adaptation of climate change management** (Rating: Moderately Unsatisfactory = 3). The planning process has started with coverage of 272 villages being 20% of the overall target of 1,350 villages.

42. Based on the components of project design, it is assumed that the environmental impacts will be negligible. There is a focus on village level participatory planning for generating natural resources management plans. The emphasis on improving soil fertility management, low cost soil and water conservation measures and increased access to drinking water / irrigation by protecting water resources help in overall natural resources management by the village communities.

Actions	Responsibility	Deadline	Status
Environmental Impact assessment Design a study for assessing the environmental impact of the NRM activities implemented in the project. This can be designed in consultation with the climate change adaptation group supported by GIZ in Meghalaya.	OSD- Eco system Services	Ongoing	Proposed
Mapping of contaminated water sources Prepare a map showing drinking water sources contaminated due to mining activity in project villages and implement measures to improve the quality using low cost techniques.	OSD- Eco system Services	30 June 2018	Agreed

b. Sustainability and Scaling up

43. **Policy Engagement** (Rating: Moderately Satisfactory = 4). The project engaged in policy dialogue related to two major areas. They include: (i) rural finance; and (ii) market development. In respect of rural finance, the project successfully convinced the government to promote IVCSs as sustainable member owned savings and credit institutions which involved dialogues between the

Cooperation Department, the project and the MACB. This has led to approval of the byelaws of the IVCSs and active involvement all stakeholders in their promotion. The policy dialogue efforts required to reform the markets have been slow and fragmented. There has been limited efforts to identify the reform process required and to undertake policy dialogue with the market owners and market committees.

44. **Rural People's Organization** (Rating: Moderately Satisfactory = 4). The project is promoting IVCSs as rural people's organization. These are member owned and managed. Members contribute to the capital of the IVCSs and savings of members will be mobilized for providing loans to members. The project has made progress in terms of mobilizing 138 IVCSs and 40 have been registered. The project provides support for capacity building, and initial establishment cost and staff costs to offset the viability gap during the initial years. It is expected that these measures coupled with increased volumes of savings and credit will make these organizations profitable.

45. **Human and Social Capital** (Rating: Moderately Unsatisfactory = 3). The project is implementing a four pronged approach to building human and social capital. The EFCs register the potential entrepreneurs from the project area, identify training requirements and organize training programmes to build their capacity but during the last year there has been reduction in the number of registrations and signs of waning interest in the EFCs' human capital development efforts. The project has also undertaken several mobilization processes to build social capital. The most important amongst these efforts are mobilization of IVCSs with share capital contribution by the members; in total 40 IVCSs have been registered and 98 IVCSs are at different stages of mobilization. In addition, the project has also mobilized the community as a part of NRM plan preparation. These plans will be implemented with support from convergence, beneficiary contribution and project support. These efforts in social mobilization have contributed to satisfactory beneficiary participation in project activities.

46. **Quality of beneficiary participation:** (Rating: Moderately Satisfactory = 4). The participation of the beneficiaries in all the preparatory tasks related to NRM plan preparation has been satisfactory but there has been considerable delay in release of funds for NRM plan implementation. The participation of the beneficiaries in the registration process started by the EFCs has been highly satisfactory during the initial years but the participation levels declined with the realization that there is no concrete support forthcoming from the EFCs for enterprise promotion. Beneficiary participation remains high in respect of IVCS related activities, market improvement and road construction activities.

47. **Responsiveness of service providers** (Rating: Moderately Unsatisfactory = 3). The project engaged public sector institutions such as Bankers' Institute of Rural Development (BIRD), Wasteland and Watershed Development Board (WWDB) and State Rural Employment Society (SRES) The activities of BIRD with regard to Training of Trainers has proceeded satisfactorily. The project has recently released funds to WWDB to implement NRM activities and to SRES to implement road construction activities. Yet, plans are being made by these two service providers to start implementation of the activities.

48. **Environmental and natural resource management** (Rating: Moderately Satisfactory = 4). The project plans to implement natural resource management activities covering soil and water conservation works, afforestation, and water related interventions including source protection. These intervention when implemented will have positive impact on the environment.

