

BI-ANNUAL REPORT

OF

NORTH EAST RURAL LIVELIHOODS PROJECT
(FOR THE PERIOD APRIL, 2012 TO
SEPTEMBER 2012)

MINISTRY OF DEVELOPMENT OF NORTH
EASTERN REGION



HOUSE NO. 2, NEAR NAYANTARA, SIX MILE, GS ROAD
GUWAHATI – 781022

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Executive Summary

The objective of the North East Rural Livelihoods Project (NERLP) is “*to improve rural livelihoods, especially that of women, unemployed youth and the most disadvantaged in the four North Eastern States.*” The project is implemented in two districts each of the four North Eastern States of Mizoram, Nagaland, Sikkim and Tripura, comprising of a total of 58 blocks. The project is expected to directly benefit more than 3,00,000 people. The Project will emphasize on creation and strengthening of community based organizations by the poor and for the poor.

The Legal Documents like Project Agreement and Financial Agreement were signed between the Ministry of Finance, the Project and World Bank on the 20th January, 2012. The date of effectiveness of the Project is 12th March, 2012.

This document, the first Bi-Annual Report of the Project, is part of the on-going effort to record the various activities that were taken up during the period April, 2012 to September, 2012.

During this period, a number of activities have been taken up. As part of the Project requirement, a number of documents have been formulated which lays down the definition of the project objectives, its scope and to bring together all information needed to get the project started. Some of these documents (which were finalised) are the Project Implementation Plan (PIP), Community Operational Manual (COM), Financial Management Manual (FMM), Procurement Manual and Human Resource Manual (HRM). A number of training programmes were conducted at the Regional office, Guwahati to enhance the capacity of the staff at the Regional Project Management Unit (RPMU), Guwahati and the District Project Management Units (DPMUs). The Project staff, both at the Regional level and District level, have attended a number of training programmes and exposure visits to other livelihood projects to understand the various aspects of project implementation.

A team from the World Bank carried out a technical support mission meeting of the NERLP at Guwahati from April 10-11, 2012 with the objective to assess the start-up activities and provide guidance to the Project team.

As per the direction of the Executive Committee, NELPS, the Project Managers, RPMU were allotted Project States to initiate various project activities. The Project Managers along with the respective DPMs have made a number of field visits to the blocks and villages. They have also had preliminary and informal discussions with the State Nodal Officers, Deputy Commissioners, Project Director of DRDAs and other line departments. Interactions were also held from time to time with some of the SHGs and other community organizations in the project districts. Various assessment studies like SHG assessment, NGO assessment, assessment on the availability of financial institutions etc were carried out.

Some activities relating to community mobilization and awareness have been initiated in the districts, blocks and villages of the Project States (even though these were done on a preliminary basis). The Project staffs have been regularly visiting the Project Districts and had informal meetings with the State Government officials at different levels, collecting secondary information, selection of the blocks and villages for the pilot phase and generate an overall awareness generation of NERLP among the SHGs and community. During these visits, the Project staffs have met the village communities in order to generate awareness about the objectives of the Project and to ensure proper implementation of the Project with the co-operation of the community.

CHAPTER 1

START OF THE PROJECT

In an effort to ameliorate rural poverty and backwardness and promote sustainable development in rural areas, the Government of India through the Ministry of Development of North Eastern Region (DoNER) and with support from the World Bank, is implementing the North East Rural Livelihoods Project (NERLP) in eight Districts of the four North Eastern States of Mizoram, Nagaland, Sikkim and Tripura by directly targeting the rural poor households. The Project will emphasize on creation and strengthening of community based organizations by the poor and for the poor. These community institutions include Self Help Groups (SHG), Self Help Group Federations (SHG Fed), Community Development Groups (CDG), Youth Groups (YG) and Producer Organizations (PO) will has distinct roles in the improvement of the socio-economic well being of the poor. Focus will be in the areas of Social Empowerment, Economic Empowerment, Partnership and Linkages through which the poor and the under-served communities will find avenues for stimulating economic growth through local enterprises.

The Project Development Objective is *“to improve rural livelihoods, especially that of women, unemployed youth and the most disadvantaged in the four North Eastern States”*. The name of the Districts covered under the Project is as under:

State	District	Blocks
Mizoram	Aizawl	Phullen, Aibawk, Darlawn, Thingsulthliah, Tlangnuam
	Lunglei	Lungsen, Bungmun, Lunglei, Hnahthial
Nagaland	Peren	Tenning, Peren, Jalukie
	Tuensang	Longkhim, Chare, Noksen, Sangsangyu, Shamator, Chessore, Noklak, Thonoknyu
Sikkim	South	Namchi, Jorethang, Namthang, Ravongla, Yangang, Temi-Tarku, Sumbuk, Sikkip
	West	Gyalshing, Soreng, Yuksom, Dentam, Kaluk, Daramdin
	15 poorest Panchayat wards of East district	Ben, Thasa, Upper Lingtam, Dhanbari, Lower Samlik, Mamring (Amba Mamring Gumpa), Premlakha, Singaneybas, Lower Tarpin, Dokchin, East Machong, Namrang (Tumin Karma Choling Gumpa), Simik (Simik Daduling Gumpa), Kutitar, Namin
Tripura	West	Khatalia, Melagarh, Boxanagar, Bishalgarh, Jampuijala, Dukli, Hezamara, Mohanpur, Jirania, Mandwai, Mungiakami, Teliamura, Kalyanpur, Khowai, Tulashikhar, Padmabill
	North	Kumarghat, Gaurnagar, Kadamtala, Panisagar, Dhamchhara, Pecharthal, Dasda, Jampuihill

