

Republic of India

Livelihoods Improvement Project in the Himalayas

PROJECT PERFORMANCE ASSESSMENT



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Photos of activities supported by the Livelihoods Improvement Project in the Himalayas

Front cover: Small enterprise development - weaving as value adding to silk worm production in Nongpoh Village in Meghalaya State.

Back cover: Small enterprises have been developed through the project. This shop, which is jointly run by a couple, is one example in the Village of Rajgarhi in Uttarakhand (left); Woman sifting rice, Rajgarhi Village in Uttarakhand State

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Preface

The Livelihoods Improvement Project in the Himalayas was implemented between 2006 and 2013. The project aimed to improve the livelihoods of vulnerable groups in a sustainable way by promoting greater livelihood opportunities and strengthening the local institutions concerned with livelihood development. To achieve this aim, the project focussed on: reducing drudgery (freeing up time for women to participate in developing their livelihoods); empowering project beneficiaries through gaining basic skills in numeracy and literacy and forming savings and self-help groups; building capacity in agricultural technologies and natural resource management); and strengthening livelihood support systems through business skills development, as well as access to finance and value chains.

The project was, in both Meghalaya and Uttarakhand States, immensely successful in its sequencing of activities for the engagement of women: firstly reducing drudgery, then providing empowerment activities through group formation (social and financial), and then building their social capital to engage in livelihood activities. This sequencing should be viewed as a "critical pathway for development". Furthermore, the project developed self-help groups, which provide financial services, and serve as a forum for discussing social/community issues as well as for organizing for production and markets.

A number of challenges had a negative impact in terms of the project reaching its objectives: the two States were non-contiguous; there was no cross-learning; and costs for supervision and implementation support had to be split between the two sites (as there was only one project loan agreement). Perhaps an even greater challenge was that there were only four years of field implementation because of staff contracting issues on the part of the Government. This means that the beneficiaries lost valuable support which, in many cases, would have made their livelihoods sustainable. Despite this constraint, the project teams delivered good results.

This project performance assessment was conducted by Louise McDonald, Evaluation Officer and lead evaluator at the Independent Office of Evaluation of IFAD (IOE), with contributions from Amy Sullivan, consultant - natural resource and gender specialist; and Govindan Nair, consultant - national specialist. Internal peer reviewers from IOE - Ashwani Muthoo, Deputy Director, and Cecile Berthaud, former Evaluation Officer - provided comments on the draft report. Maria Cristina Spagnolo, Evaluation assistant, provided administrative support.

IOE is grateful to IFAD's Asia and Pacific Division for their insightful inputs and comments at various stages throughout the evaluation process. Appreciation is due to the Department of Economic Affairs in the Ministry of Finance as well as the State Governments of Uttarakhand and Meghalaya for their constructive collaboration throughout the evaluation process.

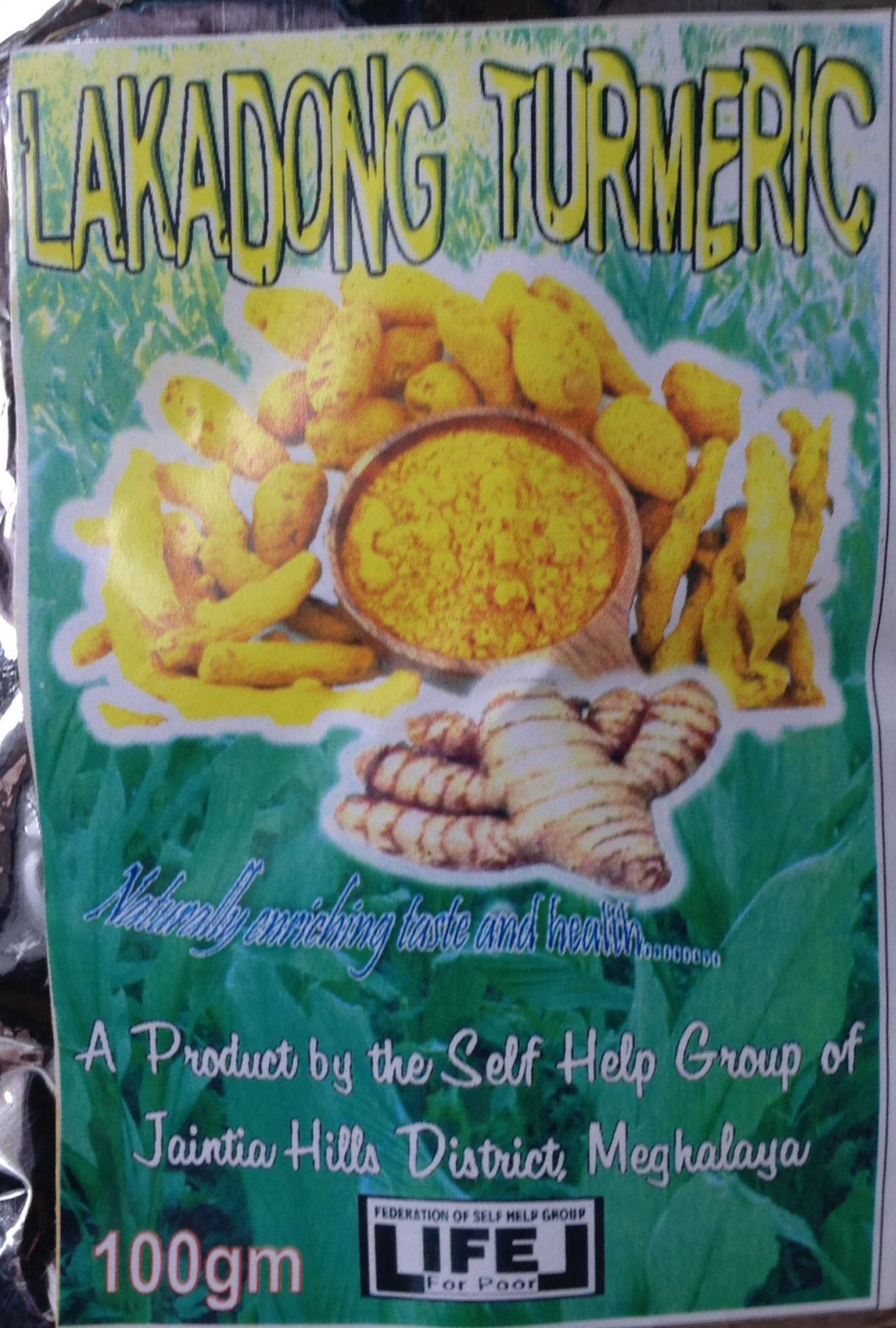
I hope the results of this evaluation will help improve ongoing and future IFAD operations in India, as it advances in its support to a more inclusive and sustainable development pathway.



Oscar A. Garcia
Director
Independent Office of Evaluation of IFAD

Reaching very high international standards, Lakadong Turmeric is produced, processed and packaged by the Self-Help Group of the Jaintia Hills District in Meghalaya State.

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Currency equivalent, weights and measures

Currency equivalent

Currency unit = India Rupee (INR/Rs)

US\$1.00 = INR 62.00

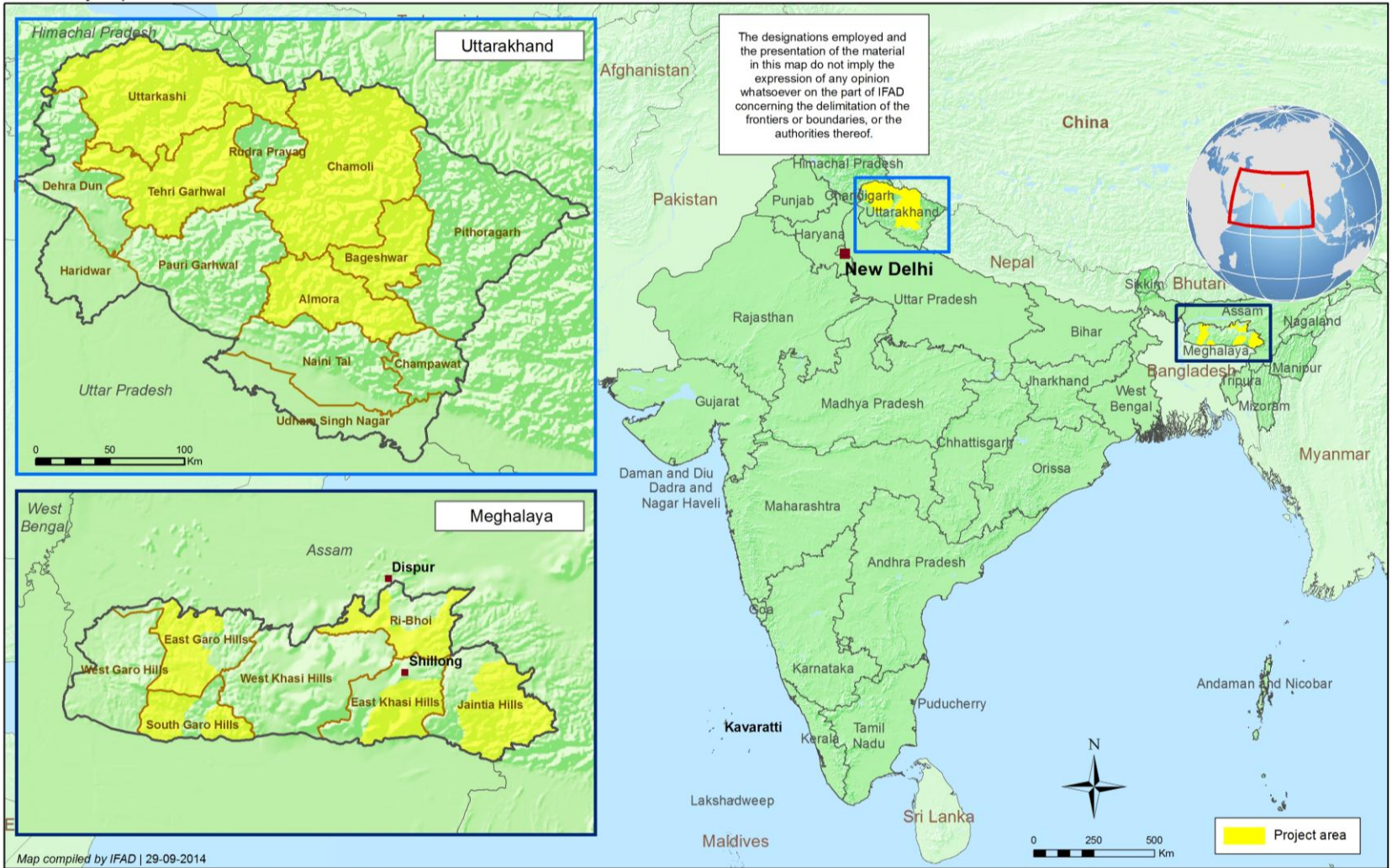
Weights and measures

1 kilogram	=	1000 g
1 000 kg	=	2.204 lb.
1 kilometre (km)	=	0.62 mile
1 metre	=	1.09 yards
1 square metre	=	10.76 square feet
1 acre	=	0.405 hectare
1 hectare	=	2.47 acres
1 lakh	=	100,000
1 crore	=	10,000,000

Abbreviations and acronyms

ILSP	Integrated Livelihood Support Project
LIFCOM	Livelihood Improvement Finance Company of Meghalaya
LIPH	Livelihoods Improvement Project in the Himalayas
MLIPH	Meghalaya Livelihood Improvement Project in the Himalayas
MRDS	Meghalaya Rural Development Society
NRLM	National Rural Livelihoods Mission
PCR	project completion report
RIMS	Results and Impact Management System
SHG	self-help group
ULIPH	Uttarakhand Livelihood Improvement Project in the Himalayas
UPASaC	Uttarakhand Parvatiya Aajeevika Sanvardhan Company

Map of the Livelihoods Improvement Project in the Himalayas



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Executive summary

1. This project performance assessment (PPA) was carried out in 2014 by the Independent Office of Evaluation of IFAD (IOE) for the Livelihoods Improvement Project in the Himalayas (LIPH).
2. **Objectives.** The PPA objectives are to: (i) assess the results and impact of the project; and (ii) generate findings and recommendations for the design of new projects and the implementation of ongoing IFAD-financed projects in India.
3. **Methodology and process.** The evaluation process involved five phases: desk work; country work (including meetings with stakeholders, field visits and a wrap-up meeting with Government and IFAD staff); report drafting and peer review; receipt of comments on the draft PPA report from the Asia and the Pacific Division (APR) and the Government; and the final phase of communication and dissemination.
4. The PPA took into account the preliminary findings of the project completion report validation (PCRv), a standard desk review and issues emerging from interviews at IFAD headquarters to identify key issues and lessons learned from the implementation of LIPH for the PPA mission to focus on.
5. Country interviews with Government and relevant stakeholders, and a field visit to two Provinces (Meghalaya and Uttarakhand), contributed to the findings of the PPA. Data collection methods applied included individual and focus group interviews with beneficiaries, as well as direct observations. The PPA team also collected additional data through the project's monitoring and evaluation (M&E) system. Triangulation was applied to verify findings emerging from different information sources. Further details on the methodology can be found in annex III.
6. The PPA report considers all standard evaluation criteria used by IOE (as noted in annex V). However the report places emphasis on the selected criteria and issues that the project completion report validation identified. In this regard, the key focus of the PPA was to:
 - assess to what extent the project was successful in targeting vulnerable groups, especially households headed by women, or if the changes that the project underwent during implementation had adverse effects on its capacity to fully reach these groups;
 - identify the achievements resulting from institution-building, benefits to women (as a key target group) and access to finance and value chains;
 - based on the cost of all inputs, including an assessment on production for agreed value chain(s), provide an assessment of the household income and assets;
 - assess the success of the strategies employed to reduce women's workload/drudgery and to improve their food security and access to finance and markets;
 - verify the project's impact on poor rural households, intended and unintended beneficiaries.
7. With regard to all the standard criteria, details can be found in the main report in paragraphs 8 to 15.
8. **Limitations.** LIPH covered a vast geographical area in two non-contiguous States. Due to time and logistical challenges, the PPA team did not get to all Districts but did meet with major stakeholders in the project including at the national level. During the field trip the team visited ten Villages (in two States), noting that time and resource constraints did not allow for in-depth field-level analysis or comprehensive coverage of all local stakeholders.

9. A further and significant limitation is that this project was one loan and yet implemented as two separate projects, thus producing two project completion reports and adding a further challenge to producing the PPA. This approach by IFAD and the Government added budgetary complications as funds were only sufficient for one PPA, not the two really needed.

Project context

10. Rapid growth in the past decade has made India much wealthier than it was at the start of the project. Gross national income more than doubled in ten years. Agriculture's share of the gross domestic product has declined to less than 15 per cent, but 60 per cent of India's population continues to depend on agriculture for its primary livelihood. At design, poverty in India was around 53 per cent (193 million people in rural areas lived below the poverty line). Poverty levels were higher in the northern and eastern States, particularly among scheduled castes and tribes. Regional inequality was rising and thus a matter of concern.

Project background

11. The Livelihoods Improvement Project in the Himalayas was designed and presented for Executive Board approval (December 2003) as one loan (Project) to operate in two distinct States (Meghalaya and Uttarakhand).
12. Total project costs at appraisal were estimated at US\$84.29 million. Of this 47.4 per cent was to be financed through an IFAD loan of US\$39.92 million, 11.3 per cent (US\$9.49 million) from beneficiaries, 13.6 per cent (US\$11.44 million) from State governments, and 27.8 per cent (US\$23.44 million) from formal financial institutions. Approved allocations showed adjustments, mainly due to currency fluctuations. The actual total project cost was US\$71.11 million for all financiers included.
13. The overall project goal at design was to improve the livelihoods of vulnerable groups sustainably by promoting greater livelihood opportunities and strengthening the local institutions concerned with livelihood development. The specific objectives of the project were to: (i) promote a more sensitive approach to the design and implementation of development interventions; (ii) enhance the capabilities of local people to select appropriate livelihood opportunities, access required financial resources, and manage new technologies and institutions at the village level; (iii) increase incomes through more sustainable income-generating cultivation systems and the establishment of non-farm enterprises at the micro and small-scale level; and (iv) establish effective and appropriate delivery systems for inputs and for the maintenance of assets and resources, with emphasis on microfinance, savings and thrift, and micro-insurance products, along with access to business development services that would link household-based livelihood activities with the larger economy.
14. As per the Loan Agreement, the project consisted of five components: (i) Pre-project implementation; (ii) Empowerment and capacity-building; (iii) Livelihood support systems; (iv) Livelihood enhancement development; and (v) Project management.

Project performance

Relevance

15. **Relevance of objectives.** Within the country context at the time of design, the project would have met the needs of poor rural people, as it proposed enhancing economic opportunities to close the gap that was growing wider across the country. As noted in the Country Opportunities and Strategy Papers (COSOPs) in 1999 and 2006, the objectives were consistent with the strategies and policies of Government. The objectives of LIPH were also in line with IFAD policies and

strategies at the time of design. Therefore the project objectives were relevant and closely related to country needs.

16. **Relevance of design.** The project was relevant to the target group it was designed for, those below or hovering just above the poverty line. It would provide opportunities to increase production, incomes and enterprise development as well as build local-level institutions in terms of being pro-poor and effective in communicating needs and resolving local issues.
17. However, project coherence in achieving objectives was not well considered at the time of design, in particular because of the late addition of a second State (Meghalaya) to be covered in the project.
18. The mechanisms for delivery, while challenging even for Uttarakhand, were not realistic for Meghalaya. With the two States being non-contiguous the design did not specify processes to be established for cross-State coordination, planning or learning. Neither was there a systematic exchange of experience and lessons during implementation. The use of non-governmental organizations (NGOs) in Meghalaya was unrealistic as very few of them had ever worked in rural areas, let alone with the target group.
19. Important to note is that the IFAD Executive Board approved one project for which there is one Loan Agreement. However, two further legal agreements – one for each State - were drawn up and signed, outlining respective financing, implementation, roles and responsibilities. The States basically ran each location as stand-alone projects (as did IFAD) separating off budgets, contributions, supervision, M&E and reporting. However, both remained under one IFAD Loan Agreement, while duplicating everything else. Of concern in this approach is that the IFAD budgetary processes allocate by Loan for supervision /implementation support costs, including evaluation costs in IOE, thus requiring the sharing of the allocated amount between two projects and reducing the support intended per project and perhaps reducing outcomes and impact. This aspect is a significant factor in a lowering the project relevance.

Effectiveness

20. While the overall effectiveness of the project was good, critical factors challenged project teams during implementation and most likely affected outcomes. Targeting proved difficult for both teams, as reflected in the high numbers of participants outside the poorest category who benefitted most from the project.
21. Drudgery-reduction activities varied between the two project sites. Meghalaya focused mainly on improving existing water sources, increasing the availability of rice mills, reducing the time and effort required to fetch water, and shelling rice. In Uttarakhand a broader range of drudgery-reduction activities were employed to significantly free up women's time. Examples of these activities included light weight pitchers for drinking-water collection, fodder production, improved fire wood sources and a range of improve agricultural and post-harvest implements.
22. The project was effective in reaching its goal and objectives via a critical pathway that first sought to reduce drudgery for rural populations, which freed up time and energy for subsequent engagement in individual empowerment and self-help group (SHG) formation.
23. Drudgery reduction interventions have reduced the time spent by women on household chores by five hours a day, through motorized wheat threshers (reducing threshing time by 96 per cent), Napier grass production (reducing women's time spent collecting fodder by 60 per cent) and the improved water pitcher (reduced water-collection time by 30 per cent).¹

¹ End Term Survey. Uttarakhand Livelihood Improvement Project in the Himalayas. Hypothesis-wise Monographs. Impact evaluation study. 2013.

24. The effectiveness of the light-weight water pitcher vastly exceeded the original expectations: the project 'demonstrated' this technology to just over 1,900 households; the pitcher was eventually adopted by over 12,000 households.² A number of SHGs and federations began selling the pitchers in surrounding areas as a commercial venture.
25. Documents and evidence from the field verify the effectiveness of SHGs in empowering individuals and groups. Three aspects of empowerment merit highlighting here: 1) attitudes toward savings; 2) awareness of support systems; and 3) decision making. Both project sites documented significant improvements in the willingness and ability of individuals, households, SHGs and federations to save and noted how fundamental this was to improving rural lives and livelihoods.
26. Demonstrations were adjudged failures based upon low replication rates. The major causes of failed demonstrations were high start-up costs coupled with insufficient return on investment as well as demonstration fatigue.
27. Both States had a challenge in the development of sustainable local institutions for enterprise development at the time of project closure. Uttarakhand benefitted from a new project which had been designed and was ready to start at that point. The same was not true for Meghalaya. Since implementation with the target group did not really get underway until year four, there was a large negative impact, especially in Meghalaya, where groups were not well enough developed for sustainable results.
28. Data indicate that a total of US\$8.95 million was spent on empowerment and capacity building in the two sites from all funding sources. Considering the challenges it would appear that this allocation was insufficient given the needs, and that this forms the basis for the other components to move forward.