49. The project has prepared NRM plans for 272 villages and preparatory work is expected to commence in the remaining villages. These NRM plan drive the community towards sustainable use of land and water resources. This apart the planning and implementation processes, build capacity of the community to implement the activities and maintain them. These interventions are sustainable and can be scaled up with limited effort.

50. **Sustainability** (Rating: Moderately Unsatisfactory = 3). The project is part of IBDLP which is a much larger programme implemented in convergence with various programme and missions of the state and central governments. This provides an opportunity for the project interventions to be

supported beyond project life and also in addition add value to the project interventions through convergence funding. However, during the last three years of project implementation, the project is yet to achieve any significant convergence with other programme with the exception of using BDUs at the district level for project implementation. However, NRM plans have been prepared and implementation of these plans require convergence support. The project is supporting several institutions at the grassroots level. The project has started promoting IVCSs, largely focussing on savings and credit. The project has started establishing LDCs that provide support to farmers engaged in livestock rearing. The plans for establishment of these institutions have a road map for becoming sustainable. The progression of these institutions towards sustainability will become evident over the next couple of years.

51. **Scaling up** (Rating: Moderately Unsatisfactory = 3). The project concepts such as the IVCS model for village banking, cluster level integrated production and marketing strategies for major commodities, market development models are applicable to the villages outside the project area and also to other states in the northeast offering potential for scaling up. However, there is a need to demonstrate the effectiveness of these models for replication in several states in the North East, which have similar problems in financial services and market access in rural areas. However, the plans for scaling up within the project area are delayed due to slow pace of implementation progress.

c. Project Management

52. **Quality of project management:** (Rating: Moderately Unsatisfactory = 3). This is mainly on account of the low achievement on both physical and financial progress fronts. The project will complete three years of implementation in December 2017 but the financial progress has been only 7% of the amount allocated by IFAD. The activities related to natural resource management, and market development are yet to start.

53. MBMA is entrusted with the project management responsibilities of LAMP under the overall coordination and policy guidance of the MBDA's governing board. This was designed with the noble intention of ensuring convergence of all NRM and enterprise development activities to maximize benefits to the community and to reduce the normal bureaucratic delivery mechanism of the line departments. The design assumed that the MBDA would only provide policy guidance to IBDLP in general and LAMP in particular. However, during the course of implementation of LAMP, MBDA created a management structure separate from that of MBMA and brought in institutions under it such as the Meghalaya Institute for Natural Resource Management (MINRM), Meghalaya Institute of Entrepreneurship (MIE) and Meghalaya Institute of Governance with overlapping roles and responsibilities for project implementation. MINRM reports to two Deputy CEOs, MIE reports directly to CEO and other Divisions report to APD/Deputy CEO of LAMP. The institutional structure has grown complex with non-linear reporting lines and overlapping functions. The offices of LAMP divisions are in different locations and headed by part time staff. All these factors have contributed to the inability of the project management authority to develop coherent implementation plans and processes.

54. The main issues impacting project implementation include: (i) complex management structure with four institutions involved in conceptual and approval level functions of project interventions; (ii) overlapping functions of top level functionaries – CEO and Executive Directors of MBMA in multiple institutions with one institution approving the budget and other institution implementing activity leading to the inability of these functionaries to undertake oversight functions; (iii) duplication of functions – an intervention approved by a functionary in one institution again approved by the same functionary in another institution; (iv) non-linear management structure – Dy CEO of MBMA reports to Executive Director and CEO of MBMA whereas MIE which gets funds from MBMA reports to CEO; (v) multi-layered top management at the conceptual and approval level; (vi) part time functionaries – all head of division are part time functionaries some are government staff providing part time input to the project and some are Consultants providing part time input; (vii) inadequate delegation of powers – multi-level task based approvals for fund releases required after approval of annual work plan and budget; and (viii) institutions and staff located in different locations with inability to build systems and processes for holistic implementation modality.