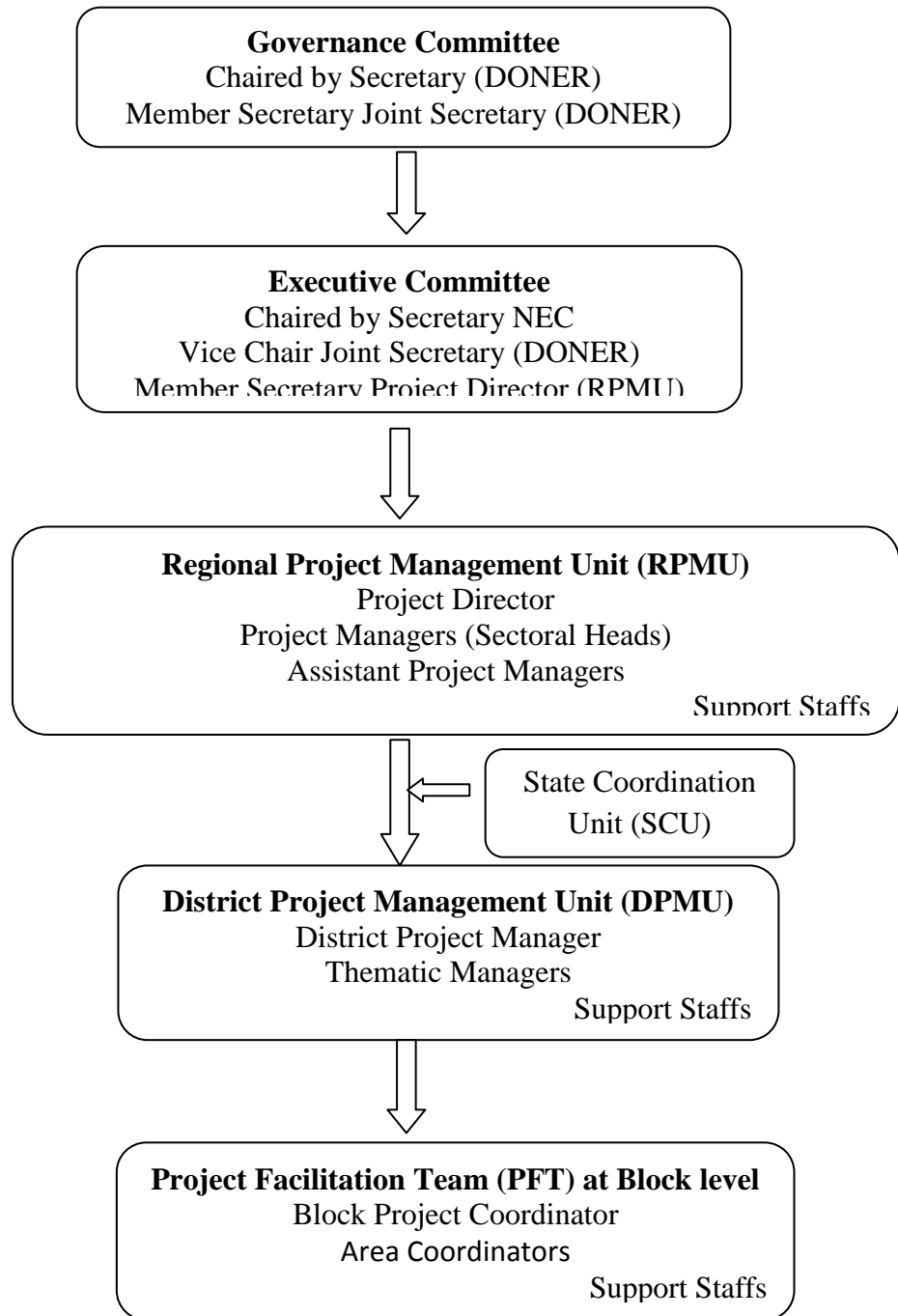
The activities to be supported under NERLP will aim to achieve the following key outcomes:

- (a) create sustainable community institutions consisting of Community Development Groups (CDGs), women self-help groups (SHGs), SHG village federations, producer organizations (POs), and youth groups of men and women (YGs);
- (b) build capacity of community institutions for self governance, bottom-up development planning, democratic functioning with transparency and accountability;
- (c) increase economic and livelihood opportunities by i) managing natural resources and improving agriculture for food security and income enhancement from farming and allied activities; ii) developing employable skills of youths and establishment of self and/or group managed enterprises; iii) establishing backward and forward linkages for economic enterprises; iv) creating access to finance through linkages with banks and other financial institutions; and v) creating critical infrastructure; and
- (d) develop partnerships of community institutions for natural resource management, microfinance, market linkages, and sectoral economic services.

Structure of the Project:

The overall review, strategic planning and policy decisions would be done at the level of Secretary, DONER who will chair the Central Project Steering Committee. Secretary, North Eastern Council, Shillong is the ex officio Chairperson of the North East Livelihood Promotion Society. The implementation of the project is being done by the Regional Project Implementation Unit (RPMU) under the Project Director with the support of Thematic Project Managers. At the district level, a District Project Implementation Unit (DPMU) was set up to carry out the activities at the field level.