Efficiency

29. Expenditure by component is somewhat misleading as it shows high efficiency, with just under 10 per cent on project management costs. The percentage is so low due to the high total project costs (US\$71.1 million). Pre-project costs, which covered the establishment of the implementing Units, were US\$210,000.
30. The time lapse in LIPH between approval of the IFAD loan and its effectiveness was 9.6 months,³ less than the country average for IFAD projects. In becoming fully operational, there were major delays due to staffing/contracting issues, with little having been achieved in the initial four years.
31. Around 9-10 per cent of IFAD's loan remained undisbursed in both States – savings in this instance is not an indicator of efficiency. An extension at least in Meghalaya would have considerably consolidated work with the federations and SHGs to ensure sustainability. (If Uttarakhand had not had a new project, the project would also have needed an extension).
32. Due to the delays in field implementation, expenditure was bunched in the last phase, affecting efficiency in use of resources and effectiveness of outcomes.
33. The clustering of project activities in the last years of the project also saw crowding of training programmes and meetings, leading to fatigue and redundancies. In Uttarakhand especially, multiple demonstrations in the same villages did not make for optimal resource use, and replication of demonstrations was less than satisfactory.
34. Base-case economic internal rate of return at appraisal for both projects was 27 per cent. The base-case internal rate of return for Uttarakhand LIPH (ULIPH) was 18 per cent and for Meghalaya LIPH (MLIPH) 14 per cent. Information

² Ibid.

³ As reported in the PCR for ULIPH.

gathered from federations and SHGs indicates that IRR of 18 per cent for ULIPH at project closure may be an over-estimation as major economic gains were achieved only in the closing stages of the project and after.

35. Project management accounted for 11.2 per cent of total project costs in Uttarakhand and 8.6 per cent in Meghalaya. Being part of a single loan agreement, these dual costs appear comparatively high. Furthermore, no apparent benefit derived from this dual-State project, as noted earlier. While social mobilization was more or less equally successful in both States, the difficulties in converting these gains to economic benefits were under-estimated in the unique cultural setting of Meghalaya.
36. At approval it was anticipated that the project would reach a total of 72,000 households, which would have had a cost per household of US\$1,170. Taking figures from the project completion reports, the cost per household⁴ – 42,862 households in ULIPH and 21,782 households in MLIPH – the total project cost of US\$71.11 million provides an average cost per household of US\$1,100 dollars per household.

Rural poverty impact

Household income and assets

37. **Incomes.** Livelihood enhancement activities, income-generating initiatives and enterprise development raised average annual household incomes in ULIPH project villages to just over US\$1,367, a growth of 92 per cent between 2004 and 2013. Virtually every household had access to institutional credit facilities as compared to just 16 per cent in 2004, and 92 per cent of households had availed themselves of loans from SHGs. More than 60 per cent of households had four or more sources of income. Twenty three per cent of project households had at least one member engaged in a business enterprise. As a consequence of better and more stable incomes, there was a 51 percentage point drop in the migration level from project villages.⁵
38. In MLIPH 93 per cent of households at the start of the project had annual incomes of less than US\$645; this declined to 49 per cent by the close. Among non-project households, 73 per cent still earned less than US\$645. At close, project households had an average annual income of US\$908; that of non-project households was US\$468. The proportion of vulnerable and “very poor” households (represented in Well-Being Rankings I and II) declined from 49 per cent to 26 per cent between 2007 and 2013.
39. **Assets.** The value of savings mobilized under the ULIPH was US\$1.39 million, 90 per cent of which was by women. On average, every member saved US\$40. Practically all households have bank accounts, and SHG members report better access to insurance and remittance services. Access to land is reported to be almost universal in ULIPH areas; 11 per cent more than in non-project areas. Among project households, 53 per cent now have ‘pucca’ (brick) housing, against 37 per cent before. On account of awareness campaigns under the project, 58 per cent of households have their own toilets, an improvement of 20 per cent over control households.
40. Each SHG member under MLIPH had saved an average of US\$30, and 21,000 of them had taken out loans. Corpus funds of SHGs grew substantially through seed capital contributions and intra-group lending. The quality of housing improved, as well as access to electricity, leading to acquisition of modern appliances. The number of households with safe sanitation increased by 37 per cent. Higher incomes, combined with greater awareness, resulted in an increase of 30 per cent

⁴ Given the mixed use of exchange rates for the Indian Rupee and US dollars in the respective reports the cost per beneficiary is an approximate figure.

⁵ Impact Evaluation Study (InsPIRE), 2013.

in ownership of pigs, 12 per cent of chickens and 10 per cent of cattle. Mobility improved too, with greater numbers of cycles and motorcycles.

Human/social capital/empowerment

41. Over 50,000 women (and slightly fewer men) became members of SHGs. Literacy, numeracy, basic health care and principles of self-help gave participants basic tools to help better understand their situation and how best to address road blocks to their development. From women being able to sign their name instead of using a thumb print to their ability to engage with banks for loans is evidence of widespread improvement in social capital and empowerment.
42. Nearly 6,000 SHGs were formed, trained, monitored and mentored in order to link individuals to each other and to markets and services beneficial to them. Hundreds of local training centres were constructed – removing a major historical obstacle to participating in trainings far from home.
43. The creation of umbrella groups of the SGHs, either as clusters (nearly 150 in Meghalaya) or federations demonstrates how well groups were formed and function. They also speak to how increased individual and household capacity can be aggregated for collective action – for commercial, social and other opportunities.

Food security and agricultural productivity

44. In ULIPH areas, only 1-2 per cent of households reported food shortages, compared to 18 per cent before the project. Project households also improved the quality of food consumed. Access to markets not only facilitated better returns for produce, but also enabled households to purchase food items.
45. There has been a significant positive change in the use of improved agricultural inputs such as seeds, organic pesticides/fertilizers and new crop varieties. Eighty three per cent of project households are reported to have adopted improved crop varieties and 80 per cent have taken up composting, etc. to reduce soil erosion.
46. Some groups have successfully initiated ginger and turmeric production and marketing, but they are constrained by lack of professionalism and absence of technical support in entering value chains, especially for high-value products.
47. The Results and Impact Management System End-Line report (2013)⁶ indicated a drastic decline in MLIPH project households experiencing hunger: from 55 per cent to just 4 per cent. Under-nourishment figures improved: from 36 per cent at the start of the project to 20 per cent for boys, and from 31 per cent to 19 per cent for girls. The report attributes decline in food insecurity and improvement in food consumption to increased production and higher incomes.

Natural resource management and climate change

48. Over 400 Natural Resource Management Plans were developed and implemented in Meghalaya, where the establishment of a Land Bank gave hundreds of households access to over 1,150 hectares of common property under improved management. Land use planning was coupled with reduced and improved Jhum cultivation. Both project sites promoted organic agriculture and the reduction of inorganic fertilizer use. Long-term effects of these interventions will be healthier ecosystems, improved soil health and improved water quality.
49. An opportunity was missed in the project to include Disaster Risk Reduction activities in natural resources management.

Sustainability

50. Among the most sustainable interventions delivered by the project, individual empowerment and capacity-building activities should remain relevant and pay dividends long into the future – in particular women's empowerment, drudgery reduction, literacy, numeracy and voice. Formation and development of SHGs via

⁶ Results and Impact Management System End-Line Report, Meghalaya Rural Development Society, (2012-2013)

collective action can similarly provide a foundation for community growth and prosperity. Further evidence of sustainability is the ethos of savings developed through the projects.

51. Sustainable engagement in value chains and economic activities is less certain. There were a few encouraging signs that this level of capacity had been reached by a few, but probably not enough to drive growth and development in the project areas.
52. Neither the implementing partners nor the respective Governments put measures in place to ensure that project beneficiaries had access to critical information and support after the end of the project. Additionally there was a lack of highly skilled technical assistance for some key value chains – for example, the turmeric value chain gives high returns from the medicinal sector.
53. A major missed opportunity to help ensure sustainability was a lack of any mechanism to capture, analyse and share the learning that took place within and between implementing partners, project participants and other key stakeholders.

Innovation and scaling up

54. Both States did well in this sphere and with different types of innovations that will be scaled up, either by others or through new IFAD projects. To name a few: new technologies such as threshers and ergonomically designed agricultural tools; novel business ventures launched by federations, including a distance learning centre affiliated with the Uttarakhand Open University; services and products for local schools, such as mid-day meals and stationery; eco-tourism; and commercialization and marketing of solar lanterns. Most significantly, the SHG development model is being scaled up through the flagship National Rural Livelihoods Mission (NRLM). An issue for IFAD consideration in regard to scaling up is how much of the “process” used will be applied when others scale up if the goal is to achieve the same results for SHGs.
55. For MLIPH, cluster-level federations are a useful institutional innovation to provide linkages for SHGs in organizing production, and aggregating and marketing their produce. Marketing activities have been successfully pooled for turmeric, ginger, bay leaf and arecanut; innovative community training centres have been established as doorstep training hubs. Paddy cultivation using the system of rice intensification techniques has raised productivity and is gaining popularity. Poly-house cultivation of flowers on a commercial scale has been started and a strawberry cluster has made an impact in the market. Non-traditional income-generating activities such as boat services, eco-tourism and even commercial music groups have been introduced. Successful interventions and innovations introduced in MLIPH are expected to be scaled up under the proposed IFAD-supported project Livelihoods and Access to Markets Project.

Gender equality and women's empowerment

56. Over 50 per cent of the direct beneficiaries of this project were women. Over 50,000 women were included in drudgery reduction, empowerment, SHGs, commercial activities or some combination thereof. The projects also prepared men to accept the impact of women’s changing roles, responsibilities and voice.
57. During field visits, women’s personal stories were compelling. They spoke about achieving literacy, about engaging with their families and outside institutions in a much more proactive way. According to these women, their own worth had increased and they were giving high priority to treat their girl children as equals to boy children for education and health care.

Performance of partners

58. Both partners are to be commended in having the foresight to address the conditions of poor people in the very remote and fragile areas of the Himalayas.
59. **Government performance.** The Government facilitated the flow of funds to the project through the Department of Economic Affairs (DEA) in the Ministry of Finance. The DEA also effectively managed the interface between the project and IFAD in financial matters. Despite some delays in releasing funds, commitments were met.
60. The current trend in India of only 50 per cent of the loan period being used for actual field implementation is not sufficient (or economically efficient), especially for the beneficiaries. The Government needs to be encouraged to urgently address policies on recruitment to resolve the staffing turnover issue.
61. The final impact studies undertaken in each State took different approaches and therefore coverage was quite different. Uttarakhand undertook an Impact Evaluation which was very professional, with full coverage of scope, of high quality, and honest; however there was no specific section on lessons but it did include a comprehensive section on hypotheses identifying outcomes and impact. In Meghalaya two reports were produced – the End Line Results and Impact Management System (2012-2013) – which were interesting and provided comparisons across time lines, having used a comprehensive survey across a sample of project households. The Effectiveness and Impact of the Institutional Arrangement Implemented (EIIAI) report provided a unique view from an institutional framework perspective which was comprehensive and candid with a thorough section on issues and recommendations. The only aspect missing from this report which would have added value is the relationship between mandates and the appropriateness of roles and responsibilities, especially in relation to economic/market functions. A clear issue is that of data collection.
62. **IFAD performance.** IFAD fully discharged its responsibilities in terms of following up on fiduciary issues, and audit and procurement challenges. As funds for supervision and implementation support were spread across two projects, the value of supervision/implementation was reduced for both sites. Overall the quality of the self-assessment systems in place was good, as IFAD was candid and honest in its representation of issues and delivery. With the benefit of hindsight it would have been useful had the mid-term review been brought forward to address concerns earlier, for example the long delays in field implementation.
63. On technical aspects IFAD could have done more to ensure that SHGs and federations had more technical support for enterprise/value chain activities. The design did not take into consideration the major differences between the States, in either capacity for implementation or for entering into value chains without providing specialized technical assistance to the project teams.
64. It is essential that the inclusion of key relevant Ministries and partners at the central level is respected to ensure that appropriate roles, responsibilities and respective mandates of stakeholders are respected.

Overall project achievements

65. The PPA verified the key achievements of the project to be: i) Reduced drudgery, for example through the introduction of light-weight water carriers; ii) Empowerment, with impressive results for women, SHGs, federations and strengthened gender equity; iii) Economic activities, particularly the wide range of income-generating activities which improved the quality of life and nutritional status of households; iv) Sustainability, with evidence of improved agricultural practices, and better natural resource and water management; v) Scaling up, with many lessons of ULIPH included in the NRLM, while in Meghalaya the project has been scaled up through the comprehensive Meghalaya Basin Development

Programme; and vi) Management Information Systems and M&E, with sound systems having been developed from ULIPH in the new project, following the lessons from implementation, that are ready for implementation and from which Integrated Livelihood Support Project will benefit.

Project completion report quality

66. The first key issue is that two PCRs were provided for one project as per the loan agreement.
67. **Scope.** For both Uttarakhand and Meghalaya, the scope of the PCRs was fully in line with the 2006 Guidelines. All the required annexes were provided and both States included additional annexes.
68. **Quality.** The quality varied between the two States, mainly due to lack of data through good M&E.
69. **Lessons.** For both Uttarakhand and Meghalaya, the lessons learned were well prepared, being based on a sound analysis of the projects' main successes and shortcomings. Both PCRs noted the inadequacies of the design and the lateness in addressing these critical challenges sooner. The challenges included the different contextual factors, cultural differences, and the need for different institutional arrangements.
70. **Candour.** Overall for both Uttarakhand and Meghalaya, project analysis has been sincere and honest, although some of the assessments in the PCRs were found to be too positive on achievements at the point of project closure.

Conclusions and recommendations

A. Conclusions

71. **Design factors.** The design of the project had challenges when an additional State was included late in the design process. It is also noted that operations no longer support the practices of two projects per loan thus providing the necessary resource for implementation/supervision. There were and still are significant differences between Uttarakhand and Meghalaya in many areas (e.g. cultural practices, level of economic development). The capacity of NGOs to deal with implementation in isolated poor rural areas is very limited. In Meghalaya, NGOs simply did not have experience to draw on – especially in the targeted rural communities. The first challenge was to therefore develop their capacity in order to reach the target group. This offers a challenge to both the relevance and effectiveness of the project.
72. Taking account of the design and start-up challenges, what both project teams delivered was impressive in the short time they had, especially the development of the SHGs in both States.
73. **Targeting.** The disabled were not included in design but brought in through the teams. The poor were reached in Uttarakhand primarily through their access to government benefits, which they were entitled to – but not into project activities as per the design. Meghalaya was more successful in targeting the poor.
74. Better-off households benefitted more from income-generating activities. A special focus on and strategies to reach the poorest is therefore required if they are to be included, including assistance in accessing official safety nets. As men tend to associate in business enterprises, their training and professional development must also be considered – this is also a key gender issue in understanding and supporting women's development, noting that Meghalaya appears to have trained men and women equally.
75. **Drudgery reduction.** Drudgery reduction was successful in both States. In Uttarakhand some SHGs have turned these activities into a business, benefitting other women as well – for example water-carrying vessels were replaced with

plastic containers, which significantly lightened the load and reduced the time and energy spent on carrying water. SHGs further promoted their use and members sold them to other women in their local areas.

76. **SHGs forming into federations.** In Uttarakhand this was very well developed and supported, benefitting from the new project for sustainability. Some had well developed plans as businesses (e.g. purchase of vehicles). Their role in the community as an agent for delivering other types of services (social support structures) and development is also very positive, as witnessed through the development of education options in northern Uttarakhand.
77. **Women's empowerment.** In both States this is impressive, as is gender equality, as families now often supported each other in changing roles (between agricultural activities and running a shop) as well as joint decision-making. Women now understand banking, and have a say in how money is spent. Some had taken the opportunity to teach their children numeracy and literacy. The role of education for girls was also impacted positively.
78. **Sequencing of activities.** Regarding the sequencing of activities, a slow start-up and implementation delays were the result of staffing arrangements as well as a lack of clarity on processes and next steps. In addition, in order to engage women, their time and energy must be freed up to undertake empowerment activities and build their social capital, which in turn must precede income-generating activities to foster sustainability and achieve optimum efficiency/effectiveness. If poverty reduction is to be achieved, specific targeting measures must be employed to ensure the inclusion of women and that the process is a logical progression as per the critical pathway described above.
79. **Capacitated NGOs.** Now that NGOs in both States have acquired key skills in working with the target groups, it would be beneficial to ensure that their roles continue to build on their achievements and that the role of Government focuses on delivering public goods.
80. **Value chain development.** Some SHGs were made promises that did not materialize – for example, access to the turmeric value chain – and lost opportunities through a lack of knowledge on business development and specific technical aspects. Likewise, perhaps not enough care was taken in selecting private sector partners or in preparing the groups to engage on an equal level with them.
81. **Institutional arrangements.** The complexity of the project was not the major challenge. The major challenge was that it was complicated with a range of different (and inexperienced) implementing partners and functions and, most importantly, that activities were not distributed to those with the mandated responsibility.
82. To support the country programme approach, it is essential that departments which have mandates that impact on a project be included from design and throughout implementation, and especially at wrap-up meetings from IFAD missions. Ideally they should also participate in country programme management team meetings. These teams should also develop a clear plan for the exchange of learning (visits or virtual), including during project implementation.
83. **Post-project issues.** Design did not adequately address handover/withdrawal/exit strategy. This was handled differently in both States. Uttarakhand benefitted most, as a new project had been designed before completion and the Government kept on the current staff ad interim, providing ongoing support to the groups. This produced a notable difference between the growth levels, and hence sustainability of the groups in each State. Unfortunately, this was not the case in Meghalaya, where a new project was only recently begun and therefore support between projects was intermittent. Moreover, the new project will not be supporting all of the groups, thus further challenging their sustainability.

84. **Learning and exchange visits.** While both States struggled with implementation challenges along the way, at no point did they benefit from exchange visits or learning but operated completely separately. Such exchanges would have provided much needed capacity-building in both directions on a range of tasks.
85. **Policy issues.** A number of policy issues need exploration in order to improve project/programme performance:
- **Contracting/staffing.** Clarity relating to institutions created under the project and their staffing must exist from the start – for example: the practicality of twin implementing agencies; the modalities (legal/administrative) for their establishment; the nature of recruitment – whether by deputation/secondment or by contracting; contractual clarity on the status of staff after project closure; and the length of time in the project, which should be for a minimum of three years.
 - **Land tenure/rights.** In Meghalaya there is increasing alienation of villagers from community land, appropriation of community land by “local influentials” and consequent growth of share-cropping. This has major implications for access to community land by vulnerable/poor households if it is being “acquired” by others.
 - **Forests.** There is encroachment on community forests, the poaching of produce and the commercial approach of forest authorities, which are leading to unsustainable practices.
 - **Water.** The depletion/destruction of water sources is a concern, as is the absence of a water policy for mountain regions.
 - **Disaster risk reduction strategy.** This is critical in disaster-prone regions and must be factored in, especially in projects that will have an impact on fragile areas like the Himalayas.
86. **Project completion reports (PCRs).** All financial information in a PCR should be reflected in US\$, not just local currency. For each project as approved by the Executive Board, only one PCR should be compiled as an official record of the project.

