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# In Conversation
## with the People of Meghalaya

## Meghalaya Livelihoods and Access to Markets Project (Megha-LAMP)

MBMA
Meghalaya Basin Management Agency
ENVIRONMENT | ENTREPRENEURSHIP | MARKETS | FINANCE

IFAD
Investing in rural people

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# Chapter 1:
# Introduction

Meghalaya is looking to double farmers' income by the turn of the decade. In recent years, there has been an increasing trend in developing economies to explore wide-ranging income opportunities for creation of sustainable livelihoods in rural communities. In Meghalaya, the governments has identified that with the right collaboration and organization farmers and producer groups can be afforded with support mechanisms to enable enhanced productivity and market access. It was further identified that within this approach, the proper utilization of the state's rich natural resource base holds the key to growth, development and employment.

As the project was conceptualised, there was a growing recognition within the state that market linkage which includes the strengthening of service delivery and value chain both of which is pivotal for farmers to be productive. To this end, the government of Meghalaya in collaboration with the International Fund for Agricultural Development (IFAD), an international financial institution and a specialised agency of the United Nations, launched a development project to holistically tackle Meghalaya's issues which includes poverty, food security, nutrition and climate change resilience. The project is called the Meghalaya Livelihoods and Access to Markets Project (Megha-LAMP).

Megha-LAMP aims to improve incomes of families and the quality of life in rural areas of Meghalaya by creating and improving on income generating activities that are based on the local produce of rural areas, and then developing markets for these produce so that opportunities for sustainable livelihoods can be created. The project's primary focus is on supporting clusters for the development of specific products for markets within and outside of the state, along with supportive investment in natural resource management, rural finance, and market access infrastructure.

Megha-LAMP adopts a demand driven approach of identifying interventions. These are unambiguously defined, created and implemented in complete partnership with the people. The subsequent chapters will deal with the project in more detail and will provide the reader with a clear insight into what the strategic planning process is, what the interventions are, and what the project intends to achieve during its 8-year period through the voices of the project implementation functionaries and testimonials of the people.

# Megha-LAMP at a glance:

## KEY COMPONENTS

### Integrated Natural Resource Management

The project aims to empower all 1,350 villages with skills and knowledge for sustainable natural resource management planning and implementation of those plans to enhance land productivity and reduce drudgery.

### Rural Finance

This component is strengthening access to finance through the establishment of 300 IVCS across the state and through facilitation of credit access for farmers.

### Inclusive Supply Chain and Enterprise Development

This component focuses on brokering, facilitation and capacity building to facilitate inclusive growth of commodity supply chains covering crops and livestock products, and enterprises by individuals serving local markets.

Blocks covered under Megha-LAMP

At least 50,000 households adopt new livelihood opportunities linked in markets


540 villages accessing service for enterprise development from Government and private sector;

## Aims & Objectives:

### Project Goal

To improve family incomes and the quality of life in rural Meghalaya

### Development Objective

Expanded and sustainable livelihood opportunities adapted to the hill environment and to the effects of climate change

20,000 households report reduce time in collecting domestic water;


## Project Coverage

1,350 villages in 18 blocks across all 11 districts; 75 villages (about half of all villages) will be covered through 54 product clusters across the 18 blocks Block

## Project Period

December 2014 to December 2022

1,200 villages with 90,000 households implementing natural resource management plans

70% of Integrated Village Cooperative Societies(IVCS) are financially sustainable and have loan recovery rates of at least 95%

## Expected Outcomes

### Integrated Natural Resource Management & Food Security

10,000 farmers report increased area of irrigated crops.

50,000 farmers report increased crop production of at least 10% (cereals, horticulture and vegetables).

At least 15% of barren, degraded lands in baseline are brought under tree cover (afforestation, plantations, horticulture, and conservation protection).

### Integrated Village Cooperative Societies Rural Finance

90,000 IVCS members are actively using financial services, either from IVCS or facilitated from banks.

Average combined share capital and savings per household with IVCS exceeds Rs 10,000.

### Inclusive supply chain & Enterprise Development

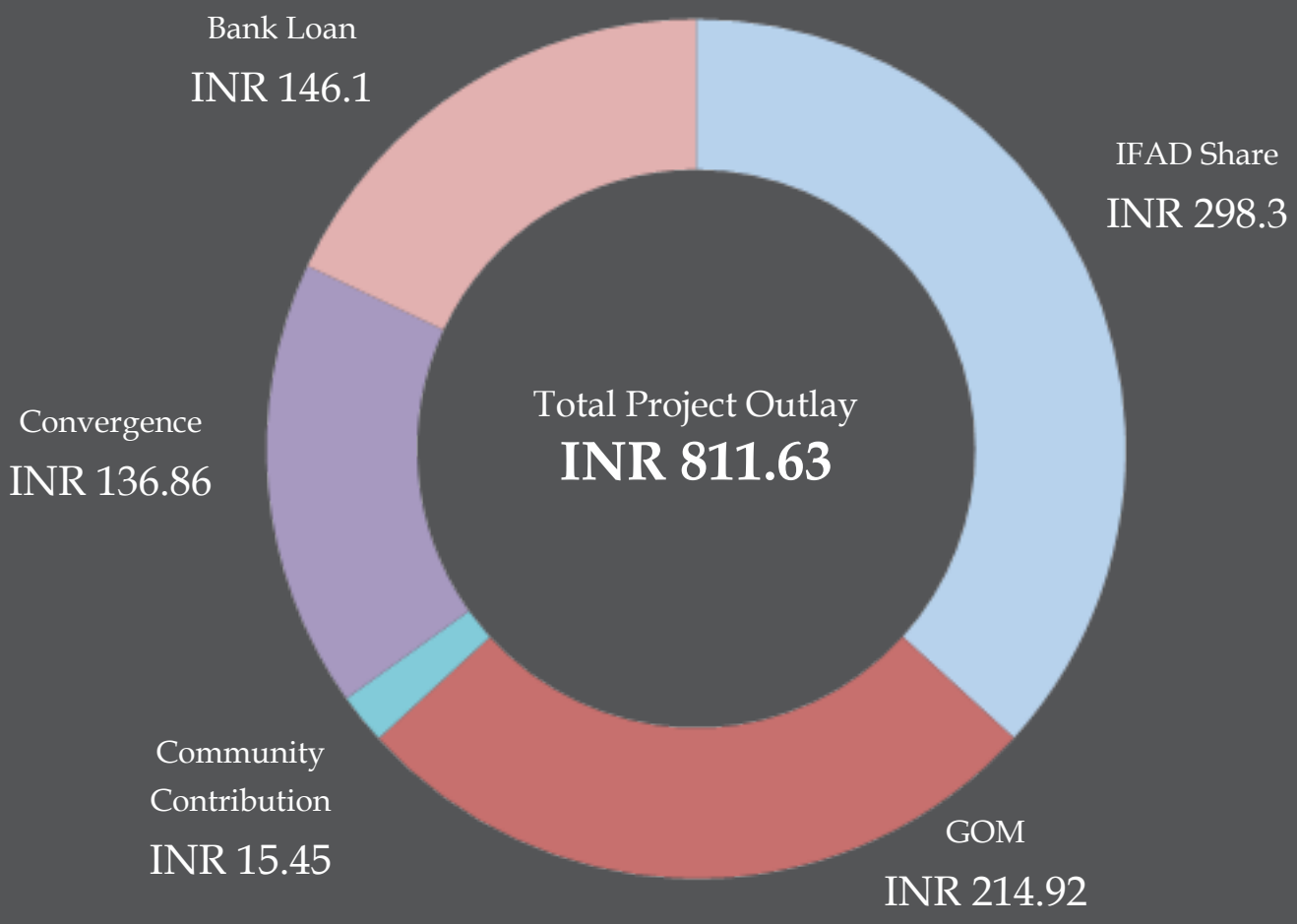
50,000 households in supply chain clusters increase real net income by 40% from supported commodities in supported supply chain clusters.

Aggregate value of products sold from producers in supported supply chain clusters increases by 50% in real terms.

Multi-stakeholder Cluster Platforms (MSPs) established, functional and self-sustaining in 90% of clusters.

5,000 rural entrepreneurs expand their existing business (i.e. have increased their income by at least 30%) or create a new one that is still operating after 2 years.

# Financing pattern for Megha-LAMP (INR Crore):




| | Project Component | IFAD | GOM | Banks | Line Deptts | Community | Total Project Outlay |
|---|---|---|---|---|---|---|---|
| 1 | Integrated Natural Resource Management (INRM) | 23.34% | 20.52% | 0.00% | 51.92% | 4.22% | 38.50% |
| 2 | Rural Finance (IVCS) | 26.88% | 12.96% | 60.16% | - | - | 35.50% |
| 3.1 | Inclusive supply chain & enterprises development (ISC & ED) | 59.22% | 40.78% | - | - | - | 13.50% |
| 3.2 | Access to markets | 50.38% | 39.16% | - | - | 10.46% | 6.00% |
| 4 | Knowledge services | 70.98% | 29.02% | - | - | - | 3.70% |
| 5.1 | District Project Management Units | 41.45% | 58.55% | - | - | - | 2.00% |
| 5.2 | Project Management Unit, Shillong | 51.25% | 48.75% | - | - | - | 0.90% |




# Overview of Key Components

## The project is broken down into three core components :-

1. **Integrated Natural Resource Management (INRM)**

   INRM addresses the challenges relating to land conservation, soil health and access to land for various livelihood activities. Meghalaya has a rural population which is dependent on land, water and biotic resources for sustenance. However, decades of unsustainable use has put pressure on natural resources which has led to a decline in their availability. INRM brings in a participatory approach from the affected community to ensure that they manage their own development and their natural resources in a more efficient and sustainable manner which would lead to an increase in productivity and lay the foundation for improved livelihoods.

2. **Integrated Cooperative Village Societies (IVCS )**

   Rural Finance is the second component under the project. This component is aimed at addressing the challenges of access to financial services in rural areas by creating community managed village institutions known as IVCS that would provide basic financial services such as thrift and credit. By making financial services available, it is expected that many houses will be able to take up higher and expanded economic activities to enhance their income and quality of life.

   The government through Megha-LAMP envisages the setting up of home-grown institutions in the villages to deliver access to financial services across the entire state after considering the insufficient services of a formal banking network and the inability of existing community institutions to provide the same. This is the basis for the state to come up with an innovative approach that would enhance access to rural finance and this subsequently led to the creation of Integrated Village Cooperative Societies.

3. **Inclusive Supply Chain and Enterprise Development (ISC&ED)**

   The Inclusive Supply Chain and Enterprise Development (ISC & ED) is a key component of Megha-LAMP which enables inclusive growth of commodity supply chains which cover not only crops and livestock products but also enterprise development. Under Megha-LAMP, stress is laid on creating enterprises for producers including smallholders through the development of competitive and inclusive agricultural and non-agricultural clusters that are part of supply chains serving wider markets, which often are outside the local area.


INTEGRATED NATURAL RESOURCE MANAGEMENT (INRM)
The project supports with preparation of INRM plans which comprises of activities that help a village make best use of their natural resources; and then with funding, support for implementation through convergence
PRODUCER GROUPS
10 to 20 people from different households from the same village and with common interests, will be suported to form producer groups for taking on higher order activities in production, area expansion, marketing etc.
INLCUSIVE SUPPLY CHAIN & ENTERPRISE DEVELOPMENT
The project facilitates and builds capacities of farmers, producer groups, service providers etc. for inclusive growth of different commodities in supply chain.
MARKET ACCESS - COMMUNICATION INFRASTRUCTURE
The project is ensuring markets are well-connected to the road network for moving goods in and out of markets through construction of village roads, submersible bridges and ropeways

# Meghalaya Livelihoods and Access to Markets Project (Megha-LAMP) at a glance

**INTEGRATED VILLAGE COOPERATIVE SOCIETIES (IVCS)**
The project is establishing 300+ community-led organizations known as the IVCS. These registered multi-purpose cooperative societies provide support including access to financial services, supply of farm inputs and aggregation of production for marketing

**MULTI-STAKEHOLDER PLATFORM**
Buyer-seller negotiations, establishment of necessary regulatory framework and facilitation of buyer –seller interactions.