55. The project financing agreement between the GoM and IFAD has specified that the full time Executive Director to MBDA will be the Project Director reporting to CEO of MBDA and a fulltime Additional Project Director will be appointed to implement LAMP. In reality this project, neither has a full time Project Director nor a full time Additional Project Director. Both MBDA and MBMA do not have a clear cut management process that delineates administrative sanction, financial sanction and financial release powers of the management. As a result, all sanctions are sought from the CEO or the Executive Director after getting approval from the Governing Board on a task by task basis. Similar is the situation in the districts. A two tier approval and fund release system is put in place with all files moving through the Nodal Officer, and the Deputy Commissioner.

56. The project also does not have a system of bottom up planning for activity implementation. Annual work plan and budgets are not prepared at the district level and consolidated at the state level to provide sanction and approval. Task based approval as planned by the MBMA and its associate agencies are provided to the districts for implementation. The activities under normative model of AWPB preparation include: (i) provision of an indicative budget to districts during November/December each year for preparation of district level AWPB for the next financial year; (ii) review and consolidation of district AWPBs and inclusion of state level AWPB to prepare project level AWPB; (iii) approval from the state government for incorporation into the state budget and also approval from IFAD; and (iv) release of quarterly budgets to implementing agencies for implementation based on approved AWPB without resorting to task based approvals once again.

57. The project had appointed Consultants for M&E, Procurement and Finance as officers on special duty (OSD) with a view to build capacity of the local staff. This effort has not yielded expected results. They have become regular staff with fixed inputs every month and have become another layer in processing approvals. It is appropriate to empower the current set of Managers and seek consultancy support on identified tasks and not on a regular time input basis.

Actions	Responsibility	Deadline	Status
Full time PD/APD MBDA/MBMA management structure needs to be rationalized with a full time PD who is fully empowered to implement activities based on AWPB approved by the Governing Board of MBDA. In case it is not possible to have a full time PD, it is necessary to have a full time APD who is fully empowered with PD providing only policy guidance.	Governing Board of MBDA	31 Jan 2018	Proposed
Harmonization of Project Management structure The direct project implementation entities (Institutes and Divisions) need to be harmonized by bringing them all under one roof and one line of control with full time professionals heading each Division. It is suggested that GoM constitute a two member committee comprising senior officials from the Department of Planning to be facilitated by an external facilitator to revamp the composition of governing board, management structure, reporting lines, and approval and implementation processes. If required, IFAD may be requested to provide the external facilitator for this purpose.	Governing Board of MBDA	31 Jan 2017	Agreed
AWPB preparation and implementation Do away with task based activity approval system. Introduce bottom up planning with district level AWPBs and state level AWPB consolidated into project AWPB. Quarterly release of funds for implementing activities approved under AWPB.	PD/APD	Immediate	Agreed
Codification of administrative and financial sanction powers The administrative sanction and financial release procedures with roles and responsibility of each functionary at the state and district level and the delegation of financial powers need to be codified to ensure that the project implementation does not follow a multi-layered approval and fund release processes.	Governing Board of MBDA /MBMA	31 Jan 2017	Agreed
Appointment of technical staff All new professional staff engagement for EFCs, BDUs and State	Governing Board of	On-going	Agreed

level except for financial management need to have agriculture, horticulture and livestock background.	MBDA /MBMA		
AWPB revision The recommendation made in ISM of May 2017 for revision of the AWPB to reflect the higher targets for formation and the consequent actions has not been complied with. This may be done immediately to ensure budget approval is in place.	APD	Immediate	Agreed
Services of Consultants Discontinue services of Consultant OSDs engaged for M&E, Procurement and Finance. Empower existing Managers and engage consultants on a task basis whenever the respective Manager identifies a task that cannot be handled internally.	APD	Immediate	Proposed

58. **Innovation** (Rating: Moderately Unsatisfactory = 3). The project design introduced an institutional innovation of the Planning Department of GoM by embedding the project in the overall framework of IBDLP and also under the overall governance structure of MBDA. This was done with a view to: (i) expand into all villages through convergence; (ii) make convergence effective by addressing the resource gaps in convergence; and (iii) use project's flexibility to pilot new ideas and to scale up as a part of the regular government programme. This innovation is yet to become effective as working in silos continued and also on account of complexities in the management structure of institutions nested within MBDA.