Overview of the Organization



Mandatory Assessment Studies:

As part of the mandatory pre-project preparatory activities, detailed assessment has been undertaken through professional consultants with respect to the following areas:

- (i) Environmental Assessment Report
- (ii) Social Assessment and Tribal Development Framework
- (iii) Livelihood Based Agri Business and Market Study

The assessment studies were discussed in a series of meetings with the stake holders which included representatives from Rural Development Department, Social Welfare Department, NABARD, Block Development Officer, DRDA, Fishery, Veterinary and Animal Husbandry, Sericulture, Horticulture, NEPED, Agriculture and Forest Department during Stakeholder Consultation Workshops held in the Project State capitals in the year 2011. Based on the observations and comments received, the Reports were finalised. In addition, baseline survey was conducted in selected sample villages of the project districts.

Advance financial assistance for PPF:

The World Bank has provided a financial advance for the Project Preparatory Facility (PPF) phase for an amount of US \$1.215 million. Year-wise, the following budget allocations were made available:

Year	Allocation (Rs.in crore)	Expenditure (Rs.)
2008-09	1.00	73,27,697
2009-10	2.50	17,51,926
2010-11	35.00	1,62,23,746
2011-12	35.00	1,80,53,505

Approval of the Project by EFC and CCEA:

The Expenditure Finance Committee (EFC) in its meeting held on 29th July, 2011 recommended the project for approval by the Cabinet Committee on Economic Affairs (CCEA). The CCEA approved the project on 16th November, 2011.

Effectiveness of the Project:

Negotiations with the World Bank by the Ministry of Finance and M/o DoNER took place on 29th & 30th September, 2011. These negotiations resulted in the signing of the Legal Documents like Project Agreement and Financing Agreement between the Ministry of Finance, Ministry of DoNER, the Project and World Bank on the 20th January, 2012. The Board of the World Bank in its meeting approved the North East Rural Livelihoods Project on 20-12-2011. The date of effectiveness of the Project is 12th March, 2012.

CHAPTER 2

INITIATIVES TAKEN FOR STARTING UP OF ACTIVITIES

Setting up of Regional Project

Management Unit:

The Regional office started functioning on 21st of December, 2009 at a temporary office in Beltola, Guwahati. The office is now shifted to a another rented location at House No. 2, Six Mile, G.S. Road, Guwahati since the 29th of June, 2010. All internal works necessary for functioning of the office were completed with the arrangements of individual rooms/cubicles for officers/staff, purchase of furniture, computers, printers, LCD, Wi-Fi, intercom and fire protection equipment, etc. For better internet connectivity, the arrangement of LAN has been done with the support from National Informatics Centre, Assam State Centre.

Setting up of District Project Management Units (DPMU)

DPMUs were set up in all the eight project district headquarters in the four States by hiring at specific locations. The following are the location of the DPMU offices in the four project states.

.State	District	Location of office
Mizoram	DPMU, Aizawl	Thuampui, Below Helipad, Aizawl, Mizoram-796001.
	DPMU, Lunglei	House No.498C.Thanchungnunga Building, Opp War Memorial, Chandmari 2, Lunglei, Mizoram-796701.
Nagaland	DPMU, Peren	Aleuna Building, Old market Road, Jalukie Town, Nagaland-796701.
	DPMU, Tuensang	C/o Office of the Deputy Commissioner, Tuensang District, Nagaland-798612.
Sikkim	DPMU, Sikkim South	C/o. Office of the State Institute of Capacity Building Karfactor, Jorethang, Sikkim-737121.
	DPMU, Sikkim West	Zero Point, Gyalshing Pelling Road, Gyalshing
Tripura	DPMU, Tripura West	Joyguru Bus Stand, Dhaleshwar, Agartala, Tripura, Pin-799007.
	DPMU, Tripura North	Gournagar, Kailasahar,Unakoti, Tripura, Pin-799277

Staffing

As per approval of the Ministry of DoNER for filling up various posts of for the RPMU and DPMUs, necessary steps are being undertaken to engage the staff.

A contract agreement with the staff was framed and vetted by a Legal Expert (i.e., Central Government Counsel, Gauhati High Court). The agreements have been executed with all contractual staff of RPMU.

At the block level, the option of involving NGOs and community is being explored.

Staff position at RPMU offices:

As per approval of the Ministry of DoNER, staffs have been recruited from time to time. The recruitment was done through advertisements followed by interview by a Selection Committee constituted for the purpose. At present, we have a total number of 15 staff, recruited on deputation basis or from the open market. The various posts sanctioned and in position in the RPMU are as under:

Status as on 30/09/2012

Sl	Name of the post	Number of sanctioned posts	In position
1	Project Manager	8	7
2	Assistant Project Manager	8	4
3	M&E Assistant	1	--
4	PA to PD	1	1
5	Accounts Clerk	2	1
6	Office Assistant	2	2
7	Driver	1	--
8	Office Attendant	2	--
	Total	25	15

Staff position at District offices:

At present (i.e, as on 30.09.2012), we have a total number of 7 staff, recruited on deputation basis or from the open market. The various posts sanctioned and in position in the DPMU are as under:

Status as on 30/09/2012

SI	Name of the post	Number of sanctioned posts	In position
1	District Project Manager	8	7
2	Coordinator	40	--
3	Accounts Officer	8	--
4	Accountant	8	--
5	MIS Operator	8	--
6	Office Assistant	8	--
7	Driver	8	--
8	Office Attendant	8	--
	Total	96	7

Renewal and Amendment of the Bye Laws of the Society:

The Renewal of Registration & Amendment of Rules & Regulations of Bye Laws of the Society was taken up. The required changes/ modifications in the Rules & Regulations of the Bye Laws were carried out after the approval (i.e., "resolution by circulation") of the General Body of NELPS. The amended Bye Laws of the Society was circulated to all members of the Executive Committee and to the members of the General Body.