B. Recommendations

87. **Inclusive targeting.** *Ensure the targeting strategy and approach specifically target the poor so that they have access to and benefit from project investments.* As noted in the conclusion, IFAD's key target group (the rural poor) did not benefit as intended in Uttarakhand, while Meghalaya was more successful. However, as there is a move to more inclusive projects (i.e. they will include those above the poverty line) it is even more essential that a strategy outlining how the rural poor will access and benefit from project activities is well articulated. The strategy should also ensure that gender equality measures are spelled out. It is possible that the Social, Environmental, and Climate Assessment Procedures required as of 2015 will also address this issue.
88. **Synergy and partnerships.** *Design must ensure that the mandated body be assigned the appropriate roles and responsibilities during implementation.* This means that the government is best suited to delivering on public goods, the private sector should be involved especially when accessing value chains, and that relevant ministries at state and national levels are involved and informed through the country programme management team and particularly at wrap-up meetings for supervision missions.
89. **Policy issues.** *To ensure project delivery and long-term sustainability both at design and during implementation, IFAD has a responsibility to support the government and stakeholders to address policy issues.* In this project the key policy issues relate to: reduction in staff turnover in order to speed up

implementation in the field; unsustainable practices that impact negatively on forests; land rights for access to community lands; the depletion of water sources in mountain areas; and a disaster risk reduction strategy for fragile areas like the Himalayas.

For information

90. **India Country Programme Evaluation.** This PPA has unfolded some issues that merit further exploration through the forthcoming India Country Programme Evaluation by IOE in 2015/2016. These include assessing the: i) mandates, roles and responsibilities of key stakeholders for their appropriateness (particularly when engaging in private sector functions); ii) financial management and reporting (particularly including US dollars equivalents); iii) targeting mechanism that would include the poorest against current strategies; iv) how results from the projects contribute to reporting results and outcomes at state and national levels; v) learning and sharing across the country programme; and vi) implications of financing more than one project per loan, in particular for IFAD budgetary processes to facilitate adequate supervision and implementation support for better outcomes.

**The project promoted organic agriculture and the reduction of inorganic fertilizer use,
Rajgarhi Village in Uttarakhand State**

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Republic of India

Livelihoods Improvement Project in the Himalayas

Project Performance Assessment

I. Objectives, methodology and process

Objectives

1. The Independent Office of Evaluation of IFAD (IOE) undertook a project performance assessment (PPA) of the Livelihoods Improvements Project in the Himalayas (LIPH). The PPA is a project-level evaluation with the overall **objectives** to: (i) provide an independent assessment of the overall results of projects; and (ii) generate findings and recommendations for the design and implementation of ongoing and future operations within the country.
2. The LIPH was selected for a PPA as it would also provide evidence for the forthcoming India Country Programme Evaluation scheduled to commence at the end of 2015/2016 by IOE. Furthermore, this project was selected to study the implications of its unique geographical characteristic of covering two non-contiguous states, separated by a very large distance. Finally based on relatively high scores in the two Project Completion Reports (PCRs) that were received and the desk review undertaken, it is anticipated that there are a number of key lessons for IFAD projects.
3. The PPA report considers all evaluation criteria however specific emphasis is on the selected criteria and issues which were identified through the project completion report validation (PCRVR).¹ In particular the PPA was to:
 - assess to what extent the project was successful in targeting vulnerable groups, especially women-headed households or if the changes which the project underwent during implementation had adverse effects on its capacity to fully reach these groups;
 - identify the achievements produced by the institutional building, benefits to women (as a key target group as defined in the Design document) and access to finance and value chains;
 - based on the cost of all inputs, including an assessment on production for agreed value chain(s), provide an assessment of the household income and assets;
 - assess the success of the strategies employed for the reduction women's workload/drudgery. The participation level of women and the impact of the activities of the project – especially those around the reduction in drudgery, food security, access to finance and markets for women (from the "social/household" perspective);
 - to verify the impact on poor rural households both for the intended and unintended.

Methodology and process

4. The evaluation process involved five phases: desk work; country work (including meetings with stakeholders, field visits and a wrap-up meeting with Government and IFAD staff); report drafting and peer review; receipt of comments on the draft PPA report from the Asia Pacific Region Division (APR) and the Government; and the final phase of communication and dissemination.
5. The PPA took into account the preliminary findings of the PCRVR, a standard desk review and issues emerging from interviews at IFAD headquarters to identify key

¹ A Project Completion Validation Report is undertaken for each PCR received in IFAD and if a PPA is undertaken serves to identify the issues for follow-up in country.

issues and lessons learned from the implementation of LIPH for the PPA mission to focus on.

6. Country interviews with Government and relevant stakeholders, and a field visit to two Provinces (Uttarakhand and Meghalaya), contributed to the findings of the PPA. Data collection methods applied included individual and focus group interviews with beneficiaries, as well as direct observations. The PPA team also collected additional data through the programme's monitoring and evaluation (M&E) system. Triangulation was applied to verify findings emerging from different information sources. Further details on the methodology can be found in annex III.
7. The PPA report considers all standard evaluation criteria used by IOE (as noted in annex V). However the report places emphasis on the selected criteria and issues that the PCRV identified. With regard to all the standard criteria, the focus of the PPA was to:
8. **Relevance.** The PPA will identify those features of Project's approach that made it relevant to the targeting approach which will be analysed: in particular, it will be assessed to what extent the project was successful in targeting vulnerable groups, especially women- headed households or if the changes which the project underwent during implementation had adverse effects on its capacity to fully reach these groups.
9. **Effectiveness.** The PPA will focus on the analysis of the achievements produced by the institutional building, benefits to women (as a key target group as defined in the Design document) and access to finance and value chains. As far as the former is concerned, the main objective of the PPA will be to evaluate to what extent results obtained in terms of institutional development are likely to exert a long term impact on the ability of the target group to access finance, develop their businesses and enter value chains.
10. **Efficiency.** The team will review the results based on the cost on all inputs including an assessment on production for agreed value chain(s); with input from the team provide an assessment of the household income and assets.
11. **Sustainability.** The mission team will assess the sustainability of the institutional structures, technologies and innovations introduced by the project beyond the completion of the project. In particular the ability of the target groups to maintain access to finance and value chains and mechanisms to provide the introduction/up-dating of relevant technologies. This includes the viability of the businesses established.
12. **Innovation and scaling up.** Self Help Groups (SHGs) in India are not new to IFAD projects. However the project aims to further develop these groups, not just for social support but to develop enduring enterprises accessing markets at different levels. It is proposed that if it is successful this strategy could be scaled up by the Government.
13. **Gender.** As the reduction women's workload/drudgery was a key feature in design the team will define and assess the success of the strategies employed for those activities. The participation level of women and the impact of the activities of the project – especially those around the reduction in drudgery, food security, access to finance and markets for women (from the "social/household" perspective).
14. **Impact.** A key area for assessment will be to verify the impact on poor rural households both for the intended and particularly noting unexpected impacts (be they positive or negative).
15. **Partner performance.** As this was going to be a challenging project to implement across two non-contiguous States the deliverables by both Governments (National and States) and IFAD would be more challenged than usual. The PPA therefore

included an assessment of the performance of IFAD and the Government of India, respectively, in delivering a complex and complicated project.

16. **Limitations.** Due to time and logistical challenges the PPA team did not get to all Districts but did meet with major stakeholders in the sector including at the national level. During the field trip the team visited ten villages, noting that time and resource constraints did not allow for in depth field level analysis or comprehensive coverage of all stakeholders at the local level.
17. A further and significant limitation is that this project was one loan and yet implemented as two separate projects, thus producing two Project Completion Reports adding a further challenge to producing the PPA. This approach by IFAD and GOI added further budgetary complications as funds were only sufficient for one PPA, not the two really needed.

II. The project

A. The project context

18. Rapid growth in the past decade has made India much richer than it was at the start of the project under assessment. Gross national income more than doubled in ten years; India joined the ranks of Middle Income Countries (MICs) in 2007. Impressive numbers of people have emerged from poverty, lowering the proportion below the national poverty line from 37.2 per cent in 2005 to 21.9 per cent in 2012.² Still, a third of the world's poor people – around 400 million – continue to be in India. Uneven growth across the country has left pockets of deep poverty: eight Indian states account for more poor people than 26 of the poorest African countries combined.
19. Although agriculture's share of the gross domestic product has declined to less than 15 per cent, about 60 per cent of India's population continues to depend on agriculture for primary livelihood. Between 2003-04 and 2013-14, food grain production increased from 213 million tonnes to 264 million tonnes, an increase of 24 per cent.³ With 65 per cent of agriculture being rain fed, the vulnerability to shocks and incidence of poverty is high in these areas due to low land and labour productivity and limited employment opportunities. As transformation takes place in the agriculture sector, smallholders and farmers of marginalized lands must necessarily diversify their sources of livelihood and enhance their competitiveness.
20. In line with the Government's objective of inclusive growth, IFAD projects have targeted vulnerable and disadvantaged populations in some of the most challenging locations in India. As in the case of most MICs, the financing that IFAD brings is insignificant in light of India's overall development resources. Nonetheless, IFAD is recognized as a useful partner for the platform that its projects provide for incubating ideas and demonstrating models for replication and scaling.
21. In LIPH, IFAD targets vulnerable groups in fragile eco-systems of the Himalayan region. Repositories of water resources, rich in biological diversity and cultural heritage, Himalayan mountain states present unique developmental challenges. Dependent on subsistence agriculture, population pressure has led to cultivation of marginal and forestlands resulting in unsustainable farming systems. Traditional practices and varieties are being abandoned and agriculture depends increasingly on the labour of women and older men. Much of women's time is spent collecting fuel, fodder and water. Climate change further exacerbates vulnerability of the population. Rising awareness and aspirations brought by the spread of communications has fueled disenchantment with traditional survival systems and sparked the quest for new livelihood opportunities.

² World Bank, 2012.

³ Ministry of Agriculture, Government of India, 2014.

22. The topography of Uttarakhand, in the western Himalayas, is 92 per cent hilly of which less than 10 per cent is cropped. Agriculture, though largely rain fed, supports 80 per cent of the hill population.⁴ Crop yields are half that of the plains. Most (90 per cent) of the annual rainfall occurs during the three months of the monsoon, the run-off resulting in severe soil erosion and environmental degradation. Devastating floods occurred in 2013 causing huge loss of life and property, including widespread destruction of roads and other infrastructure. Land holdings are small and scattered. Degraded land and plots farthest from the village are generally held by the poorest farmers. Due to the lack of opportunities in the hills, some 24 per cent of the population out-migrates, leading to increasing feminization of agriculture.
23. Meghalaya, in the eastern Himalayas, is one of the states of India's North East Region (NER), connected to the rest of the country by a narrow corridor north of Bangladesh. Situated on a vast plateau, it is arguably the rainiest place on the globe. With a largely tribal population, comprising of groups speaking dissimilar languages and following diverse cultural traditions, the state presents unique cultural challenges. Around 80 per cent of the population depends on agriculture, which is characterized by limited use of modern techniques and low productivity. A substantial portion of the cultivated area is under 'shifting cultivation' or jhum. Women perform much of the agricultural work. The state produces a range of horticulture crops and spices, but processing facilities are inadequate and principal markets are in the plains of neighbouring Assam or farther. Weak economic performance has resulted in widening of the income gap with the rest of the country and a comparatively higher proportion of people living below the poverty line.

B. Project design and implementation arrangements

24. The Livelihoods Improvement Project in the Himalayas was designed and presented for Executive Board approval as one Loan (Project) to operate in two distinct States (Uttarakhand and Meghalaya) in 2003. At the time of designing the project⁵ poverty in India was around 53 per cent (193 million people in rural areas lived below the poverty line) with official development assistance (ODA) from bilateral and multilateral partners at about US\$4.2 billion per annum - averaging a utilization of approximately US\$3.3 billion, in addition to the Government's own contributions. Poverty levels were higher in the northern and eastern states, particularly amongst scheduled castes and tribes. Furthermore, Regional inequality was rising and thus a matter of concern.
25. IFAD's strategy at that time focussed on identifying niche areas using innovative approaches to contribute to the broader development framework including: (i) a focus on 'niche investments' which could be scaled-up; (ii) empowerment of the poor and local institutions; (iii) integration of SHGs with local self-government institutions for economic advancement, empowerment, social and institutional development; (iv) priority to the development of rain fed agricultural areas; and (v) targeting of rural populations, with a special focus on the scheduled castes and tribes as well as women.
26. As noted in the President's Report the project was designed "to have a flexible, process-oriented and demand-driven approach to respond to the emerging opportunities for microenterprise development thus the components and their mix were indicative". Noting the flexibility the anticipated components related to empowerment and capacity-building of communities and support organizations, livelihood enhancement and development, development of livelihood support systems, and project management. The institution-building strategy adopted by the project aimed to promote community-owned organizations from the village

⁴ World Bank, 2014

⁵ Report and Recommendation to the President, December 2003

level upwards, thereby transferring project ownership and management to these institutions after suitably equipping them to perform this role. Such flexibility was proposed to allow for differences in each State to be addressed.

27. The overall project goal at design was to improve the livelihoods of vulnerable groups sustainably by promoting greater livelihood opportunities and strengthening the local institutions concerned with livelihood development. The specific objectives of the project were to: (i) promote a more sensitive approach to the design and implementation of development interventions; (ii) enhance the capabilities of local people to select appropriate livelihood opportunities, access required financial resources, and manage new technologies and institutions at the village level; (iii) increase incomes through more sustainable income-generating cultivation systems and the establishment of non-farm enterprises at the micro and small-scale level; and (iv) establish effective and appropriate delivery systems for inputs and for the maintenance of assets and resources, with emphasis on microfinance, savings and thrift, and micro- insurance products, along with access to business development services that will link household-based livelihood activities with the larger economy.
28. It consisted of four components: (i) food security and livelihood enhancement; (ii) participatory watershed development; (iii) livelihood financing; and (iv) project coordination and monitoring. These components included the following as proposed activities.
29. **Pre-project implementation** was planned for a period of six months, the core staff of the two state- level project management units (PMUs) and the various district management units (DMUs) to be selected and receive orientation in project concepts.
30. Empowerment and capacity-building of communities and support organizations. The primary objective of this component is to build community-based organizations (CBOs) capable of making informed choices, and planning and managing livelihood activities in a microenterprise mode. The project would adopt Self Help Group methodology to mobilize groups. It will sensitize traditional leaders and panchayati raj institutions (PRIs) to its focus and demand-driven orientation taking a business approach to livelihood improvement. Community resource persons will provide villages with services in SHG training, bookkeeping, auditing, animal husbandry, medicinal and aromatic plants (MAPs) and non-timber forest products (NTFPs) and other activities like completing forms for bank linkages, obtaining assistance from government departments, helping producer groups cost their activities, collecting market information and assisting in livestock development.
31. Livelihood enhancement and development. Within the agriculture sub-component, the project will concentrate on agricultural activities that require less labour and offer greater income opportunities. Promoting organic production wherever economically feasible as well as addressing income-generation and food security concerns of the jhumias (farmers practising shifting cultivation) by integrating practices in all three aspects of jhum systems: (i) jhum-cropping phase, involving higher-yielding upland paddy, crop diversification and cash crops; (ii) jhum-fallow/forestry phase, involving multipurpose trees, NTFPs, bamboos and MAPs; and (iii) jhum-homestead, including cash crops, vegetables (such as chilies), pigs, poultry and apiculture.
32. Both states are in strong positions to develop horticulture due to favourable climatic conditions. The proposed project envisages intervening at each link of the supply chain (cultivation, post-harvest, processing and marketing). Initial pilot demonstrations will pave the way for full subsector development including: (i) backward linkages to breeding stock and hatcheries, feed production and veterinary care; (ii) horizontal linkages at cluster and federation formation of micro

dairies, piggeries and poultry units; and (iii) forward linkages to product development and marketing.

33. Under the forestry component in Uttarakhand, demonstrations for silviculture, agroforestry, fodder, nurseries, the production and processing of ringal (a type of bamboo) and rearing of silk worms for tasar (a kind of silk). In Meghalaya, demonstrations for agroforestry, fodder, silviculture, nurseries, MAPs, bamboo and other NTFPs. Soil and water conservation/management measures will be built in initially to enable communities to improve their agricultural-based enterprises. The interventions in Meghalaya will include micro-irrigation, gravity irrigation, water-harvesting techniques and land consolidation. In Uttarakhand, a hydraulic ram will also be included.
34. The promotion of enterprise-based experimentation for the ecotourism sub-component comprising of: eco-lodges, interpretation centres, and leasing and operating of forest lodges in selected areas to develop ecotourism facilities. Other opportunities that appear to have potential are alternative fuels, rural transport and handmade paper.
35. Potential livelihood activities are centered around access to markets. The project would promote the cultivation of specific crops and other activities where there is distinct advantage.
36. Through the policy studies and advocacy sub-component, the project will seek to broaden the range of development options in the Himalayan region. To this end, it will finance studies to improve the data available for planning and to test-pilot activities related to land tenure and the legal, administrative, biophysical, and socio-economic factors that affect the decisions of jhumias. For Uttarakhand a development planner will provide guidance to the strategy development process, and the project would fund four key studies. Its information, education and communication activities will focus mainly on the development of communications materials for the project's target group and their elected representatives, PRIs and other opinion makers at various community levels.
37. Livelihood support systems. Nearly two thirds of the project's investments are in livelihood support systems that will leverage substantial amounts of financing from domestic financial institutions. The project's strategy will include income-generating activities at the grass-roots level, as well as backward, forward and horizontal linkages and their development. This objective will be achieved through a strategy combining subsector analysis and business development services, with all activities focusing on microenterprise development.
38. Rural financial services will be offered mainly by mobilizing the SHGs. This will involve capacity-building of: (i) participating NGO staff and group promoters; (ii) SHG members, in all aspects of financial management; and (iii) banks, in establishing SHG-bank linkages. In Uttaranchal, the state Cooperative Bank will pilot the formation of SHGs, including through its primary agricultural institutions. The project, through a social venture capital company (SVCC) with broad-based capability of promoting business development, will also provide equity/near-equity funding to the companies, mutually aided cooperative societies (MACSs) and individuals interested in establishing enterprises related to backward and forward linkages. Capital and business development services will be available to financial institutions interested in providing financial assistance to these enterprises. In Meghalaya, some absentee landlords are keen to find long-term solutions to land management, and some examples of informal land pooling have emerged. This experimentation will be facilitated through the establishment of a land bank, operating on a pilot basis.
39. Project management. Included under this component: (i) operating expenses for the PMUs and DMUs; (ii) staff training costs; (iii) workshops; (iv) establishment of

a monitoring and evaluation (M&E) system, including process documentation; and (v) development of appropriate communications appropriate to folklore and in local languages.

40. There were significant differences between the two States regarding social and economic differentiation, which required in Uttarakhand a clear targeting strategy to reach the target groups being those under the poverty line and those hovering above it. The proposed framework included: (i) selecting blocks and villages with a higher incidence of poverty and a higher ratio of scheduled castes and tribes; (ii) integrating assistance by using available natural resources through appropriate small-scale interventions, using affordable technologies, in agriculture, livestock, horticulture and water resources; and (iii) limiting demonstrations to households living below the poverty line. Participatory rural appraisal exercises for poverty mapping, the identification of self-targeted activities and intensive sensitisation programmes are some of the tools that were applied to achieve this goal.
41. In Meghalaya almost 86 per cent of the total population were tribals, and poverty was prevalent among those households which were dependent on *jhum* (shifting cultivation) and facing increasing marginalisation due to the continuous decline in *jhum* yields. Compared to Indian women elsewhere, as a predominantly matrilineal society women in the state have fewer constraints (e.g. dowries), although illiteracy, broken marriages, divorce, unwed mothers, early marriage and male drunkenness were challenges.
42. In Uttarakhand, scheduled castes have the least access to land and remittances, and the situation of women in general is worse than in Meghalaya, particularly in terms of the gender division of labour. The gender strategy was to introduce both indigenous and mechanized technologies to improve efficiency and reduce women's workloads as well as sensitising men and providing mitigating strategies. The project was to ensure that: (i) women are well represented in the various management units of the project, NGOs and grass-roots institutions; (ii) intensive training aimed at building gender perspectives is provided to all project partners in the initial project phase; and (iii) gender concerns are built into all economic and institutional capacity-building aspects.

Key points

- Gender issues and empowerment would need to be sequential for the project to be successful.
- Design offered opportunities to address differences between states.
- Project design did not include a clearly articulated theory of change along particular outcome and impact pathways.
- Project implementation arrangements appear limited given the project goes across two non-contiguous States.
- Local level institutions will need to be well established to take over roles as defined in the design.
- There appears to be no plan to develop Disaster Risk Reduction strategy related to natural resource use and propagation.