59. The project has also tested a new plastic cell technology developed by the Indian Institute of Technology to construct village roads. The results of its ability to withstand heavy rains better than the normal concrete roads will become evident in the next couple of years. The project is also in the process of establishing Livestock Development Centres a concept new to the region. The project officials have visited such centres in Gujarat and based on this exposure visit, LDC intervention has been designed.

60. **Efficiency** (Rating: Moderately Unsatisfactory = 3). The project has largely undertaken capacity building and mobilization tasks. Activities related to natural resource management are yet to start at the field level though plans are in place and funds have been released to the implementing agency. In respect of enterprise development, rural finance and market development, activities related to mobilization have been implemented. In respect of integrated production and marketing some activities related to nursery and test marketing have been implemented. There has been major delays in implementation. The project implementation arrangements have been inefficient and output delivery problematic.

61. **Coherence between annual work plan and budget** (Rating: Unsatisfactory = 2). The actual performance has been 10% during the year 2016-17 and 9% for the seven months period (up to October 2017) of 2017-18. The performance of 10% and 9% in 2016-17 and 2017-18 is also due to the expenditure on project management (129% in 2016-17 and 49% in 2017-18) without which the actual performance is only 2% and 6% respectively. Not much work has been done in respect of the project. The DPMUs are not provided with the AWPBs to plan out their activities over the next quarter, instead all activities are directed from the SPMU which delays the whole process of project implementation.

62. **M&E Systems:** (Rating: Moderately Satisfactory = 4). The project has put in place a system of quarterly collection of data related to outputs from each district unit. The data collected are consolidated and submitted to the project management on a quarterly basis. The project M&E staff have also visited ILSP in Uttarakhand and HVAP in Nepal with a view to understand the M&E system of these projects and to develop an on-line M&E system. The project has developed an off-line M&E module and has engaged NIC to digitize this module. The project has conducted Annual Outcome Survey (AOS) for 2016 and a report has been submitted to the project management and IFAD during April 2017. AOS for 2017 has been launched and data collection work is progressing. This report is expected to be submitted by February 2018.

63. The project has put in place a system of submitting consolidated tables containing data on outputs collected from the districts. However, there is no system of providing an analysis of the data

that identifies the better and poor performers and an analysis of deviations for the management team to design corrective measures for improving performance of poor performers. The project is in the process of digitising the data collection formats but these formats need to be synchronized with the Log frame indicators and related Operational Results Management System (ORMS) reporting formats. A copy of the revised log frame indicators and also ORMS format was provided and the M&E team was facilitated to prepare a revised log frame and reporting formats in compliance to ORMS requirements.

Actions	Responsibility	Deadline	Status
Preparation of an analytical report Prepare and submit to the project management a two page analytical report on a quarterly basis using the quarterly data collected on project outputs and financial achievements analysing the performance by sub-component and district clearly indicating the districts and sub-components that are performing better than the average and those performing below average.	M&E Manager	28 Feb 2018	Agreed
Revision of reporting formats The project needs to switch to revised reporting based on the revised ORMS reporting formats. In order to switch to this, the project needs to synchronise the data collection formats that will be digitised with that of ORMS reporting requirements	M&E Manager	28 Feb 2018	Agreed
AOS improvement Improve / revise the AOS survey format to collect data related to some of the outcome level indicators in the log frame while conducting AOD for 2018.	M&E Manager	31 Oct 2018	Agreed

64. **SECAP:** (Rating: Moderately Satisfactory = 4). The project was approved before the guidelines for SECAP were finalized. Based on these guidelines, the project falls under the Moderate risk (B) category. Most of the project components have been planned for implementation that does not have negative impact on the environment. These are: (i) preparation of NRM maps; (ii) identification of key soil and water management practices; (iii) community afforestation; and (iv) protection water sources.

d. Financial Management and Execution

i) **Disbursement.** (Rating: Highly Unsatisfactory = 1). The disbursement by IFAD is 4.72% of the total project allocation. It is expected that by end of project year 3, at least 42% of the total project allocation should have been disbursed but the actual disbursement is 11.24% taking into account expected disbursement during first three years. The low disbursement is on account of the low level of field activities which is also evident from the low achievement against the approved AWPBs. The project has submitted seven Withdrawal Applications (WA) till date of which only the WA for the quarter July-Sep 2017 is to be processed by IFAD and the others have been adjusted against the initial advance released by IFAD.