CHAPTER 3

INITIATION OF FIELD ACTIVITIES

Field Activities:

In order to familiarise the Project Districts with the various activities that were proposed to be taken up in due course, it was felt that regular field visits were necessary. Despite the unavailability of staff at the field level during this period, the Project Managers and Assistant Project Managers along with the DPMs and State Coordinators have undertaken regular field visits to all the Project Districts of all the four States. The objective of these visits was to: (i) get first hand knowledge of the blocks and villages; (ii) collect certain basic information of the blocks and villages; (iii) interact with officials and briefing them about the Project; (iv) meet some of the existing SHGs; (v) collect secondary information, data, maps related to state, districts and blocks; (vi) reconnaissance survey of Blocks and villages and interaction with community, village councils, etc. These visits have been completed and further action for carrying out the PRA exercise is being planned. The field visit has resulted in selection of two blocks with 5 villages from each blocks to start up the project activities.

Meetings were also held at the district level and block level and detailed discussions were held with the stakeholders and communities about the project background, its implementation strategies, issues relating to networking and convergence. A number of small awareness campaigns were undertaken at village level and interactions were held with Village Development Council (VDC) members/ PRI members, SHG members, community leaders and local youths in many villages in all the districts.

The activities that had been done within the sub-components of 'Social Empowerment' of the Project mainly on the awareness programme conducted for the community, different line department and PRI officials on the project principles, approach and operational strategies.

Project Awareness:

Officials from RPMU along with DPMs and State Co-ordinators have been visiting the project district areas during April-September, 2012 in order to create awareness about the project among the different stakeholders and the targeted communities.

A summary on the preliminary and informal activities/meeting undertaken during the period April-September 2012 by NERLP is given below:

Mizoram

- **Interactions with State government officials:** A meeting was held with the Commissioner & Secretary, Rural Development Department, Govt. of Mizoram cum State Nodal Officer, NERLP. He was briefed about the project, its implementation process and action plans were discussed. Apart from that, discussion took place regarding criteria for block and village selection. This was followed by discussions with the officials of Animal Husbandry Department, Director and other officials of Horticulture Department and Nodal Officer of NLUP. The officials gave assurance to provide information/data and to extend all necessary help for linkages and convergence with NERLP.
- **District Level Meetings in Aizawl and Lunglei Districts:** Meetings were held with the Deputy Commissioners, Additional Deputy Commissioner and Project Directors, DRDA and were briefed about the project, its implementation strategies, issues related to networking and convergence. The district administration and line department officials had stressed on possible networking and convergence among the ongoing schemes for bringing synergy and attaining the project objectives.
- **Block level meetings in Aibawk and Thingsulthlia Blocks:** A meeting for familiarizing and create awareness of the project among block level officials, community leaders and village council members was held. The project background, its



objectives and operational strategies were briefed. The criteria for selection of blocks and villages were also discussed and the first five villages were identified to start up project activities. These villages are Sailam, Samlukhai, Chawilung, Lamchhip and Chamring. Similar meetings for awareness and identification of the initial five villages was held in Thingsulthlia RD Block where the officials of RD, members of the Village Council and Community leaders participated. After detailed discussion, the villages, viz., Keifang, Rulchawm, Ruallung, Mualpheng, Tawizo and Maite were identified to implement various activities in the initial stage.

- **Village Level Awareness Meet:** With the objective to create awareness among the people on the project and establish rapport building measures with the village community, a series of awareness campaigns were undertaken with the help of the office of the BDO at village level. Interactions were held with Village Development Council members, SHG members, community leaders and local youths in the villages of Darlawng, Tlungvel, Phulmawi, Rulchawn, Ruallung, Mualpheng, Tawizo, Larchin, Maite, Saitual, Sinfond, Dilkhan, Tualbung, N Sungpher, Bubhan, Techhip, N Lung sai, Maubung, Sateek, Phairuankai, Chumkhum, West Rotlang, Chumkhum, Lungsen Village, Leite Village and New Khawlok villages.

Nagaland

- **Interaction with State government officials:** The NERLP team met Commissioner and Secretary, Planning & Coordination Department, Govt. of Nagaland and State Nodal Officer for NERLP and discussed the project implementation modalities, processes and action plans. A meeting was also held with the Joint Director, Indian Council of Agricultural Research (ICAR) Campus, Jhornapani, who assured that technical assistance of ICAR Centre would be made available at different stages of project implementation.
- **District Level Meetings in Peren and Tuensang Districts:** A meeting organized by the Deputy Commissioner, Peren was attended by NERLP officials along with various department/agency heads and other stakeholders. The participants were briefed about the project and discussions were held on the future course of project activities in the district, including the process of

selection of blocks and villages. As a result of these meetings, ten villages under Peren district, viz., Punglwa, Gaili, Ngwalwa, Heningkunglwa, Mhainamtsi, Peletkie Ndunglwa, Benreu, Poilwa, Poilwa Namci were identified for the 1st phase for implementation. Likewise, the following villages were identified under Tuensang district, viz., Chingmelen, Nangbong, Haak, Khutai and Tuensang (K-Khel) under Sangsangyu Block and Yakor, Sangphur, Shamator, Leangkonger and Waphur under Shamator Block for the first phase of implementation.