III. Main evaluation findings

A. Project performance

Relevance

43. **Relevance of Objectives.** Within the country context at the time of design the project would have met the needs of poor rural people as it proposed enhancing economic opportunities to close the gap that was growing wider across the country. As noted in the Countries Opportunities and Strategy Paper (COSOP) in 1999 and 2006 the objectives were consistent with the strategies and policies of Government. The objectives of LIPH were also in line with IFAD policies and strategies at the time of design. Therefore the project objectives were relevant and closely related to country needs.
44. **Relevance of design.** As described in the design the project was relevant to the target group it was designed for, those below the poverty line and those hovering just above the poverty line. It would provide opportunities to increase production and incomes, enterprise development as well as building local level institutions, which are pro-poor and effective in communicating needs and resolving local level issues. The institutional priorities would assist State and National Governments in planning and budget allocations given that the target group would have a meaningful voice (thus empowered) in the process.
45. However, project coherence in achieving objectives was not well considered at the time of design, in particular because of the late addition of a second State (Meghalaya) to be covered in the operation.
46. The mechanisms for delivery, while challenging even for Uttarakhand, were not realistic for Meghalaya. Nor was the concept of two different Governments at the state level and key implementing partners that had no strong joint coordination, planning or implementation. The use of NGO's in Meghalaya was unrealistic as very few of them had ever worked in rural areas let alone with the target group.
47. Furthermore, with the two States being non-contiguous and separated by a very large geographic distance, there were not any processes established for cross State coordination, nor learning and a systematic exchange of experience and lessons during implementation. These points were also noted in both the Project Completion Reports for each State. Important to note is that the IFAD Executive Board approved one project for which there is one Loan Agreement. However, two further legal agreements – one for each State - were drawn up and signed outlining respective financing, implementation, roles and responsibilities. The States basically ran each location as separate, stand-alone projects (as did IFAD) separating off budgets, contributions, supervision, M&E, and reporting. Both however remained under one IFAD Loan, while duplicating all else. Of concern in this approach is that the IFAD budgetary processes allocate by Loan for supervision/implementation support costs, including evaluation costs in IOE, thus requiring the splitting the allocated amount between two projects and reducing the support intended on a one loan/one project basis and perhaps reducing outcomes and impact. This aspect is a significant factor in a lower rating for relevance of the project.
48. **Rating:** The rating on relevance for the project is 3.

Effectiveness

49. Project effectiveness speaks to the extent to which the project's overall objectives—as set at design or reoriented during the project cycle—have been achieved; it also acknowledges specific areas of exceptional or disappointing performance of the project. The project goal was to improve the quality of lives and livelihoods of vulnerable groups, including women, in rural areas through promotion of sustainable business opportunities and strengthening local institutions

for maintenance and improvement of community resources. Effectiveness of the objectives is noted below.

50. Objective I: To promote a more sensitive approach to the design and implementation of development objectives. While the overall effectiveness of the project was good, critical factors challenged project teams during implementation and probably affected outcomes. Targeting proved difficult for both teams as reflected in the high numbers of participants outside the poorest category who benefitted from the project. While a common understanding of targeting is possible at design, implementing resource intensive activities with those with the least capital will always be a challenge. Nonetheless reaching the poorest of the poor with drudgery reduction and empowerment is critical. Both teams made efforts to do so (with the Land Bank in Meghalaya and linking vulnerable people to social safety nets in Uttarakhand) but targeting remains largely an unreached goal critical to project effectiveness.
51. According to the project completion reports the principle of drudgery reduction coupled with various empowerment activities (including literacy, numeracy and collective action among others) proved a very effective preliminary step toward improving the quality of lives and livelihoods in the project areas. At the same time increasing productivity and income generation through value chains proved a more difficult undertaking.
52. Drudgery reduction activities varied between the two project sites. Meghalaya focused mainly on improving existing water sources and increasing the availability of rice mills to reduce time and effort associated with fetching water and shelling rice—activities mainly done by women. In Uttarakhand a broader range of drudgery reduction activities were employed to significantly free up women’s time. These activities included light weight pitchers for drinking water collection, fodder production to reduce time and energy needed to feed livestock, improved fire wood sources and a range of improve agricultural and post-harvest implements.
53. Objective II. The project was effective in reaching its goal(s) via a critical pathway that first sought to reduce drudgery for rural populations, which freed up time and energy for subsequent engagement in individual empowerment and self-help group formation. Empowerment (individual and groups) was a necessary precursor for engagement in a wide range of activities designed to increase productivity and generate income—aiming at participation in value chains and increased commercialization.
54. According to one survey, drudgery reduction interventions have reduced the time spent by women on household chores by 5 hours a day. That savings came mainly from introduction of motorized wheat threshers (which reduced time spent on this activity by 96 per cent), Napier grass production that reduced women’s time spent collecting fodder by 60 per cent, and the improved water pitcher that reduced time spent on water collection by 30 per cent among those surveyed.⁶ It is important to note that a number of activities categorized as drudgery reduction were also designed to empower and increase productivity and vice versa.
55. The effectiveness of the light weight water pitcher vastly exceeded the original expectations of the project. The project "demonstrated" this technology to just over 1,900 household eventually finding that it had been adopted by well over 12,000 households.⁷ A number of SHGs and Federations began selling these pitchers in surrounding areas as a commercial venture. While not necessarily saving time collecting water, this technology reduced drudgery by significantly reducing pitcher weight.

⁶ End Term Survey. Uttarakhand Livelihood Improvement Project in the Himalayas. Hypothesis-wise Monographs. Impact evaluation study. 2013.

⁷ IBID

56. Effectiveness of the projects' efforts to empower women can actually be related to their investment in and success at reducing drudgery. Both women and men benefited from reduced drudgery under this programme but women had more time freed up by labour saving devices and practices. With this 'free time' women were then able to engage in literacy, numeracy, collective action, etc. So one measure of effectiveness of efforts to empower women would be how much drudgery was reduced.
57. As time spent on household chores (i.e. drudgery) was reduced vulnerable rural populations were then able to engage in various empowerment trainings as well as productivity enhancement activities. These activities served first the individuals and households and then groups and communities. In this way the project proved very effective at meeting or exceeding original targets for individuals engaged and groups formed.

Table 1

Summary of households targeted and groups formed by State

<i>Project site</i>	<i>Households target</i>	<i>Households reached</i>	<i>Self-help groups</i>	<i>Women members of self-help groups</i>
Meghalaya	29 300	44 429	2 387	14 395*
Uttarakhand	42 690	42 979	3 560	38 856
Total	71 990	87 408	5 947	53 251

*Livelihood Improvement Project for Himalayas – Meghalaya. Aide Memoire – Project completion report validation mission.

58. Objective III. Documents and evidence from the field verify the effectiveness of SHGs in empowering individuals and groups. Three aspects of empowerment merit highlighting here: 1) attitudes toward savings; 2) awareness of support systems; and 3) decision making. Both project sites documented significant improvement in willingness and ability of individuals, households, SHGs and Federations to save and noted how fundamental this was to improving rural lives and livelihoods. Its importance should not be underestimated. In order to reach the poorest, project teams in Uttarakhand used SHGs to ensure that those eligible for available social services were made aware and able to take advantage of them. For those most vulnerable populations secure access to social welfare schemes can make the difference between life and death. Reduced drudgery and increased empowerment ideally leads to collective action and improved decision making, necessary for sustained improvement in lives and livelihoods. It is this pathway to development that the project has been effective in establishing.
59. A great deal of money, time and energy were invested in "demonstrations" in both project sites—with each team claiming that overall they were not an effective mechanism for introducing sustainable technologies. Demonstrations were adjudged failures based upon low replication rates—where few replications of technologies were found beyond those sponsored by the project. The major causes of failed demonstrations (or broad scale replication) were high start-up costs coupled with insufficient return on investment. Technologies demonstrated by the project either cost too much to establish (cattle troughs or large water harvesting tanks for example) or had no way of repaying the original investment. Two notable exceptions came from Uttarakhand where water pitchers and Napier grass production were both adopted beyond the original intended audience. Lack of technical support to back up some of the demonstrations was also suggested as a contributing factor to their limited success.
60. Objective IV. Both States had a challenge in the development of sustainable local institutions for enterprise development at time of project closure. Uttarakhand

benefitted from a new project which had been designed and was ready to start at that point - the same was not true for Meghalaya. Since implementation with the target group did not really get underway until year four there was a large negative impact on Meghalaya groups not being well enough developed for sustainable results.

61. Data combined from the PCRs indicate that a total of US\$8,947,000 was spent on empowerment and capacity building in the two sites from all funding sources. This expenditure included the categories of community empowerment, facilitation through NGOs and interventions to reduce women’s drudgery. Considering the challenges it would appear this allocation was insufficient given the needs and that this forms the basis of moving forward for the other components. There is no doubt from the both the focus group meetings and observations made by the PPA team that this small amount of money has been well spent in terms of achieving some of the objectives in the design. What was important during implementation was adjusting arrangements to enable delivery – in the case of Meghalaya this was as significant achievement as they firstly also had to train the NGO's. It was also appropriate that the drudgery reduction was a first priority at both sites.

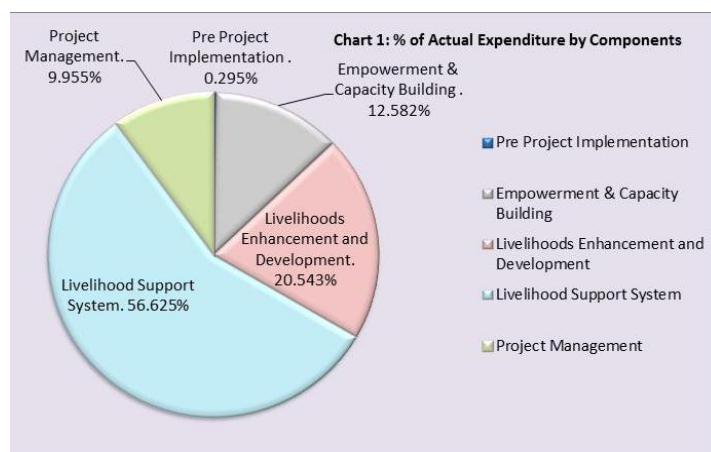
62. The rating on effectiveness for the project is 4.

Efficiency

63. Total project costs at approval were estimated at US\$84.29 million. Of this 47.4 per cent was to be financed through an IFAD loan of US\$39.92 million, 11.3 per cent (US\$9.49 million) from beneficiaries, and State governments 13.6 per cent (US\$11.44 million) and formal financial institutions 27.8 per cent (US\$23.44 million). Approved allocations showed adjustments, mainly due to currency fluctuations. The actual total project cost was US\$71.11 million for all financiers included.

64. For the purposes of this report efficiency will be separated into efficiency in start-up through to implementation by the project objectives.

65. Chart 1: Expenditure by Component is somewhat misleading as it shows high efficiency with just less than 10 per cent on project management costs. It belies the ongoing challenge in India to "set-up" quickly and efficiently. The percentage is so low due to the high total project costs of US\$71,110,000 while pre-project cost (which refers to the establishment of the implementing Units) was US\$210,000.



66. The time lapse in ULIPH between approval of the IFAD loan and its effectiveness was 9.6 months,⁸ which was considerably less than the country average for IFAD projects. In becoming fully operational, however, there were major delays due to staffing/contracting issues, with little having been achieved in the initial four years. With twin implementing agencies (Uttarakhand Gramya Vikas Samiti [UGVS] and Uttarakhand Parvatiya Aajeevika Sanvardhan Company [UPASaC]), there was lack of clarity on their respective roles. UPASaC barely became operational before it was decided in 2009 to merge the two organizations. This increased the pace of

⁸ As reported in the PCR for ULIPH.

implementation, but venture capital financing through Social Venture Capital Fund was a virtual non-starter: the first loan being sanctioned only three months before the project completion date. In Meghalaya too, the project became operational only in the fourth year. The Livelihoods Improvement Finance Company of Meghalaya (LIFCOM) was set up only in 2009. Although there was slightly greater clarity about the role of LIFCOM, as compared to UPASaC, the envisaged smooth takeover of the Meghalaya Rural Development Society (MRDS)-facilitated SHGs and Federations by LIFCOM did not transpire due to inadequacies of the latter's staffing and capacity. Equity financing was not successful because of weak collaboration with banks. These inefficiencies could have been mitigated had more thought gone into the roles and responsibilities of implementing agencies in the context of expected outcomes, and had implementation manuals and operational guidelines been prepared at the outset and periodically reviewed.

67. Slightly over 20 per cent of the originally envisaged project cost of ULIPH and 24 per cent in the case of MLIPH remained unutilized at the close of the project. Loaning by banks and financial institutions and contributions of beneficiaries were considerably less than envisaged during design, resulting in dilution of projected outcomes. Around 9-10 per cent of IFAD's loan remained undisbursed in both states – savings in this instance is not an indicator of efficiency. In hindsight, a time extension of 12 months, utilizing the undisbursed portion of the loan, would have significantly strengthened outcomes for the beneficiaries. In both Uttarakhand and Meghalaya, there was a scramble to meet targets and raise expenditure in the closing months of the project: a year's extension of the project duration would have served to cement project gains for the target group. An extension at least in Meghalaya would have considerably consolidated work with the Federations and SHGs to ensure sustainability (if Uttarakhand had not had a new project they too would have needed an extension). It is important to remember that actual field implementation was delayed by years due to Government processes for staffing.
68. It can also be noted that had the contracting arrangements for staffing been sorted out earlier the benefits would have been considerably greater for the target group and all funds would have been expended. This appears to be an ongoing challenge for projects in India and the mission was informed by Government (at both State and National levels) that contracting arrangements for staff/projects is the challenge and would require a policy change.
69. Objective II: to enhance the capabilities of local people to select appropriate livelihood opportunities, access required financial resources, and manage new technologies and institutions at the village level. Little having been achieved in the first four years of the project, expenditure was bunched in the last phase affecting efficiency in use of resources and effectiveness of outcomes. Proper planning, phasing and sequencing would have ensured better use of project resources. Social empowerment interventions were relatively successful in both states and, ideally, livelihoods enhancement and enterprise development activities should have followed immediately to build on this foundation.
70. Delays (especially in MLIPH) led to loss of momentum in converting social mobilization into "full" economic empowerment. The seemingly abrupt withdrawal of MRDS at the closure of the project, with no arrangement for hand-holding of groups and federations, also caused dissipation of project gains. It would also have provided a mechanism to support the group development further while the new project was designed.
71. Objective III: to increase incomes through more sustainable income-generating cultivation systems and the establishment of non-farm enterprises at the micro and small-scale level. NGOs in Uttarakhand reasoned that it took comparatively longer to establish sustainable systems in difficult contexts like the Himalayas, and that platforms must be provided to extend continued support to beneficiary groups. The

disastrous floods of 2013 were a severe setback and underscored this need. The clustering of project activities in the last years of the project also saw crowding of training programmes and meetings leading to fatigue and redundancies. In Uttarakhand especially, multiple demonstrations in the same villages did not make for optimal resource use, and replication of demonstrations was less than satisfactory.

72. Base case EIRR at appraisal for both projects was 27 per cent. The basis for projecting similar rates of return for projects implemented in widely differing contexts can be questioned. In the PCR, the base case IRR for ULIPH was 18 per cent and for MLIPH 14 per cent. While data was not available to PPA to re-assess IRRs, information gathered from Federations and interactions with groups indicate that IRR of 18 per cent for ULIPH at project closure may be an over-estimation as major economic gains were achieved only in the closing stages of the project and after. Uttarakhand Gramya Vikas Samiti data regarding business operations of Federations in Uttarkashi District (see annex XI) shows consistent performance from 2010 onwards when the Federations became operational. Importantly, the period since closure seems to have recorded even stronger growth, as witnessed by PPA mission during village visits (see annex IV) largely due to the continued support extended by Uttarakhand Gramya Vikas Samiti through the new IFAD project, Integrated Livelihood Support Project (ILSP). Hence, at the time of PPA, rough indications are that IRR would not be less than 18 per cent. In the case of MLIPH, IRR at the time of PPA would probably be lower than at PCR due to declining economic activity following the abrupt withdrawal of backing for groups and federations after project closure.
73. Objective IV: establish effective and appropriate delivery systems for inputs and for the maintenance of assets and resources, with emphasis on microfinance, savings and thrift, and micro- insurance products, along with access to business development services that will link household-based livelihood activities with the larger economy. Project management accounted for 11.2 per cent of total project costs in Uttarakhand and 8.6 per cent in Meghalaya. Being part of a single loan agreement, these dual costs appear comparatively high. Furthermore, no apparent benefit derived from this twin-state project in terms of mutual learning and knowledge sharing. Indeed, the common approach to livelihood improvement in relatively dissimilar states may have been a constraint in exercising contextual options. For instance, while social mobilization was more or less equally successful in both states, the difficulties in converting these gains to economic benefits were under-estimated in the unique cultural setting of Meghalaya.
74. At approval it was anticipated that the project would reach a total of 72,000 households which would have had a cost per household of US\$1,170. Taking figures noted in both PCRs, the cost per household⁹ 42,862 households in ULIPH and 21,782 households in MLIPH the total project cost of US\$71.110 million provides an average cost per household of US\$1,100 dollars per household. As a comparison with the figures in Table 11 of the Country Programme Evaluation (India, 2010) this cost would sit in the middle range for household costs (against 2010 figures) in tribal development projects.
75. PCR rated efficiency in ULIPH as satisfactory (=5). In light of the inefficiencies outlined above, and especially because income generating activities were only gathering momentum at the time of project closure, that rating appears excessive for achievement at that point. Noting though that as of June 2014, project gains have been strengthened and embedded in the intervening 18 months. Largely, this is due to the support infrastructure that continued to be available through the new project (ILSP). In the case of MLIPH, PCR rated efficiency as moderately

⁹ Given the mixed usage of INR and US dollars in the respective reports and Uttarakhand on providing actual household numbers cost per beneficiary has not been calculated.

satisfactory (=4). PPA concurs with this score. However, withdrawal of MRDS at project closure, and absence of an exit strategy identifying arrangements for extending support thereafter, has led to a loss of efficiency.

76. Rating: The rating on efficiency for the project is 4.

Key points

- Proper planning, phasing and sequencing would have ensured better use of project resources;
- No apparent benefit derived was from this twin-state project in terms of mutual learning and knowledge sharing;
- Extension of the project utilizing the undisbursed portion of the loan, would have significantly strengthened outcomes for the target group;
- Inefficiencies could have been mitigated had more thought gone into the: institutional relationships, roles and responsibilities of implementing agencies in the context of expected outcomes, and local context; and
- Initial delays in both States (approximately four years) related to recruitment/contracting issues of the Government's.

B. Rural poverty impact

77. This section on rural poverty impact includes five domains: 1. Household incomes and assets; 2. Human/social capital/empowerment; 3. Food security and agricultural productivity; 4. Natural resource management; 5. Institutions and policies.

Household income and assets

78. **Incomes.** Livelihood enhancement activities, combining improved agriculture, horticulture and livestock, income generating initiatives and enterprise development raised average annual household incomes in ULIPH project villages to just over US\$1,367 according to an independent Impact Evaluation Study (by InsPIRE) conducted in 2013, a growth of 92 per cent between 2004 and 2013. This is 37 percentage points more than in non-project villages. Across project households, the incremental benefit amounts annually to almost US\$24,193,548. Virtually every household had access to institutional credit facilities as compared to just 16 per cent in 2004, and 92 per cent of households had availed of loans from SHGs. More than 60 per cent of households (30 points more than control households) had four or more sources of income. Secondary sector occupations such as weaving and handicrafts, agro- and forest-based industries provided additional disposable income. Twenty three percent of project households had at least one member engaged in a business enterprise. The presence of relatively well-stocked retail shops in remote villages was an indicator of the availability of surplus cash. As a consequence of better and more stable incomes, there was a remarkable 51 percentage point drop in the migration level from project villages.¹⁰ In contrast, the decrease in migration from control villages was only 19 per cent, indicating that the project has contributed 32 points to reduction of distress migration. These trends were corroborated during discussions with groups and individuals.
79. Households participating in MLIPH too reported income increases. At the start of the project 93 per cent of households had annual incomes of less than US\$645; that proportion had declined to 49 per cent by the close. Among non-project households, 73 per cent still earned less than US\$645. While project households had an average annual income of US\$908, that of non-project households was US\$468. The proportion of vulnerable and "hard core poor" households (represented in Well-Being Ranking I and II) declined from 49 per cent to 26 per cent between 2007 and 2013. Meetings with village groups confirmed that

¹⁰ Impact Evaluation Study (InsPIRE), 2013

growth in agriculture productivity, improved water management, increase in livestock ownership, collective marketing of produce, and supplementary occupations have combined to enhance incomes and overall well-being in project households.