65. The actual expenditure in the first WA for the period up to March 2016 was Rs 14.985 crores (amount claimed from IFAD was Rs 8.285 crores) whereas according to the audited accounts the total expenditure was Rs 11.68 crores (IFAD share was Rs. 6.665 crores). Thus, there was excess expenditure shown in the WA to the extent of Rs.3.3 crores and a result IFAD released an excess amount of Rs.1.815 crores.

66. The last WA for the quarter July-Sep 2017 which is yet to be processed by IFAD contains expenditure pertaining to the years 2014-15, 2015-16 and 2016-17 amounting to Rs. 6.88 crores which is reimbursed to MIE for expenditure incurred during those years. A review of this statement of expenditure indicates that: (i) the accounts of MIE (which is an independent society) was not audited for the year 2016-17; (ii) the OSD-Finance of LAMP has audited the accounts of MIE for the years 2014-15 and 2015-16 which is a clear case of conflict of interest and the audit not being independently conducted as the OSD-Finance has prepared and signed the withdrawal application, which includes expenditure of MIE which is audited by her (iii) only expense sheets are maintained for expenses and no accounting system exists in MIE; (iv) Payment of Rs 673,799 made to MIDC was actually an expenditure funded by UNESCAP but the same has been claimed once again under

LAMP which is clearly a case of claiming from two sources for the same expenditure; (v) the sanction order of most of the expenditure of MIE claimed under WA 7 indicates that these are debitable to the Grants in Aid (SCA) for the years 2011-12, 2012-13 and 2013-14 presumably claimed from the Govt of India under the Special Central Assistance scheme which has been reimbursed again by LAMP – another instance of double claiming from two sources; (vi) TDS has not been deducted from payments as per statutory requirements which is a serious offence under the Income tax Act and default of these provisions makes the person who is supposed to deduct tax liable to penalty and prosecution; and (vii) an expenditure of Rs 8,79,699 for a training programme conducted prior to project effectiveness has been claimed in the WA 7.

67. The project included only the expenditure incurred by the SPMU and salaries of DPMUs in the WA 7 for the period July-Sept 2017. It does not include other project expenditure by the DPMUs and the other project partners. To that extent the WA submitted is incomplete in so far as it does not contain the entire expenditure during the period.

Actions	Responsibility	Deadline	Status
Adjustment of excess claimed amount The excess amount claimed from IFAD under WA 1 should be refunded by adjusting it in the next WA.	Manager – Finance /APD	31 Dec 2017	Agreed
WA preparation All WAs should include the entire expenditure of the project for the period. Partial claims should not be made and expenditure of prior periods should not be claimed in the WA of subsequent periods. Claims made should be classified under the appropriate category of expenditure as per the financing agreement and as recommended by the FSM	Manager – Finance /APD	31 Jan 2018	Agreed
MIE expenditure under WA 7 WA 7 will be rejected by IFAD and the project to rework and resubmit after excluding all double claim expenditure and expenditure incurred prior to project effectiveness with a certification that the amounts claimed under LAMP have not been claimed from any other source. Excess funds released to MIE to be refunded to LAMP.	Manager – Finance /APD	31 Dec 2017	Agreed
Audit of MIE MIE needs to get its accounts for 2016-17 audited by an independent auditor having no conflict of interest.	DDG-MIE	31 Dec 2017	Agreed

ii) Fiduciary Aspects

68. **Quality of financial management.** (Rating: Unsatisfactory = 2). No proper books of accounts are being maintained at the SPMU and the BDU/DPMUs and consequently the project does not have a double entry accounting system in place. Half of the agreed actions of the previous ISM have not been implemented. Internal audit function has not been put in place.