- **Village Level Awareness Meet:** An awareness meeting with various stakeholders (village heads, VDB Chairperson, Village Elders, Ex-Employees of GoN, Church Members, etc.) were held and several issues that were thought to be of importance for the project



came up for discussion. The team also visited and interacted with people in Punglwa, Gaili, Mhaikam, Ngwalwa Village, Ngwalwa Town, Henungkunglwa, Kiavi, Dungki, Deukwaram, Mhainamtsi in Peren block and Nangbong, Chare, Longkhim area under Sangsangyu Block.

Sikkim

- **Interactions with State government officials:** The team from RPMU met various State Government officials. The officials were briefed on the project and ensuing plan of actions under NERLP. During these visits, the team were informed about the Village Development Action Plans (VDAP) of the State.
- Interactive sessions were also held with Director General (DG) of Directorate of Statistics, Economics, Monitoring & Evaluation (DESME), GoS. Secondary information and data with regard to demographic & socio-economic survey of the State was collected. Interaction was also held with officials of NABARD and information on ongoing activities, number of SHGs that are into operation and the facility extended to those SHGs by NABARD for credit linkages were shared.

- **District and Block Level Meetings in South Sikkim and West Sikkim districts:**

The team attended meetings with Deputy Commissioners and ADC (Development), South Sikkim and West Sikkim districts and also with various line department officials of the Animal Husbandry Dept, District Planning Office, Zila Panchayat Office, Block Development Office and Krishi Vikash



Kendras. It was informed to the Project that tourism and floriculture sectors could bring positive results in the Project districts. Information on Gram Panchayat Units (GPU) like population, caste profile, number of wards in each units, etc. were collected. Interaction was also held with the Chief Administrator, State Institute of Capacity Building (SICB), Jorethang and the possible role of the Institute in partnering with NERLP during the course of project implementation.

- **Village Level Awareness Meet:** Visits were made to Tinik Chisopani Gram Panchayat Unit (GPU) under Jorethang Block and met the officials/staff of the

Rural Development Department and other ward members. Information on population, households, caste profile, and number of SHGs in respective panchayats were collected. Interactions were held with different SHGs like Goreto Sangh SHG, Sai Patri SHG, Nirman SHG,



Kanchenjunga SHG, Samjana SHG, Shahara SHG and Ajambari SHG. The NERLP team met the office bearers of three Gram Panchayat Units under Jorethang Block, namely, Tinik Chisopani, Poklok Denchong and Salghari. A

consensus was arrived for taking up one GPU, i.e., Tinik Chisopani GPU for pilot phase activities under NERLP. Tinik Chisopani GPU, under Jorethang block, has 5 wards (villages) under its administrative control. The selected villages are Tinik, Lalshore, Chisopani, Barbotey and Ambotey. Again, under Sikkip Block, the selected villagegs are Lower Wak, Upper Wak (Wak Gumpa), Upper Omchu, Lower Omchu, Upper Chumlok and Lower Chumlok. Similarly, in West district, Gyalshing block was selected based on its logistical support. Under it, Yangten GPU had been selected and the villages are Upper Yangten, Lower Yangten, Upper Unglok, Lower Unglok, Upper Bhaluthang and Lower Bhaluthang. Likewise, under Kaluk block, the selected villages are Upper Sangadorji, Lower Sangadorji, Jeel, Upper Hatidunga and Lower Hatidunga.

Tripura

- **Interactions with the State government officials:** A series of discussions were held with the Joint Secretary, Rural Development Department and Project Directors, DRDA of North and West Tripura Districts. These discussions resulted in identifying two blocks each in West and North Tripura Districts, namely, Jampuijala & Hezemara Blocks and Dasda & Kumarghat Blocks respectively for taking up various project activities in the initial phase.
- **District Level Meetings at West Tripura and North Tripura Districts:** Meetings was held under the chairmanship of the District Magistrate & Collector, Sepahijala to discuss the Project objective, aim, design, component, strategy and action plan. The meeting was attended by Sub Divisional Magistrates from Bishalgarh, Jampuijala and Sonamura Sub Divisions, Block Development Officers of Jampuijala, Melagarh, Bishalgarh, Kathalia and Boxanagar RD Blocks and an Executive Engineer from the RD Department. A meeting was also held with PRI/ADC village representatives.
- Similarly, another district level meeting in West Tripura District was held in the Conference Hall of the District Magistrate Office. The meeting was attended by SDMs and BDOs of all the blocks of West District. A meeting was also held in the office chamber of the District Magistrate & Collector of North Tripura District. After the discussion, a meeting with the BDO of Dasda Block and PRI

bodies was held where selection of five villages was done and start up of initial awareness about the project in the villages was planned.

