



Enabling poor rural people  
to overcome poverty

## Aide memoire

### India

#### Tejaswini Madhya Pradesh Rural Women Empowerment Programme

Supervision mission: 4-8 March 2013

### A. Introduction<sup>1</sup>

1. Tejaswini Madhya Pradesh is a programme covering six rural districts of Madhya Pradesh with a total programme cost of USD 37.2 million (approximately INR 1,616.0 million). This programme is funded by IFAD's loan assistance of USD 13.00 million (approximately INR 567 million) and balance by Government of Madhya Pradesh (GoMP), NABARD, SHGs, Banks, MFIs and communities. The overall goal of the programme is to enable poor women to make use of choices, spaces and opportunities in economic, social and political spheres for their improved wellbeing. The programme area includes six rural districts (Panna, Chhatrapur, Tikamgarh, Balaghat, Mandla and Dindori) of Madhya Pradesh (MP). IFAD loan was declared effective on 23 July 2007 and completion date is 30 Sept 2015.

2. This programme has been classified as a "Problem Project" since the last three years. IFAD had fielded a Supervision Mission during 5-17 Sept 2012 to review the implementation progress. This mission in consultation with the Department of Women and Child Development (DWCD) established four milestones for achievement to re-rate the programme and to move this programme out of the "Problem Project" category". IFAD field a Supervision Mission during 4-8 March 2013 mainly to review the progress made towards achieving milestones established during the previous mission. In addition, the objectives of the mission are to make an overall assessment of the programme implementation performance including issues related to programme management, bank linkage of SHGs and implementation of livelihood related activities.

3. The mission upon arrival in Bhopal held discussions with Mrs. Sudha Jain, Chairperson, MVVN, Mrs. Kalpana Srivatsava, Commissioner Women Empowerment, DWCD and Managing Director of Mahila Vitta evam Vikas Nigam (MVVN), staff of State Programme Management Unit (SPMU) and District Programme Units (DPMU) and representatives of FNGOs and RNGOs on implementation progress. A pre-wrap up meeting with the SPMU staff was held on 7th March to agree on a set of recommendations for implementation. This Aide Mémoire will be presented at a wrap-up meeting to be held on 8th March chaired by Mr. B.R. Naidu, Principal Secretary, DWCD, GoMP.

### B. Overall assessment of programme implementation

4. The implementation performance of this programme is rated as Moderately Satisfactory (Score=4). This programme has been classified as a "Problem Project" since last three years. This despite the fact that the field activities remained on course to achieve the objectives of the programmes. During the last Supervision Mission, four milestones were established for achievement to move this programme out of "Problem Project" category. They included: (i) Appointment of a fulltime Deputy Programme Director (DPD) for Tejaswini-MP and if needed delegate necessary

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<sup>1</sup> Mission composition: Shreekantha Shetty, Mission Leader (Institutions & Microfinance) and Pratul Dube Consultant (Financial Management & Procurement), The mission benefited from inputs from Mrs Kalpana Srivatsava, Commissioner Women Empowerment and Managing Director of MVVN, Mrs Seema Singh Thakur, Programme Director, Mr M K Chaturvedi, Deputy Programme Director and professionals of SPMU and DPMU.

powers of the Programme Director (PD) to the DPD/Acting DPD; (ii) appointment of full-time Finance Manager for SPMU and other SPMU professionals and continuation of existing DPMU teams; (iii) approval and issuance of sanction letters for at least 12 livelihood proposals submitted by FNGOs; and (iv) settlement of Statement of Expenditure (SOE) and programme advances of FNGOs and RNGOs until June 2012 with the exception of MVPSPS.