69. The project has a part time OSD-Finance (Chartered Accountant) heading the finance team, with a finance manager, a program associate and a compliance officer (Company Secretary) at the SPMU and an administrative associate (accountant) at each of the BDUs/DPMUs handling the accounts function of the project. The administrative associates are required to maintain accounts of the respective BDU/DPMU. At the SPMU, the programme associate maintains an excel sheet which records only the expenditure of the project with no record of receipts or balancing the statements monthly. The compliance officer enters the receipts into the expense sheet to arrive at bank balance. The withdrawal applications are prepared from these expense sheets. The finance manager is responsible for preparation of the financial statements of the project besides making notes for approval of expenditure in the note sheet.

70. The compliance officer, who is a Company Secretary prepares a monthly bank reconciliation statement and is responsible for complying with the TDS (tax deduction at source) provisions of the Income tax Act. The Consultant OSD-Finance is overall in charge of the finance and accounts team of the project. In accordance with the scope of work listed in the terms of reference, the OSD-Finance is required to do procurement, institutionalize and roll out accounting software (Tally) across the project

including all district units, review the general ledger transactions to ensure accuracy, bank reconciliations, consolidation of reporting from the DPMUs, put in place an internal audit mechanism besides a lot of other activities listed in the terms of reference. Of these items of work listed above, procurement is taken care of by another consultant, tally is not yet operationalized and ledger accounts are not being maintained, bank reconciliation at the DPMUs are not being carried out and at the SPMU it is being done by the compliance officer, DPMUs do not have any monthly reporting system (except for salaries) and hence there is no consolidation at the SPMU level and internal audit has not yet been introduced. The accounts are reported to be on accrual basis. However, the claims of MIE for the last three years submitted during the current financial year indicate that the expenditure for the last three years has not been accounted on accrual basis.

71. Bank reconciliations statements (BRS) are prepared only at the SPMU which does not consider the transactions in the Multi Option Deposit account and hence the bank balance, as provided in the BRS, does not match with the bank statements. Further the BRS has listed some stale cheques which need to be reversed. The purchase order for Tally was placed in February 2016 and the staff were trained for 2 days by the vendor in Feb 2016 whereas the invoice of the vendor was received in April 2017. So far Tally has not been implemented though the project has reported to the Board of Directors of MBMA that Tally has been implemented. The present system of having a part time OSD-Finance is not at all effective in handling the accounts section of the project.

72. Most of the DPMUs just maintain a cash book which records cheques issued and cheques received from the SPMU. No ledgers have been maintained and bank reconciliation is not carried out since the beginning of this year. In one of the districts, accounts were maintained in Tally but the SPMU had not provided any guidance in respect of the account heads (groupings of accounts) to the DPMU. Consequently, advances given were grouped under loans (liabilities) instead of advances (assets). The accounts staff at the DPMUs have not been provided with the approved AWPB so no comparison can be made of the actual expenditure with the budget. For each item of expenditure the approval is provided by the SPMU for which funds are sanctioned and released. The payment from the DPMU particularly for training and other village level activities is made to the DPM who in turn withdraws money and incurs the expenditure. On completion of the activity, the DPM provides a statement of expenditure with supporting vouchers to the accountant. The practice followed is not financially prudent. The accountants should incur expenditure and where possible issue cheques directly to the vendor or maintain petty cash for incurring cash expenses and record individual transactions in the books of accounts rather than issuing one cheque to the DPM for him/her to incur all the expenditure. The DPMUs as in the case of MIE also do not comply with TDS provisions where applicable.

