

IFAD INDIA ANNUAL PORTFOLIO REVIEW WORKSHOP

HIGHLIGHTS OF DISCUSSION

The annual Portfolio Review Workshop of the IFAD India Country Programme took place from the 2nd to 5th April 2008 in Ranchi, Jharkhand. The objective of the workshop was to review the progress made by the projects in the year 2007 and the follow up on past recommendations along with knowledge sharing on certain thematic issues.

Introductory Session

Mr. Mattia Prayer Galletti, Country Programme Manager, welcomed the participants. He mentioned that IFAD is on the move where new steps have been introduced in the country programme. Based on the recent developments, the Head Office is now insisting on Quality Enhancement and Assurance during the early stages of project design. Further the members of the Executive Board have also evinced greater interest in projects at the design stage and as a result design documents are being shared with the EB members much before formal submission to the Board for approval.

As part of the change in HR policy IFAD has introduced the concept of 360-degree assessment, wherein the peers and subordinates would also be doing an assessment of individuals in addition to the superiors. The initial results of this methodology as applied to the Senior Management have been very encouraging and fit into the core working principles of IFAD where 'feedback' is seen as an important tool to improve performance.

The Executive Board in September 2007 session evaluated the Field Presence initiative and decided to continue with the existing pilots and mainstreaming them while looking for a further evaluation in 2010.

General Reflections on the visit to Project Areas of JTDP:

The issues discussed were:

Communities have been well organized. The projects should not aim to be only women centric, but should include both men and youth in the process, which perhaps has not been focused upon till now. It was agreed that the project has become a model to demonstrate how people's participation in development is more effective and sustainable. This not only leads to economic empowerment of the poor but also their social and political empowerment in due course. As has been observed in the OTELP project in Orissa that productivity and dynamics of NREGA implementation is better in OTELP areas than in non-OTELP areas.

IFAD project implementation models have successfully demonstrated their strengths and should now be used as vehicles of Convergence for other government programmes. The projects should also give thrust to food basket diversification for improving food security.

To attain sustainability it is important for projects to reach a critical mass of operation. This should be an important element of the exit strategy as well.

Each project then presented their progress made since the last portfolio review.

JTDP

JTDS presented its progress and achievements. The representative of CAAA expressed concern at the poor disbursement rate and pointed out that even though the project is going to complete next year the disbursement is only 19 %. It was important for the project to utilize the balance amount at a faster pace. As to the reasons for slow disbursement it was mentioned that this was on account of the fact that the State Govt. did not release project funds on time. As a result, the project was not able to utilize the project funds. Though considerable work has been done in the field the project should take initiative to improve the disbursement rate. This financial year the project aims to spend approximately Rs30 crores.

Following are some of the suggestions made by other projects to improve utilization of project funds:

- ❑ JTDS to plan further initiatives on a priority basis to increase investment and utilisation of funds.
- ❑ Extension was seen as an option, but this could be considered upon demonstration of sufficient progress in the utilization of funds.
- ❑ Capacity of the communities has to be increased to spend and absorb project funds; technical expertise to be added in the project. Individual activity related expenditure need to be examined to improve the utilization of funds.
- ❑ Beneficiary contribution in JTDS is 25 % whereas in other projects is 10%. If beneficiary contribution is reduced, the project could see an enhanced expenditure of project funds.

(Annexure 1)

CTDP

Some of the major issues revolved around the sustainability and exit strategy, since the project is coming to a close. Capacity enhancement of the communities and the FNGOs and linkage with Line Department was discussed as an important element of sustainability. IFAD and GoI made it clear that grounds for extension needs to be clearly demonstrated and the extension to Bastar region with Government funds was welcomed. Another point that was highlighted was that rapid achievement of project outputs has been made by the project, but needs to be consolidated.

(Annexure 2)

Tejaswini (Maharashtra)

The presentation highlighted that conditions of disbursement have been made, and claims would be submitted soon. Most of the policy initiatives undertaken by the project were appreciated. These should be communicated to IFAD ICP.

In the recent budget announcement, life insurance for SHGs was promoted; the project should consider promoting this, as there is a strong demand from women beneficiaries.

(Annexure 3)

Tejaswini (Madhya Pradesh)

The presentation by Tej (MP) mentioned that staffing has been complete and a base line survey is being planned. Discussion with the Government of Madhya Pradesh is on to exclude Tejaswini Programme area from the expanded DPIIP programme.

In the pipeline, there is gender sensitization workshop, which will be conducted soon. The withdrawal applications to be submitted to CAAA. It was clarified to the PD that the withdrawal application is to be sent to CAAA for onward transmission to IFAD.