**COLLECTIVE MARKETING CENTERS**
The project is establishing CMCs at each cluster to enable aggregation of input and output, and facilitate marketing of agri produce

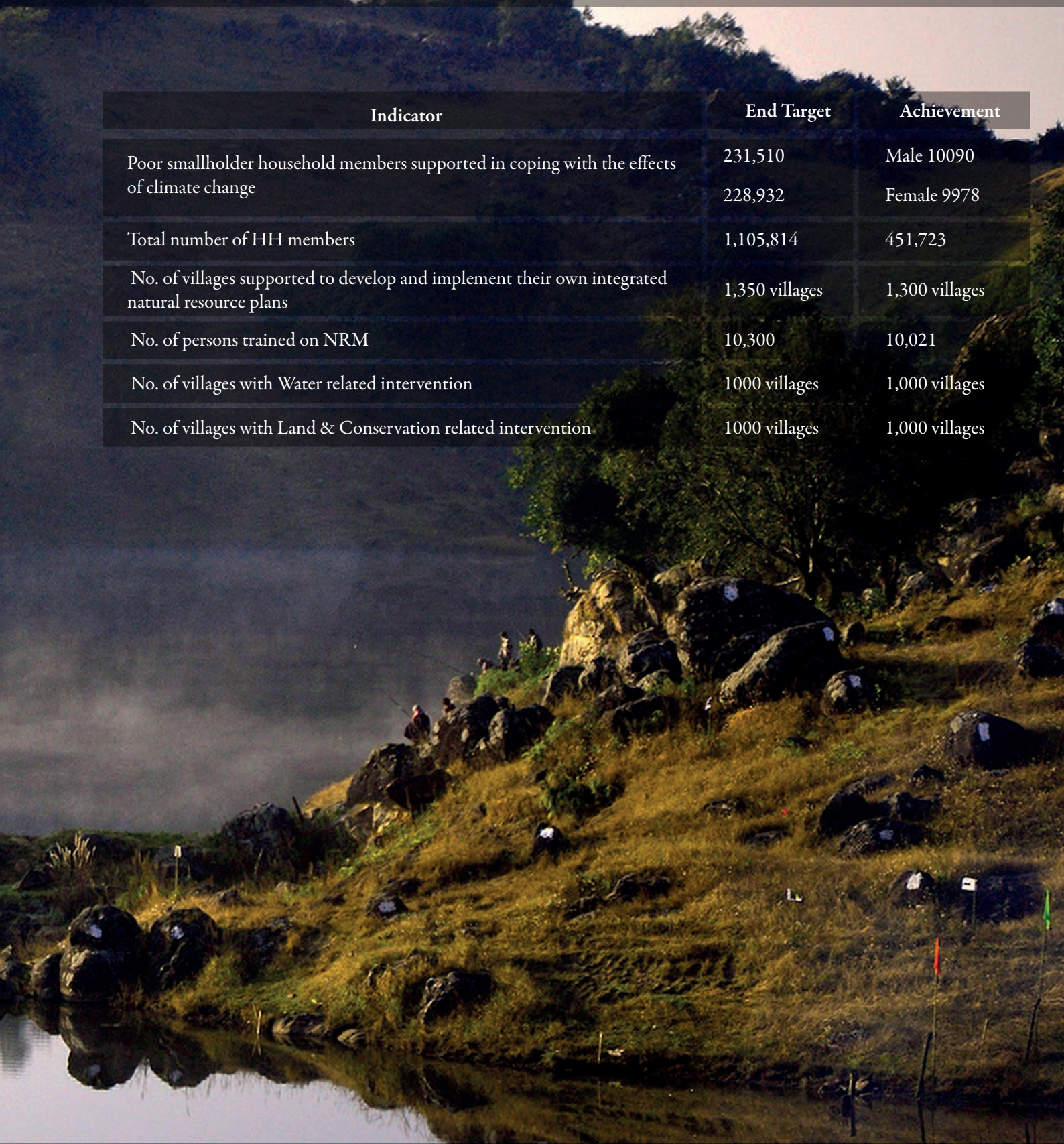
# Chapter 2:
# Integrated Natural

Natural Resource Management is an important aspect of the Megha-LAMP project and focuses on supporting local communities in the identification of key natural resource challenges that are affecting their livelihoods, food security and overall quality of life, and to address such challenges through community led actions.

Decades of unchecked and unsustainable use of land and water have put a strain on natural resources and we are now witnessing the consequences which are further being amplified by climate change. Water scarcity is one of the biggest issues farmers face in the state, this is despite the some parts of the state receiving the highest rainfall on the planet. There are 1,500 spring wells in the state. Alarmingly, fifty percent of these spring wells are impaired both in terms of quality and quantity. Those affected are mostly farmers and small holders who are either directly or indirectly dependent on agriculture and allied activities for sustenance. The project aims to address these natural resource challenges that are negatively impacting land productivity and to help build resilient landscapes where sustainable production and natural resource based livelihoods can thrive.

# Resource Management

| Indicator | End Target | Achievement |
|---|---|---|
| Poor smallholder household members supported in coping with the effects of climate change | 231,510<br>228,932 | Male 10090<br>Female 9978 |
| Total number of HH members | 1,105,814 | 451,723 |
| No. of villages supported to develop and implement their own integrated natural resource plans | 1,350 villages | 1,300 villages |
| No. of persons trained on NRM | 10,300 | 10,021 |
| No. of villages with Water related intervention | 1000 villages | 1,000 villages |
| No. of villages with Land & Conservation related intervention | 1000 villages | 1,000 villages |



The Integrated Natural Resource Management (INRM) is the first component under Megha-LAMP and is being implemented in all 1,350 target villages under the project. Its approach is to build the capacity of the target communities and to facilitate the preparation of village INRM Plans for effective management of their natural resources which primarily includes water, land resources and bio resources. It is envisaged that INRM initiatives would contribute towards creating empowered and responsible communities that are better equipped to manage their natural resources and leverage on natural resource based livelihoods for creating sustainable micro enterprises linked to supply chains.

To achieve this, the component is being implemented in an integrated manner along with the other components of the project. What the project does is facilitate the community to adopt more productive resource management systems- a system which focuses on community based resource governance which will in turn strengthen traditional systems and promote decentralization. The project includes mechanisms for villages and communities to manage their natural resources sustainably.

Unlike many states in mainland India, Meghalaya does not have a cadastral map. Under INRM component, satellite based maps are being generated known as Village Resource Maps which include details of village boundaries. This is the first time this is being done in Meghalaya. These are being made with the active cooperation and support of the local communities. The maps would serve as a very useful tool for planning and management of natural resources by the target communities.

To enable better planning and implementation, village resource maps are being generated for all target villages. These resources maps are being generated using GIS with data taken directly from the villages using specialized GIS tools and equipments. The maps contain a wide range of details of each village including demographics, social data, economic data, soil and water data, land use and land availability data, forest cover, catchment areas etc. which are extremely useful in planning various developmental interventions. These maps also act as a baseline which could then be used to track changes over the duration of the project and beyond.

**"The broad approach towards the implementation of this component is to focus on long term gains"**

The component also aims to address the issues of water access and cereal production which are important to ensure nutrition and food security. While addressing these issues, the component also seeks to reduce drudgery. Currently, hours are wasted in fetching water which is mostly done by women and children.

The broad approach towards the implementation of this component is to focus on long term gains.

Meghalaya lies in a Sub-Himalayan range which is a fragile and vulnerable mountain ecosystem. If resources are not properly developed and managed, the food security in the predominantly agrarian economy will be endangered.

INRM is therefore a very important component in addressing the sustainable development related initiatives for the state of Meghalaya.

# Convergence

According to a report on Natural Resource Management by the Planning Commission, Government of India, convergence between inter-related schemes of different development departments could not take place due to striking differences in the operational guidelines. On the other hand, cross cutting issues such as Natural Resource Management that encompasses a diverse range of subjects such as soil, water, land, climate, livelihood, biodiversity, society, etc., requires an integrated and collective effort to be successful and sustainable. Megha-LAMP puts importance in convergence with various government institutions and schemes; the idea is to work together towards a common goal whilst pooling in resources and man-power.

To overcome the challenges of incompatibility, the state government has taken the lead in integrating the INRM component of LAMP into the popular MGNREGS scheme, which provides 100 days of guaranteed labour to the citizens. Meghalaya is one of the top performing states in the implementation of MGNREGS which provides a strong foundation for the implementation of INRM since the communities are familiar with the process. The successful integration has allowed communities to expand the scope of work under the project which has led to a far wider impact on the natural resources. Today, the material components of NRM works that fall under MGNREGS in the LAMP villages come from the project.

Meghalaya is an agrarian state; the major source of income of the people is from natural resource based livelihood activities. The project aims to improve livelihood activities by ensuring improved access to markets. INRM initiatives serve as the foundation for leveraging the livelihood activities into micro-enterprises and hence, contribute toward enhanced and sustainable incomes.

In view of achieving the project targets under INRM component, a lot of effort has been put into institutional arrangements required at State, District and Block levels for ensuring convergence particularly under MGNREGS as well as technical and financial support from line departments. Success from this initiative will go a long way, not only for the success of Megha- LAMP but to also serve as a model for implementation of other externally

# Integration with the rest of the project

In the current ecological context of the state, there is a demand for a combination of resource conservation and regeneration activities with sustainability being a key factor. Land rejuvenation leads to higher productivity and with higher productivity, it is imperative to link the initiatives to the communities to leverage livelihood activities. This is done through Supply Chain and Enterprise Development for access to markets. This in turn empowers village communities to holistically and responsibly use natural resources which not only promotes sustainability but also enhances income levels.

Village communities whose water sources are located below their area of habitation face drudgery while collecting water. Moreover, they are compelled to spend about 3 to 4 hours per day, per household to fetch domestic water. Since the water distribution system is inadequate, only about 24% of households have access to pipe water from public taps and a mere 5% of households have the facilities of piped water in their dwelling houses. INRM component aims to address issues relating to enhancing water security by facilitating target communities to plan construction of water related infrastructure, thus ensuring access to water in the vicinity of dwelling houses to 200 villages through the installation of water lifting devices under this project as well as in convergence with Meghalaya Hydroger Mission to cover at least 130 villages.

MBMA while planning interventions under MeghaLAMP aims at empowering 1350 target villages under 18 C&RD Blocks across the 11 districts of the state to facilitate the communities in planning, implementation and maintenance of the village INRM activities in convergence with MGNREGS and other line departments schemes and Programs.

Under INRM, 23 Field Engineers have been trained and positioned to support the communities in planning and implementation of interventions. Technical support from Field Engineers as well as from relevant line department is absolutely necessary for quality implementation of village INRM Plans. 100 Master Trainers have been identified by the Village Clusters who have been trained and engage in supporting the VFs/WVs and VECs.

Training of Field Engineers & regional coordinators at conservation training institute, Soil & Water Conservation Department, Byrnihat

The overall objectives of INRM interventions are to enhance the productivity of natural resources and contribute towards improving water security for domestic and irrigation purposes. It is envisaged that ensuring water security to the target rural population coupled with capacity building and technical cooperation with concerned line departments would serve as foundation for enabling the farmers to boost agriculture production and leverage their farm based livelihood activities into micro enterprise through the necessary support of Rural Finance and ISC & ED Component under the project to achieve project outcomes.

It is premature to enumerate the impact of INRM interventions as the actual implementation of project activities started by the year 2017. However, some of the significant project outcomes that are contributing towards achieving impact of INRM interventions may be summarized as follows:

| Objective | Target | Achievement |
|---|---|---|
| Capacity Building and engagement of Village Facilitators and Watershed Volunteers for supporting VECs in implementing INRM interventions | 2700 community members | • 1350 Village Facilitators trained on Social Mobilization and Project Management etc and engaged by the VECs for supporting them in planning and implementing respective village INRM Plans.<br>• Training of 1350 Watershed volunteers underway<br>• 100 Master Trainers identified by the Village Clusters trained and engaged for supporting the VFs/WVs and VECs. |
| Empowering & facilitating project partner – VECs in preparation and implementation of Village Integrated Natural Resource Management Plans (INRMP) | 1350 villages | • 1301 Villages completed preparation of INRM Plans<br>• 821 villages implemented INRM Plans in convergence under MGNREGS |
| Generation of GIS based Village Resource Maps and Land Use Land Cover (LULC) Maps and facilitating the VECs to use these maps as tools for developing village INRM Plans. | 1350 villages | • 1144 Village Resource Maps generated;<br>• 1086 LULC Maps generated and VECs are using these tools for planning and implementation of INRM interventions.<br>• Data on 603 INRM intervention sites from 369 project villages are geo tagged, and details of 517 intervention sites have been uploaded in PRA Software Platforms. |

# Water Security related INRM interventions

| Objective | Target | Achievement |
|---|---|---|
| A. Securing domestic water to households for reducing time for fetching water and for drudgery reduction. | 1200 villages | 28,773 Households under 1119 Villages who have implemented water security related INRM interventions such as construction of check dam, spring tap chambers, ring wells, water reservoirs etc have access to domestic water in vicinity of their houses. |
| B. Securing irrigation water for farmers to boost agriculture production & other farm based livelihood activities | 1200 villages | 58 irrigation canals constructed under 58 villages for securing water for cultivation. |
| Catchment area protection initiatives such as contour bunding, construction of trenches, afforestation etc | | • 11 villages have taken up catchment area protection initiatives comprising of afforestation and conservation/ protection of village forests benefiting 1701 households;<br>• 15 villages have taken up land development initiatives benefiting 1105 households |
| Reclamation of Degraded land and promotion of livelihood activities through promoting cultivation of medicinal and aromatic plants | | Cultivation of Medicinal and Aromatic Plants initiated in Wapung Block, East Jaintia Hills have been expanded to 13 Blocks covering about 61 acres. On directives of National Green tribunal (NGT), industries have supported in expansion of reclamation of degraded land. This initiative is expected to be scaled up under Meghalaya Aroma Mission across the state. |
| Treatment of water sources contaminated by coal mining activities through open lime channel method. | | Initiative for treatment of acid mine drainage and polluted water source contaminated by coal mining activities using open lime canal and wetlands has been replicated to 7 other villages for securing safe drinking water to the communities. |
| Agriculture production initiatives | 1200 villages | 5,197 VEC members (3,810 male and 1,387 female) participated in various trainings under INRM |
| Convergence under MGNREGS for implementation of INRM interventions | | Out of 11 crore fund utilized by the target project partners (VECs), 19 crore have been mobilized in convergence under MGNREGS. |

# Overview of key interventions under INRM

**1. Capacity Building of Project Partners**

Training and capacity building is a major aspect of this component. So far, trainings have been conducted. This includes the engagement of VECs, appointment of Village Facilitators and Watershed Volunteers in specific domains such as social mobilization, book-keeping, catchment area management, project management and so forth, who will be responsible for the implementation of INRM.

**2. Water Security interventions**

Ensuring access to domestic water and water for irrigation purposes is another part of INRM. The component facilitates and encourages communities to take up catchment area treatment and management activities for soil and water conservation and rejuvenating the water sources, staggered terraces in plantation areas to prevent soil erosion and to ease out management practices etc. The INRM also prioritizes installation of water lifting devices such as Hydrams, solar/electrical water pumps etc under the project as well as convergence with Meghalaya Hydroger Mission.

**3. Land Resource Development:**

The component facilitates communities to create or expand cultivable land particularly the valley bottom land with scope for irrigation facilities is being implemented in convergence with MGNREGS. Controlling soil erosion of cultivable land through construction of protection walls, training of streams and river works etc. wherever required and feasible is also undertaken by the component. There is also focus put on reclamation of degraded land including mining affected areas by promoting cultivation of medicinal and aromatic plants, tree plantation etc. that would enable restoration of land as well as promote sustainable livelihood activities to the people.

**4. Bio Resource Development:**

INRM facilitates project partners in establishing community nurseries for production of planting materials required for afforestation (protection and conservation)/ multi layered plantation/ agroforestry. Afforestation and reforestation initiatives are also undertaken along with measures to conserve and protect bio-resources.