80. **Assets.** The value of savings mobilized under the ULIPH was US\$1,387,097, 90 per cent of which were by women. On an average, every member saved US\$40. Practically all households have bank accounts, but SHG members report better access to insurance and remittance services. Access to land is reported to be almost universal in ULIPH areas; 11 per cent more than in non-project areas. PCR found that the area under irrigation had increased and agricultural productivity had improved through project interventions. Although PCR noted little change in ownership of livestock and poultry, meetings with federations and groups brought up success stories of rearing Kuroiler chickens for the market and improved varieties of cattle giving better yields. Among project households, 53 per cent now have 'pucca' (brick) housing against 37 per cent before. On account of awareness campaigns under the project, 58 per cent of households have their own toilets, an improvement of 20 points over control households. Substantial increase in ownership of mobile phones and television – 88 per cent and 55 per cent respectively – is reported. This is slightly more than in non-project households possibly due to higher incomes and savings.
81. Each SHG member under MLIPH had saved an average of US\$30, and 21,000 of them had availed of loans, as per the end-line Results and Impact Management System (RIMS) report. Corpus funds of SHGs grew substantially through seed capital contributions and intra-group lending. The quality of housing improved, as well as access to electricity leading to acquisition of modern appliances. Compared to 9.7 per cent at the start of the project, 26 per cent of households owned television sets in 2013. The number of households with safe sanitation increased by 37 per cent. Higher incomes, combined with greater awareness and support services, resulted in an increase of 30 per cent in ownership of pigs, 12 per cent of chickens and 10 per cent of cattle. Mobility improved too with greater numbers of cycles and motorcycles. These changes may have occurred in non-project villages too (comparisons are not available), but there is no doubt that project interventions have generated higher incomes and livelihood opportunities. SHG members confirmed that MLIPH had brought improvements in their standard of living.
82. This aspect of the project is **rated as a 5 being satisfactory** as households have increased both their incomes and assets.

Human/social capital/empowerment

83. Increasing local human and social capital was fundamental to the project's goal and intended outcomes as set out in the original log frame. The project invested significant resources in empowering individuals, developing grassroots organizations and institutions, and increasing capacity of the poor—as individuals and in groups. Over 50,000 women (and slightly fewer men) became members of SHGs. Yet measuring increases in capital and empowerment is notoriously difficult, with attribution for changes even more difficult to prove.
84. According to the PCRs, each of the project sites claimed increased human and social capital as a direct result of project activities—claims borne out by interviews with project participants and others in the field. Literacy, numeracy, basic health care and principles of self-help gave project participants basic tools to help better understand their situation and how best to address road blocks to their development. These trainings and engagements increased the ability of individuals to engage, plan and think strategically about setting and reaching goals. From women being able to sign their name instead of using a thumb print to their ability

to engage with banks for loans is evidence of widespread improvement in capital and empowerment.

85. Nearly 6000 SHGs were formed, trained, monitored and mentored in order to better link individuals to each other and to markets and services beneficial to them. Hundreds of local training centres were constructed—removing a major historical obstacle to participating in trainings far from home. These centres in turn help strengthen the SHGs by reinforcing their sense of being and becoming a focal point for future opportunities and problem solving. SHGs saving and investing for collective good illustrates the strength and potential of these groups to support and serve their members going forward—beyond activities envisioned by the original project.
86. Umbrella groups of the SGHs, either as Clusters (nearly 150 in Meghalaya) or Federations further demonstrates how well groups were formed and function. They further speak to how increased individual and household capacity can be aggregated to SHGs and community levels for collective action—for commercial, social and other opportunities.
87. Medicinal and aromatic plant nurseries were developed as a foundation for future income generating activities. These nurseries were tended and nurtured by project trained Community Resource Persons or Master Trainers, whose capacity to do so was developed by the project. Para-vets were trained and assisted with start-up capital to fill a critical gap in the livestock supply chain in both sites. In Uttarakhand these positions were linked to the relevant local government agency in a collaborative effort to expand support to rural populations.
88. This section on rural poverty impact includes five domains: 1. Household incomes and assets; 2. Human/social capital/empowerment; 3. Food security and agricultural productivity; 4. Natural resource management; 5. Institutions and policies.
89. This aspect of the project is **rated as a 5 being satisfactory** as social and economic empowerment was also clearly observable.

Food security and agricultural productivity

90. Little evidence of food shortages was recorded in PCR in ULIPH areas. As compared to the mid-term RIMS survey when 18 per cent reported food shortages, the final survey showed only 1-2 per cent of both project and non-project households as facing shortages. This is probably explained by improvements in the PDS (public distribution system) and effectiveness of government programmes. Project households, however, perform distinctly better than the control group in the quality of food consumed. The independent impact study of 2013 showed that 87 per cent, 75 per cent and 83 per cent of households had increased their consumption of vegetables, pulses and cereals respectively over the project period. 88 per cent of households felt that increase in household income had contributed to better food consumption. Access to markets had not only facilitated better returns for produce, but also enabled purchase of food items. Well-being rankings of 2009 showed that the vulnerable (Well-Being Ranking I) group comprised mostly of single, widowed, elderly and handicapped people. SHGs supported these disadvantaged and also the project helped them access government pensions and safety nets.
91. Almost all households under ULIPH have access to agricultural land, but holdings are small and scattered, and the poorest families often own degraded land farthest from the village. There has been a significant positive change in the use of improved agricultural inputs such as seeds, organic pesticides/fertilizers and new crop varieties. As the outcome of demonstrations and other project interventions, 83 per cent of project households are reported to have adopted improved crop varieties and 80 per cent have taken up composting, vermi-composting and techniques to reduce soil erosion. Comparative figures in non-project villages are

much lower. The Annual Outcome Survey in 2011 showed 60 per cent of project group members reporting increased crop yields compared to only 25 per cent in the control group.

92. The RIMS end-line report (2013)¹¹ reported a drastic decline in MLIPH project households experiencing hunger: from 55 per cent at the start of the project to just 4 per cent during the main hungry period from March to June when preparation for the paddy crop has been completed and household food supplies exhausted. Under-nourishment figures too have improved: from 36 per cent at the start of the project to 20 per cent in the case of boys and 31 per cent to 19 per cent for girls. The report attributes decline in food insecurity and improvement in food consumption to increased production and higher incomes. PCR regarded the impact of the project on food security as substantial. Meetings of PPA mission with project beneficiaries generally reinforced these findings, but the contribution of government programmes also needs to be factored in.
93. In Meghalaya, land is traditionally owned by the community and cultivated by individuals as per decisions of the village council. This ensures that all households have access to agricultural livelihoods. A recent trend became evident, however, of village land being assigned, for whatever reason, to individuals – usually influential persons. This has resulted in absentee landlords and share-cropping, besides alienation of land from resident villagers and constraints on their access. Though this is a worrying trend, RIMS reported that in project areas the number of households engaged in cultivation grew from 65 per cent to 74 per cent during the project due to initiatives towards farm-based livelihood activities. PCR notes that 44 per cent of sample project households in the Annual Outcome Survey reported increased yields. Thirty eight percent of households had adopted high value crops and 44 per cent of households reported increase in agriculture productivity. PCR regarded this as a modest achievement and pointed to wide yield gaps that remained to be bridged. Discussions of PPA mission with villagers too indicated that there is vast scope for productivity increases through effective extension and technical support services.
94. Markets: Building on the strong foundation of social empowerment laid by NGO partners in ULIPH, business development activities under the project succeeded in improving market access for producers, enabling new products to be introduced and generation of higher returns. Collective marketing of off-season vegetables, spices, flowers, medicinal and aromatic plants, etc., through Federations of SHGs has enabled producers to aggregate their produce, by-pass the middle man and sell directly to wholesale markets. Apart from better economic returns, the confidence and business acumen of Federations has grown enormously. Introduction of techniques for sorting, grading and packing has increased margins – up to six times higher in the case of medicinal plants (see annex XV).
95. The Saptarishi Federation in Naugaon Block of Uttarkashi District (established in 2009-10) recorded a turnover of US\$22,580 in 2012-13 from marketing of vegetables (see annex XIV). Milk marketing has become an important activity, with 73 per cent of project households earning income from livestock and reporting growth of 30 per cent since 2004, as compared to a decline of 18 per cent in non-project areas. Federations have established milk collection centers, outlets for sale of milk and arrangements for basic processing. The Livestock Development Board and Sheep Development Board have provided veterinary services, support for para-vets introduced under the project, technical advice and back-stopping.
96. In Meghalaya, accomplishments in market access and enterprise development are less prominent. MLIPH achieved substantial success in social mobilization, but this was not effectively followed up with economic empowerment. The key differences between the States here came into play in that in Meghalaya the target group was

¹¹ Results and Impact Management System End Line Report, Meghalaya Rural Development Society, (2012-2013)

on the whole starting from a lower average point and therefore required greater training/support. Secondly, there was a lack of knowledge on the part of the team/implementers about value chains/markets and no additional technical support was provided to them to assist in developing sustainable economic development opportunities which were also somewhat more limited in Meghalaya.

97. The late start of the project, relative ineffectiveness of LIFCOM and withdrawal of MRDS soon after closure of the project resulted in inadequate backward and forward linkages for business development. PCR reported that market access needed radical improvement. PPA mission noted that market surpluses have resulted in small-scale aggregation of agriculture produce and sale in local markets through SHGs and Cluster Level Federations. Some groups have successfully initiated ginger and turmeric production and marketing, but they are constrained by lack of professionalism and absence of technical support in entering value chains. The story of high-value 'lakadong' turmeric (annex XII) is a case in point.
98. This aspect of the project is rated as a 4 being moderately satisfactory despite reported increases in food security and production, of key concern is the sustainability noting the issues raised above and a clear lack of understanding on pro poor approaches to markets/value chains, which could eventually impact negatively.

Natural resource management and climate change

99. The project intended to build capital and strengthen local institutions to help maintain and improve community resources—including agricultural land, forest and water. This goal was to be achieved through empowered individuals in SHGs working through collective action. Improved natural resources management was a means to an end, rather than an end in and of itself. The project was highly aware of and sensitive to protecting, enhancing and rehabilitating natural resources and the environment.
100. Interventions in natural resources related mainly to forest, water, land and agricultural practices. Over 400 Natural Resource Management Plans were developed and implemented in Meghalaya where establishment of a Land Bank gave hundreds of households' access to over 1150 ha of common property under improved management. Land use planning was coupled with reduced and improved Jhum cultivation in Meghalaya. Protecting existing biodiversity was identified as a priority by SHG members and farmers who understood principles of healthy ecosystems. Both project sites promoted organic agriculture and the reduction of inorganic fertilizer use. Long term effects of these interventions will be healthier ecosystems, improved soil health and improved water quality.

Challenges when in engaging in high value chains

A marketing tie-up with a major private firm has been organized for purchase of raw turmeric, and an oil extraction unit has been installed. But the enterprise is riddled with inefficiencies and managing the extraction unit may prove to be beyond the competence of the Federation. During discussions, the importance was underlined of transforming Federations into legal entities that would be better placed to negotiate effectively in the market. Noting that the private sector actor (Mr Neog), raised the lack of formal legal entities as a plus and openly stated they did not want federations or legal entities to deal with as they could negotiate lower prices with individuals. This implies a lack of technical support to the project team and the women's group to understand the basic principles to ensure best practices and returns. Piggery and poultry, horticulture and medicinal plants, weaving and handicrafts are potential areas for income generation, where beginnings have been made, but further professional guidance is required. The Livelihoods and Access to Markets Project, when it comes to be implemented, is expected to fill this gap.

101. In relation to forests more could have been done on the use of the resources in these protected areas and usage of forests for fuel, housing, etc., which are key needs that have not been adequately addressed in the project.
102. Wide scale water harvesting techniques in both project sites are expected to reduce the potential for erosion while increasing water availability during the dry season. Household scale rain water harvesting was expected to have little if any impact on downstream users of the resource.
103. Napier grass production for fodder in Uttarakhand had great potential to reduce negative environmental impacts associated with: 1) over-grazing of communal areas; and 2) damage to common property resources by women in their daily search for fodder. Coupled with SHG nursery banks of indigenous tree species for out-planting by government, communities are mitigating against future climate change.
104. An opportunity was missed in the project to include Disaster Risk Reduction (DRR) activities in natural resources management.
105. This aspect of the project is **rated as a 4 being moderately satisfactory** as all households have increased their food security the lack of a DDR could have a significant impact in such delicate environments.

Institutions and policies

106. As already noted the design of the project held challenges and the significant differences between Uttarakhand and Meghalaya in a multitude of areas, cultural practices, level of economic development, etc., and a great deal has actually been achieved and particularly noteworthy is the empowerment and strength of the local institutions of SHGs and federations which have been established. Noting that there is concern over the sustainability of some being able to successfully continue as economically viable in the future.
107. In addition the NGOs did not have the capacity to deal with implementation in isolated poor rural areas. In Meghalaya NGO's simply did not have this experience to draw on – especially in the targeted rural communities. The first challenge was to therefore develop their capacity in order to reach the target group. While slowing down implementation Meghalaya now has some very well placed NGOs to deliver well to poor rural communities.
108. Taking account of the above challenges the achievements both project teams in a very short time period was impressive as was the demonstrated empowerment and gender equality that was observed by the PPA team during the field visits. The development of the SHG's in both States is was impressive.
109. This aspect of the project is **rated as a 4 being moderately satisfactory** mainly for the significant impact of the local empowerment and performance of the SHGs, higher level institutions need more work.

Key points

- Livelihood enhancement activities, combining improved agriculture, horticulture and livestock, income generating initiatives and enterprise development raised average annual household incomes in ULIPH as well as MLIPH project villages and as a result there was a remarkable 51 per cent drop in the migration level from ULIPH project villages.
- Producer's SHGs/Federations not always fully trained in negotiation, pricing strategies and realistic achievements for value adding and entering value chains.
- The RIMS end-line survey report (2013) reported a significant decline in MLIPH project households experiencing hunger. Under-nourishment figures too have improved. Little evidence of food shortages was recorded in PCR in ULIPH areas. Access to markets had not only facilitated better returns for produce, but also enabled purchase of food items.
- Collective marketing of off-season vegetables, spices, flowers, medicinal and aromatic plants, etc., through Federations of SHGs set up under ULIPH has enabled producers to aggregate their produce, by-pass the middle man and sell directly to wholesale markets.
- There has been a significant positive change in the use of improved agricultural inputs such as seeds, organic pesticides/fertilizers and new crop varieties as well as new planting strategies adding some protection to the natural resources.
- The late start of the project in Meghalaya, relative ineffectiveness of LIFCOM and withdrawal of MRDS soon after closure of the project resulted in inadequate backward and forward linkages for business development.

110. Overall the rural poverty impact of the project is **rated as a 4** being moderately satisfactory.

C. Other performance criteria

Sustainability

111. At Project Completion both PCRs indicated that the interventions delivered through the projects were sustainable. While evidence supporting this assessment was available, a more thorough examination suggests that sustainability could have been greatly enhanced.
112. Among the most sustainable interventions, individual empowerment and capacity building activities delivered by the projects should remain relevant and pay dividends long into the future. In particular women's empowerment, drudgery reduction, literacy, numeracy and voice should show positive results for decades to come. Formation and development of SHGs via collective action can similarly provide a foundation for community growth and prosperity—through critical thinking and problem solving. Further evidence of sustainability is the ethos of savings developed through the projects. These interventions will remain sustainable and deliver benefits as long as the individuals and groups involved perceive sufficient return on their investments of time, energy, and other resources.
113. Sustainable engagement in value chains and economic activities is less certain and often depends upon the whims of global markets. Therefore the best measure of sustainability is whether or not groups and individuals have sufficiently developed the skills to change enterprises and identify emerging opportunities for engaging in evolving value chains. A few encouraging signs were seen that this level of capacity had been reached but probably not enough to drive growth and development in the project areas.
114. Failure to develop exit strategies from the planning and early implementation stages will limit the long term sustainability of project activities in both provinces. Planning did not emphasize development of sufficient platforms for future development —and these were not included among the key deliverables of the projects nor included in the M & E framework. However some such developments were created in Uttarakhand and will be utilized in the upcoming Integrated

Livelihoods Support project enhancing the likelihood of sustainability. Few activities or groups from project work in Meghalaya have been linked to upcoming opportunities—reducing the likelihood of sustainability there.

115. Inadequate planning was done to ensure that critical ongoing support is given to those groups and individuals who gained skills and assets from these projects. Neither the implementing partners nor GOI put measures in place to ensure that project beneficiaries had access to critical information and support after the end of the projects.
116. A major missed opportunity to help ensure sustainability of these projects was a lack of any mechanism to capture, analyze and share the learning that went on within and between implementing partners, project participants and other key stakeholders. Failure to capture lessons learned thereby leaving them out of future project development will reduce the sustainability of forthcoming projects.
117. The rating for sustainability is **3 moderately unsatisfactory**, noting the remaining key challenges above.

Innovation and scaling up

118. The PCR rated innovation and scaling up in ULIPH as “moderately satisfactory” (=4). PPA mission, however, regards ULIPH as comparatively strong in testing and adopting innovations. New technologies such as threshers, power tillers and chaff cutters, ergonomically designed agricultural tools, introduction of Napier grass and vermi-composting have been important in reducing the drudgery of women. A variety of novel business ventures have been launched by Federations, including a distance learning centre affiliated to the Uttarakhand Open University, provision of services to local schools such as mid-day meals and stationery, eco-tourism, popularisation and marketing of solar lanterns, etc. Centres were established for the weaving of fibre from nettles, an organic repellent to reduce damage of crops by animals was tested and the manufacture of cheap sanitary napkins was piloted. A significant element in enterprise development is the setting up of producers’ cooperatives and producers’ companies as business entities.
119. Linkages established by ULIPH with government departments and institutions are likely to result in many of the innovations and experiments tested in the project being extended to other parts of the state. Back-stopping arrangements with the Livestock Development Board, Sheep Development Board, Organic Crops Board and Bamboo and Fibre Board, and Seed Development Corporation, apart from marketing tie-ups with important private sector players in natural medicine and organic produce, have had a demonstration effect and will facilitate adoption of these ventures elsewhere. ULIPH has been strong in the area of convergence: government education and health services; social welfare schemes for pensions to the aged, disabled and widows; insurance programmes; extension services of agriculture-related agencies have all been strengthened and extended through ULIPH. The value of this convergence has been estimated to be INR 377 million over the project period. The new IFAD-supported project, ILSP, will scale up the livelihood interventions of ULIPH and strengthen marketing and enterprise development through producers’ organisations. Most significantly, the SHG programme is being scaled up through the flagship National Rural Livelihoods Mission, which has notably adopted ULIPH’s appellation ‘Aajeevika’ for nation-wide use. An issue for IFAD consideration in regard to scaling-up is how much of the “process” used will be applied when others scale up if the goal is to achieve the same results.
120. PCR rated MLIPH as “satisfactory” (=5) for innovation and scaling up. Cluster Level Federations are a useful institutional innovation for providing linkages for SHGs in organizing production, aggregating and marketing of produce. Marketing activities have been successfully pooled for turmeric, ginger, bay leaf and arecanut. To overcome training fatigue through repeated programmes at distant venues and

consequent loss of wages, innovative Community Training Centres have been established as doorstep training hubs. Built with project funds and community contributions, these centres – with training rooms and dormitories – were seen by PPA mission to be useful. Master trainers are local SHG members who perform their training duties alongside their customary work. Financing by Village Employment Council/Village Development Committees has facilitated construction of community-level infrastructure at many locations. Paddy cultivation using System of Rice Intensification techniques has raised productivity and is gaining popularity. Poly-house cultivation of flowers on a commercial scale has been started and a strawberry cluster has made an impact in the market. Non-traditional income generating activities like boat services, eco-tourism (traditional guest houses) and even commercial music groups have been introduced.

121. Successful interventions and innovations introduced in MLIPH are expected to be scaled up under the proposed IFAD-supported project, Livelihoods and Access to Markets Project. It is expected that community-level federations will continue to be supported by the state government either by converting them into cooperatives linked to cooperative banks, formalising as companies, or by bringing them under the NRLM, or under the wide-ranging mandate of the Meghalaya Basin Development Authority. Unfortunately, there seems to be a degree of ambiguity in identifying the modalities of support for SHGs and Federations set up under MLIPH. Many of these groups have recorded significant successes, especially in terms of women’s empowerment, and it would be a setback if they were not enabled to attain expression as vibrant self-supporting entities.