- **Block level Meetings at Hezemara & Jumpaijala Blocks in West Tripura:** Discussions with the BDO and RD Officer of Hezamara RD Block, West Tripura was held. The main objectives of these meetings were to gather primary information about the blocks. The village selection criteria were discussed. While identifying the five villages for initial activities, it was proposed to have a formal discussion with the PRI functionaries. The five villages identified under Hezemara blocks are Meglibandh, Sankhala, Purba Tamakari, Paschim Chanpur and Barkathal. The five villages in Jumpaijala Blocks were identified also. These are JK Nagar ADC Village, Prabhapur ADC Village, Pekqarjala ADC Village, Mohanpur ADC Village and Sankumabari ADC Village.
- **Block level Meetings at Kumarghat and Dasda Blocks under North Tripura district:** Interactions were held with BDO and RDO of Kumarghat RD Block and BDO and RDO of Dasda Block. For the selection of five villages, a meeting was held and attended by the representative of PRIs, BDO, Kumarghat and representatives from NERLP. After a detailed discussion, the following five villages were identified for the first phase, viz., Sukanta Nagar GP, Sunaimuri GP, East Raitwisa ADC village, Rajkundi ADC Village and Demdum ADC Village.
- A general awareness meeting was held in Dasda block. The Village Committee members of 28 ADC villages and BDOs participated. Apart from discussions on various issues of the project including CBOs and its functioning, it also identified five villages for the pilot phase. These are Ananda Sagar ADC Village, Dakshin Tuisama ADC Village, Gachiram para ADC Village, Subashnagar ADC Village and Ujan Machmara ADC Village.
- **Village level awareness meet:** With the objective to create awareness among the people regarding the project and to establish initial rapport with the village community, a series of awareness campaign was undertaken with the help of BDOs at the village level. Interactions were held with Gram Pradhans, and other members of PRI, SHG, community leaders, local youths, etc., in the

villages, namely, Sukanta Nagar Gram Panchayat and Sonaimuri Gram Panchayat under Kumarghat Block; Subashnagar ADC Village, Uttar Dasda ADC village and Kanchancherra ADC Village under Dasda Block; Sankhola ADC Village under Hezemera Block and West Takarjala ADC Village under Jampuijala Block.

Identification of blocks for initial start up activities:

The phasing of the blocks was the result of the various meetings and field visits and by considering the feasibility of operationalization of project piloting. The phase-wise intake of Blocks in different project years has been proposed as follows:

State	District	1 st Year	2 nd to 5 th Year
Mizoram	Aizawl	Aibawk, Thingsulthliah	Phullen, Darlawn, Tlangnuam
	Lunglei	Lungsen, Hnahthial	Bunghmun, Lunglei
Nagaland	Peren	Peren, Tenning	Jalukie
	Tuensang	Sangsangyu, Shamator	Longkhim, Chare, Noksen, Chessore, Noklak, Thonoknyu
Sikkim	South	Jorethang, Sikkip	Namthang, Ravongla, Yangang, Temi tarku, Sumbuk, Namchi
	West	Gyalshing, Soreng	Yuksom, Dentam, Kaluk, Daramdin
	East	-	15 Panchayat
Tripura	West	Jampuijala and Hezamara	Khatalia, Melaghar, Boxanagar, Bishalgarh, Dukli, Mohanpur, Jirania, Mandwai, Mungiakami, Teliamura, Kalyanpur, Khowai, Tulashikhar, Padmabill
	North	Dasda and Kumarghat	Gaurnagar, Kadamtala, Panisagar, Dhamchhara, Pecharthal, Jampuihill
Total Blocks		16	42

CHAPTER 4

REVIEW AND ASSESSMENT STUDIES

Start-up and Technical Support Mission of the World Bank:

A team from the World Bank comprising of Mr Kevin Crockford, TTL, Mr Biswajeet Sen, Co. TTL/Sr. Rural Development Specialist and Mr. Winston Dawes, Sr. Rural Finance Specialist carried out a technical support mission to the North East Rural Livelihood Project (NERLP) from April 10-11, 2012. The objective of the mission was to assess the start-up of the NERLP, and provide guidance to the project team. The Mission also took stock of the present status of the project.

The Technical Support Mission of the World Bank has suggested that in order to have a better understanding of the areas in which the field activities is being planned it would necessary to carry out detailed assessment studies separately on areas like the availability and performance of the existing SHGs, financial institutions, NGOs and identification of resource agencies/ institutions in the Project States. For this purpose, the RPMU had designed questionnaires and a survey was carried out with the assistance from the respective District Project Managers and State Coordinators. A brief outcome of these Studies is given below.

(i) SHG Assessment Study in Project States:

A sample survey of the existing SHGs of each of the districts was carried out with the objective to know that status of existing SHGs and their area of working. This is to help us in identifying strong and viable SHGs and for planning out various activities. It will also help us in understanding the various shortcomings of the existing SHGs and planned for capacity building activities. This study also has the objective to understand the critical factors that influence the quality and sustainability of SHG movement of the Project States. Keeping this in view, a sample survey of the existing SHG was conducted in three selected villages from the two identified block of all project districts (i.e., altogether forty eight villages were covered under the study). Information were collected on general SHG profile, membership details, grading, details of meetings, financial information, loan and credit disbursement and repayment and book-keeping and documentation of these SHGs.