**5. Agricultural Horticulture production initiatives:**

The component facilitates agricultural extension services for enhancing soil fertility and productivity, agriculture production technologies, field demonstration on use of agricultural tools and farm machineries suitable for hills agriculture that would help in drudgery reduction as well as reduce the cost of production.

The component also promotes household level agricultural and allied activities for leveraging into micro enterprises through the support of other components under Megha-LAMP.

## Expected Outcomes under INRM

What the component expects to gain from the project are empowered communities that are responsible and accountable towards the planning and management of their village natural resources and the creation of sustainable livelihood opportunities for each and every member of the community.

A total number of 1350 villages are being supported to develop and implement their own village INRMPs using Village Resource Maps in GIS platform.

The achievement of the above will contribute towards doubling income of the rural communities and serve as a lighthouse for replication by others.

## Community Participation

While implementing INRM initiatives, effort is being made to mobilize all community members and participation in the planning and implementation of the interventions. The project imparts training and capacity building to equip the communities with necessary skills and knowhow. This approach will contribute towards sustainability of the project initiatives beyond the project period.

Communities play an active role during the decision making process, particularly in relation to planning, labour, mobilization of financial and material resources; as well as management of village INRM interventions. There is also the selection of Village Facilitators and Watershed Volunteers at the village level by their respective VEC. The capacity building, social mobilization and technical skills required for catchment protection by the villagers contributes toward community ownership and sustainability of project interventions.

# CASE STUDY OF AROMATIC PLANTATION IN CHAM CHAM

Cham Cham is a village located in the East Jaintia Hills district. The village has been greatly affected by decades of unregulated mining which has caused widespread landscape degradation. To alleviate the problems that have emerged due to the infertility of the soil, Megha-LAMP has undertaken interventions in the area through facilitating the planting of aromatic grasses.

Cham Cham was selected for the intervention, after an awareness programme which was held by the DPMU, Khliehriat on the various aromatic plants and their benefits. The plantation was carried out on private land and the saplings were provided by the BDU and DPMU, Khliehriat. The villagers also received training regarding the plantation of these species by MBDA.

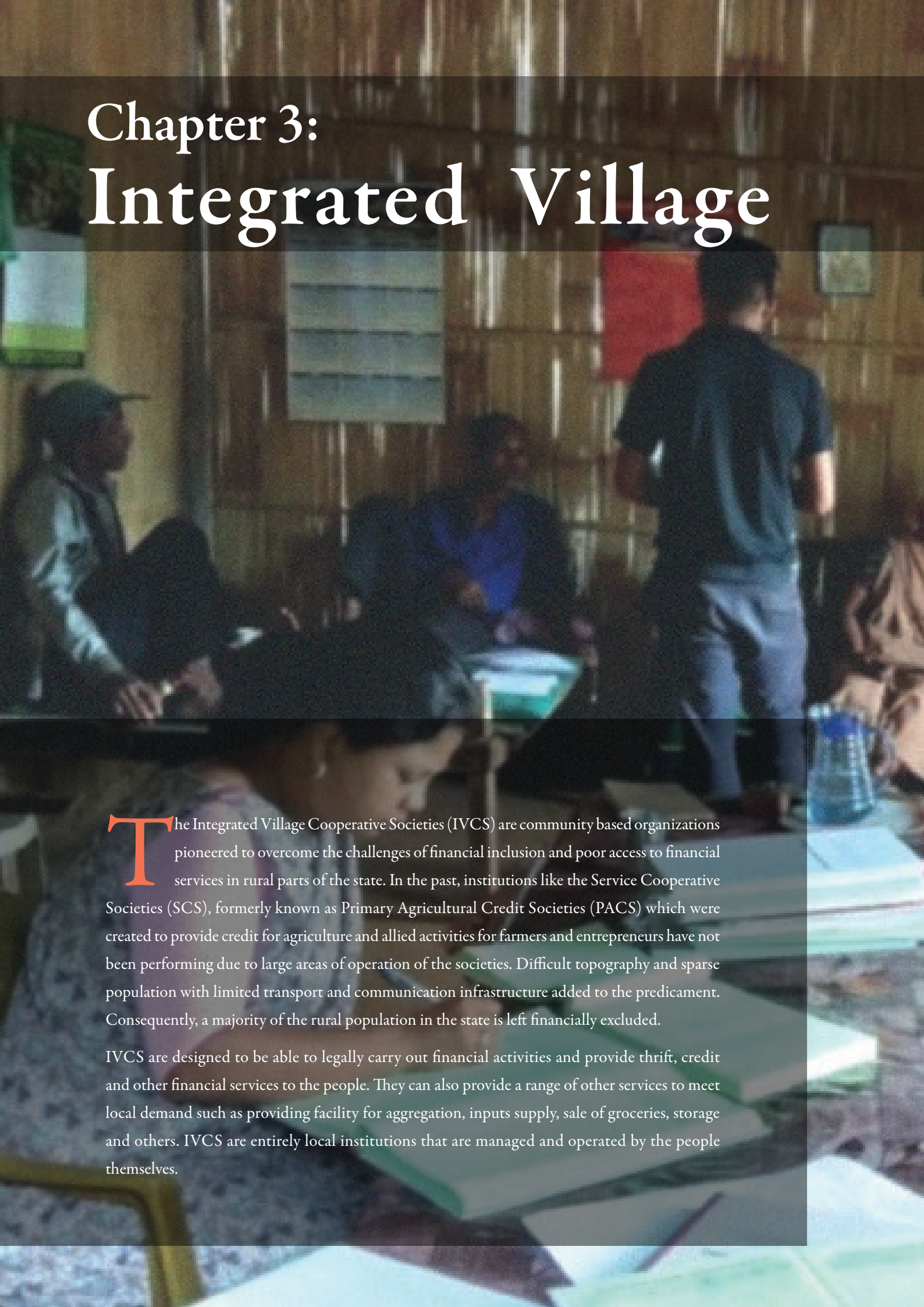
The intervention is ongoing and many villagers have been recruited who are getting paid by MBDA. The villagers were also taken on an exposure visit to Byrwa in Ri Bhoi where they saw aromatic grasses plantation and learnt about the distillation of oils and the process involved. Cham Cham was selected for the intervention because of the quality of land which is highly degraded. Planting of aromatic plants can help in land reclamation as they can thrive where no other plants can grow. The community took a huge initiative and went ahead with afforestation in the degraded lands. The IVCS is responsible for the plantation of these plants which include lemon grass, citronella and germanium.

**Bah Stop Phawa, Secretary of Cham Cham IVCS**

Bah Stop Phawa, Secretary of Cham Cham IVCS, "The villagers' face many problems and difficulties with access to drinking water being the main problem. There is also the problem of the unavailability of roads and the infertility of land. These problems have led to many other problems such as less production of crops, less income, difficulty to travel and poor health. The intervention has helped address these problems and have been of great help to the community."

"There have been interventions from the government and also private enterprises. We have received support from Horticulture and Agriculture departments, BDU and DPMU. They have helped through interventions like construction of roads, fencing, footpaths and providing saplings. These interventions have helped and contributed to the growth of the village. Apart from these interventions, we have received training and guidance in the growing of aromatic grasses. The village now needs a distillation machine to extract oil from the aromatic plants and an irrigation canal in order to expand and improve the plantations."

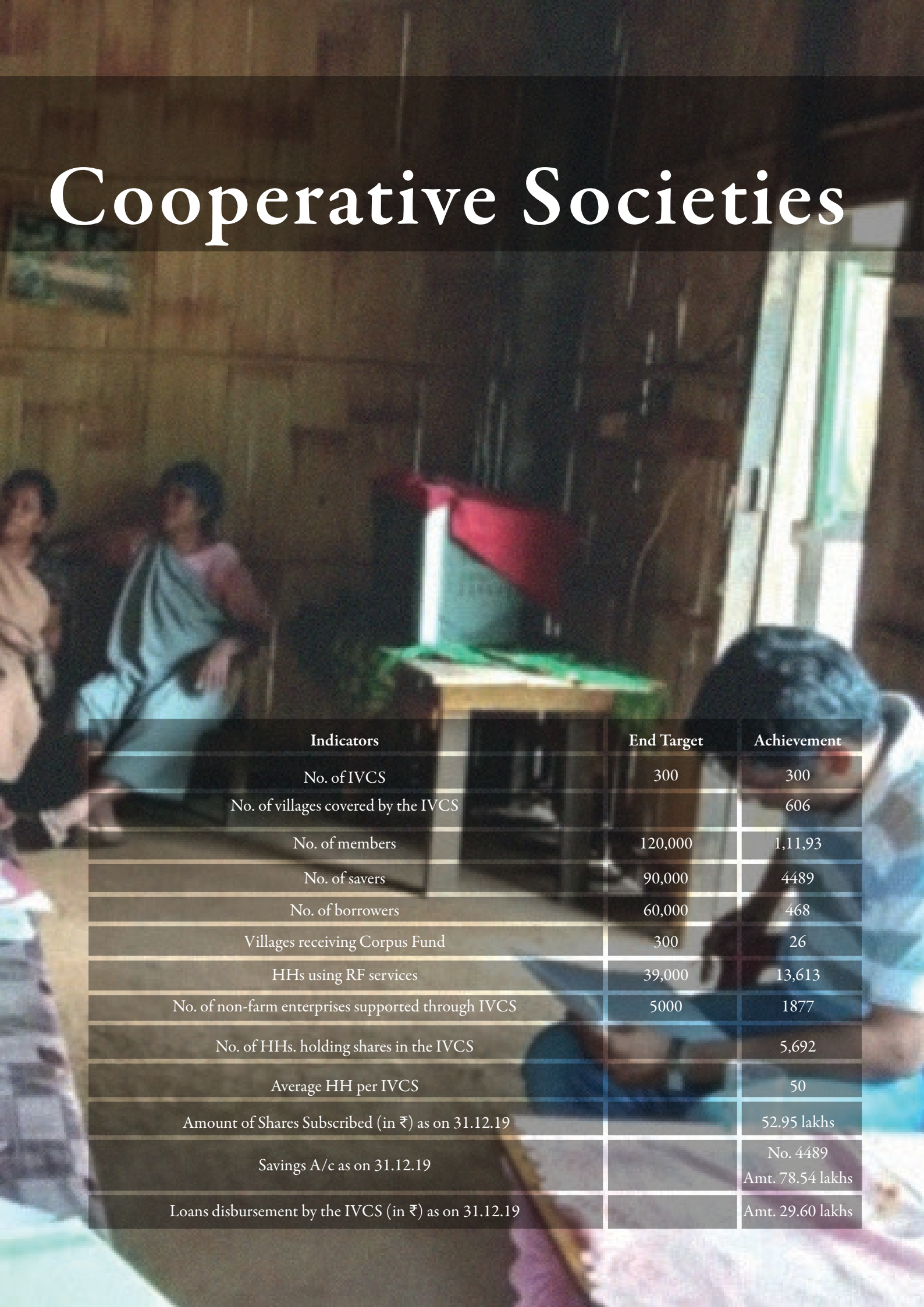
# Chapter 3:
# Integrated Village



The Integrated Village Cooperative Societies (IVCS) are community based organizations pioneered to overcome the challenges of financial inclusion and poor access to financial services in rural parts of the state. In the past, institutions like the Service Cooperative Societies (SCS), formerly known as Primary Agricultural Credit Societies (PACS) which were created to provide credit for agriculture and allied activities for farmers and entrepreneurs have not been performing due to large areas of operation of the societies. Difficult topography and sparse population with limited transport and communication infrastructure added to the predicament. Consequently, a majority of the rural population in the state is left financially excluded.

IVCS are designed to be able to legally carry out financial activities and provide thrift, credit and other financial services to the people. They can also provide a range of other services to meet local demand such as providing facility for aggregation, inputs supply, sale of groceries, storage and others. IVCS are entirely local institutions that are managed and operated by the people themselves.

# Cooperative Societies



| Indicators | End Target | Achievement |
|---|---|---|
| No. of IVCS | 300 | 300 |
| No. of villages covered by the IVCS | | 606 |
| No. of members | 120,000 | 1,11,93 |
| No. of savers | 90,000 | 4489 |
| No. of borrowers | 60,000 | 468 |
| Villages receiving Corpus Fund | 300 | 26 |
| HHs using RF services | 39,000 | 13,613 |
| No. of non-farm enterprises supported through IVCS | 5000 | 1877 |
| No. of HHs. holding shares in the IVCS | | 5,692 |
| Average HH per IVCS | | 50 |
| Amount of Shares Subscribed (in ₹) as on 31.12.19 | | 52.95 lakhs |
| Savings A/c as on 31.12.19 | | No. 4489<br>Amt. 78.54 lakhs |
| Loans disbursement by the IVCS (in ₹) as on 31.12.19 | | Amt. 29.60 lakhs |

## Formation of Integrated Village Cooperative Societies

- The IVCS can be formed and promoted by residents of a single village. As under Megha-LAMP, the number of households may ideally be 200 for facilitating viability and sustainability, in view of the fact that very few of the 1350 project villages in the 18 Blocks have 200 HHs and more, a main village along with two or three adjacent villages together can from an IVCS.
- Membership in an IVCS will be open to anyone above the age of 18 and lives in the village(s) covered by the IVCS.
- A minimum of 15 adults can initiate, as promoters, the process of forming an IVCS.
- It is envisaged that 50% of the members should be women.
- Members of Self Help Groups and Self Help Groups as an entity can become members in the IVCS.
- Unlike PACS (SCS) where the State Government is a shareholder, the IVCS are autonomous institutions where State Government has not invested as equity in them. It is important to understand right at the beginning that though IVCS are promoted by the Government, it is the project objective that IVCS should be owned by the people as their institution. IVCS are designed to be professionally run, member based and be profitable.
- IVCS are registered under the Meghalaya State Cooperative Societies Act, 2015 and are governed by the rules and regulations under the Act. They are subject to annual audit conducted by the Cooperation Department, GoM.
- The Managing Committee of the IVCS comprising of 10 select members manages the affairs of the IVCS.
- The daily affairs of the IVCS are managed by the Secretary of the IVCS.