Actions	Responsibility	Deadline	Status
Human resource in financial management Refer to recommendation in Project Management regarding OSD-Finance. Allocate the tasks related to internal audit to the Compliance Officer of MBMA who shall prepare quarterly internal audit for submission to the management and to ensure compliance by the finance section to the internal audit observations.	APD	31 Jan 2018	Proposed
Books of accounts Proper books of accounts using double entry accounting system need to be maintained until Tally is made operational.	Manager – Finance /APD	31 Dec 2017	Agreed
Tally operationalization Prepare uniform chart of accounts to be grouped under the project components, implement tally immediately, cost centre facility to be used for segregating the expenditure by category, feed budgets into the software, train all accountants in the use of the software and its features with adequate and timely support from the SPMU to enable generation of financial reports. DPMUs to submit monthly financial reports along with back up of Tally data to the SPMU.	Manager – Finance /APD	31 Dec 2017	Agreed

Quarterly report Devise quarterly reporting formats for financial reports from the DPMUs and implement the same.	Manager – Finance /APD	31 Jan 2018	Agreed
Report consolidation SPMU to consolidate all the financial reports at the SPMU and synchronize data for generation of monthly progress report.	Manager – Finance /APD	31 Jan 2018	Agreed
BRS finalization Bank reconciliations statements to be prepared at the end of every month through the software, verified, signed and filed at both state and district levels.	Manager – Finance /APD	31 Dec 2017	Agreed
Compliance to TDS provisions TDS provisions to be complied while making payments against all contracts, professional fees, rent and salaries where applicable.	Manager – Finance /APD	Immediate	Agreed

73. **Quality and timeliness of audit.** (Rating: Moderately satisfactory = 4). During the year 2015-16, the audited Project Financial Statement (PFS) and the audit report were submitted in March 2017 (six months beyond the stipulated time). For the year 2016-17 a soft copy of audit report was submitted after the due date but the hard copy is yet to be submitted. The audit report provides an unqualified opinion on the financial statements and also includes a management letter as required. The audited PFS does not contain the yearly and cumulative SOEs by withdrawal application and category of expenditure, cumulative status of funds by category and statement of comparison between actual and budget estimates.

Actions	Responsibility	Deadline	Status
Audit Prepare the PFS in accordance with IFAD Guidelines on Project Audit and submit the same within stipulated time.	Manager – Finance /APD	30 Sep 2018	Agreed

74. **Counterpart funds:** (Rating: Moderately satisfactory = 4). During the year 2015-16, GoM did not disburse any funds. However, during the year 2016-17, it has already disbursed Rs 82 crores covering both its own share and IFAD share. The last tranche of 2017-18 amounting to Rs. 68 crores has been disbursed to MBDA which will in turn release it to MBMA.

75. The GoM has disbursed Rs. 105.54 crores till date. The amount disbursed is not bifurcated between IFAD contribution and its own share. To arrive at the GoM contribution to the project, the total amount disbursed by IFAD to the project is deducted from the amount disbursed by GoM. Accordingly the GoM contribution is worked out at Rs.92.01 crores.

76. **Compliance with financing covenants:** (Rating: Moderately satisfactory = 4). Three covenants have not been complied with. They are (i) Full time Executive Director of MBMA not appointed as PD; (ii) The audit report has not been submitted within the stipulated time; and (iii) AWPB and procurement plan not submitted within the stipulated time.

77. **Procurement** (Rating: Unsatisfactory = 2). Significant delays are observed in execution of the procurement plans undermining the efficiency and effectiveness of the project implementation. Procurement Plan (PP) for 2017-18 submitted late without details and further revised about 4 times internally without obtaining IFAD no objection for the revisions/changes. Prior review procurement actions not submitted to IFAD for no objection. Contracts do not comply with standard templates and contract monitoring is very weak. Procurement manual is yet to be prepared and submitted to IFAD for approval. Single source procurement contracts (including with Government agencies) not submitted to IFAD for no objection. Procurement is not systematically planned, executed and monitored. Recommendations related to procurement in the last Fiduciary ISM in June 2017. were not acted upon.

78. Procurement documents, approvals and copies of the contracts/purchase orders are maintained and available for review. LAMP engaged several government agencies for implementation as service provider on single source basis. All these engagement do not follow the direct contracting processes requiring IFAD prior review. The contracts include WWDS, MIE, SRES, SCSTE, NIC and NESAC.