(Annexure 4)

OTELP

It was highlighted that since the project is run through a government department flow of fund is not a problem. Moreover, This is a holistic programme, comprising women's empowerment, land issues, and community institution building.

However, it was notified to the project that the disbursement has been also relatively low and the quality of financial management needs to improve. The Institutions building rating is also low and the gender rating is low because of non-compliance of mid-term review recommendations. The procurement Support Team deployment was delayed by DFID.

(Annexure 5)

ULIPH

In the presentation made by ULIPH, it was pointed out that there should be a separation between the development wing and the business activities. The business activities should be entrusted to professionals.

LIPH informed about the initiatives in social sector, women's drudgery, and micro enterprise development.

(Annexure 6)

MLIPH

It was mentioned that demonstrations in projects must be market driven and should demonstrate a micro enterprise however, when up-scaled they do not give good results. The demonstration for slicing and drying of turmeric could be popularized in other turmeric growing areas.

The project is due for MTR this year and 30 to 40 % utilization of funds is a good indicator. Stress was laid on, how to simplify the project design.

Excessive dependence on convergence may consume more energy of the project staff and deviate from the basic goal of the project. However, timely convergence is also crucial to leverage the impact of the project.

(Annexure 7)

PTSLP

The major points highlighted in the PTSLP presentation were that staffing is complete, procurement and engagement of FNGO, RNGO and SIFF has been sent for IFAD's approval. PTSLP mentioned that they are finding problems in the decision making process within IFAD and the Lines of communication need to be clear.

They would like involvement of ICP . It was clarified to them that IFAD has certain obligations, however IFAD will support the project in all spheres of implementation.

(Annexure 8)

On the 4th April, 2008, the second day of the workshop, three parallel sessions on financial management, knowledge management, programme management were conducted.

The **Knowledge Management** Session included a training of project staff on process documentation. The objective of the training was to strengthen the capacity of the project staff to document the processes in the field effectively. The staff was trained in identifying, recording, synthesizing and documenting data and processes through writing. Other mediums for process documentation were also explained. The session, however, focused on strengthening the writing skills of the staff.

The recommendations of the session were as follows:

- ❑ Identification, Systematisation and documentation of information to be done.
- ❑ Follow up and guidelines required from the country office
- ❑ E-discussion group for sharing and reviewing stories sent by the projects
- ❑ Further training on different media for process documentation.

(Report Attached as Annexure 9)

The session on **Financial Management** discussed the financial management best practices with the project staff along with the procurement guidelines, which were also highlighted and discussed.

The recommendations of the session were as follows:

- Strengthen auditing requirements – Comprehensive ToR, Accounting standards, audit log of observations
- Cost tables should have realistic estimates
- Expected increase in salary expenditure – provisions required
- Introducing new Financial management software – Exposure visit
- Uniform threshold for SoE as well as procurement
- National systems or IFAD systems
- Timely and sufficient funds release from Government
- Breakdown of expenditure to be provided along with SoE
- Procurement training
- Refresher training for finance staff
- More interaction among Project Finance Managers – Email id in IFAD India website

(Annexure 10)

The session on **Programme Management**, was attended by the Project directors and members of the country office had sessions on the following topics:

□ **Carbon Trading**

The objective of this session was to identify the intervention that is currently or that might help in mitigating the climate risk through the reduction of GHG gases and to develop a strategy to link the tribals and the PTG's to access the CDM/VCM market so that it provides additional incentives for their actions in mitigating the climate change.

(Annexure 11)

• **Organic Farming**

The session on organic farming discussed organic farming as a livelihood option and the efforts needed to organize community for organic farming and promote it through policy dialogue and CSO interventions. The main recommendations given were as follows:

1. Avoid chemical farming in rain fed farming areas
2. Increase the practice of rainwater harvesting
3. Production in areas where organic farming has been practiced although drops in the first year still do not result in reduced incomes.
4. Ensure niche market linkage for organic farming products by bringing together producers and buyers.
5. Tap resources such as big stores and supermarkets to sell the products.
6. LISA Network should start among the projects

□ **Convergence**

The session on convergence looked at certain key issues like the need for convergence, convergence with which schemes and policies, between institutions and the strategy approach needed for convergence. It was recognized that Convergence is a very important tool for leveraging IFAD project funds and Institutions built under the project for improving delivery of other Govt. sponsored programmes. This has proved to be highly effective and lead to an increased efficiency of public expenditure.