## Services offered

The primary role of the IVCS is to provide thrift, credit and other financial services to its members. However, as stated earlier IVCS can also provide other local services including selling inputs and other essential requirements that have been sourced from outside the village; engaging in aggregation of crops/products of members with a view to market the same advantageously for improved price realisation; acting as a service provider for different entities that would like to reach the village households through the medium of the IVCS for variety of objectives such as marketing of products as well as functioning as a service agency of financial and non-financial bodies;

IVCS can also act as a service provider for NGOs, government and other entities that might choose to operate through the IVCS; and helping the community and households to receive, handle and account for funds received under different programmes – such as for NRLM, watershed, forestry, MGNREGA and others. The IVCS can also act as banking outlets or correspondents of various banks and financial institutions that do not wish to set up brick and mortar branches in the villages.

## Institutional support through Megha-LAMP

To ensure a smooth rolling and implementation of this initiative, a Core Team on IVCS was set-up and notified comprising of officials drawn from MBDA/ MBMA, Cooperation Department, Government of Meghalaya and Meghalaya Cooperative Apex Bank Ltd. (MCAB), for discussing the roadmap and attending to issues in connection with the formation as also the operations of the IVCS.

In respect of the implementation of the IVCS initiative, the project has conducted several roll-out workshops, trainings and Interactive programmes on the IVCS for officials of MBDA/ MBMA, Cooperation Department, MCAB, Block Development Officers and Nodal Officers. Regular review meetings ensured that the rolling out and formation of IVCS across targeted villages was with minimal hurdles. The project has also conducted several trainings for Secretaries and Members of the Managing Committee/ Board of the IVCS as well as other office bearers on aspects related to the operation and functioning of the IVCS.

## In a nutshell

An IVCS in simple terms is forming a cooperative society in the village. A practical reason to form an IVCS is because banks find it difficult to penetrate into rural areas either due to the branches not being viable, distances being too far, poor road conditions and other reasons. Hence, Megha-LAMP initiated cooperative societies at the village level to act as grassroots financial institutions that can provide access to financial services.

An added feature of an IVCS is it can help save surplus earnings since it can take deposits and loan out money. Till today, many villagers still travel long distances just to deposit small amounts of money. Travelling to far distances consumes time, not to mention transportation costs. But with an IVCS, a person can deposit and save money in the village itself.

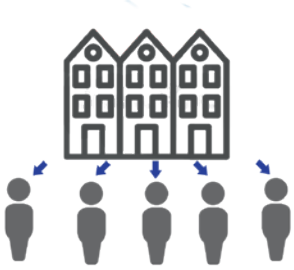
An IVCS also undertakes thrift and credit services. This means they accept profits and give out loans.

Other activities of an IVCS include setting up shops like convenience or grocery stores, selling agricultural implements like fertilizers or tools used by farmers, providing seeds etc.

## Sustainability

The IVCS are modelled to operate on a self sustaining model. Every community member who wishes to be a member of an IVCS can do so by purchasing at least one share in the IVCS. The proceeds from the subscription of shares form the capital of the IVCS. It is expected that the number of memberships should be at least 300 for the IVCS to generate sufficient capital to sustain its operations. During the initial period after being formally registered, the IVCS are being supported by the project through various handholding measures, support funds, as well as through knowledge input. For augmenting the capital of IVCS, the project is providing support in the form of Corpus Fund after meeting of the stipulated criteria laid down. For operational support and setting-up of the IVCS during the initial period, the project is also providing one-time support for the purchase of office equipments and furniture. Support in the form of viability gap funding will also be provided, where the revenue earned by the IVCS is not sufficient to cover the operating costs. A set of books of accounts, registers, ledgers, passbooks, etc., are designed, printed and provided by the Project to all IVCS free of cost.

# How is an IVCS different from a Service Cooperative Society (SCS / PACS)

| PACS | IVCS |
|---|---|
|  <br>Covers many villages with some of them having more than 80 villages under their area of operation. With many villages to serve, most PACS have failed to deliver. |  <br>Can be a single-village society. With just one village or two villages to serve, IVCS would be in a better position to provide better services to its members. |
|  <br>Partly aided by Government in the form of share capital. SCS works with the Government in various areas and requires the support of the Government particularly, for its fund requirement. |  <br>Fully owned by Members. Government can provide support to the IVCS through<br>a) Corpus Fund contribution<br>b) meeting the salary expenses of the Secretary, etc., in the initial years of formation of the IVCS. |
|  <br>In most cases, SCS / PACS do not have appropriate staff and member participation. |  <br>In an IVCS, a trained Secretary will be in place, and he will also be paid a monthly remuneration. Members of the Managing Committee will also undergo a training programme on the various aspects of managing an IVCS. |

**How IVCS facilitates credit access for members and partners registered with Enterprise Facilitation Centres (EFCs)**

- For providing loans to their members, IVCS rely on limited sources of funds met through Savings deposits, Share Capital subscribed, Corpus fund from project support. When demand for loans increases or members require higher loan amounts which the IVCS are not in a position to consider, other sources of funds are required to be scouted. Say, from banks, Financial Institutions and other Government owned Corporations like NABARD, NCDC, NSTFC, etc. This would need to be facilitated through Rural Finance.
- Partners registered with EFCs who require credit assistance for their economic activities will also be facilitated. It is expected that such partners receive proper counselling and training/ exposure visits through the other components concerned. Proper screening of the partners would need to be ensured for determining genuine entrepreneurs. A survey conducted by FSD team revealed that not all Partners are interested in taking loans from banks, FIs, etc due to a number of factors like, old age, already defaulter with banks, interested only in trainings and exposure visits, etc.
- Formats for reporting on loans facilitated through IVCS or banks, FIs are drafted and put in place.
- Establish relationship with commercial banks, FIs, development banks, RBI, NABARD, SIDBI, NEDFI, NCDC, NSTFDC, etc. for exploring avenues in respect of schemes and credit assistance for entrepreneurs.
- Conduct of Financial and Business Literacy Programmes in Districts/ Blocks etc.
- Conduct orientation training programmes personnel who would be recruited in Rural Finance and engaged for facilitating credit access for Partners registered with EFCs and members of IVCS.
- Prepare, collect brochures/ fliers and other IEC materials, circular instructions, etc connected with bank schemes on loans and investments.

## Challenges in financial inclusion in the State

There are 417 branches (as of June 2019) of 37 commercial banks, regional rural banks and cooperative banks in the state of Meghalaya. The problem of lack of banking network in the State, however, is still acute particularly in the Garo Hills. In respect of opening of banking outlets in villages having less than 2,000 population in the State, RBI had allotted 6,459 villages to the banks for providing access to banking services.

As per Financial Inclusion Progress report of State Level Bankers' Committee (SLBC) Meghalaya Agenda Cum Background Paper for June 2019 Meeting, out of the 6,459 villages, 1501 are served by bank branches and4451 are covered by Business Correspondent (BC) visits every week (2424) and once in a fortnight (1913). Ground level feedback, however, is that majority of the BCs have either abandoned their vocation and/or not visiting the allotted villages at required frequency.

Even in areas where banking services are available, villagers experience difficulty in enjoying the services offered by the banks. The PACS or SCS as they are known today which were created to provide credit for agriculture and allied activities to the farmers/ entrepreneurs have been unsuccessful primarily due to the large area of operation of the societies and other factors. This gap in credit dispensation is being met by money lenders and also Micro Finance Institutions who charge high/ exorbitant rates of interest.

Further, the Government has made it mandatory for all job card holders under the MNREGS to open bank accounts in CBS branches for receiving their wages. A majority of villagers have to travel long distances to withdraw their wages and they normally withdraw everything leaving only a small balance. As a result, they do not have avenues for saving and tend to spend the entire withdrawn wages.

As of September 2018, the Credit Deposit Ratio (CD)

## IVCS - An Indigeneous Innovation

**Shri H.F. Pariat,
General Manager
Rural Finance**

"Although the idea of single village cooperative societies has been discussed at various forums in the past, the scales have always tipped in favour of large sized cooperative societies which led to the creation and promotion of Primary Agricultural Credit Societies (PACS) or Service Cooperative Societies (SCS) as they are known today. The nationalisation of banks in the late 60s was also with a view to enabling the spread of banking facilities to all parts of the country. These efforts and interventions have, to a large extent, succeeded in their objectives but the lack of access to financial services and basic banking facilities in the rural areas of Meghalaya is still a concern which needs to be addressed urgently. Considering that the efforts by banks to expand further in the rural and interior villages in the State have slowed down owing, mainly to non-viability of operations in such areas, the entry of IVCS as an intervention or initiative to tackle and resolve this issue can be considered to be timely."

in the State is 31.64% which is very low which indicates that there is good scope of increasing credit disbursement in the state as a whole.

Against the above backdrop, there is thus a strong need to innovate and design home-grown institutions rooted in the local culture to deliver sustainable financial inclusion. The cause for such an institution is further endorsed as it is felt that a grassroots level institution can better understand the needs of the community and can respond to the related demands in a more flexible, friendly and expeditious manner.

Accordingly, the idea of supporting the Integrated Village Cooperative Societies (IVCS) emerged. An IVCS in the simplest terms is a village self-help group registered as a Cooperative Society under the Meghalaya Cooperative Societies Act (which provides a legal framework for functioning of these institutions) with joint liability of all members and leveraging strongly on the social capital in the village communities of the State. The IVCS can provide thrift, credit other financial services and intermediation and undertake other economic income generating activities which can improve the welfare and livelihood of its members.

The Government of Meghalaya has envisaged the setting up of the Integrated Village Cooperative Societies (IVCS) home-grown community led institutions in selective villages in 18 Blocks in all the 11 Districts of the State as an innovative concept with the objective of helping the residents in the villages, particularly in un-banked areas, to be able to have an institution in their own village/ area where they can save whatever surplus they make and have easy and hassle free access to credit. The concept of IVCS is being attempted for the first time in the State under the Meghalaya Livelihood & Access to Markets Project (Megha-LAMP) an Externally Aided Project being implemented by the Meghalaya Basin Management Agency (MBMA) in coordination with the Office of The Registrar of Cooperative Societies, Government of Meghalaya.

Under Megha-LAMP, it is envisaged that the IVCS would provide the much needed credit at reasonable interest rates and through a less cumbersome process. The history of savings and credit which the members of the IVCS would

be accumulating would also give them the confidence to approach banks for larger loan tickets and access other services provided by Financial Institutions, like insurance, etc.

The other component of the project, the Inclusive Supply Chain & Enterprise Development (ISC&ED) is also working on initiatives and capacity building measures for progressive farmer members/ farmer producer groups from the IVCS who wish to undertake entrepreneurial activities, income generating activities and collective marketing, etc. All this is expected to result in a sizeable increase in the demand for credit in the IVCS and banks.


## The IVCS is a multipurpose cooperative society with services to:

1. Provide access to financial services especially savings and credit to its members.
2. Sell farm inputs and other essential requirements to members and non-members.
3. Engage in aggregation of crops/ products of members with a view to marketing the same advantageously to improve price realisation.
4. The ISC&ED component would initiate interventions in respect of value additions to products, streamlining the supply chain process and in the promotion of enterprises, both farm and non-farm sectors, introduction and usage of latest innovative farm machineries and farm practises.
5. Act as a service provider for different entities that would like to reach the village households through the medium of the IVCS for variety of objectives such as marketing of products, as well as function as service agency of financial and non-financial bodies.
6. Act as a service provider for NGOs, government and other entities that might choose to operate through the IVCS.
7. Help the community and households to receive, handle and account for funds received under different programmes – such as for NRLM, MGNREGA, forestry, watershed, etc.
8. Provide better access to markets by which the farmers can reliably sell more produce at higher prices, improving linkages (availability of finance, agricultural inputs, and information and output markets), etc, which can help the members upscale and improve their activities.

## Support to IVCS under the project

**Corpus Fund:** A Corpus Fund up to Rs.2.50 lakhs is provided to supplement the resources of the IVCS for their activities. This amount is provided to IVCS which have mobilised more than Rs.1.00 lakh, in equal proportion, as share capital and savings combined. Sum of Rs.1.25 lakh is provided to IVCS which have mobilised up to Rs.50, 000/- share capital and savings. The balance Rs.1.25 lakh will be given when they also cross the Rs.1.00 lakh mark in share capital and savings.

**Office Equipment & Furniture:** An amount of up to Rs.1.50 lakhs is granted to each IVCS for acquiring office equipment and furniture which includes a PC and Fire-proof Safe for running their offices.

**Books & registers, etc:** A set of books of accounts, ledgers, registers, forms, etc are provided to the IVCS for maintaining records of their activities.

**Capacity building:** Various programmes right from the start in the form of awareness programmes at village level, orientation programmes, business development programmes, training on maintenance of books of accounts, financial literacy, etc are being imparted to the IVCS.

# SUCCESS STORY OF IVCS IN CHAM CHAM VILLAGE

Cham Cham is a village in East Jaintia Hills which has a rural population of 79.93 percent as per 2011 census. The villagers are primarily engaged in agricultural and allied activities as a means of livelihood. Access to banking services is a key issue for the village as the nearest bank is 33 kilometers away in Khliehriat.

Seeing the challenges that people are facing, there was a need to address this problem. The Financial Services Division (FSD) of Meghalaya Basin Management Agency in convergence with the Meghalaya Co-operative Society took the initiative and came up with the idea of setting up the Integrated Village Co-operative Society (IVCS). Initially there were only 29 members but they now have 109 members (69 female and 40 male members). These members are from 70 households in the village.

**With the setting up of the IVCS, the community has benefited in various ways. Thanks to IVCS the community members no longer have to travel far to be able to access financial support and with banks not conveniently located; it is much easier for the villagers to deposit their savings into the society. The Cham Cham IVCS conducts business twice a week on Tuesday and Thursday evenings which the members expressed have been of great help to them.**

Besides financial help, the IVCS also has started medicinal and aromatic farms and the society also runs a school stationary store where the entire investment was made by the society itself. Cham Cham IVCS is an example of the success of Megha-LAMP and the impact is seen in the booming livelihood activities.