5. GoMP has taken a series of steps to put this programme on track starting with the appointment of full time Commissioner, Women Empowerment and Managing Director of MVVN. GoMP has also appointed a fulltime PD, confirmed the Acting DPD as fulltime DPD, appointed staff to all positions in SPMU on deputation basis and extended the tenure of all district staff. The programme has not been able to appoint a full time Finance Manager. However, a part-time Finance Manager and a part-time Asst. Finance Manager have been appointed. MVVN has approved 15 livelihood proposals and another 7 proposals are expected to be submitted by the FNGOs. The programme has also settled the programme advances of FNGOs and also SOEs of all FNGOs up to September 2012 with the exception of Mahila Chetna Manch and SARDA. In case of SARDA all salary and management costs have been settled until December 2012 during the mission's stay in Bhopal. MVVN has extended the tenure of all contract staff until end of this financial year. MVVN has achieved all the critical milestones set for moving the programme out of the "Problem Project" category.

6. The programme has made substantial progress in terms of mobilization of SHGs, VLCs and Federations, convergence and livelihoods improvement. The programme has mobilised 12,446 SHGs as against the target of 12,000. In addition, 2617 VLCs and 28 federations have been established. These federations are established under the legal framework of Madhya Pradesh Societies Act 1973. Federation mobilization activities are being implemented in 28 locations.

7. The programme has made substantial progress to facilitate the SHG members to access entitlements including demanding services from the government departments. There has been a spurt in bank linkage during the last 3-4 months with active support from the district administration. However, bank linkage remains below expectation. In total, the programme has credit linked 2627 SHGs being 21 % of the total number of SHGs mobilized compared to 18.5% reported during September 2012. In addition, 1201 proposals for credit linkage are being processed. The programme has successfully converged with the government programmes and has been able to mobilize INR 915 million from various government departments compared to INR 890 million reported during September 2012. 14 FNGOs and 1 RNGO have submitted livelihood proposals with an estimated investment outlay of INR 54.7 million and Tejaswini contribution of INR 37.77 million.

8. During the wrap up meeting, sustainability of federations beyond the programme period was discussed including convergence with NRLM. The Commissioner Women Empowerment and Managing Director of MVVN was of the view that IFAD should consider financing a new project to ensure that the initiatives seeded under this programme are taken to a logical conclusion of scaling up and resultant improvements in the social and economic development indicators of these two impoverished regions in Madhya Pradesh. The mission informed the Commissioner Women Empowerment and Managing Director of MVVN to take up this issue with the Department of Economic Affairs, Ministry of Finance, Government of India.

Agreed action	Responsibility	Agreed date
Approve moving this project out of the Problem Project category	IFAD and DEA	Immediate

### C. Outputs and outcomes

9. **Grassroots Institution Building.** The performance under this component is rated Moderately Satisfactory (Score = 4). The programme design intends to organise women from poor households into SHGs and their apex institutions and to use this platform to manage thrift, credit, livelihoods and social/gender equity issues. Three tier community institutions have been mobilized. They include SHGs, Village Level Committees and Federations. The programme has exceeded the target related to SHG mobilization; 12,446 SHGs have been mobilized against the appraisal target of

12,000 SHGs. The programme has covered 165,148 households against the target of 180,000 households being 92% of the target. The programme has mobilized 2661 VLCs against the target of 2779 VLCs. Preparatory work for federations formation except registration has been completed in 28 locations, preparatory work is being undertaken in 15 locations and in 17 locations preparatory work is yet to start.

10. SHGs remain the foundation of the three tier structure proposed under the programme. SHGs have reached a stage of maturity where their basic functions related to savings and internal credit are self managed. Similarly, VLCs have started taking up gender, child malnutrition, entitlements and drudgery reduction related issues. The programme design did not envisage registration of VLCs and provision of direct funding to these VLCs for taking up empowerment related activities. However, NRLM envisages establishing a Village Organization in each village with financial intermediation related functions. Activities related to establishment of federation have gained momentum during the last 6-8 months.