Findings of the study:

The major findings of the study are:

- Most of the SHGs are promoted by the DRDA and as a result, the SHG movement became target oriented and less scope for progress which in most cases diluted the purpose of SHG formation;
- Very little inputs are being given to SHGs for 'institutional development' or for strengthening of SHGs;
- Often the focus of most SHGs is mainly on income generating activities (IGA) without due attention to institution and capacity building; In fact, 85% of the SHGs have not avail any sort of training;
- No proper monitoring and evaluation (like grading) of the SHGs even by the promoter agencies;
- Most SHGs are functioning as traditional informal group lenders rather than a more formalised institutions for economic upliftment or financial inclusion, especially in Nagaland and Mizoram;
- In most cases, marketing was not considered as an integral part of the entire process of SHG formation and activities;
- There is less understanding and appreciation of the potential of formation of SHG and especially SHG federation;
- In most cases, there is less attention given to SHG-Bank linkage and hence less cooperation from banks.

The findings of the study would help the project in designing the future strategy and road map to promote and strengthen the SHG movement in the project States.

(ii) Assessment study on Financial Institutions (Banks and MFIs)

A survey on financial inclusion was completed wherein the main objective is to examine the coverage of banks, NGO-MFIs linkage, and availability of MFIs in the project districts. Data were collected from banks and MFIs in the Project districts with the assistance from the District Project Managers.

Findings of the study:

The major findings of the study are:

Mizoram:

- In Mizoram, coverage of Regional Rural Banks in terms of geographical area and client outreach is found to be comparatively better than that of other types of banks. However, although the coverage of commercial banks is growing, the overall saving mobilization is not satisfactory for all types of banks;
- The Mizoram Co-operative Apex Bank Limited (MCABL) successfully tested their 'Primary Agricultural Credit Society' (PACS) - Banking Correspondent (BC) model which can be replicated by other banks;
- Number of 'No-frill Account' is increasing which is a good sign for SHG-Bank Linkage. It has been seen that financial assistance rendered to 'Service Sector' is very less by all types of banks during the last three financial years.

Tripura:

- Various Regional Rural Banks (RRBs) and other commercial banks are already in operation in the Project areas, where the concept of BC for SHG-Bank linkages is being practiced.
- The gap between the amount of total loan sanctioned and disbursement is a major concern;
- RRBs charge different rate of interests for different types of livelihoods loans. Tripura has a comparatively good number of professional financial intermediaries (NGO-MFI, NBFC-MFI, etc.) and capitalization rate is also good.
- Farm and Non farm Sector benefited the most from financial assistance. However, outstanding amount is increasing, which is not healthy sign;

- NGOs, Line department, Banks are promoting a good number of SHGs which is a positive sign.

Nagaland:

- The Project Districts in Nagaland has the least number of bank branches. For instance, Peren District has two banks branches namely State Bank of India (2 nos. of branches) and Nagaland State Cooperative Bank Ltd (single branch) and in Tuensang District only the State Bank of India (with 6 branches) is operating;
- SBI is utilising the Village Development Committees to act as financial intermediary (as BC);
- The gap between the amount of total loan sanctioned and disbursement is a major concern. This is despite the fact the rate of repayment by SHGs is found to be quite high;
- The banks are reluctant to engage in activities like SHG-Bank linkage due to shortage of staff and poor connectivity to reach far flung villages;
- Other problem areas include erratic power supply which hampers banking operations.

Sikkim:

- Among the Project States, it has a well established banking network covering all districts. One major reason for such good bank outreach is because West and North Sikkim are tourist places and one of the main sources of income for the people of the districts;
- SBI has major presence in both West and South but major chunk of business is in South Sikkim;
- Sikkim State Co-operative Bank Ltd (SISCO) has presence in all the blocks;
- South Sikkim district has more commercial banks compared to West Sikkim, but, they are not involved in SHG – bank linkage activities;
- SBI and SISCO is relatively performing well in terms of SHG-Bank Linkage, number of beneficiaries, SHG bank account opening, savings mobilization, loan sanction & disbursement and average loan size etc;
- There gap between total loan amount sanctioned and disbursements is comparatively better;

- However, loan repayment default is increasing which is a serious issue for all banks and Co-operative Banks in all Project States do not have core banking facility.

[Note: It may be mentioned that the above findings are preliminary assessments which were done only for understanding some of the institutions that are available in the project districts and should not be treated as a comprehensive survey/ study]

(iii) Identification of Resource Agency at Regional and State Level:

The objective of the study is to identify some of the resource agencies which are available at the Regional level and in the Project States of NERLP for convergence, technical guidance and implementation of the project. During the study, it was found that there are a number of such institutes/ organisations which can be useful for the purpose of training and capacity building. They can also act as resource centres and formed knowledge banks for technical and implementation processes.

(iv) Assessment Study on the availability of Non Governmental Organizations (NGOs):

The Project had made preliminary assessment study of the existing NGOs in the project districts. This was done by collecting information from organizations/agencies like IIBM, RGVN, NABARD, NEDFi, CML for providing information on the existing NGOs who are directly or indirectly associated with them. Moreover, information was also collected through the District Project Managers. The initial assessment shows the presence of NGOs in all the project districts. NERLP will be having committed support structure from regional to village level for facilitating its implementation process, one of which is Project Facilitation Teams (PFTs).

CHAPTER 5

TRAINING, WORKSHOP AND EXPOSURE VISIT

Trainings, workshops, exposure visits are an integral part of NERLP for gaining competencies and achieving the objective of the Project. Capacity building of the project staff as well as stakeholders will be carried out continuously. A series of trainings, workshops and a few exposure visits were part of the capacity building programmes conducted and arranged at RPMU so far. Many similar programmes are scheduled at different levels throughout the project period so as to constantly enhance the capacity of the project staff and the target communities.