"THANKS TO IVCS THE COMMUNITY MEMBERS NO LONGER HAVE TO TRAVEL FAR TO BE ABLE TO ACCESS FINANCIAL SUPPORT"

## IVCS and the State Level Bankers Committee (SLBC)

A workshop and meetings have been held with major Banks in Shillong where the IVCS concept and the initiatives under ISC&ED were explained. The focus in the meetings was on banks providing bulk loans to IVCS for on-lending to members. The matter is being planned to be scaled up as an agenda item in the next SLBC Meeting. It is expected that with the linkage of the IVCS with banks, the demand for and disbursement of credit will increase. This will in turn have a positive impact on the CD ratio of the State especially when the concept will be extended to other Blocks/ villages.

As the members of the IVCS are largely small and marginal farmers, all loans granted will be covered under Priority Sector lending.

**Key Performance Indicators & Overall Approach**

- 70% of the IVCS are financially sustainable and have loan recovery rates of at least 95%.
- 90,000 members of IVCS are actively using financial services, either from IVCS or facilitated from banks. (90,000 savers and 60,000 borrowers).
- Average combined share capital and savings per household with IVCS to exceed Rs.10,000/-.
- Accelerating mobilization and drive for achieving minimum viable membership and subscription to share capital in each IVCS in support of sustainable business model.
- Greater focus on business and financial literacy through peer-based training.
- Strengthen team at district level to support improved bank linkages.
- Phased introduction of computerised accounting in line with roll-out in the State to support and strengthen internal governance and bank linkages.

## Going Forward

The component is strengthening operations of the IVCS by regular Field Visits that include monitoring of activities, handholding and providing guidance on maintenance of Books of accounts, registers, etc. Trainings are being held for Financial Literacy Facilitators (FLFs) who will then conduct Financial Literacy Programmes at the IVCS level covering all members


# CASE STUDY OF MAWLONG NONGTLUH IVCS

In 2017, the Rural Finance team conducted an awareness programme on the Integrated Village Cooperative Societies (IVCS) at the Block Office in Umling village, Ri-Bhoi District. The village headman, the assistant headman and a few members of the Village Executive Committee (VEC) of Mawlong Nongtluh attended the programme. The participants were very impressed with the proposed initiative and decided that forming an IVCS in their village was very feasible. The first step was to inform other Executive Members of the VEC about this new initiative.

That October, another awareness programme was conducted and this time, organized by the village members themselves with support from the BDU-Ri-Bhoi. On the 3rd of October, 2017 and with 20 registered members, the Mawlong Nongtluh IVCS was officially formed. Membership fees were Rs. 500 per head and each member had to hold at least one share.

Mrs. Rilians Syiem, a member of the Managing Committee of the Mawlong Nongtluh IVCS spoke about the need of an IVCS especially in the rural areas where banking facilities are not always accessible. She advocated complete support to the IVCS model and she along with other women members, decided to spread awareness about the IVCS initiative with other village localities.

"Initially, it was fairly difficult to get the community to agree to the IVCS model and tell them about the benefits of forming one. This was because of them not fully grasping the concept. But since we believed in the IVCS initiative, we persevered with our own awareness campaigns and in time, our hard work paid off as people would come to register on their own and within the last one year, membership strength increased from 20 to 401.The IVCS is helping us as we can save our money and we can also take any type of small loans during emergencies without having to go through the hassle of complicated documentation process."

One member applied and was approved of a loan of Rs. 3,000 in the month of June 2018 when his crops were attacked by pests.

"By getting the loan, I was able to save my crops from the pest attacks and avoid loss. But if I had applied for a loan from the bank, the expenses spent in commuting to Nongpoh and back would have been more than Rs. 3, 000, and by the time the process is approved, my crops would have already been destroyed, "said the member

Mrs. Streamlet Mawphniang, an agricultural farmer, opened a savings account in early 2018 and she has been saving between Rs. 100 and Rs. 200 per week at the IVCS, which otherwise would not have been possible given how distant the Bank was.

The IVCS is thriving because its members have regularly been able to identify and invest in the right opportunities. For e.g. a survey conducted on construction work in the village and four other neighbouring villages revealed that the villagers would have to travel to either Umden or Nongpoh to acquire a bag of cement priced at Rs. 450 per bag.

Sensing an opportunity to expand, members of the IVCS met with a few cement dealers based in Nongpoh to determine if selling cement at their own village was a viable plan. Hence, in June, an investment of Rs. 40, 000 was made in renting a shop within the village to sell cement at Rs. 430 per bag to members and Rs.440 per bag to non-members. The shop opens three hours in the mornings and three in the evenings. Mr. Shanbor Syiem, a member of the IVCS, has been kept in charge of the shop and is paid an honorarium of Rs. 1000 per month. According to Mr. Syiem, an average of seven to eight bags is sold every day, and the margin of profit is between Rs. 2,000 and Rs. 2, 500 per pick-up truck.

There is also big demand for black pepper in the village. A variety of spices are grown in Meghalaya due to favourable soil conditions and these include turmeric, chilli, bay-leaf and black pepper. Of these natural spices, black pepper is one of the more popular in Ri Bhoi given that it is rich in anti-oxidants and other nutrients aside from its many health benefits. As such, a nursery was set up when a member of the IVCS donated his land. In fact, the demand for black pepper is so high that even before the saplings had matured, bookings flew in. The IVCS price each sapling at Rs. 15 for members and Rs. 20 for non-members.

MAWLONG NONGTLUH IVCS

**District:** Ri Bhoi District

**Block:** Umling C&RD Block

**Distance from Nongpoh (District capital):** 35kms (approx.)

Registered on: 03.10.2017

**Share Capital:**

a. No. of Shareholders: 419 (Male – 194, Female – 225, Groups -6)

b. Amount of Share mobilized: Rs. 2,12,500/-

**c. Thrift & Credit:**

| | |
|---|---|
| No. of Savings A/c opened by members | 113 including 4 groups |
| Amount of Savings mobilized | INR 15,13,337/- |
| Interest rate on deposits | 3% per annum |
| Total amount of loans disbursed | INR 6,45,000 /- |
| Interest rate on loans | 2% per month (24% per annum) |

Another business venture that the IVCS facilitated is pineapple plantation. A member donated land for cultivating pineapples while other members contributed seedlings. The IVCS has made huge profits during the year's harvesting season.

The model Mawlong Nongtluh IVCS demonstrates that investing in forming an IVCS particularly in rural areas can be beneficial and can help bridge many gaps. Regular monitoring and handholding is still required with regards to maintenance of Books of Accounts, Registers, etc.

The Mawlong Nongtluh IVCS has also shown that an IVCS is easy to form because it is based in one village and can extend membership to all eligible adult members. Perhaps, the most helpful feature of an IVCS is that services are made exclusively available to all individuals of the village and these services are not confined to only business groups or groups of people.

# Chapter 4:
# INCLUSIVE SUPPLY CHAIN &

The Inclusive Supply Chain and Enterprise Development (ISC & ED) is a key component of Megha-LAMP and a driving force behind the entire project. The component focuses on brokering, facilitation and capacity building support to ensure inclusive growth of commodity supply chains covering crops and livestock products, and enterprise development. The term "inclusive" importantly implies poorer households benefiting from participation in supply chains and being able to enter into markets more competitively.

The Project identified that a focus shift from value chain to supply chain management was needed to ensure large-scale growth and greater participation especially with the agriculture sector becoming more market oriented. The adjustment was needed after it was recognized that consistent organization in a value chain continues to remain a challenge. Megha-LAMP is working on strengthening small businesses and business networks while looking at minimizing the roles of middlemen.

A supply chain is only a subset of a value chain and by shifting the focus from the value chain to the supply chain, small inefficiencies can be ironed out which can thereby ensure a higher share of profit margin for the farmer and this includes proper delivery of services. Every step in a supply chain is a process, but it makes for easier flow of information, products and finances from the point of production to the point of selling.

# ENTERPRISE DEVELOPMENT

| Indicator | End target | Achievement |
|---|---|---|
| Multi-stakeholder Platforms (MSPs) conducted | 427 | 167 |
| Paravets trained & providing service | 300 | 29 |
| No. of households with access to village roads built under the project | 16,200 | 47785 |
| Market facilities constructed/rehabilitated | 37 | 8 |
| Roads constructed/rehabilitated (km) | 250 | 218.78 |
| Non Farm enterprises promoted including through IVCS | 5000 | 1877 |

## About Inclusive Supply Chain component

The project has been designed on the back of experiences and lessons learned from previous IFAD-supported projects in the State wherein the objective and approach needed some fine tuning. For example, while earlier projects dealt with catchment area protection and advocated the formation of SHGs for livelihood promotion, the key element of market access was absent. There was a definite increase in production but there was no aggregation centre to help farmers and producers get the best competitive prices. This gap laid the foundation for the emergence of the Megha-LAMP project.

With regard to the Inclusive Supply Chain component, a component can only be called 'inclusive' if everyone in the supply chain network is included in the activities. This inclusiveness will in turn lead to sustainability of the activities under the component. The component is looking at very few products that are in surplus. The producers are seen as entrepreneurs irrespective of whether he or she is producing 2 tomatoes or 2 kgs of tomatoes.

## Targets under ISC

|  |  |  |
|---|---|---|
| **50,000 households in supply chain clusters increase real net income by 40% from supported commodities in supported supply chain clusters.** | **Aggregate value of products sold from producers in supported supply chain clusters increases by 50% in real terms** | **Multi-stakeholder Cluster Platforms (MSPs) established, functional and self-sustaining in 90% of clusters.** |

## Categories of Products:

The project aims to catalyze in identified clusters a portfolio of products with confirmed market potential and comparative advantages for small holder production in the project areas. The aim is to identify products which may be low in volume but are high in value. This gives an edge while competing with outside markets. This has ensured the identification of commodities with credible growth potential and strong demand both at the local and domestic markets.

So far, 10 agriculture supply chain and 1 non-farm supply chain commodity have has been identified and they can be cumulatively classified as follows:

| Category | Commodity | |
|---|---|---|
| 1 | Horticulture (Vegetables including off-season vegetables tomatoes, potatoes and cabbages) |  |
| 2 | Spices (Ginger, Turmeric and Black pepper) |  |
| 3 | Livestock (Pig) |  |
| 4 | Niche/Inclusive commodity (Apiculture, Sericulture, Banana, Scented rice, NTFP/MAPS) |  |
| 5 | Non-Farm (Handicraft & Handloom) |  |

## Clustering:

Megha-LAMP has identified that the process of clustering is necessary in order to determine the right structure for the collection of previously unavailable data. The project cluster and sub-cluster mapping has been initiated for the identified supply chain commodities to generate information on areas covered, households involved and production potential. Once the process is completed, block level sensitization programmes are organized to authenticate the clustering followed by phase-wise MSPs. As of now, the sub-clustering process has been completed in 450 villages.

# Multi- Stakeholders Platform (MSP)

Multi-Stakeholder Platform (MSPs) are platforms where different actors (farmers, buyers, sellers, traders, regulators etc) with similar interests converge to improve the situations affecting them through shared learning, joint decision-making and collective action. MSP can serve to scale up the state's production rates through inclusive and sustainable growth while at the same time, identifying lasting solutions to large scale issues.

**MSP –I:** These are one-day sensitization programmes organized at a central village of a particular cluster, where all interested farmers, traders and entrepreneurs of that cluster are invited to participate. MSP1 serves to identify current gaps and aspirations of various actors as well as potential solutions.

**MSP- II:** Interested youths from MSP 1 villages are engaged as village facilitators to organize village level sensitization programmes and to profile their village. They are trained to collect data and identifying potential livelihood of every household. Members who share similar livelihoods are then grouped together to form a Producer Group or an Interest Group.

**MSP – III:** MSP 3 addresses various issues related to production, post harvesting, value addition, transportation and logistics, infrastructure, human resource, extension services, marketing and bank linkages. Feasible intervention strategies are drawn for support under the project.

## Key challenges and opportunities

Finance remains a big challenge as bank outreach is still very limited. Therefore, the ISC component has to work closely with the Rural Finance component to address challenges or issues related to financial linkage.

There are still gaps in terms of knowledge and information about the many appropriate technologies that can be very useful to the communities. There is a need to partner with agencies like the BRDC, NIF, SCSTE and other organizations so that the communities can also have access to these technologies.

# HOW A GROUP OF FARMERS TRANSFORMED THE BANANA SUPPLY CHAIN IN NORTH GARO HILLS

In A.dokgre village of North Garo Hills, although bananas of the region are in high demand due to their organic nature, local farmers were earlier deprived of fair price due to the rates being set by West Bengal and Assam traders. There was a need to streamline the supply chain and introduction of new innovative ways of value addition of banana to improve livelihood of banana growers in North Garo Hills. The Megha-LAMP intervention not only led to the formation of Farmers Producer Organization (FPO) which helps them to link and sell their produce in Bihar without any competition but also increased the demand for the produce. The farmer's standard of living has greatly improved and they are now looking for more avenues to enhance their activity.

Local middle men like Charles Marak (picture above) who have been in the business for 40 years do not have much choice but to press prices so as to be competitive for big traders from Assam and Bengal.

There are a number of banana varieties found and sold in the market which includes - Champa, Malbok (Malbhog), Saheb, Samoi and Ajong varieties. However, Champa is the most predominant variety due to its lower cost of production. The bananas from different A.dokgre farms are collected counted and loaded into trucks that make their way to Asia's biggest banana market-Daranggiri which is located in Goalpara District of Assam. The sheer size of the banana market is staggering with transactions running into crores per day. Bananas from all parts of Garo Hills are collected, wrapped in banana leaves and sold after bargaining with traders who then shipped them off to various parts of the country.