11. There has been improvement in regularity of meetings, amount of savings mobilized and internal lending. SHG members have initiated livelihoods activities after getting loan from banks. There is also increasing participation amongst the members in the village level activities. VLCs have taken up drudgery reduction activities and also activities related to accessing entitlements. The programme has started building capacity of SHG leaders and VLC members as a first step towards establishing federations. Thereafter, in each location a General Assembly of SHG members has been organized to elect office bearers of the federation. This activity has been completed in 28 locations and in 15 locations work is in progress. There is a need to fast-track federation registration, capacity building and bank account opening formalities. Two of the federations have already been registered under the Societies Act and one federation under the Cooperative Act. Guidelines related to federation formation have been prepared and these guidelines will have to be approved and circulated to all the FNGOs. In respect of 17 locations preparatory activities related to federation formation are yet to start. The activities related to sensitization, election of village level leaders and conducting General Assembly meeting will have to be conducted. In locations where General Assembly meetings have been conducted, federations need to be registered under the Societies Act and bank accounts will have to be opened. Activities related to capacity building and instituting systems and processes coupled with registration and bank account opening are the pre-requisites for enabling federations to access funds and to start the process of self management.

12. NRLM: Implementation of NRLM has started in all the programme districts. NRLM has agreed to geographically delineate the villages being covered under Tejaswini. NRLM will not be implemented in these villages during the next two years. The recommendations made during the Supervision Mission of 2012 with regard to dovetailing SHGs, VLCs and federations with that of NRLM systems and processes remains a priority. NRLM has identified partner organizations for implementation of NRLM in intensive blocks. MVVN is one of the better equipped agencies to implement SHG mobilization related activities. In order to ensure emergence of MVVN as one of the Resource Agencies for NRLM and also to dovetail Tejaswini activities with that of NRLM for handing over these SHGs and federations to NRLM on programme closure, a two pronged strategy need to be put in place. First, MVVN need to acquire required capabilities to function as a Resource Agency for SHG mobilization and training. This requires: (i) rapport building with NRLM or its partner agencies to seek work allocation; (ii) preparing training curriculum and training materials required for implementing the tasks allocated; (iii) identifying and training CRPs amongst Tejaswini SHG members and other grassroots functionaries; (iv) establishing a working relationship with CRPs by agreeing on a daily remuneration and developing a pattern for sharing remuneration with VLCs and federations; and (v) implementing allocated activities through the existing district structure of Tejaswini with additional staff where required. Second, Tejaswini will have to discuss with NRLM to establish a federation in a cluster of 20-25 villages (if necessary to establish two federations in case the number of villages in a location exceeds 20-25) and take up the task of saturating the cluster by including other SHGs and mobilising new SHGs. These activities requires strategic focus and it would be appropriate to nominate a Senior Officer as the State Coordinator- New Initiatives vested with the responsibility to

converge the community based organizations mobilized under Tejaswini with NRLM and other government and non-government agencies. Since convergence with NRLM and other agencies are the essential ingredients of the programme exit strategy, all preparatory activities can be funded through this programme.

Agreed action	Responsibility	Agreed date
Request PRADAN to prepare proposal for building capacity of federation leaders and federation staff on systems and processes and undertake delivery of training.	PRADAN	30 Jun 2013
Complete registration of federations in 43 locations, open bank accounts and release INR 50,000 as the initial corpus for federations that have already organized General Assembly meeting.	PD	31 Aug 2013
Release funds for undertaking preparatory activities in 17 locations and conducting General Assembly meetings, and complete registration, bank account opening and release of initial corpus.	PD	31 Oct 2013
Conduct exposure visits of SPMU staff, federation leaders and FNGO staff to MAVIM-CMRCs to learn about business plan preparation and cost recovery.	DPMs	30 Jun 2013
Assess the need for additional furniture and equipments of federations and submit a report to SPMU.	DPMs	31 July 2013
Nominate a Senior Officer of MVVN as State Coordinator-New Initiatives to facilitate convergence with NRLM and other government and non-government agencies. Costs related to these activities may be reimbursed from the programme	MD	30 Apr 2013

13. **Microfinance:** The performance under this component is rated as Moderately Satisfactory (score = 4). There has been improvement in terms savings mobilization and internal lending of SHGs. Average savings per SHG has increased to INR 12,885 and the cumulative internal lending has been 1.5 times the savings mobilized. There has been substantial improvement in opening bank accounts; about 92.% of the SHGs have bank accounts. In absence of adequate support from banks for regular bank linkage, focus is largely on accessing SGSY loans. In total only 21% of the SHGs have accessed bank loans. A recommendation has been made to provide seed capital to SHGs. Allocation has been made in the AWPB for 2013-14 for providing seed capital.