(Annexure 12)

The group on **Implementation Support** discussed the principles and processes leading to project AWPB at the community level planning. The group focused on participation of men and women to prioritize different needs that could be addressed by the AWPB as a principle for a gender mainstream micro planning process. It also emphasized that such planning process should be transparent, cost estimates should be worked out along with community members. Timeline and responsibility to implement and monitor the work plan should also be part of the process of the exercise at the village level. Resource allocation needs to be discussed and also reviewed at half yearly to be able to achieve atleast 90% of the planed targets. The group also prepared a framework for convergence planning and monitoring and understood how to use MIS for project planning which should be able to provide secondary data for annual planning exercise.

(Annexure 13)

The last day, 5th April 2008, concluded with a plenary session. There were presentations by each group on the previous day's training and sessions. After the plenary session, Mr. Mattia Prayer Galletti, CPM, highlighted the trend of increasing price of food commodities and wanted to hear the opinion of the projects on its impact on rural communities.

(Annexure 14)

Following were the points raised by different projects:

NERCORMP/MLIPH

- NERCORMP/MLIPH project highlighted the situation for the northeast. They mentioned that the impact would be on both social and economic front and on all three sectors- the primary, secondary and tertiary sectors.
- It would be become essential to increase the income level of the people through other means of income generation, else there will be less cash (liquid money) for the people and since they would spend more on food concurrently the expenditure on other sectors like health and education would reduce.
- Women and children will be more affected.

- ❑ More forests will be cut for food production; this will also have an impact on the environment.
 - ❑ Biodiversity will also be affected
 - ❑ Drudgery for women will also increase.
 - ❑ There should be greater awareness building to the communities about the facts.
- Convergence with NREGA and other government schemes could be a useful mitigation strategy. There should be an increased focus for producing food crops within the villages

JTDP

JTDP project highlighted that general mass will not be affected that greatly, since their food production is for self-consumption. However, the general inflation would hit the poor very badly. The role of WFP food assistance as part of the project and the need for a strong PDS was reiterated.

- ❑ In this context, it was pointed out that the villagers are already facing a lot of problems to meet their daily requirements, so the rise in food prices will only add to the existing problems. The situation is not good that with the increase in food prices it will worsen.

CTDP

- ❑ The project highlighted that in contrast to Jharkhand, there is land available in Chhattisgarh, if water is made available, the production can be increased to deal with the problem of food production.
- ❑ The problem mentioned was the farmers still get very low price for their producers. This reduces their purchasing power.
- ❑ Another point highlighted was to integrate different agri-products.

OTELP

- ❑ The project highlighted that local market will definitely be affected with the rise in the food prices globally.
- ❑ GoI may come up with some more schemes to directly benefit the farmers.
- ❑ The project director agreed with JTDP's point that the poor villagers to a certain extent are self-sufficient.
- ❑ If NREGA is implemented effectively, it could benefit the villagers a lot.
- ❑ There is also assistance by WFP for food grains; therefore the crisis would not be very severe.
- ❑ An important suggestion given was to have the farming systems more labour intensive to absorb the human resource and combine the food grains and wage components.

MPOWER

- ❑ The project highlighted that producer companies should be formed.
- ❑ Two aspects with which the projects need to grapple are how to get better price for the produce and how to get food grains for the villagers.

PTSLP

- The project highlighted the issue of strengthening the public distribution system
- Converging with government policies like NREGA and others would benefit the people.

MYRADA

- Dr. Al Fernandes from MYRADA highlighted that the problem is from the supply side. Mentioning the problem, he said that there is a sufficient food stock; the supply has to increase.
- IFAD's contribution to the bio-fuel policy and the WTO policies causing rise in food prices was also mentioned. Irrigation facilities should be improved.
- There should be open auction of food stocks
 - Attempt should be made to replicate the 'safal' model.
 - Diversify livelihoods options
 - As an impact of globalization, the rise in food prices globally definitely impacts the Indian economy.
 - NREGA is a good scheme but is not the only panacea. There are many loopholes in the scheme that need to be worked out if the government wants to help the people, since food security is a very important component.

Dr. Basant Bal -WFP pointed out that:

- Grain banks should be made in each area with the funds available with the projects.
- At present there are 20-grain banks in Gajapati but the out reach is very less extending to only 20 villages. Agricultural production is low. Multi-nationals lead to increase in prices of commodities.
- Proper distribution of food grains through PDS is needed.

The PRW workshop closed with a vote of thanks to all the participants by Mr. Anirudh Tewari, Coordinator, IFAD India Country Presence. The Project Director of OTELP offered to host the next PRW in 2009 and it was unanimously accepted.