79. Procurement of vehicles (5 pickup and 1 SUV) was initiated as local shopping. The quantity exceeds the AWPB and PP quantities. The technical specifications lead to a particular model/manufacturer. This should have been submitted to IFAD for prior review as the estimated cost is above USD 100,000. Procurement of motor bikes and scooters for EFC proposed by the project is neither in the cost tables, nor in the AWPB and PP. Technical specification were very basic. The project has put on hold the procurement. This has to be cancelled. This can only be initiated after including the same in AWPB and PP which is then approved by the Governing Council and IFAD.

80. In respect of GPS and Water tracer, published RFQ was adopted. For water tracer, only one bid was received and was evaluated and awarded. Even after 45 days, the water tracers are yet to be delivered. Printing of booklets and IEC materials are executed on an ad-hoc manner without resorting to long term contract. Project units send requisitions to the procurement unit a week before the actual need. Procurement under local shopping, is transparent and competitive though preparation of technical specifications has to be improved. Similar procurements are not grouped together and competitive bidding is not undertaken. The quantities are split among various RFQs.

Actions	Responsibility	Deadline	Status
Finalisation of Procurement Manual The procurement manual incorporating the processes for planning, monitoring, standard bidding documents and contracts to be finalised and sent to IFAD for comments and approval.	APD	15 Dec 2017	Agreed
Procurement Plan Procurement Plan should be prepared with details and no modifications/revisions to be undertaken without IFAD prior approval. In case of urgent, unforeseen procurement, details to be sent to IFAD via email for approval and incorporated in the bi-annual review. Procurement Plan should be made as a rolling plan. Procurement Unit to prepare quarterly plan and the units should confirm the proposed plan. All procurement should be routed through the Procurement Unit for better monitoring and execution. Any procurement undertaken without incorporating in the PP or not in compliance to prior review requirements will not be treated as eligible expenditure under IFAD financing.	APD/Manager Admin and Procurement	ongoing	Agreed
Reorganising the Procurement Unit The procurement unit should be headed by a full time procurement professional. Procurement Unit to prepare quarterly plan and the units should confirm the proposed plan. All procurement should be routed through the Procurement Unit well in advance for deploying effective procurement methods, preparing bid documents, and for monitoring and execution. Procurement staff should be handling procurement actions full time, without other responsibilities for other projects/activities.	APD	30 Dec 2017	Agreed
Contract Management Currently the consultancy contracts are not monitored properly for the deliverables, end date and contract amendments are initiated after the expiry of the original contract period. Contracts should follow the standard templates. Contract management forms for all procurement should be prepared, updated and monitored. The hiring units should diligently review the deliverables and expiry of contract dates and initiate extension/amendment before the expiry of the original contract.	APD/Manager Admin and Procurement	On-going	Agreed
Ex-post facto approval 81. Project should obtain ex-post facto approval from IFAD by submitting a revised contract as per the standard template containing amongst other things, the proposals, action plan, deliverables, total budget approved and terms and conditions for release and procurement procedures to be followed in respect of all contracts with MIE, MINRM, MWWDA, SRES, MESAC and SCSTE. After IFAD's approval, revise the contracts accordingly.	APD/Manager Admin and Procurement	Immediate	Agreed

e. Knowledge management and others

i) Knowledge Management

82. This project has a separate knowledge services component. The issues and recommendations related to knowledge management are provided in the relevant sections.

ii) Key SIS Indicators

83. Key SIS indicator #1 : Overall implementation performance : (Rating – Moderately Unsatisfactory =3) As explained above, the performance has been 10% of the AWPB during the year 2016-17 and 9% for the seven months period (up to October 2017) of 2017-18. The pace of implementation is very low and the results are slow to materialize.

84. Key SIS indicator #2 : Likelihood of achieving development objective; (Rating – Moderately Unsatisfactory =3) As explained above, the project has reached 29,479 households (102,284 persons) against a target of 143,000 households. The achievement against physical targets expected during the first three years is only about 20% and the financial progress is 7% of the total IFAD allocation. The project has started mobilization activities in respect of all sub-components and fund release has taken place for implementing NRM and road construction related activities. The outcomes from these activities will become apparent once field level implementation is completed.