14. Efforts are afoot to computerize accounts of SHGs. Field testing of the software is being undertaken by PRADAN. It is reported that the software is now bug free and work is progressing on the report generation aspects. Implementation of this activity need to be fast tracked and plans will have to be made to train location and DPMU staff. The programme intends to undertake audit of all SHGs using Chartered Accountants. Opening balances from the audited financial statements will have to be taken into the SHG software.

15. Bank linkage remains the weakest link on account of systemic bank related supply side issues. This needs to be addressed. MAVIM in Maharashtra has worked out a collaborative arrangement with ICICI bank to deliver credit to SHGs. As per the terms of this arrangement, the federations become the contact point for ICICI Bank to process loan applications of SHGs. ICICI has approved INR 400 million during 2012-13 to SHGs promoted by MAVIM. ICICI charges 14% interest of which 2% is returned to the federations. This strategy can be replicated in MP. CAIM, a project funded by IFAD in the Vidarbha region of Maharashtra has started leveraging its funds to enhance bank linkage. It withdrew funds placed with State Bank of India and placed it with Central bank of India with an understanding that this bank will provide loans to agreed number of Joint Liability Groups. This strategy can also be tried in MP.

Agreed action	Responsibility	Agreed date
Seek a proposal from PRADAN to train location staff and DPMU staff in the use of SHG software, conduct training programme as per the plan and start entering transaction data on a monthly basis into the software in each location.	PRADAN	31 May 2013
MD and PD to undertake a visit to MAVIM Mumbai to discuss the modalities of working with ICICI Bank and also meet ICICI Bank Officials responsible for SHG lending.	MD	30 Apr 2013

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Operationalize the strategy of providing deposits to banks that give commitment to provide loans to SHGs.	MD	Mar 2013
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16. **Livelihoods and Micro-Enterprise Development Component:** Implementation performance of this component is rated as Moderately Satisfactory (Score=4). The programme has made substantial progress in implementing activities related to livelihoods and micro-enterprise development. The programme with the help of RNGOs conducted workshops to facilitate preparation Livelihood proposals. MVVN has appraised and approved 15 livelihood proposals. Of which, 11 proposals with total outlay of INR 43.27 million which includes Tejaswini support of INR 28.68 million have been approved for the southern region districts comprising Balaghat, Mandla and Dindori. Only 4 proposals for the northern region comprising Panna, Tikamgarh and Chhatrapur have been approved with a total investment outlay of INR 11.47 million which includes Tejaswini support of INR 9.01 million. There is a need to support FNGOs of the northern region in preparation of livelihood proposals. Livelihood proposal largely fall into agriculture and allied .sub-sectors. It is expected that implementation of activities in respect of all the 15 livelihood proposals will start during the next financial year.

17. A recommendation has been made with regard to appointment of Livelihood Coordinators for each district and increasing the travel costs of these Livelihood Coordinators. PRADAN has already engaged three Livelihood Coordinators for the southern region districts and Mahila Chetna Manch (MCM) is yet to appoint Livelihood Coordinators for the districts in the northern region. It was informed that MCM is not able to find persons of required qualification as the proposed salary for these persons is only INR 18,000. This needs to be resolved urgently as the programme is entering last phase of implementation with only two years left for programme closure.

18. **Convergence:** The programme has implemented substantial livelihood activities through convergence. PRADAN, Darshana, NIWCYD, AES, Development Alternatives, Darshana, VIKALP, MCM and CARD have accessed funding from other donors to implement livelihood activities. The activities supported by these donors include System of Rice Intensification, vegetable cultivation and goat rearing. FNGOs in collaboration with the DPMUs have mobilized substantial resources from government departments for implementing livelihood activities. PRADAN and Darshana are also accessing funding from Tata trusts. In total the programme mobilized INR 915 million during the last six years through convergence with other government programmes of which INR 25 million during 2012-13. Major convergence programme include: (i) MGNREGS from Rural Development Department for construction of farm bunds, farm pond and irrigation well; (ii) Khadi Village Industry Board of the Department of Rural Industries for flour mills, pottery and incense stick, candle and detergent manufacture; (iii) Horticulture Department for distribution of seedlings and farm equipments; (iv) Projects under ATMA of the Agriculture Department for promotion of System of Rice Intensification; and (v) NABARD for establishing Kisan Club and horticulture development.