The largest banana market in Asia- Daranggiri market in Assam is where all the Banana from North Garo Hills is sold

## Villages under FPO:

- Wageasi
- Gairong
- Arai Apal
- RenngokSaram
- Amerim
- GoldeNanggrek
- Jambal
- Upper Jambal
- SobhaJambal
- Dangkong Garo
- Dangkong Rabha
- Imbanggi
- GodarGittim
- Rongmatchu
- Sambrak
- NanilApal
- New Sarangma
- Garat
- Nelwa
- JambalRodu
- SareA.we

The 13th of July, 2018 was a significant day for the local banana growers. On this day, with the support of Kharkutta MLA, Rupert Momin, the **Gairong Area Banana Growers Association** (GABGA) was formed. At the time of its formation, this Farmers Producer Organization (FPO) had 8 members representing about 200 banana growers from the area. To mark the occasion, a first trial marketing of bananas was flagged off at Seven Mile, Dainadubi from where the bananas were sent to Siliguri. However, things did not turn out well for them the first time around. At Daranggiri market, the bananas are sold by the stick where as in Siliguri, bananas are bought by weight. This resulted in a significant loss for the growers who paid more than what they were able to sell the banana for. In 2018, they tried selling their bananas in Ranchi but there too was another lesson. Ranchi is a consumption market and the Malbok variety is the better variety for human consumption. The farmers' Malbok variety was too expensive and too less when compared to its West Bengal counterpart and the Champa variety just could not compete with the Malbok variety of West Bengal in terms of taste.

### ABOUT THE VILLAGE

A.dokgre is a village located in North Garo Hills. Although the village is well known for its banana plantations, there is little to no value addition to the fruit. The only value added products from the fruit are banana chips.

### ISSUES FACED BY FARMERS

The main issue is dealing with foreign traders and middlemen who often negotiate prices to the bare minimum thereby burdening the farmers who often end up struggling for a mere subsistence.

### MEGHA-LAMP IMPACT

A number of interventions were implemented by Megha-LAMP to address the challenges faced by the farmers such as the lack of market linkage and prices exploitation. Today, many farmers have benefited directly from these interventions.

**What are the main problems you face as a banana farmer?**

Benkinson Sangma: I grow approximately 2,000 banana trees and the main problem I face is getting a satisfactory price for the banana. The traders do a lot of negotiating and there is no help from the government. Banana farmers need intervention from the government to help us grow.

Today however, things are much brighter for the FPO. With the help of a local aggregating organization - Genesis, they have been able to link with the Gaya market in Bihar and sell their bananas without competition. This variety of banana has been able to find a place in the market because the Champa variety is preferred for religious pujas while the 'Bok' or 'Bhog' variety which is available closer to them is not. 'Bhog' translates to an offering which has already been given to the Gods and hence cannot be offered again. The group sells 1,200 to 1,800 sticks of banana per week and since its formation, it has transported 18 such consignments. In fact, in October of 2018, the demand was so high that the group was sending two consignments per week and had to engage farmers as far as Williamnagar just to fulfill the demand. As of 2019, the FPO has representation from 20 villages and has benefitted about 2,000 banana growers across North and East Garo Hills .

The intervention is now in the second phase of Megha-LAMP. Tissue cultures of banana saplings of G9 variety have been introduced to farmers. The benefit of tissue culture is resistance to pest attack and can grow in the off seasons hence, yielding higher income. This initiative is estimated to increase farmers' income by 150 per cent. Plantation of banana G9 variety has already begun in five villages and the target is to cover fifty more villages in the immediate future.

In May 2019, the KM team followed up on the intervention and met with Wallingbrush A. Sangma, the Secretary of the Gairong Area Banana Growers Association to discuss the current status of the banana growers in North Garo Hills. He stated that things have definitely improved for the local banana growers and that they are exploring even more avenues to enhance their activity. However, he added that there are challenges also that needs to be overcome particularly with regards to transportation and pricing.

**Wallingbrush A. Sangma, Secretary, GABGA**

How has the FPO helped the banana farmers?

We have 15 villages that are a part of the FPO and by forming this group we have been able to send the bananas directly to bigger markets and sell them for a good price. We do not have to deal with middlemen and this has helped us get fair prices for our produce.

The FPO conducts regular meetings with the farmers to ensure that everybody is heard and that the group can continue to add the best value to the local farmers of the region.

The intervention has helped increase the standard of living of the farmers and with rising demand, the farmers now have to increase production to supply bananas to bigger markets. A survey conducted in June, 2018 by Green Volunteers of Megha-LAMP stated that prior to the intervention, bananas would be sold between INR 20 to 50 per stick but after the intervention they are now sold at INR 70 and higher per stick. Prices rise up to INR 150 per stick during the festive season in October. The survey also expects that the average banana grower with a monthly income of INR 5,000-7,000 will now be able to earn INR 14,000-18,000. Approximately 1,000 farmers will benefit from the intervention.

Each week, 1,200 to 1,800 sticks of bananas are loaded onto trucks and transport to Gaya Market in Bihar

## Genesis - Filling a Critical Gap

The local banana growers have benefitted a lot from the support given by Genesis, a local aggregating organization whose objective is to connect local farmers to market. The peak time for sale of banana is during the festive seasons between September to November, when the price of banana would soar. In other months however, the price would drop significantly. Genesis offers the farmers a fixed price throughout the year, depending on the grade of banana produced. By doing so, the farmers are guaranteed a fixed price even when the prices of bananas tank in the market. This service by Genesis has been instrumental in reducing loses to the local farmers and ensure continuous income which would have otherwise been difficult.

Realizing the value of their contribution, the Megha-LAMP has supported Genesis by providing training to its staff in the areas of marketing, management and in book keeping.

# ENTERPRISE DEVELOPMENT

Support to Non-farm enterprises is essential for generating employment opportunities in rural areas and minimize job related migration. The enterprise development strategy is an important tool that can boost economic growth and prosperity, and in light of the change in the non-farming environment in India, Megha-LAMP aims to promote entrepreneurs, help them adapt to the local demands of the current market state of affairs, and facilitate extension services so that skills and capacities are developed. The aim is that by the end of the project, the strengthening of these non-farm based livelihoods can bridge the gap in service delivery while ensuring that the entrepreneurs become more market oriented and run sustainable enterprises.

Under Megha-LAMP, the Enterprise Development (ED) sub component supports Enterprise Facilitation Centres (EFCs) in the 39 erstwhile blocks of the state. EFCs function as a one-stop-shop for enterprise development where interested entrepreneurs will get access to banks, convergence and project funding, along with training and technical support. EFCs are established in 40 Community & Rural Development Blocks and their interventions include training and capacity building. ED will mostly center on non-farm activities and other products that are not already part of the supply chain focused commodities taken up under the project.

Post Mid Term Review, a revamp was necessitated in order to provision support for 5,000 non-farm enterprises at the individual level. Demand under this sub component will guide implementation of this activity including skill-based training which will be conducted in partnership with existing technical and vocation training institutions.

## Targets

5000 Non-Farm Enterprises across all 18 Megha-LAMP Blocks

## Role of EFCs:

The EFC is a unique effort to create a single point of contact for enterprising citizens of the community to meet their needs of information, selection of opportunities, technology and finance. Through the Basin Development Units (BDU), these EFCs coordinate with associated agencies to facilitate the inception and growth of enterprises.

The project looks to the EFCs for facilitation of access to finance while the ERPs link entrepreneurs to sources of technical advice, input suppliers and market outlets.

The EFCs aim at providing up-to-date recommendations on available schemes that are relevant to the partners/ entrepreneurs interests and assist with the application process to avail the schemes. Under loan financing, the EFC channels inquiries to the most relevant of the following three channels:

a. The IVCS nearest to the partners/entrepreneurs' village

b. Bank officers in banks that have expressed an interest in receiving enquiries for loan investments

c. Bank Linkage officer in the District for larger or more complex financing requirements.

The EFC functions as a single window through which partners receive all the services, which reduces the hassle of running from pillar to post. Being conveniently located at the block level, it not only connects enterprising citizens to the relevant departments, but also does all the necessary follow-ups, thereby increasing efficiency in stakeholder matchmaking.

Departments also stand to benefit as the EFC filters non-serious applicants, and provides them with genuine and sincere candidates, thus eliminating the trouble of going to the field to hunt for partners and allowing them to focus on service delivery.

For skill training, EFCs will refer partners/entrepreneurs to relevant technical and vocational skills training providers with available training institutes. The District Enterprise Managers will participate by conducting rapid micro-enterprise opportunity assessment in each district to identify leads and opportunities.

Whenever partners/entrepreneurs request training in any one of the identified promising skills, they are referred and enrolled to the most relevant training provider. In the absence of an equivalent government scheme, the Project will meets the costs of the training provided under agreement directly with the training provider.

In the field, the sub-component is managed by the DPM/ Enterprise Focal Person in each district. The role of ERP is to receive enquiries from potential partners/entrepreneurs, provide preliminary advice and then refer them to the relevant Training Institutes.

The Knowledge Management Team spoke to Mr. Suting, component head of Inclusive Supply Chain & Enterprise Development to hear his views.

## EFCs - The Front Desks

"The EFC is a unique effort to create a single point of contact for enterprising citizens of the community to meet their needs of information, selection of opportunities, technology and finance. Through the Basin Development Units (BDU), these EFCs coordinate with associated agencies to facilitate the inception and growth of enterprises. EFCs were initiated with the idea to spread awareness and understanding of entrepreneurship in the rural areas while looking to create social acceptance of entrepreneurs. The hope is that a new generation of people will emerge from across the state that will look to create jobs rather than look for jobs.

The EFC functions as a single window through which partners receive all the services, which saves them from running pillar to post. Being conveniently located at the block level, it not only connects them to the relevant departments, but also does all the necessary follow-ups, thereby increasing efficiency in stakeholder matchmaking. Departments also stand to benefit as the EFC filters non-serious applicants, and provides them with genuine and sincere candidates, thus eliminating the trouble of going to the field to hunt for partners and allowing them to focus on service delivery,"

**Shri A Suting, General Manager, ISC & ED**

# THE SUCCESS STORY OF KONG IAHPHANG, THE STRAWBERRY FARMER FROM TUBER SOHSHRIEH

Kong Iahphang Dkhar is a 45- year old resident of Tuber Sohshrieh located in East Jaintia Hills District, Meghalaya. She is the mother of 11 children, 7 girls and 4 boys who are all pursuing their studies. She is grateful to Megha-LAMP which she credits for her success. Before registering as a partner at the EFC, the entrepreneur was a home maker who found it difficult to make ends meet. Her husband who was the sole earner of the family worked as a tourist taxi driver but since her business has taken off; he has now left his job and helps her with the strawberry business. The Knowledge Management team visited Tuber Sohshrieh village to talk to her about her journey and see how far she has come along.

Tell us about how the project has helped turn your life around?

Kong Iahphang: In 2017, I registered myself at the EFC and this proved to be the turning point. I started the strawberry plantation and received training, saplings, poly-houses and manure from the horticulture and other government departments. After a month or two, I then started with wine processing which has become a part of the business.

Can you elaborate on the wine making business?

Kong Iahphang: When I first started strawberry farming, I would throw away strawberries that could not be sold, but later, I learnt how to make the discarded strawberries into wine. I received a lot of support from the EFC staff, DPMU, Khliehriat regarding registration and linking with different departments. I produce 1780 kilograms of raw strawberries per year and my income from selling the strawberries is approximately INR 2 lakhs annually. Last year, I made another INR 35,000 from 70 bottles of wines I sold.

Kong Iahphang has witnessed firsthand how the project has helped her achieve success and with her strawberry farming and wine making business, she has been able to elevate her family's living standards. Her children are all pursuing their studies and she even has a daughter who has an Engineering degree. She attributes being able to support her family to Megha-LAMP who have guided her through the process and hopes to continue to grow her business.

# RURAL CONNECTIVITY

Benefits of PCT roads for the community. These are of great help to the farmers as they ease the transportation of produce to the markets which in turn, will also reduce any loss in spoilage. A big hindrance that the farmers face in the state is ensuring that their produce reaches the markets spoil-free. Poor road connectivity in the past has accounted for much loss. The project identified that market access would not only address this issue but it can also bring development to a community in terms of rural income and food security. Even more important is that market intervention strategies such as rural infrastructure adapted towards improving market access will directly help the producers be more competitive through increased transaction costs so that they can operate on a larger scale. However, the target of 250kms under the project is still not sufficient to cover the requirement within the state

The Market-Access - Communication Infrastructure sub-component is part of the larger Inclusive Supply Chain & Enterprise Development component of Megha-LAMP. The Project targets the construction of 250kms of roads using state of the art Plastic Cell Technology (PCT). This technology involves pouring the concrete into honey comb shaped grids made out of small plastic cells such that when dried, the road does not become one single mass that is prone to cracks and breakage, but instead the road will comprise of numerous concrete blocks that fit together like a giant puzzle. The advantage of using this technology is that if any damage is to occur, the spread would be limited only to a few cells which can individually be removed and replaced thus reducing the time and cost of maintenance. The main aim of these roads is to connect the production clusters to markets.

Megha-LAMP aims to build up farmers and scale up production and link farmers to markets within and outside the state. To achieve this, the project envisages a number of interventions such as capacity building, organization of farmers, improvement of land productivity, engagement with market players, facilitating access to finance, and investment in communication infrastructure. Once the producer clusters are ready to go to markets, road connectivity becomes vital. Having good road connection will reduce the cost of transportation which can be the difference between success and failure in competitive markets. Good roads can also reduce transportation time which will reduce spoilage. This opens up the doors to a wider range of perishable produce that can be sent to markets which can greatly enhance the income of farmers. In this regard, the project aims to construct 250 km of roads to facilitate access to markets for our local farmers.

The implementation process in the first phase (22kms; 2km per district) is that these rural roads are constructed through the facilitation of the DPMUs where engineers from the Blocks are engaged. The technology used is black topping (bitumen) and PCT is implemented on a pilot basis. In the 2nd phase, these roads are being constructed through SRES after signing of the contract agreement accepted by IFAD where the target for SRES is 228kms. Construction of the roads is carried out by engaging the contractors and in some cases, through the VECs. Construction is being implemented in a convergence mode as they are constructed on the existing MGNREGS katcha roads and the estimated cost per kilometre is INR 30-33 lakhs.