The project officers of RPMU, State and Districts had also been part of exposure visits, both within and outside the North Eastern Region, for gaining first-hand knowledge on the implementation aspects of successful livelihood projects. Such exposures and training programmes have been helpful to facilitate implementation of NERLP. These have also offered a forum for NERLP officials to participate and discuss issues, challenges and concerns of livelihood projects and means of resolving and overcoming such challenges.

Trainings programmes:

- ✚ A two-day Environment and Management Framework orientation was organized for the DPMs, State Coordinators and RPMU officials at RPMU office on 17.05.2012 and 18.05.2012. The main objective of the orientation programme is to understand and integrate EMF into the project so as to achieve sustainable livelihoods.
- ✚ A one day training programme on the various issues on 'Gender Sensitisation' was organized on 19.05.2012 for the RPMU and DPMU officials in the Conference Hall, RPMU office, Guwahati. The objective was to raise the participants' awareness on how gender issues play a key role in the way women and men participate in social, political and economic activities.
- ✚ A week long training programme on handling of Supermap GIS software was conducted for the RPMU officials for understanding and analyzing spatial /GIS data. This was held from 11.06.2012 to 21.06.2012 at RPMU office, Guwahati.

Workshop/ Conference attended:

- ✚ A two day financial inclusion conference organized by Sa-Dhan (Association of Community Development Financial Institutions) and FICCI (Federation of India Chambers of Commerce) on August 7 & 8th, 2012 at New Delhi was attended by Project Manager (Micro Finance) from RPMU. The conference discussed issues relating to Financial Inclusion and the latest development taken place at the national and global level on the Microfinance sector as well as Financial Inclusion. The conference aimed at addressing three main areas of: (i) Financial Inclusion - SHG-Bank linkages,(ii) the BC model and (iii) Micro Finance Instructions. The conference was attended by representatives from Government of India, RBI, SBI, NABARD, SIDBI, International Financial Institutions [IFC], SHGs, SHG Federation members, various small and medium MFIs of the country.

Exposure visits:

The purpose of exposure visits were to understand the implementation arrangement process in the ongoing livelihood projects being implemented in different States of India and to replicate the best practices in our project States. The exposure visits undertaken by the project officials to orient themselves on rural development practices are briefly described below:

- ✚ A four day exposure visit was undertaken by RPMU officials from 24-07-2012 to 27-07-2012 to a World Bank funded Project called Pudhu Vaazhu Project in Tamil Nadu. The key learning from the exposure visit to the Pudhu Vaazhu Project included: (a) community mobilization at grass root level, (ii) meeting with community professionals who play a key role in building the capacity of the rural community, (iii) learning the tools involved in conducting participatory wealth ranking, (iv) learning various issues which are part and parcel of loan sanction to SHGs wherein every SHG goes through a series of exercises like family-wise resource inventory, list of livelihood activities, planning of repayment schedule, etc, (v) learning various environmental management practice for each activity which is done prior to sanction of loan, and (vi) learning monitoring and evaluation tools.

CHAPTER 6

FINANCE AND EXPENDITURE

Financial Audit

The audit for the period from 01/04/2011 to 20/01/2012 (Pre-Project signing period) has been completed by an independent Chartered Accountant as per World Bank Guidelines.

As directed by the EC, the Project has engaged a new auditor as per the World Bank guideline. As desired by the World Bank, the Annual Audit for the period 01-04-2011 to 20-01-2012 & 21-01-2012 to 31-03-2012 was carried out by a Chartered Accountant. The audit report was submitted to World Bank and Ministry of DoNER.

We have also initiated the process to entrust the audit of the project to C&AG and is now at an advance stage.

Financial progress for the period 01-04-2012 to 30-09-2012 is given at Annexure.

CHAPTER 7

PROCUREMENT

For the financial year 2012-13, a total number of 13 Consultancy Services were proposed to be taken up. During this period (April-September, 2012), a total number of 7 ToRs for various consultancy services have been prepared. These ToRs relates to services like hiring of NGOs as PFTs for Management of Project Activities at Block level, preparation of training modules for CBOs, training & capacity building of project staff, study for market demand for skills, internal audit consultancy, development of MIS, website development, short term consultancies for mapping of land, water, forest, land use etc.

Annexure:

Financial Progress

The financial progress for the period 01-04-2012 to 30-09-2012 is given below:

Grants - in – Aid (Received from Ministry of DoNER) during the period		Nil	
Utilization (As on 30-09-2012)		Rs.76,13,053/- (Out of last year's closing balance)	
The utilization of Rs.76,13,053/- was incurred under the following Component/Sub component:			
Component	Sub Component	Major Activity	Amount Utilised
Social Empowerment	Support to Project Facilitation Teams	Field Survey/Action Research/Assessment	Rs. 97,203/-
Economic Empowerment			Nil
Partnership Development			Nil
Project Coordination	Project Management	Salaries	Rs.48,43,064/-
		Operating Cost	Rs.13,82,297/-
		TA/DA & Other Allowances	Rs. 3,06,963/-
		Workshop	Rs. 5,78,268/-
		Training	Rs.2,02,567/-
		Consultancies	Rs. 79,000/-
		Office Refurbishment	Rs. 28,810/-
		Books & Periodicals	Rs.11,700/-
		Goods & Equipment	Rs.83,181/-
TOTAL EXPENDITURE			Rs. 76,13,053/-(Rupees Seven Six Lakhs Thirteen Thousand and Fifty Three) only.