122. The rating for innovation and scaling up is 5, satisfactory.

Gender equality and women's empowerment

123. Over 50 per cent of the direct beneficiaries of this project were women. Over 50,000 women were included in drudgery reduction, empowerment, SHGs, commercial activities or some combination thereof. Project design, implementation, supervision and implementation support focused on reducing the drudgery of women, helping empower them, and developing their capacity to fully engage in SHGs. The projects also prepared men to accept the impact of women’s changing roles, responsibilities and rationality.

124. During field visits, women’s personal stories were compelling. As they explained, women who previously had to use their thumb print to sign documents became literate and numerate. They learned how to engage with their families and outside institutions in a more proactive way. According to these women, their own worth increased and they had begun to treat their girl children and their boy children alike, with no more favouritism towards boys for education or health care.

“Women in project households are in a better position to take crucial decisions regarding themselves such as health care, purchase of daily use items, education of children, as well as important financial matters such as monthly savings and investments”

Organization of women into CBOs has increased decision making, leadership and empowerment:

- 93% of women reported that their say in managing household livelihood income is increased.
- 72% of women report that compared to 8 years ago their role in household and livelihood decision making increased significantly.
- 98% of women have reported that as compared to 8 years ago they now have a better understanding of financial institutions and products.

Reference: From Impact Evaluation Study: End Term Survey. Uttarakhand Livelihood Improvement Project in the Himalayas. Hypothesis wise monographs. 2012.

125. As noted under effectiveness, in order for women to engage in empowerment effectively drudgery reduction of their other responsibilities is essential. This provides the time to engage and learn. Men should also be involved to increase

their understanding of the benefits gained to them and the household at large for better economic returns as well as increased social capital, health and nutrition.

126. The rating for gender equality and women's empowerment is 5, satisfactory.

Key points

- PPA mission regards ULIPH as comparatively strong in testing and adopting innovations.
- Linkages established by ULIPH with government departments and institutions are likely to result in many of the innovations and experiments tested in the project being extended to other parts of the state.
- The SHG programme under ULIPH is being scaled up through the flagship National Rural Livelihoods Mission, which has notably adopted ULIPH's appellation 'Aajeevika' for nation-wide use.
- Many successful interventions and innovations have been introduced through MLIPH and are expected to be scaled up under the proposed IFAD-supported project, LAMP.
- SHGs have recorded significant successes, especially in terms of women's empowerment, and these should be supported in becoming self-supporting entities.
- There seems to be ambiguity in identifying future modalities of support for SHGs and Federations set up under MLIPH.
- Drudgery reduction is essential for women's participation in project activities for empowerment and economic benefits.
- Men need to be included as part of the process to understand the benefits that will accrue (to them) to their household and overall well-being.

D. Performance of partners

127. Both partners are to be commended in having the foresight to address the conditions of the poor in the very remote and fragile area of the Himalayas. With so many challenges it is no wonder that in this instance both partners (Government and IFAD) had challenges they had not faced before in delivering to the beneficiaries.

128. **Government performance.** The Government of India facilitated flow of funds to the project through the Department of Economic Affairs (DEA). DEA also effectively managed the interface between the project and IFAD in financial matters. Despite some delays in release of funds commitments were met.

129. Government needs to take a serious look at policies and practices impacting negatively on development projects, and in particular staffing contracts. While this may be a long process it is needed if target groups are to benefit from these investments. The current trend in India of only 50 per cent of the loan period being used for actual field implementation is not sufficient (nor economically efficient) especially for the beneficiaries. A minimum of 80 per cent should be aimed for to reap the gains of sustainability. This issue of staffing only got resolved at the time of the Mid Term Review. The project experienced some difficulties in terms of fiduciary aspects: financial management (and thus reporting), procurement and audit.

130. A clear issue is that of data collection – which proved more of a challenge for Meghalaya, nonetheless both States could have improved this aspect during implementation. A more rigorous approach to the RIMS reporting could have significantly improved reporting on results and outcomes.

131. **IFAD performance.** IFAD fully discharged its responsibilities in terms of following up on fiduciary issues, audit and procurement challenges. Indeed after the introduction of Direct Supervision by IFAD financial reporting actually started. IFAD also provided regular supervision and technical support. Overall the quality of the self-assessment systems in place, IFAD was candid and honest in its representation

of issues and delivery. The baseline studies appeared comprehensive in their coverage both geographically and situational. The aspect which could have been improved was the final analysis of the focus to move forward. The data reported the dire situation of poor rural traditional households (from food insecurity to lack of education and isolation and yet the recommendations focussed on agriculture, access to information, markets and reducing isolation with no mention of the need for empowerment, and basic literacy/numeracy skills. However, having said that it certainly provided a clear picture on which could be measured against later for impact. The Project Status Reports provided clarity, good insights and mitigation measures.

132. The MTR also provided a much needed opportunity for some of the challenges faced to be addressed. With the benefit of hindsight it would have been useful had the MTR been brought forward to address these concerns earlier. An opportunity missed during the MTR was to split the loan into two thus creating two separate projects to better respond to differences and needs.
133. The final impact studies undertaken in each State took different approaches and therefore coverage was quite different. In Uttarakhand, InsPIRE Network for Environment undertook the Impact Evaluation Study (April 2013) while in Meghalaya two reports were produced one by the MRDS being the End Line Results and Impact Management System (2012-2013) and the Effectiveness and Impact of the Institutional Arrangement Implemented (EIIAI) by MRDS Under MLIPH for the Sustainability of the Grassroots CBPS and Communities (Infrastructure Management and Advisory Services Private Limited, April 2013). The Uttarakhand study was very professional with full coverage of scope, of a high quality, and honest, there was however no specific section on lessons but did include a comprehensive section on hypotheses identifying outcomes and impact. The End Line report was interesting and provided comparisons across baseline, mid-term and end line having used a comprehensive survey across a sample of project households. The EIIAI report provided a unique view from an institutional framework perspective which was comprehensive and candid with a thorough section on issues and recommendations. The only aspect missing from this report which would have added value is the relationship between mandates and the appropriateness of roles and responsibilities especially in relation to economic/market functions.
134. On technical aspects IFAD could have done more to ensure that enterprise/value chain activities had better technical support for the SHGs/federations – especially for high value commodities to provide guidance to the implementers and the beneficiaries. The design was not cognisant of the major differences between the States, in either capacity available for implementation or for entering into value chains without providing specialised technical assistance to the teams.
135. The teams responsible for implementing had no idea of the structure of IFAD and key personnel roles and responsibilities in India or Headquarters. As an example, they believed that the Team Leader of the supervision missions was the Country Programme Manager.
136. Likewise it is essential that the inclusion of key relevant Ministries and partners at the central level is respected to ensure that appropriate roles, responsibilities and respective mandates of the country are respected. In this instance it was noted that the national Department of North Eastern Regions had never been involved in any aspect of the project either at design, during implementation or completion.
137. The performance of Governments and IFAD is moderately satisfactory (4) in both cases.

Key points

- Challenging locations require greater support from all partners;
- The quick establishment of staffing/implementers and MIS is of paramount importance to outcomes, results and sustainability;
- Timing of missions is flexible and so consideration of when an MTR is appropriate it can be brought forward (or delayed);
- Identifying technical support needed in a timely manner especially for high value commodities;
- It is key to ensure that the appropriate mandated bodies are involved at appropriate levels;
- Clear communication on whose who and respective roles and responsibilities are clear to all involved parties.

E. Overall project achievement

138. The PPA verified the key achievements of the project to be: (i) Reduced drudgery: it free up women's time to enable participation in income generating activities; (ii) Empowerment: gave impressive results for women, SHG's, federations and gender equity including men. ; (iii) Economic activities: there was a wide range of Income Generating Activities which increased the living and food status of the household; (iv) Sustainability: there was evidence of improved agricultural practices, including better natural resource and water management; (v) Scaling-up: many lessons of ULIPH have been included in the National Rural Livelihoods Mission (NRLM) while in Meghalaya MLIPH has been up-scaled through the comprehensive Meghalaya Basin Development Programme; (vi) MIS and M&E: following the lessons from implementation sound systems have been developed from ULIPH in the new project ready for implementation.
139. In spite of the aforementioned, the project also faced numerous challenges. One major weakness was project design as noted in paragraphs 46 – 51, which according to the PPA constrained the final outcomes.
140. Overall the project achievement is rated at 4, moderately satisfactory.

Key points

- A project should only have one PCR, if locations are that different they should consider splitting the existing loan into two;
- To facilitate comparison with design documents financial tables need to have US dollar equivalents;
- Gender sensitivity in analysis is critical – for example to suggest in a PCR that reducing women's drudgery is only useful if she then applies the time saved to economic activities is not appropriate.

IV. Conclusions and recommendations

A. Conclusions

91. **Design factors.** The design of the project had challenges when an additional State was included late in the design process. It is also noted that operations no longer support the practices of two projects per loan thus providing the necessary resource for implementation/supervision. There was and still are significant differences between Uttarakhand and Meghalaya in many areas (e.g. cultural practices, level of economic development). The capacity of NGOs to deal with implementation in isolated poor rural areas is very limited. In Meghalaya, NGOs simply did not have experience to draw on – especially in the targeted rural communities. The first challenge was to therefore develop their capacity in order to

reach the target group. This offers a challenge to both the relevance and effectiveness of the project.

92. Taking account of the design and start-up challenges, what both project teams delivered was impressive in the short time they had, especially the development of the SHGs in both States.
93. **Targeting.** The disabled were not included in design but brought in through the teams. The poor were reached in Uttarakhand primarily through their access to government benefits, which they were entitled to – but not into project activities as per the design. Meghalaya was more successful in targeting the poor.
94. Better-off households benefitted more from income-generating activities. A special focus on and strategies to reach the poorest is therefore required if they are to be included, including assistance in accessing official safety nets. As men tend to associate in business enterprises, their training and professional development must also be considered – this is also a key gender issue in understanding and supporting women’s development, noting that Meghalaya appears to have trained men and women equally.
95. **Drudgery reduction.** Drudgery reduction was successful in both States. In Uttarakhand some SHGs have turned these activities into a business, benefitting other women as well – for example water-carrying vessels were replaced with plastic containers, which significantly lightened the load and reduced the time and energy spent on carrying water. SHGs further promoted their use and members sold them to other women in their local areas.
96. **SHGs forming into federations.** In Uttarakhand this was very well developed and supported, benefitting from the new project for sustainability. Some had well developed plans as businesses (e.g. purchase of vehicles). Their role in the community as an agent for delivering other types of services (social support structures) and development is also very positive, as witnessed through the development of education options in northern Uttarakhand.
97. **Women's empowerment.** In both States this is impressive, as is gender equality, as families now often supported each other in changing roles (between agricultural activities and running a shop) as well as joint decision-making. Women now understand banking, and have a say in how money is spent. Some had taken the opportunity to teach their children numeracy and literacy. The role of education for girls was also impacted positively.
98. **Sequencing of activities.** Regarding the sequencing of activities, a slow start-up and implementation delays were the result of staffing arrangements as well as a lack of clarity on processes and next steps. In addition, in order to engage women, their time and energy must be freed up to undertake empowerment activities and build their social capital, which in turn must precede income-generating activities to foster sustainability and achieve optimum efficiency/effectiveness. If poverty reduction is to be achieved, specific targeting measures must be employed to ensure the inclusion of women and that the process is a logical progression as per the critical pathway described above.
99. **Capacitated NGOs.** Now that NGOs in both States have acquired key skills in working with the target groups, it would be beneficial to ensure that their roles continue to build on their achievements and that the role of Government focuses on delivering public goods.
100. **Value chain development.** Some SHGs were made promises that did not materialize – for example, access to the turmeric value chain – and lost opportunities through a lack of knowledge on business development and specific technical aspects. Likewise, perhaps not enough care was taken in selecting private sector partners or in preparing the groups to engage on an equal level with them.

101. **Institutional arrangements.** The complexity of the project was not the major challenge. The major challenge was that it was complicated with a range of different (and inexperienced) implementing partners and functions and, most importantly, that activities were not distributed to those with the mandated responsibility.
102. To support the country programme approach, it is essential that departments which have mandates that impact on a project be included from design and throughout implementation, and especially at wrap-up meetings from IFAD missions. Ideally they should also participate in country programme management team meetings. These teams should also develop a clear plan for the exchange of learning (visits or virtual), including during project implementation.
103. **Post-project issues.** Design did not adequately address handover/withdrawal/exit strategy. This was handled differently in both states. Uttarakhand benefitted most, as a new project had been designed before completion and the Government kept on the current staff ad interim, providing ongoing support to the groups. This produced a notable difference between the growth levels, and hence sustainability of the groups in each State. Unfortunately, this was not the case in Meghalaya, where a new project was only recently begun and therefore support between projects was intermittent. Moreover, the new project will not be supporting all of the groups, thus further challenging their sustainability.
104. **Learning and exchange visits.** While both States struggled with implementation challenges along the way, at no point did they benefit from exchange visits or learning but operated completely separately. Such exchanges would have provided much needed capacity-building in both directions on a range of tasks.
105. **Policy issues.** A number of policy issues need exploration in order to improve project/programme performance:
- **Contracting/staffing.** Clarity relating to institutions created under the project and their staffing must exist from the start – for example: the practicality of twin implementing agencies; the modalities (legal/administrative) for their establishment; the nature of recruitment – whether by deputation/secondment or by contracting; contractual clarity on the status of staff after project closure; and the length of time in the project, which should be for a minimum of three years.
 - **Land tenure/rights.** In Meghalaya there is increasing alienation of villagers from community land, appropriation of community land by “local influentials” and consequent growth of share-cropping. This has major implications for access to community land by vulnerable/poor households if it is being “acquired” by others.
 - **Forests.** There is encroachment on community forests, the poaching of produce and the commercial approach of forest authorities, which are leading to unsustainable practices.
 - **Water.** The depletion/destruction of water sources is a concern, as is the absence of a water policy for mountain regions.
 - **Disaster risk reduction strategy.** This is critical in disaster-prone regions and must be factored in, especially in projects that will have an impact on fragile areas like the Himalayas.
106. **Project completion reports (PCRs).** All financial information in a PCR should be reflected in US dollars, not just local currency. For each project as approved by the Executive Board, only one PCR should be compiled as an official record of the project.

B. Recommendations

107. **Inclusive targeting.** *Ensure the targeting strategy and approach specifically target the poor so that they have access to and benefit from project investments.* As noted in the conclusion, IFAD's key target group (the rural poor) did not benefit as intended in Uttarakhand, while Meghalaya was more successful. However, as there is a move to more inclusive projects (i.e. they will include those above the poverty line) it is even more essential that a strategy outlining how the rural poor will access and benefit from project activities is well articulated. The strategy should also ensure that gender equality measures are spelled out. It is possible that the Social, Environmental, and Climate Assessment Procedures required as of 2015 will also address this issue.
108. **Synergy and partnerships.** *Design must ensure that the mandated body be assigned the appropriate roles and responsibilities during implementation.* This means that the government is best suited to delivering on public goods, the private sector should be involved especially when accessing value chains, and that relevant ministries at state and national levels are involved and informed through the country programme management team and particularly at wrap-up meetings for supervision missions.
109. **Policy issues.** *To ensure project delivery and long-term sustainability both at design and during implementation, IFAD has a responsibility to support the government and stakeholders to address policy issues.* In this project the key policy issues relate to: reduction in staff turnover in order to speed up implementation in the field; unsustainable practices that impact negatively on forests; land rights for access to community lands; the depletion of water sources in mountain areas; and a disaster risk reduction strategy for fragile areas like the Himalayas.

For information

110. **India country programme evaluation.** This PPA has unfolded some issues that merit further exploration through the forthcoming India CPE by IOE in 2015/2016. These include assessing the: i) mandates, roles and responsibilities of key stakeholders for their appropriateness (particularly when engaging in private sector functions); ii) financial management and reporting (particularly including US dollars equivalents); iii) targeting mechanism that would include the poorest against current strategies; iv) how results from the projects contribute to reporting results and outcomes at state and national levels; v) learning and sharing across the country programme; and vi) implications of financing more than one project per loan, in particular for IFAD budgetary processes to facilitate adequate supervision and implementation support for better outcomes.

Rating comparison

<i>Criteria</i>	<i>IFAD-PMD rating^a</i>	<i>PPA rating^a</i>	<i>Rating disconnect</i>
Project performance			
Relevance	5	3	-2
Effectiveness	4	4	0
Efficiency	4	4	0
Project performance^b	n.p.	3.7	n.a
Rural poverty impact			
Household income and assets	5	5	0
Human and social capital and empowerment	5	5	0
Food security and agricultural productivity	5	4	-1
Natural resources, environment and climate change	5	4	-1
Institutions and policies	4	4	0
Rural poverty impact^c	4	4	0
Other performance criteria			
Sustainability	5	3	-2
Innovation and scaling up	4.5	5	+0.5
Gender equality and women's empowerment	5	5	0
Overall project achievement^d	4	4	0
Performance of partners^e			
IFAD	4	4	0
Government	4	4	0
Average net disconnect			-0.42

^a Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

^b Arithmetic average of ratings for relevance, effectiveness and efficiency.

^c This is not an average of ratings of individual impact domains.

^d This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, rural poverty impact, sustainability, innovation and scaling up, and gender.

^e The rating for partners' performance is not a component of the overall project achievement rating.

Ratings of the project completion report (PCR) document quality

	<i>PMD rating</i>	<i>IOE PCR V rating</i>	<i>Net disconnect</i>
Scope	6	6	0
Quality (methods, data, participatory process)	5	3.5*	-1.5
Lessons	5	4.5*	-0.5
Candour	5	4	-1

Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory

* As there were two PCRs to consider, on an exceptional basis, IOE has averaged the ratings which result in half ratings to reflect differences in the reporting.

Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Asia Pacific	Total project costs	84.286		71.110	
Country	India	IFAD loan and percentage of total	39.92	47.4	44.6	28.148
Loan number	624	Borrower	11.44	13.6	16.3	10.266
Type of project (subsector)	Enterprise Development	Cofinancier 1				
Financing type	IFAD Initiated	Cofinancier 2				
Lending terms*	Highly Concessional	Cofinancier 3				
Date of approval	18 December 2003	Cofinancier 4				
Date of loan signature	20 February 2004	Beneficiaries	9.49	11.3	12.3	7.758
Entry into Force	1 October 2004	Other sources	23.44	27.8	26.8	16.888
Loan amendments	23 September 2008	Number of beneficiaries (if appropriate, specify if direct or indirect)	72 000 households			
Loan closure extensions						
Country programme managers	Sharm Khadka Mattia Prayer-Galletti Nigel Brett (current)	Loan closing date	30 June 2013		30 June 2013	
Regional director(s)	Thomas Elhaut Nigel Brett (a.i.) Hoonae Kim (current)	Mid-term review			17 September – 3 October 2008	
Responsible officer for project performance assessment	Louise McDonald	IFAD loan disbursement at project completion (%)				
Project performance assessment quality control panel	Ashwani Muthoo Cécile Berthaud	Date of the project completion report			May and November 2013	

Source: Flexcube; project supervision reports; IFAD President's report; Loan Agreement; Project Design Report; Project Status Reports; Mid-term Review Report; Project Completion Report.

* There are four types of lending terms: (i) special loans on highly concessional terms, free of interest but bearing a service charge of three fourths of one per cent (0.75%) per annum and having a maturity period of 40 years, including a grace period of 10 years; (ii) loans on hardened terms, bearing a service charge of three fourths of one per cent (0.75%) per annum and having a maturity period of 20 years, including a grace period of 10 years; (iii) loans on intermediate terms, with a rate of interest per annum equivalent to 50 per cent of the variable reference interest rate and a maturity period of 20 years, including a grace period of five years; (iv) loans on ordinary terms, with a rate of interest per annum equivalent to one hundred per cent (100%) of the variable reference interest rate, and a maturity period of 15-18 18 years, including a grace period of three years.