**-Evangel Shanpru, OSD, Market Access - Communication Infrastructure on various aspects of the sub-component.**

## Key activities

The key activities under this sub-component to achieve the objectives of this project and to ease the aforementioned transportation of Agri-Horti, etc. produce/goods from the production areas to the collection/aggregation centres, or directly to the markets. Other activities include preparation of guidelines, plans and estimates, and holding meetings with the Block Development Officers (BDOs) and communication with the concerned agencies. These activities are to be completed prior to the construction process and on completion, engagement of third party engineers is to be processed for verification.

There are still many existing challenges especially with the globalization and surfacing of modern markets which for small scale producers in developing economies, requires the right diagnosis so they too can tap into these markets. The construction of roads under the Megha-LAMP project has helped tackle some of these key common issues with market access.

The challenges encountered during implementation include feasible site selection, obtaining skilled labour for construction of PCT roads, supervision issues, procurement of materials, etc. These challenges have hampered the work progress; another issue is some villages also allow heavy vehicles to ply.

The construction has not only improved rural connectivity, but more importantly, it has served to link the thousands of producers and productions clusters across the state to markets and buyers within and outside the state. The infrastructure is expected to encourage larger volumes of trade between local producers and buyers and will also help them realise better market prices through reduced cost of transportation and enhanced linkage to buyers.

### Community feedback

During site inspections to many of the completed roads in the Western and Eastern regions, the feedback has been very positive. The communities have stated that these roads have helped them tremendously in transporting good and produce to the markets. Some have also stated that the roads have been very beneficial for school children travelling to schools and church goers, and have generally helped with commuting to other places.

# PLASTIC CELL TECHNOLOGY ROAD AT KYRPHEI, EKH

Kyrphei village is located approximately 20 km from Mawsynram, East Khasi Hills. The village falls under the Mylliem Syiemship and has a total area of 969.5 acres. Market days are held every four days and the nearest market is Tyrsad however, villagers can get to Mawngap and Mawsynram markets with relative ease. On 24th January, 2017, construction of the 1 km plastic cell road started under the budget allocation of INR 30, 99,477 through IFAD funded Megha LAMP. Before work started, the road was thoroughly inspected and mapped.

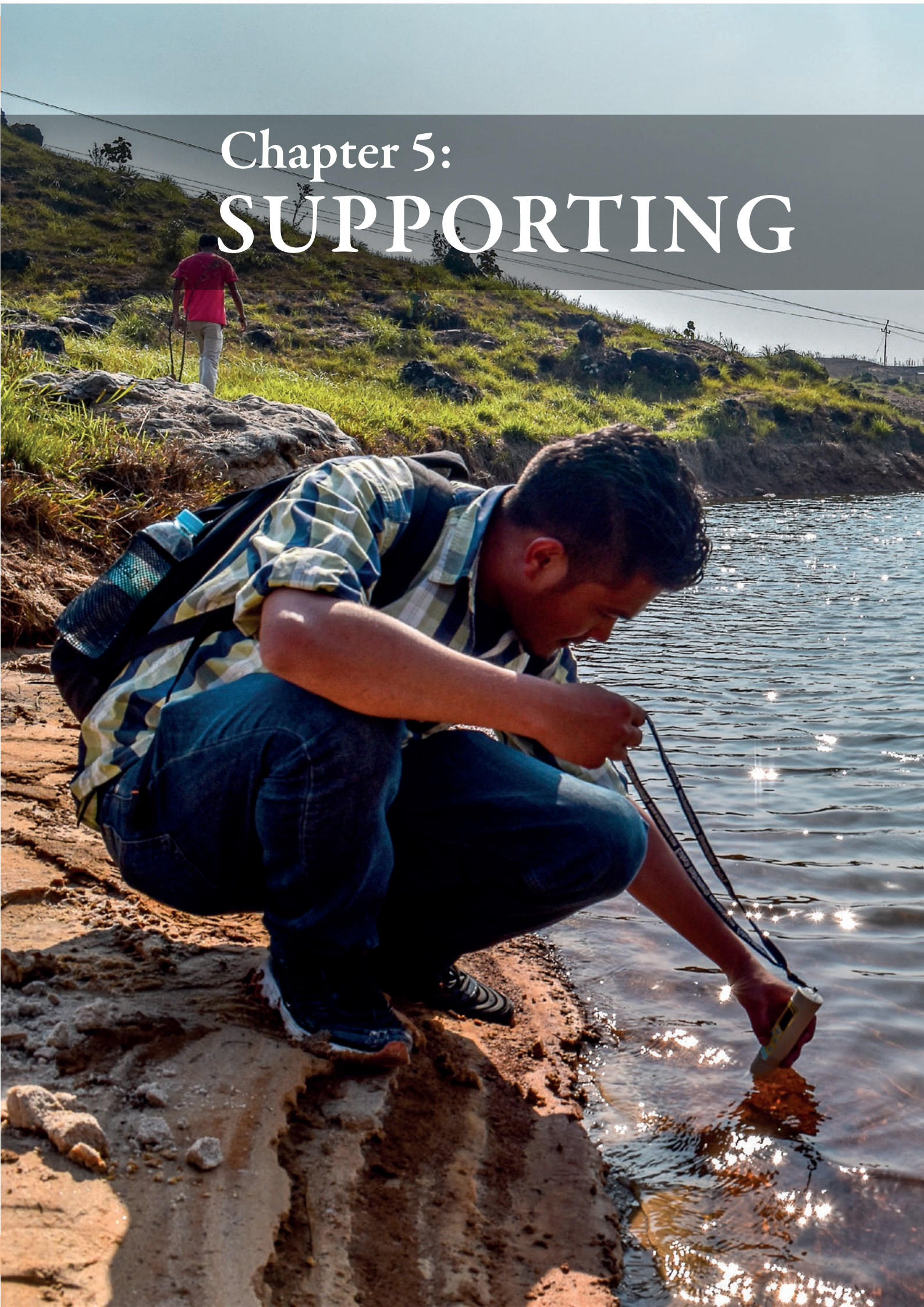
Earlier, the main difficulty the villagers faced was the lack of a proper road to take them to their farmlands, the pathway proved especially slippery during the rainy seasons. Farmers found it difficult to make their way through this trail. The villagers approached several departments for assistance and through MGNREGA scheme, the base work to construct the road started. Digging and drilling commenced including filling up the path with stones and pebbles.

After the intervention under MGNREGA, work for constructing a kutcha road was carried out, however, the road was not satisfactory and the village members' then approached the Block Development Officer where they were informed that Meghalaya Basin Development Authority, which is the implementing agency for Megha- LAMP, uses plastic cell technology for road construction in villages under the project. Plastic cell technology is used by the project as it involves lesser maintenance costs as compared to alternatives. This technology is particularly suited in areas such as Kyrphei and Mawsynram which receive extremely heavy rainfall and any damages and potholes can also be easily repaired.

A feasibility study was conducted by the MBDA which was then followed by an awareness programme on 18th September, 2016 which included a meeting with the village dorbar. The construction of the road started under the supervision of the Junior Engineer of the C&RD Block. Besides Megha LAMP fund allocation of Rs.30.99 Lakhs, financial assistance was also received from the BDO Office through the MGNREGA scheme which amounted to INR 3.93 lakhs. The community also contributed an amount of INR 20, 000 in the form of labour. The total amount incurred for the road project in Kyrphei amounted to INR 35, 12,477.

"All the community members are very happy as the construction of the road has greatly benefited the villagers especially those who carry out farming activities in the southern part of the village. They would usually spend a minimum of two hours on travelling alone, this has however been drastically cut down. Prior to the intervention, the villagers had to carry their produce on their backs which was not only time consuming but also physically taxing.

The intervention by Megha-LAMP has shown its impact as earlier; the agricultural production was low in quantity but post construction the farmers have been able to produce in significantly larger amounts. This is attributed to the extra hours they now have as drudgery has been cut down by a few hours. As it stands, the process between manually picking up produce from the farmlands which lie on the slope to transferring of the same to a pick-up vehicle now only takes half an hour. The vehicles then transport these supplies to the market. This has resulted in a substantial amount of time being saved daily. What is also noteworthy is how the construction of the road has benefited neighbouring villages such as Umlangmar, Umlangmar Nongspung, Umlangmar Mylliem and Umlangar Mawspong."- **Willfringson Umdor, Secretary of Kyrphei Village**



# Chapter 5:
# SUPPORTING

# COMPONENTS


In Conversation with the People of Meghalaya
Pioneers and Change Makers
MEGHALAYA
REPORT TO CITIZENS
2016
BDLP
THE LIVING BRIDGE
INSPIRING STORIES OF SUCCESSFUL ENTREPRENEURS FROM RURAL MEGHALAYA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# MONITORING & EVALUATION

The Monitoring and Evaluation (M & E) system collects data and information to measure performance and progress towards objectives, and acts as a learning tool to provide information for critical reflection on project strategies and operations. It also supports decision-making at various levels and is a basis for result-based management. It enables the project to report to GoM and IFAD on its progress, results and impact. In addition the M&E unit implements a programme of outcome and impact monitoring, as well as producing consolidated reports on project progress and results.

The design and development of the MIS has been completed at the SPMU with support from NIC, Shillong. Currently, the MIS is hosted in cloud and is accessible to limited users. Post training of component wise users, the access will be provided to all the users. As of now, all the data captured through offline modules are being uploaded in to the MIS from the backend.

## A. Management Information System (MIS)

Post MTR, the MIS was customized as per revised component indicators The Online MIS is fully operational with following modules:

- Integrated Natural Resources Management (INRM)
- Rural Finance (RF)
- Access To Market – Communication Infrastructure
- Capacity Building
- Enterprise Development
- Database for AOS & Annual Progress Report
- Project Logframe

The reporting module on Inclusive Supply chain was developed based on requirement from the component. Based on requirement from Knowledge Resources Management (KRM), KM repository has also being developed. This helps KM to digitize various documents. The training on functionality and usages of the MIS, process flow and hands on practice of activity reporting into the online MIS system is done for key users of component at SPMU. At DPMU access is given to field M&E staff, RF and M&E team.

Currently online MIS is hosted in cloud (AWS) with access to SOMU and DPMU.

## B. METIS

The Monitoring Evaluation Tool & Information System (METIS, earlier known as PMIS) has been improvised & functional since April 2016. It captures the partner's detailed information with regard to – registration, prioritization of partners, service demand and fulfilment, enterprise set up etc.

A total of 45000+ partners are registered through this application which is accessed by the ERP of every EFC across the state.

A total of 1817 partners that have started or expanded an enterprise, also reported through the METIS application, are now integrated into the online MIS.

## C. Baseline Survey

With revision in components post MTR and changes in the logframe, the M&E unit initiated collection of additional baseline data of approx. 1350 lamp villages with the aid of android based application. The objective of this assignment was to gather baseline information from the project households on various aspects, i.e. Demography, Asset, Credit linkage, Market access, Livelihood etc. The collection of such data is useful in the planning processes of the government and they also act as a means to measure whether targeted interventions are yielding expected outcomes.

### Activity:

i. The household baseline data collection targeted coverage of 90,285 household across all the 1,350 villages under the project.

ii. The survey timeline: 6 (six) months from June 2019 to November 2019

iii. The activity was carried out with the aid of online android based application tool by 117 numbers of trained enumerators.

iv. The enumerators were provided with Tablets which has unique user Ids to access the application and capture survey data even in offline mode for areas with poor connectivity, and upload the completed survey form whenever online.

v. The enumerators were trained on survey questionnaires, approach at household, and use of android based app to capture data and other aspects of survey.

vi. The survey was administered and monitored by M&E unit SPMU along with field M&E staff at respective districts. Two experienced enumerators monitored the activities at regional level, i.e. Garo Hills and Khasi – Jaintia hills region.

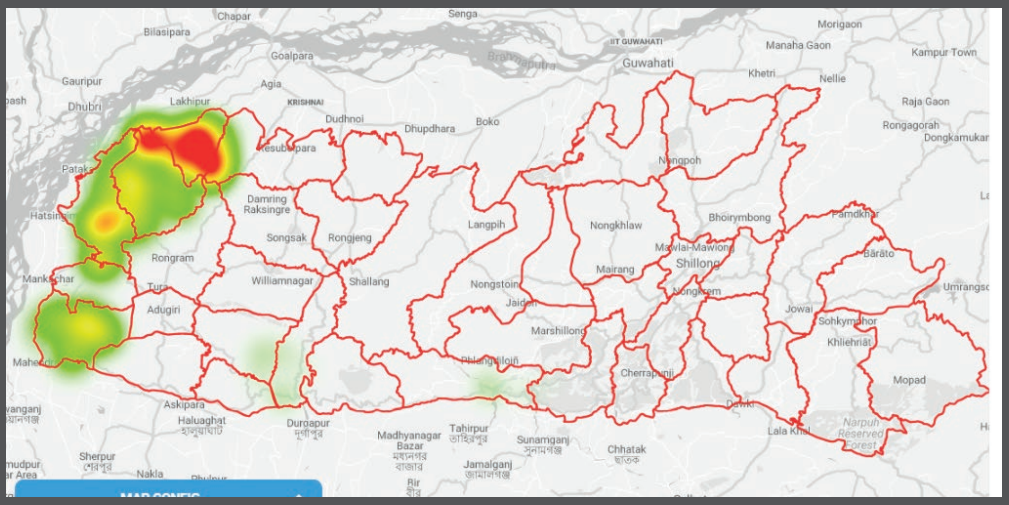
vii. The survey was completed within the stipulated timeline of six months, Nov 2019.