Terms of reference

Livelihoods Improvement Project in the Himalayas Project Performance Assessment

I. Background

1. The Independent Office of Evaluation of IFAD (IOE) will undertake a project performance assessment (PPA) of the Sustainable Livelihoods Project in the Himalayas. The PPA is a project-level evaluation aiming to: (i) provide an independent assessment of the overall results of projects; and (ii) generate findings and recommendations for the design and implementation of ongoing and future operations within the country. It will also provide useful evidence for the planned India country programme evaluation by IOE in 2015/2016.
2. A PPA is conducted as a next step after a Project completion report validation (PCRVR). PCRVR performs the following functions: (i) independent verification of the analytical quality of the project completion report; (ii) independent review of project performance and results through desk review; and (iii) extrapolation of key substantive findings and lessons learnt for further synthesis. The PCRVR consists of a desk review of the project completion report and other available reports and documents. A PPA includes a country visit in order to complement the PCRVR findings and fill in information gaps identified by the PCRVR.
3. The PPA applies the evaluation criteria outlined in the IFAD Evaluation Manual and is conducted in the overall context of the IFAD Evaluation Policy (2011).¹⁸ In view of the time and resources available, the PPA is generally not expected to undertake quantitative surveys. The PPA rather adds analysis based on interviews at IFAD headquarters, interactions with stakeholders in the country including project beneficiaries, and direct observations in the field. As such it relies necessarily on the data available from the project monitoring and evaluation system.
4. **Country context.**¹⁹ India has a population of approximately 1.2 billion people and the world's fourth-largest economy. The recent growth and development has been one of the most significant achievements of our times. Over the six and half decades since independence, the country has brought about a landmark agricultural revolution that has transformed the nation from chronic dependence on grain imports into a global agricultural powerhouse that is now a net exporter of food. Life expectancy has more than doubled, literacy rates have quadrupled, health conditions have improved, and a sizeable middle class has emerged. India is now home to globally recognized companies in pharmaceuticals and steel and information and space technologies, and a growing voice on the international stage that is more in keeping with its enormous size and potential.
5. India will soon have the largest and youngest workforce the world has ever seen. At the same time, the country is in the midst of a massive wave of urbanization as some 10 million people move to towns and cities each year in search of jobs and opportunity. It is the largest rural-urban migration of this century.
6. Massive investments will be needed to create the jobs, housing, and infrastructure as well as to make towns and cities more livable and green. Generating growth that lifts all will be key, for more than 400 million of India's people—or one-third of the world's poor—who still live in poverty. Many of those who have recently escaped poverty (53 million people between 2005-10 alone) are still highly vulnerable to falling back into it. Due to population growth, the absolute number of poor people in some of India's poorest states actually increased during the last decade.

¹⁸ Evaluation Manual: http://www.ifad.org/evaluation/process_methodology/doc/manual.pdf;
Evaluation Policy: <http://www.ifad.org/pub/policy/oe.pdf>.

¹⁹ World Bank. <http://www.worldbank.org/en/country/rwanda/overview>.

7. Inequity in all dimensions, including region, caste and gender, will need to be addressed. Poverty rates in India's poorest states are three to four times higher than those in the more advanced states. While India's average annual per capita income was \$1,410 in 2011—placing it among the poorest of the world's middle-income countries— it was just \$436 in Uttar Pradesh (which has more people than Brazil) and only \$294 in Bihar, one of India's poorest states. Disadvantaged groups will need to be brought into the mainstream to reap the benefits of economic growth, and women empowered to take their rightful place in the socioeconomic fabric of the country.
8. Greater levels of education and skills will be critical to promote prosperity. Primary education has largely been universalized, learning outcomes remain low. Less than 10 percent of the working-age population has completed a secondary education, and too many secondary graduates do not have the knowledge and skills to compete in today's changing job market.
9. Improving health care will be equally important. Although India's health indicators have improved, maternal and child mortality rates remain very low and, in some states, are comparable to those in the world's poorest countries. Of particular concern is the nutrition of India's children whose well-being will determine the extent of India's much-awaited demographic dividend; at present, an overwhelming 40 percent (217 million) of the world's malnourished children are in India.
10. The country's infrastructure needs are massive. One in three rural people lack access to an all-weather road, and only one in five national highways is four-lane. Ports and airports have inadequate capacity, and trains move very slowly. An estimated 300 million people are not connected to the national electrical grid, and those who are face frequent disruptions. The manufacturing sector—vital for job creation—remains small and underdeveloped.
11. Project description. The project's primary goal was to improve the livelihoods of vulnerable groups sustainably by promoting greater livelihood opportunities and strengthening the local institutions concerned with livelihood development. The specific objectives were:
 - i. promote a more sensitive approach to the design and implementation of development interventions;
 - ii. enhance the capabilities of local people to select appropriate livelihood opportunities, access required financial resources, and manage new technologies and institutions at the village level;
 - iii. increase incomes through more sustainable income-generating cultivation systems and the establishment of non-farm enterprises at the micro and small-scale level; and
 - iv. establish effective and appropriate delivery systems for inputs and for the maintenance of assets and resources, with emphasis on microfinance, savings and thrift, and micro-insurance products, along with access to business development services that will link household-based livelihood activities with the larger economy.

II. Methodology

12. Objectives. The main objectives of the PPA are to: (i) assess the results of the project; and (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in India.
13. Scope. The PPA will take account of the preliminary findings of the PCRV and further desk review issues emerging from interviews at IFAD headquarters, and a focused mission to the country for the purpose of generating a comprehensive,

evidence-based evaluation. However, the PPA will not need to examine or re-examine the full spectrum of programme activities, achievements and drawbacks, but will focus on selected key issues. Furthermore, subject to the availability of time and budgetary resources, due attention will be paid to filling in the evaluative information gaps of the PCR and other project documents.

14. Evaluation criteria. In line with the evaluation criteria outlined in IOE's Evaluation Manual (2009), added evaluation criteria (2010)²⁰ and IOE Guidelines for PCR and PPA (January 2012), the key evaluation criteria applied in this PPA will include:
- i. Relevance, which is assessed both in terms of alignment of project objectives with country and IFAD policies for agriculture and rural development and the needs of the rural poor, as well as project design features geared to the achievement of project objectives;
 - ii. Effectiveness, which measures the extent to which the project's immediate objectives were achieved, or are expected to be achieved, taking into account their relative importance;
 - iii. Efficiency, which indicates how economically resources/inputs are converted into results;
 - iv. Rural poverty impact, which is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions. Five impact domains are employed to generate a composite indication of rural poverty impact: household income and assets; human and social capital and empowerment; food security and agricultural productivity; natural resources, environment and climate change; and institutions and policies;
 - v. Sustainability, indicating the likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life;
 - vi. Pro-poor innovation and scaling up, assessing the extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction and the extent to which these interventions have been (or are likely to be) replicated and scaled up by government, private sector and other agencies;
 - vii. Gender equality and women's empowerment. This criterion is related to the relevance of design in terms of gender equality and women's empowerment, the level of resources committed, and changes promoted by the project; and
 - viii. Besides, the performance of partners, including the performance of IFAD and the Government, will be assessed on an individual basis, with a view to the partners' expected role and responsibility in the project life cycle.
15. Data collection. The PPA will build on the initial findings of the PCR. In addition, interviews with relevant stakeholders will be conducted both at IFAD headquarters and in India. During the mission additional primary and secondary data will be collected in order to reach an independent assessment of performance and results. Data collection methods will mostly include qualitative participatory techniques. The methods deployed will consist of individual and group interviews with beneficiaries, and direct observations. The PPA will also make use – where applicable – of additional data available through the programme's monitoring and evaluation (M&E) system. Triangulation will be applied to verify findings emerging from different information sources.

²⁰ Gender, climate change, and scaling up.

16. Stakeholders' participation. In compliance with the Evaluation Policy of 2011, the main programme stakeholders will be involved throughout the PPA. This will ensure that the key concerns of the stakeholders are taken into account, that the evaluators fully understand the context in which the programme was implemented, and that opportunities and constraints faced by the implementing institutions are identified. Regular interaction and communication will be established with the Asia Pacific Regional Division (APR) of IFAD and with the Government of India including the two concerned State Governments. Formal and informal opportunities will be explored during the process for the purpose of discussing findings, lessons and recommendations.

III. Evaluation process

17. In all, the PPA will involve five phases: desk work; country work; report drafting and peer review; receipt of comments on the draft PPA report from APR and the Government; and the final phase of communication and dissemination. If appropriate and subject to the availability of resources, a learning workshop will be organised in Delhi once the report is finalised towards the end of the year, to discuss the main lessons from the PPA with multiple stakeholders in India.
18. Desk work phase. The PCRV and further desk review provide initial findings and identify key issues to be investigated by the PPA.
19. Country work phase. The PPA mission is scheduled for 26 May to 6 June (inclusive) 2014. Mission members will interact with key Government officials (both at the national and state levels), local authorities, key stakeholders/partners, project staff (where possible) and beneficiaries. At the end of the mission, a brief will be provided to the IFAD partner ministry(ies), followed by a wrap-up meeting in New Delhi, to summarise the preliminary findings and discuss key strategic and operational issues.
20. Report drafting and peer review. At the conclusion of the field visit, a draft PPA report will be prepared and submitted through the Lead Evaluator to IOE for internal peer review for quality assurance.
21. Comments by APR and the Government. The PPA report will be shared with simultaneously with APR and the Government of India for comments. The draft report will be sent to the Ministry of Finance in Delhi, as the main coordinating Ministry in India for IFAD. The Ministry of Finance would share the draft report with concerned authorities in the National and State governments for their review, and transmit to IOE the Government of India's consolidated written comments. IOE will finalize the report following receipt of the Government's and APR's comments.
22. Communication and dissemination. The final report will be disseminated among key stakeholders and the evaluation report published by IOE, both online and in print. If appropriate and subject to the availability of resources, a learning workshop will be organised in Delhi once the report is finalised towards the end of the year, to discuss the main lessons from the PPA with multiple stakeholders in India.

IV. Key issues for further analysis

23. Based on the Desk Review the proposed areas for further analysis to enable IOE to make a more conclusive assessment of the project. The following key issues will be further investigated:
24. Relevance. The PPA will identify those features of Project's approach that made it relevant to the targeting approach which will be analysed: in particular, it will be assessed to what extent the Project was successful in targeting vulnerable groups, especially women-headed households or if the changes which the project underwent during implementation had adverse effects on its capacity to fully reach these groups.

25. Effectiveness. The PPA will focus on the analysis of the achievements produced by the institutional building, benefits to women (as a key target group as defined in the Design document) and access to finance and value chains. As far as the former is concerned, the main objective of the PPA will be to evaluate to what extent results obtained in terms of institutional development are likely to exert a long term impact on the ability of the target group to access finance, develop their businesses and enter value chains.
26. Efficiency. The team will review the results based on the cost on all inputs including an assessment on production for agreed value chain(s); with input from the team provide an assessment of the household income and assets.
27. Sustainability. The mission team will assess the sustainability of the institutional structures, technologies and innovations introduced by the project beyond the completion of the project. In particular the ability of the target groups to maintain access to finance and value chains and mechanisms to provide the introduction/updating of relevant technologies. This includes the viability of the businesses established.
28. Gender. As the reduction women's workload/drudgery was a key feature in design the team will define and assess the success of the strategies employed for those activities. The participation level of women and the impact of the activities of the project – especially those around the reduction in drudgery, food security, access to finance and markets for women (from the "social/household" perspective).
29. Impact. A key area for assessment will be to verify the impact on poor rural households both for the intended and particularly noting unexpected impacts (be they positive or negative).

V. Evaluation team

30. The PPA mission will be composed of Ms Louise McDonald, Lead Evaluator from IOE, and Ms Amy Sullivan and Mr Govindan Nair, IOE Consultants. Ms Louise McDonald has overall responsibility for the PPA and the two consultants will report directly to her.

VI. Background documents

IFAD (2013). *Project Completion Report*

IOE (2012). *Guidelines for the Project Completion Report Validation (PCR) and Project Performance Assessment (PPA)*

IFAD (2011). *IFAD Evaluation Policy*

IOE (2009). *Evaluation Manual: Methodology and Processes*

Methodological note on project performance assessments

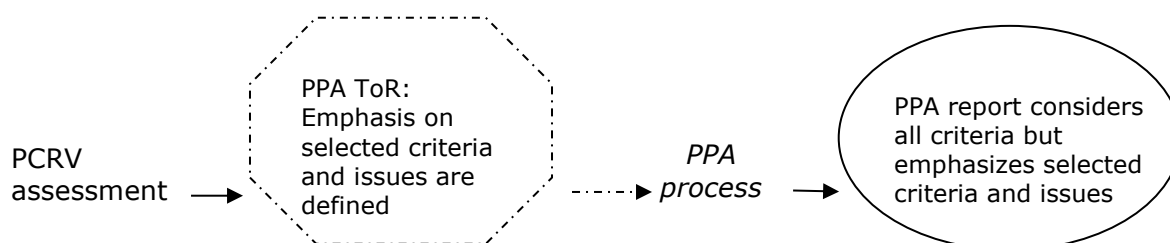
A. What is a project performance assessment?²¹

1. The project performance assessment (PPA) conducted by the Independent Office of Evaluation of IFAD (IOE) entails one mission of 7-10 days²² and two mission members²³. PPAs are conducted on a sample of projects for which project completion reports have been validated by IOE, and take account of the following criteria (not mutually exclusive): (i) synergies with forthcoming or ongoing IOE evaluations (e.g. country programme or corporate-level evaluations); (ii) major information gaps in project completion reports (PCRs); (iii) novel approaches; and (iv) geographic balance.
2. The objectives of the PPA are to: assess the results and impact of the project under consideration; and (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country involved. When the PPA is to be used as an input for a country programme evaluation, this should be reflected at the beginning of the report. The PPA is based on the project completion report validation (PCR/V) results, further desk review, interviews at IFAD headquarters, and a dedicated mission to the country, to include meetings in the capital city and field visits. The scope of the PPA is set out in the respective terms of reference.

B. Preparing a PPA

3. Based on the results of the PCR/V, IOE prepares brief terms of reference (ToR) for the PPA in order to sharpen the focus of the exercise.²⁴ As in the case of PCR/Vs, PPAs do not attempt to respond to each and every question contained in the Evaluation Manual. Instead, they concentrate on the most salient facets of the criteria calling for PPA analysis, especially those not adequately explained in the PCR/V.
4. When preparing a PPA, the emphasis placed on each evaluation criterion will depend both on the PCR/V assessment and on findings that emerge during the PPA process. When a criterion or issue is not identified as problematic or in need of further investigation, and no additional information or evidence emerges during the PPA process, the PPA report will re-elaborate the PCR/V findings.

Scope of the PPA



²¹ Extract from the PCR/V and PPA Guidelines.

²² PPAs are to be conducted within a budget ceiling of US\$25,000.

²³ Typically, a PPA mission would be conducted by an IOE staff member with the support of a consultant (international or national). An additional (national) consultant may be recruited if required and feasible within the evaluation budget.

²⁴ Rather than an approach paper, IOE prepares terms of reference for PPAs. These terms of reference ensure coverage of information gaps, areas of focus identified through PCR/Vs and comments by the country programme manager, and will concentrate the PPA on those areas. The terms of reference will be included as an annex to the PPA.

C. Evaluation criteria

5. The PPA is well suited to provide an informed summary assessment of project relevance. This includes assessing the relevance of project objectives and of design. While, at the design stage, project logical frameworks are sometimes succinct and sketchy, they do contain a number of (tacit) assumptions on mechanisms and processes expected to generate the final results. At the post-completion phase, and with the benefit of hindsight, it will be clearer to the evaluators which of these assumptions have proved to be realistic, and which did not hold up during implementation and why.
6. For example, the PPA of a project with a major agricultural marketing component may consider whether the project framework incorporated key information on the value chain. Did it investigate issues relating to input and output markets (distance, information, monopolistic power)? Did it make realistic assumptions on post-harvest conservation and losses? In such cases, staff responsible for the PPA will not be expected to conduct extensive market analyses, but might consider the different steps (e.g. production, processing, transportation, distribution, retail) involved and conduct interviews with selected actors along the value chain.
7. An assessment of effectiveness, the extent to which a project's overall objectives have been achieved, should be preferably made at project completion, when the components are expected to have been executed and all resources fully utilized. The PPA considers the overall objectives²⁵ set out in the final project design document and as modified during implementation. At the same time, it should be flexible enough to capture good performance or under-performance in areas that were not defined as an objective in the initial design but emerged during the course of implementation.
8. The PPA mission may interview farmers regarding an extension component, the objective of which was to diffuse a certain agricultural practice (say, adoption of a soil nutrient conservation technique). The purpose here would be to understand whether the farmers found it useful, to what extent they applied it and their perception of the results obtained. The PPA may look into reasons for the farmers' interest in new techniques, and into adoption rates. For example, was the extension message delivered through lectures? Did extension agents use audio-visual tools? Did extension agents engage farmers in interactive and participatory modules? These type of questions help illustrate *why* certain initiatives have been conducive (or not conducive) to obtaining the desired results.
9. The Evaluation Manual suggests methods for assessing efficiency, such as calculating the economic internal rate of return (EIRR),²⁶ estimating unit costs and comparing them with standards (cost-effectiveness approach), or addressing managerial aspects of efficiency (timely delivery of activities, respect of budget provisions). The documentation used in preparing the PCRV should normally provide sufficient evidence of delays and cost overruns and make it possible to explain why they happened.
10. As far as rural poverty impact is concerned, the following domains are contemplated in the Evaluation Manual: (a) household income and assets; (b) human and social capital and empowerment; (c) food security and agricultural

²⁵ Overall objectives will be considered as a reference for assessing effectiveness. However, these are not always stated clearly or consistent throughout the documentation. The assessment may be made by component if objectives are defined by components; however the evaluation will try to establish a correspondence between the overall objectives and outputs.

²⁶ Calculating an EIRR may be challenging for a PPA as it is time consuming and the required high quality data are often not available. The PPA may help verify whether some of the crucial assumptions for EIRR calculation are consistent with field observations. The mission may also help shed light on the cost-effectiveness aspects of efficiency, for example whether, in an irrigation project, a simple upgrade of traditional seasonal flood water canalization systems might have been an option, rather than investing on a complex irrigation system, when access to markets is seriously constrained.

productivity; (d) natural resources, the environment and climate change;²⁷ and (e) institutions and policies. As shown in past evaluations, IFAD-funded projects generally collect very little data on household or community-level impact indicators. Even when impact data are available, both their quality and the methodological rigour of impact assessments are still questionable. For example, although data report significant increases in household assets, these may be due to exogenous factors (e.g. falling prices of certain commodities; a general economic upturn; households receiving remittances), and not to the project.

11. PPAs may help address the "attribution issue" (i.e. establishing to what extent certain results are due to a development intervention rather than to exogenous factors) by:
 - (i) following the logical chain of the project, identifying key hypotheses and reassessing the plausibility chain; and
 - (ii) conducting interviews with non-beneficiaries sharing key characteristics (e.g. socio-economic status, livelihood, farming system), which would give the mission an idea of what would have happened without the project (counterfactual).²⁸
12. When sufficient resources are available, simple data collection exercises (mini-surveys) may be conducted by a local consultant prior to the PPA mission.²⁹ Another non-mutually exclusive option is to spot-check typical data ranges or patterns described in the PCR by means of case studies (e.g. do PCR claims regarding increases in average food-secure months fall within the typical ranges recorded in the field?). It is to be noted that, while data collected by a PPA mission may not be representative in a statistical sense, such data often provide useful reference points and insights. It is important to exercise care in selecting sites for interviews in order to avoid blatant cases of non-beneficiaries profiting from the project.). Sites for field visits are selected by IOE in consultation with the government concerned. Government staff may also accompany the PPA mission on these visits.
13. The typical timing of the PPA (1-2 years after project closure) may be useful for identifying factors that enhance or threaten the sustainability of benefits. By that stage, the project management unit may have been disbanded and some of the support activities (technical, financial, organizational) terminated, unless a second phase is going forward or other funding has become available. Typical factors of sustainability (political support, availability of budgetary resources for maintenance, technical capacity, commitment, ownership by the beneficiaries, environmental resilience) can be better understood at the ex post stage.
14. The PPA also concentrates on IFAD's role with regard to the promotion of innovations and scaling up. For example, it might be observed that some innovations are easily scaled up at low cost (e.g. simple but improved cattle-rearing practices that can be disseminated with limited funding). In other cases, scaling up may involve risks: consider the case of a high-yield crop variety for which market demand is static. Broad adoption of the variety may be beneficial in terms of ensuring food security, but may also depress market prices and thereby reduce sale revenues for many households unless there are other, complementary activities for the processing of raw products.
15. The PPA addresses gender equality and women's empowerment, a criterion recently introduced into IFAD's evaluation methodology. This relates to the emphasis placed on gender issues: whether it has been followed up during

²⁷ Climate change criterion will be addressed if and when pertinent in the context of the project, as most completed projects evaluated did not integrate this issue into the project design.

²⁸ See also the discussion of attribution issues in the section on PCRVs.

²⁹ If the PPA is conducted in the context of a country programme evaluation, then the PPA can piggy-back on the CPE and dedicate more resources to primary data collection.

implementation, including the monitoring of gender-related indicators; and the results achieved.

16. Information from the PCRV may be often sufficient to assess the performance of partners, namely, IFAD and the government. The PPA mission may provide further insights, such as on IFAD's responsiveness, if relevant, to implementation issues or problems of coordination among the project implementation unit and local and central governments. The PPA does not assess the performance of cooperating institutions, which now has little or no learning value for IFAD.
17. Having completed the analysis, the PPA provides its own ratings in accordance with the evaluation criteria and compares them with PMD's ratings. PPA ratings are final for evaluation reporting purposes. The PPA also rates the quality of the PCR document.
18. The PPA formulates short conclusions: a storyline of the main findings. Thereafter, a few key recommendations are presented with a view to following up projects, or other interventions with a similar focus or components in different areas of the country.³⁰

³⁰ Practices differ among multilateral development banks, including recommendations in PPAs. At the World Bank, there are no recommendations but "lessons learned" are presented in a typical PPA. On the other hand, PPAs prepared by Asian Development Bank include "issues and lessons" as well as "follow-up actions" although the latter tend to take the form of either generic technical guidelines for a future (hypothetical) intervention in the same sector or for an ongoing follow-up project (at Asian Development Bank, PPAs are undertaken at least three years after project closure).

Definition of the evaluation criteria used by IOE

<i>Criteria</i>	<i>Definition^a</i>
Project performance	
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design in achieving its objectives.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.
Rural poverty impact^b	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.
Household income and assets	Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value.
Human and social capital and empowerment	Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grassroots organizations and institutions, and the poor's individual and collective capacity.
Food security and agricultural productivity	Changes in food security relate to availability, access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields.
Natural resources, the environment and climate change	The focus on natural resources and the environment involves assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resources and the environment as well as in mitigating the negative impact of climate change or promoting adaptation measures.
Institutions and policies	The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.
Other performance criteria	
Sustainability	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
Innovation and scaling up	The extent to which IFAD development interventions have: (i) introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) replicated and scaled up by government authorities, donor organizations, the private sector and others agencies.
Gender equality and women's empowerment	The criterion assesses the efforts made to promote gender equality and women's empowerment in the design, implementation, supervision and implementation support, and evaluation of IFAD-assisted projects.
Overall project achievement	This provides an overarching assessment of the project, drawing upon the analysis made under the various evaluation criteria cited above.
Performance of partners	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation.
IFAD	It also assesses the performance of individual partners against their expected role and responsibilities in the project life cycle.
Government	

^a These definitions have been taken from the OECD/DAC *Glossary of Key Terms in Evaluation and Results-Based Management* and from the IFAD Evaluation Manual (2009).

^b The IFAD Evaluation Manual also deals with the "lack of intervention", that is, no specific intervention may have been foreseen or intended with respect to one or more of the five impact domains. In spite of this, if positive or negative changes are detected and can be attributed in whole or in part to the project, a rating should be assigned to the particular impact domain. On the other hand, if no changes are detected and no intervention was foreseen or intended, then no rating (or the mention "not applicable") is assigned.

List of key persons met

Government

Dyamanti, Northeast Regional Ministry

Ashok Pai, Ministry of Tribal Affairs

Brij Mohan Singh Rathore, Joint Secretary, Ministry of Environment and Forestry

Mishka, Permanent Secretary, Planning, Government of Meghalaya, New Delhi

Meghalaya Rural Development Society

Augustus S. Suting, Project Director, Meghalaya Rural Development Society, Shillong

Integrated Livelihood Support Project

Pawan Kumar, CEO/CPM

M.S. Yadav, Manager- HR

Rajeev Singhal, Manager-KM

Ashok Chaturvedi, DPM-Tehri

Rais Ahamd, PM- Institutions

S.S., Dy. Manager- Finance

Kailash Bhatt, DPM- Almora

Akhilesh Dimri, DPM-Chamoli

Kamlesh Gururani, Manager - Market Access

HB. Pant, DPM-Uttarkashi

H.C. Tewari, Consultant, Agri-Horticulture

Private sector

Nyog, Tata Amalgamated, Tumeric Value Chain, Private Sector

Beneficiaries

Laskein Federation of Self Help Groups, Lakadong

Lamjingshai Self Help Group, Met at the Kweng CLF Centre

Banaal Patti Federation (name and village)

Vachaspati Goud, Gadoli

Doulat Ram, Gadoli

Shayampyari Devi, Gadoli

Shurtama Devi, Gadoli

Sita Devi, Gadoli

Anuvendra Prashad, Gadoli

Navneet Prashad, Gadoli

Chamki Devi, Jhumrada

Kavita Devi, Jhumrada

Kiroli Devi, Delda

Asha Devi, Delda

Vijma Devi, Jestadi

Rajendri Devi, Jestadi

Shayampyari Devi, Jestadi

Shavitri Devi, Jestadi
Asha Devi, Chitti
Pavitra Devi, Chitti
Sulochana Devi, Chitti
Chuma DEVI, Guladi
Sangita Devi, Bhani
Mina Devi, Bhani
Kavita Devi, Bhani

Saptrishi Federation

Vishula Chouhan, Koti
Pramila Devi, Koti
Sunita Devi, Koti
Soban Devi, Khand
Sangita Devi, Khand
Anita Devi, Khand
Sunaina Devi, Gangtadi
Vanita Devi, Gangtadi
Anarkali, Gangtadi
Khajani Devi, Gangtadi

Other organizations

Grass

Gopal Singh Chauhan, Chief Functionary

AT India

Kamal Nayan Badoni, Chief Functionary

Other resource persons

Phrang Roy

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Uttarakhand Livelihood Improvement Project in the Himalayas - RIMS survey data

ULIPH: Some indicators from the RIMS survey data

<i>Parameters</i>	<i>Baseline</i>	<i>Mid-term</i>	<i>Completion</i>
No of households in sample	1 020	990	900
Households headed by women	14%	13%	12%
Female household members can read	58%	70%	74%
Male household members can read	73%	89%	90%
Men between 15 and 24 years age can read	90%	99%	98%
Women between 15 and 24 years age can read	78%	95%	95%
Households have a safe source of water	64%	93%	96%
Households have safe sanitation facilities	32%	38%	55%
Households involved in cultivating farming land		94%	99%
<i>Households experiencing hungry season(s)</i>			
First hungry season		18%	1%
Second hungry season		15%	0%
<i>Households owning assets by type</i>			
Electricity	69%	75%	91%
Radio	38%	20%	19%
Television	32%	36%	58%
Refrigerator	3%	4%	11%
Bicycle	0%	1%	1%
Motorcycle	1%	2%	4%
Vehicle	0%	2%	5%
Mobile/DTH/DVD	NA	54%	95%
<i>Sanitation facilities</i>			
No facility- bush- field	67%	60%	45%
Open pit- Traditional pit latrine	0%	2%	0%
Improved pit latrine (VIP)	1%	1%	1%
Pour flush latrine	27%	36%	53%

Source: ULIPH PCR

Meghalaya Livelihood Improvement Project in the Himalayas - RIMS survey data

From MLIPH PCR – page 13 and MLIPH RIMS End-line report – page 25

Selected RIMS indicators

<i>Changes observed</i>	<i>Baseline</i>	<i>Completion</i>
Literacy – females	45%	73%
Literacy - males	60%	76%
Electrified homes	33%	51%
Homes with paved flooring	9%	18%
Underweight boys	36%	20%
Underweight girls	31%	19%
Households facing hunger	55%	4%

Source: MLIPH PCR

<i>Indicator</i>	<i>Baseline (2007)</i>		<i>Mid-term (2011)</i>		<i>End-line (2013)</i>	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
Head of household Number and percentage of households headed by women	244	27%	49	5%	185	21%
Literacy Number and percentage of female household members that can read	109	45%	1 304	65%	1 373	73%
Number and percentage of male household members that can read	396	60%	1 406	71%	1 430	76%
Ratio of women to men between 15 and 24 that can read	0	0%	144%		132%	84%
Number and percentage of men between 15 and 24 that can read	0	0%	320	82%	301	87%
Number and percentage of women between 15 and 24 that can read	0	0%	462	81%	398	
Sanitation Number and percentage of households with safe sanitation	140	16%	181	20%	449	50%

Source: MLIPH End Line Survey Report

Migration from Uttarakhand

A) Status of migration in project and non-project villages

(Impact Evaluation Study of ULIPH, 2013 – InsPIRE)
(% households)

<u>Project households</u>		<u>Non-project households</u>	
Before	Now	Before	Now
74	23	45	26

B) Reasons for decrease in distress migration

(% point change as compared to before scenario)

<u>Reduction in food insufficiency</u>		<u>Better livelihood opportunities</u>	
Project households	Non-project households	Project households	Non-project households
41	23	29	14

Business turnover of federations in Uttarkashi District (ULIPH)

<i>Name of federation</i>	<i>Year established</i>	<i>No. of self-help groups</i>	<i>2010-11 INR</i>	<i>2011-12 INR</i>	<i>2012-13 INR</i>
Banal Patti	2008-09	25	269 530	81 125	216 000
Baukhang	2009-10	33	84 580	314 557	287 000
Chaurangi	2011-12	33	0	115 000	216 000
Harkidoon	2011-12	17	14 446	85 000	230 000
Kalinag	2009-10	12	126 510	2 500	216 000
Karanmaharaj	2009-10	18	404 803	50 000	216 000
Kedarkantha	2011-12	42	220 359	281 110	240 000
Mahasudevta	2009-10	42	583 675	41 070	275 000
Nagraja	2009-10	33	138 570	54 533	216 000
Rajrajeshwari	2011-12	39	127 891	31 811	220 000
Rajaraghunath	2010-11	27	125 000	422 665	250 000
Ramasirain	2009-10	48	237 749	95 625	220 000
Renuka	2009-10	41	329 009	27 566	216 000
Saptrishi	2009-10	23	366 600	954 013	1 466 000
Shiv Bhadrakali	2011-12	42	22 735	35 500	207 000
Vishwanath	2009-10	40	351 041	10 624	250 000
Yamuna Valley	2009-10	27	416 437	261 539	235 000

Source: Uttarakhand Gramya Vikas Samiti data, 2013

'Lakadong' turmeric (MLIPH)

1. The Jainta Hills of Meghalaya produces some of the finest turmeric in the world. Known as the 'Lakadong' variety (*curcuma longa*), its curcumin content is around 7% as against 3 per cent in normal turmeric. Traditionally, cultivation is done mostly by small and marginal farmers for household consumption and sale of surpluses in local markets. However, with its robust aroma and color, 'lakadong' has excellent market potential in India and abroad.
2. Under MLIPH, 'lakadong' turmeric cultivation and marketing has been identified as an important means of improving the livelihood of households in the villages growing this variety. By organizing farmers, mainly women, into SHGs, assisting in expansion of the cultivated area, providing inputs for improved agricultural practices and arranging seed money for sorting/grading/packaging and marketing, MRDS facilitated formation of the Laskein Federation of SHGs. Launched in December 2007, the Block level Federation has 1200 members covering 40 village federations.
3. On land donated by the local village community and investment support from MLIPH, the Federation has constructed buildings for processing, packing and storage. The Department of Biotechnology, Government of India, has donated an oil extraction unit. Turmeric collected from producers is powdered and sold by the Federation directly to wholesalers, by-passing the middleman. Initially, it was sold in Jowai, the nearest market, but a marketing tie-up has been organized with a subsidiary of the Tata group in Guwahati, in the plains of Assam, about 200 km away. Beginning with production of 1.8 tonnes of turmeric powder in 2008 earning INR 40,000, the Federation collected around 24 tonnes of raw turmeric in 2013. The turnover multiplied to INR 0.7 million, not taking into account 21 tonnes of raw turmeric that was yet to be processed.
4. The PPA mission had the opportunity to meet with office bearers of the Federation and to discuss future plans. The members expected to grind the large stock of raw turmeric in the coming months, increasing their turnover manifold and enabling payout of dividends to shareholders. They hoped that the oil extraction unit would be operationalized soon, with assistance of technicians from the North Eastern Hill University. The members exuded enthusiasm, and their commitment to the collective enterprise was evident in that the President and Secretary were contributing their time and labour without seeking remuneration.
5. In Guwahati, the mission met with a representative of Amalgamated Industries (Tata group) who had been doing business with the Laskein Federation. He explained at length the nuances of the turmeric value chain. Acknowledging the potential of 'Lakadong' turmeric to transform the lives of cultivators in the 10-15 villages that cultivate the best variety – by obtaining a price four times higher than that commanded by conventional turmeric – he said that his firm had requirement of at least 60 tonnes of good quality turmeric, but doing business with Laskein Federation posed several challenges. The Federation would have to make major changes in its approach to compete successfully in the open market. Besides improving agricultural practices and standardizing quality, the Federation would need to professionalize its business model and obtain legal status, preferably by incorporation as a company. Quality assurance, better maintenance of records and accounts, payment of taxes, etc, would need to be ensured. In addition, he pointed out that extraction of curcumin oil was an extremely delicate process requiring skilled operators and stringent quality control, rendering it, possibly, beyond the competence of the Federation.

Ginger production and marketing (MLIPH)

1. The PPA mission had the opportunity to visit Laurjingshai Servicing Self Help Group, in Ri Bhoi District. This is a Cluster Level Federation covering 20 SHGs of 6 villages, comprising of 200 members, mainly women. With an investment of INR 0.5 million from MLIPH, loans of INR 0.2 million from the Bank and INR 0.03 million from LIFCOM, besides small contributions from each SHG, the Cluster Level Federation, established in 2008, has taken up ginger production and marketing, and other income generation activities, like preparation of livestock feed etc.
2. The Federation has encouraged the expansion of the area under ginger cultivation and introduced better farming practices. By aggregating the produce and collectively selling it in local markets, as far away as Guwahati in the plains of Assam, the Federation has been able to bypass the middle man and earn better returns for the produce. Office bearers claim that all loans had been repaid and that the Federation had earned INR 82,000 in 2013 from marketing of ginger. The Federation plans to process ginger into preserves and pastes, etc., besides diversifying into piggery, poultry and plant nurseries.
3. Ginger cultivation, however, is facing problems due to depletion in soil fertility, pest attacks and declining quality of produce. Although training in vermicompositing has been imparted this has not been put into practice and seed renewal was mentioned as a pressing need.
4. The Cluster Federation has also taken up training responsibilities at the local level. Through community contributions and project support, a building has been constructed with training rooms and a dormitory. Training is being imparted in agriculture, horticulture, weaving, food processing, veterinary activities, etc., for which master trainers are available locally.

Collective marketing of pea (ULIPH)

Two federations in Naugaon Block, Uttarkashi District visited by PPA mission. The following information was presented by Chairpersons of the respective federations.

Saptarishi Federation

Date of registration: 7/7/2009
 No. of villages/SHGs: 9/40
 No. of SHG members: 382

Business activities:

<i>Year</i>	<i>Commodity</i>	<i>Turnover (INR)</i>	<i>Profit (INR)</i>
2009-10	Miscellaneous	156 000	26 000
2010-11	Pea	462 430	6 930
2011-12	Amaranth	397 000	15 000
2012-13	Pea	697 780	37 880
2013-14	Pea, amaranth, potato	2 166 700	146 100
Projected: 2015-16	Pea, amaranth	4 412,600	315 600

Short-term Action Plan:

- Purchase of vehicle to transport produce to wholesale market.
- Opening of collection center for aggregation of produce.
- Promotion of cash crops.
- Establishment of village-level business enterprises.
- Income-generating activities for weakest strata.
- Loans to members for improvement of cattle stock through artificial insemination.
- Preparation of micro-plan for community forest.

Banal Patti Federation

Date of registration: 7/7/2009
 No. of villages/SHGs: 16/33
 No. of SHG members: 258

Business activities:

<i>Year</i>	<i>Commodity</i>	<i>Turnover (INR)</i>	<i>Profit (INR)</i>
2010-11	Miscellaneous	78 000	13 000
2011-12	Pea	231 215	3 465
2012-13	Pea	693 500	28 500
2013-14	Pea, tomato*, potato	1 080 390	78 600

*Land has been taken on lease for collective cultivation of tomato.

Organic brands: 'Naturally Pahari', 'Umwai', and 'Nature's Honey'

Organic brands

'Naturally Pahari'

1. Uttarakhand has a natural advantage in producing organic crops, as chemical fertilizers and pesticides have traditionally not been used. ULIPH made organic farming a principal intervention in the crop sector. PCR states that some ten thousand farmers are in the process of obtaining organic certification for 2900 hectares of land. The project facilitated sales of organic produce through the Uttarakhand Organic Crops Board and selected private sector firms. Besides traditional cereals and millets, herbs, medicinal and aromatic plants have been grown and sold as organic produce, including rosemary, lemon grass, oregano, thyme, rhododendron flowers, soapnut, etc. The Herbal Development and Research Institute registers growers and issues them identity cards. PCR reports that adoption of improved methods of organic cultivation, including soil and water conservation and use of compost/vermicompost, has substantially increased yields – up to double in some cases.
2. 'Naturally Pahari' (mountain) is a brand developed under ULIPH to sell the pristine image of the Uttarakhand mountains to premium markets. Although not all the products sold under the brand are certified as organic, they have a good market in large cities across the country and among tourist visiting the state. Tieups with wholesalers and boutique stores has ensured publicity for the brand and good returns for growers. ILSP will scale up the effort.

'Umwai'

3. Umwai is a village in the East Garo Hills of Meghalaya: the home of a family of traditional healers. Collecting herbs and roots from the forest, the family painstakingly prepares ointments and massage oils that are in great demand in the local market, particularly for orthopedic treatments. Under MLIPH, a self-help group has been established to assist the healer family with production, packaging and marketing of medicinal preparations. With seed money of INR 0.1 million from the project, the SHG has created the 'Umwai' brand with sophisticated labeling and packaging. While ensuring better returns for the product, and a sustainable income for the SHG members, the initiative preserves indigenous knowledge and propagates its value.

'Nature's Honey'

4. Traditional honey-collection in the East Khasi Hills District of Meghalaya received a boost through MLIPH with the creation of SHGs organized around the collection, packaging and marketing of honey. With finance and training provided by MRDS, this traditional activity of villages in the Cherrapunjee area now earns higher incomes and ensures a better standard of living to families engaged in this occupation. Under the brand-name 'Nature's Honey', with eye-catching labeling and modern packaging, the product is sold in up-market outlets and is being considered for the export market.

Project completion report quality

1. The first key issue is that two PCRs were provided for one project/loan. As such only a consolidated PCR should have been presented. As such APR could have taken responsibility for that since they allowed receipt of two PCRs.
2. Scope. For both Uttarakhand and Meghalaya, the scope of the PCR's was fully in line with the 2006 Guidelines. All the required annexes were provided. Both States included additional annexes for example Uttarakhand had one relating to the evidence of outcomes and impact while Meghalaya provided case studies on some of the project's most successful interventions. The rating for this aspect is highly satisfactory 6.
3. Quality. For Uttarakhand the PCR while having a good analytical approach let itself down considerably on the side on reporting on financials. Two rates of exchange were provided and only one table was in US dollars which for the purpose of identifying costs per household or specific components was not useful. The quality of the PCR is therefore rated as moderately satisfactory. Meghalaya on the other hand had challenges which related to data from a weak M&E system which has resulted in limited capacity to draw robust results, at outputs, outcome and impact level. The rating for quality is 3.5 moderately unsatisfactory.
4. Lessons. For both Uttarakhand and Meghalaya, the lessons learned have been well prepared, being based on a good analysis of projects' main successes and shortcomings. Both PCR's noted the inadequacies of the design and the lateness in addressing these aspects (e.g. particularly staffing, implementation and arrangements) that waited for the MTR (which could have been brought forward) to address these critical challenges sooner. It was surprising that neither mentioned the challenges of financial management and associated good practices. The rating for this aspect is moderately satisfactory 4.5.
5. Candour. Overall for both Uttarakhand and Meghalaya, the project's analysis has been sincere and honest, as is the case with human nature some of the assessments in the PCRs were found to be too positive at the point of project closure. The rating for this candour is moderately satisfactory 4.



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