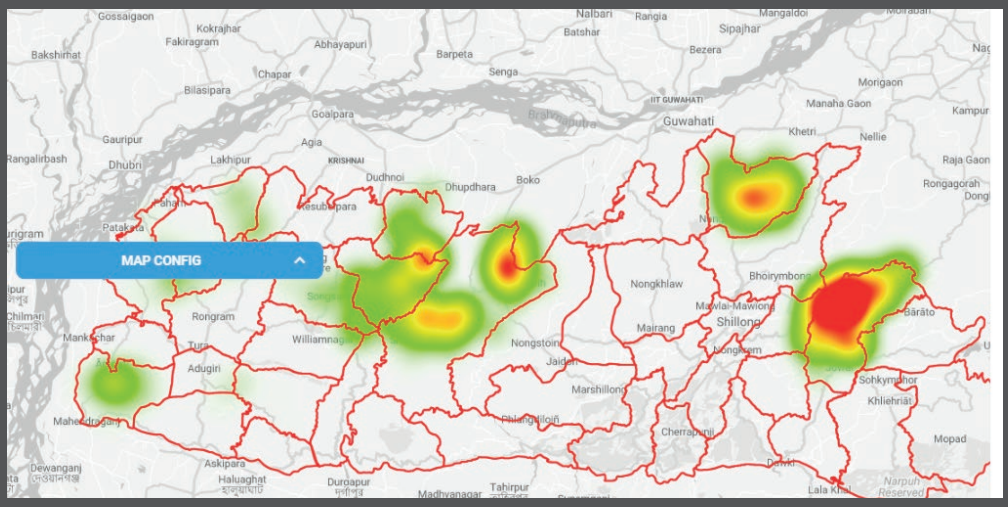
viii. Total coverage was 91,512 hh across 1350 villages as shown below:

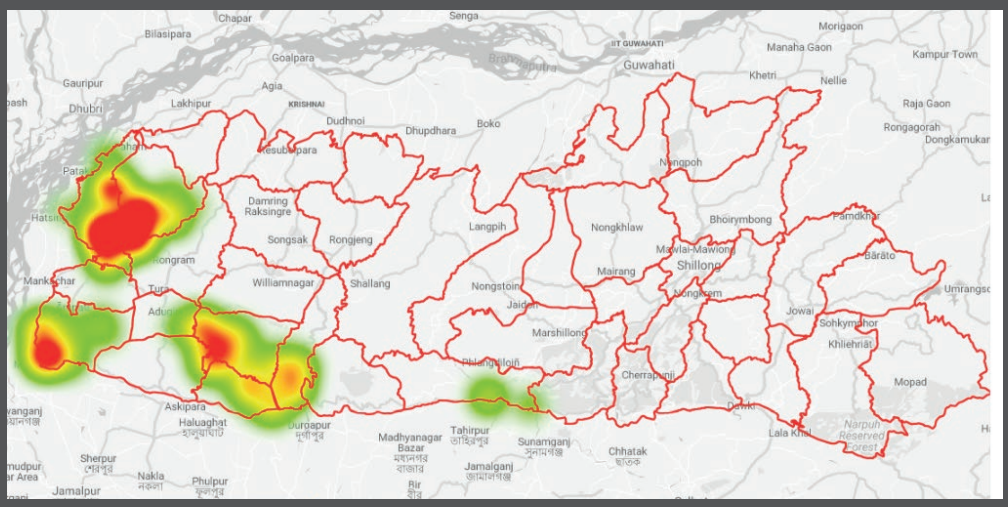
| Districts | Target Villages | Target HH | HH surveyed |
|---|---|---|---|
| East Garo Hills | 140 | 7,544 | 9,637 |
| East Jaintia Hills | 68 | 9,150 | 8,390 |
| East Khasi Hills | 200 | 14,266 | 13,686 |
| North Garo Hills | 67 | 5,283 | 5,255 |
| Ri Bhoi | 97 | 5,447 | 5,138 |
| South Garo Hills | 220 | 6,471 | 8,228 |
| South West Garo Hills | 68 | 3,952 | 4,927 |
| South West Khasi Hills | 67 | 3,677 | 3,519 |
| West Garo Hills | 221 | 13,852 | 12,435 |
| West Jaintia Hills | 134 | 17,456 | 16,623 |
| West Khasi Hills | 68 | 3,187 | 3,674 |
| **Grand Total** | **1,350** | **90,285** | **91,512** |

# HEAT MAPS

Using data collected through household level baseline survey, the project has been able to generate a variety of state, district and village level analytics, using MIS, to enhance decision making for the project and enable other users including the general public from having access to information pertaining to production and markets. The Heatmaps below are examples of how this data is used to visualise production in the state.



## D. INRM PRA Online monitoring application

The MTR mission recommended a design and development online web based application for digitization of INRM PRA data of all the 1350 INRM villages. The M&E has completed the design & development of the online tool and is online for production purpose. The web based application has following 8 sub modules

1) Village master, 2) Village profile, 3) Land resource Management, 4) Water Security, 5) Energy security, 6) Integrated Farming & agriculture production , 7) Impacts of climate change on Natural Resources and 8) Triangulation & prioritization of proposed INRM intervention

This design activity involved the integration of geo tagging of INRM interventions sites into the Map. Currently Geo tagging completed for 393 INRM sites covering 281 villages and is a continuous process.

The geo tagging of these intervention sites is done based on the supporting data received from field team of respective districts. The supporting data consists of attributes like Site Name, Site Coordinates, Intervention type, Counterpart funding, HH and population benefited, etc. These attributes are also uploaded into the system along with geo tagged pictures and can be viewed over GIS layer / map,

There are 22 Data Entry Operators across the 11 districts who are trained on the functionality and usage of the application. The village level PRA data is being entered by these trained DEOs.

The online PRA application provides the following reports:

1. Village level baseline data
2. District and block level baseline data
3. Report on Land & water resources for progressive monitoring and also incorporation into MIS for RIIMS and Log frame update.
4. INRM plan formulation.
5. Any other customized report as per component's requirement.
6. The design and development of the reporting functionalities in the online PRA tool has been completed.

# KNOWLEDGE MANAGEMENT

Knowledge Resource Management (KRM) supports the core components of Megha-LAMP through documentation, synthesis and dissemination of knowledge. KRM's primary role is to enhance extension and outreach of project units and to facilitate knowledge sharing and lesson learning amongst project functionaries and project beneficiaries. Knowledge Management processes have been developed to augment the productivity of MBMA's activities for attaining improved outcomes and greater impacts. These products ensure that a knowledge repository within the organization is available for use and access at all levels of implementation.

KM implementation is three-pronged - Internal Communication, External Communication and Community Communication, and for each, the KM Unit at MBMA has developed specific knowledge platforms and products.

Establishing effective internal communications is an essential part of employee engagement and lesson learning in MBMA. To this end, the KM Unit prepares and disseminates weekly e-newsletters that contain highlights and insights on various activities implemented each week under the project across the state. 134 newsletters have been published since the start of the initiative with 42 Weekly Updates published in 2019-20. Further, a database of knowledge products which include reports, publications, resources (PPTs, Guidelines, and SOPs etc.), project documents etc. is being maintained by the KM

Unit and is open for access by all project staff. To facilitate better coordination between the various components and functions, weekly coordination meetings are organized where the Heads of each component put forward their position, highlight issues and collectively brainstorm ways forward. The KM Unit provides support services such as documentation, development of videos and films, design and publication of IEC material, translation of content, operation of project website and coverage of major events amongst others.

The KM unit is a cross cutting unit serving both Megha-LAMP and the World Bank supported CLLMP project. It also serves MBDA. KM currently undertake cross cutting functions to act as a bridge between the two projects. Lessons learned from LAMP are applied under CLLMP and vice versa.

The KM unit is also engaged with a network of community members, entrepreneurs, innovators etc. from whom success stories are being generated and shared with farmers, policy makers, lenders and the general public. KM has facilitated a number of knowledge exchange programmes such as community dialogues and exposures to facilitate knowledge sharing and cross learning. The community dialogue initiative under this function has generated substantial knowledge about opportunities for local development, and has allowed community participants to come up with an action plan to facilitate their own development. In 2019-20, KM initiated peer to peer knowledge generation and dissemination efforts with farmers across all 3 regions of the state as a follow-up on the success of community dialogues conducted in the previous years. A pilot was started with 5 farmers, who were encouraged to use social media to disseminate knowledge about their works and produce. As a direct outcome of this initiative, the farmers witnessed increased visibility and and significant growth in demand for produce. Follow-up knowledge-sharing events/workshops were initiated across the 3 regions at Mawjrong, East Khasi Hills District, at Cham Cham, East Jaintia Hills District and at Dokramgre in West Garo Hills District for scaling up the practice of which 42 farmers registered for further capacity building.

To enable gathering of information, a network of KM nodal persons have been appointed at the district level. These keep a look out for successes, best practices, lessons and knowledge opportunities for documentation and wider dissemination. The KM nodal persons also coordinates monthly review meetings of project functionaries with line departments and agencies at the Block and District levels for identifying existing bottlenecks, opportunities for convergence and ensuring smooth implementation of the project.

KM has developed in-house strength in written and video publication, and is also leveraging on social media for enabling wider outreach and bringing greater visibility to the projects. The KM Unit conducts case studies of community, individual of group successes, to highlight the various aspects of their development including the approaches they took, their business models, resources used and support availed, challenges and opportunities. These case studies are published in the 'In Conversation with the People of Meghalaya' and in the form of videos on the organization's youtube channel. These case studies are used by project functionaries as tools to help communities generate ideas for their own development, and also as a platform for generating awareness and showcasing such best practices to the general public.

KM engages in the production of various video products for dissemination and use by key stakeholders including community members, field staff, government departments and the general public. The types of videos produced include success stories that capture the human interest stories to inspire others, tutorials and instructional videos to demonstrate various processes, steps and approaches,

and voices of partners which capture testimonials of the people impacted by various project interventions. In 2019-20, videos made included a video manual on how to use various agri-tools and implements supported under the Megha-LAMP project, videos on best practices such as the decentralized green energy project, medicinal and aromatic plants for reclamation of degraded land, rain water harvesting, and others.

KM has also engaged with select media outlets to bring greater visibility to the project achievements. Megha-LAMP has been highlighted in The Better India, The Indian Express, Business Standard, The Shillong Times, thenortheasttoday.com and Latestly.com.

Various IEC materials are prepared which are targeted at mobilization and information communication. IEC materials have included newsletters, posters, booklets, posters and various flexes and banners to promote the initiatives of the projects of MBMA. Also, under convergence, posters on Agri and Horti schemes were published in collaboration with the Agriculture and Horticulture departments, and have been circulated to all DPMUs.

## Achievements under KM as of FY 2019-20:

i. For Community communication and Knowledge Sharing initiatives, KM initiated peer to peer knowledge generation and dissemination efforts with farmers across all 3 regions of the state in December 2019. A pilot was started with 5 farmers, using social media to disseminate knowledge, leading to increased visibility leading to increased demand for produce. Follow-up Knowledge Sharing Events/Workshops were initiated across the 3 regions at Mawjrong, East Khasi Hills District, at Cham Cham, East Jaintia Hills District and at Dokramgre in West Garo Hills District for scaling up the practice of which 42 farmers registered for further capacity building.

ii. KM has also engaged with select media outlets to bring greater visibility to the project achievements. Megha-LAMP has been highlighted in The Better India, The Indian Express, Business Standard, The Shillong Times, thenortheasttoday.com and Latestly.com.

iii. For Internal Communication and Learning, the KM unit published several documents including the Weekly Updates which is an e-newsletter providing updates on various project activities for the week. 134 newsletters have been published since the start of the initiative with 42 Weekly Updates published in 2019-20.

iv. Posters on Agri and Horti schemes were published in collaboration with the Agriculture and Horticulture departments, and have been circulated to all DPMUs.

v. Videos were also developed including a video manual on how to use various agri tools and implements supported under the project, videos on best practices such as the decentralized green energy project, medicinal and aromatic plants for reclamation of degraded land, rain water harvesting and others.

vi. Videos on voices of partners were developed to showcase solutions to common challenges, innovations, successes, etc. for cross sharing with implementation units and farmers

vii. In addition to these, the KM unit continues to provide support services such as translation of material, design and publication of IEC material, operation of MBDA website, document database which currently house 257 documents, and coverage of meetings and events.

Shri. Kimson Lipon, partner from West Jaintia Hills District was highlighted in an Indian Express newspaper article and the Better India magazine dated November 2nd, 2019. Shri. Lipon is one of the first to have opened a YouTube account dedicated to sharing traditional farming methods and knowledge. KM has been providing hands-on training on how to open and operate a YouTube channel, and how to be part of the bigger peer to peer knowledge generation initiative under MLAMP. The complete article can be read at:

https://indianexpress.com/article/north-east-india/meghalaya/in-meghalaya-a-bid-to-make-traditional-farming-methods-go-viral-6098978/

# FINANCE AND PROCUREMENT

Financial management under the Project is on the lines of current IFAD funded projects in India. Accounting records and financial statements are maintained according to IFAD formats. Periodic inputs from an IFAD Financial Management and Procurement Specialist provides training and support for project financial staff. Procurement is carried out in accordance with IFAD's Procurement Guidelines, with an internal control framework set out in the Project Implementation Manual.

## Financial Achievement

| | | Cumulative Expenditure as on August 2020 | | | |
|---|---|---|---|---|---|
| Sl No. | Components | IFAD | Govt. | Others | Total |
| 1 | Integrated Natural Resources Management | 343285.709 | 319408.148 | 233711.206 | 896405.064 |
| 2 | Rural Finance | 37369.658 | 72659.365 | 2959.6 | 112988.622 |
| 3.1 | Inclusive Supply chain & ED | 85998.669 | 52648.509 | 0 | 138647.178 |
| a | Integrated Production & Marketing (Pre MTR) | 5648.897 | 996.864 | 0 | 6645.761 |
| b | Enterprise Development (Pre MTR) | 30439.036 | 14798.461 | 0 | 45237.497 |
| c | Livestock Development (Pre MTR) | 39628.072 | 6213.514 | 0 | 45841.586 |
| 3.2 | Access to Markets | 363977.929 | 294661.909 | 0 | 658639.838 |
| 4 | Knowledge Services | 29185.730 | 14789.727 | 0 | 43975.457 |
| 5 | District Project Management Units | 85201.617 | 108799.641 | 0 | 194001.259 |
| 6 | Project Management Unit, Shillong | 74932.115 | 100542.017 | 0 | 175474.132 |
| | Total | 1095667.433 | 985518.155 | 236670.806 | 2317856.394 |


MEGHALAYA BASIN MANAGEMENT AGENCY (MBMA)

Contact:
admin.mbda@gov.in

C/O Meghalaya State Housing Financing Co-operative Society Ltd, Behind Bethany Hospital; Upper Nongrim Hills, Shillong - 793003