19. In Panna district, poor landless households have started manufacture of detergent powder under the brand "Vindhya Valley". In total 6 groups are undertaking this activity. These groups are catering to their captive market comprising SHG members. In addition, they have also tied up with Vindhya Valley Corporation for bulk purchase and marketing of detergent powder. Other interesting income generating activities have emerged in the non-farm sector such a manufacture of artificial jewellery, handicrafts and bamboo craft. The programme has also focussed on provision of vocational training using RUDSETs. It is necessary that the programme engage with agencies such as Pan India IIT Alumni Association which delivers training based on demand from the corporate sector and also ensures placement.

20. **Income Generating Activities:** During the Supervision Mission of 2012, it was recommended to prepare a plan for supporting income generating activities by mobilising Producer Groups and implementing all activities related to training, support for implementation and establishing linkages with markets by preparing plan for each producer group. It was agreed that Tejaswini will provide funding of not more than INR 100,000 per Producer Group and per household investment of not more

than INR 10,000 and maximum financial allocation per location per year will be INR 200,000. The programme is yet to focus on preparation of these plans. The programme intends to train women groups and start manufacture of sanitary napkins through these women groups. It is also being proposed to develop women cooperatives/producer companies that will function as Skill Development Centre and at the same time manufacture and market sanitary napkins.

21. Weekly market promotion: The programme has developed weekly markets in two locations of Panna and Chhatrapur districts and these markets are operating successfully. Weekly markets will generate and aggregate local demand and the local producers get benefit from reduced transaction cost to sell their produce apart from developing ability

22. to match production with demand. This activity needs to be expanded.

Agreed action	Responsibility	Agreed date
Conduct a workshop for FNGOs that have not yet submitted Livelihood proposals using Resource Persons from PRADAN and MCM and facilitate them in preparing Livelihood Proposals.	PD	30 Apr 2013
Ensure submission of at least one proposal by each FNGO and RNGO and complete appraisal of these proposals.	PD	30 Jun 2013
Review the travel costs of Livelihood Coordinators. In the event, it is not possible for MCM to engage the Livelihood Coordinators as per the terms established, offer this task to FNGOs operating in the northern districts.	PD	31 Mar 2013
Provide a target for each DPMU and Livelihood Coordinator for preparation and submission of plans for income generating activities and make allocation in the AWPB for 2013-14 for this activity. Focus on ultra-poor and landless	PD	31 Mar 2013
Initiate a dialogue with Pan-India IIT Alumni Association and other such organization that provide vocational training linked to placement Preference should be given to poorest landless households in selection of candidates for vocational training.	MD	30 Jun 2013
Implement sanitary napkin manufacture activity with Tejaswini women groups/federations after selecting an agency with required technical and marketing knowhow to handhold these groups/federations.	PD	30 Sept 2013
Prepare guidelines for promoting weekly markets with sample promotion materials and systems to make them sustainable using a FNGO that has already implemented this activity. Conduct a workshop for all DPMs to understand the processes and fix up targets for implementation.	PD	30 Sept 2013

23. **Women Empowerment and Social Equity:** Performance under this component is rated Moderately Satisfactory (score=4). SHGs and VLCs have created enabling environment for facilitating discussion on violence against women and entitlements. VLCs continue to address social and community development issues. Status of women in terms of decision making, control over cash, mobility and image in the society has improved. Their roles and responsibilities in the family and community has increased due to increased economic, social and political opportunities. There are instances of collective action against violence, child marriage, gambling, liquor and asserting their rights for equal wages, job cards, etc. However, all such actions have been happening on an ad hoc basis and gender roles at family and community continue to be along conservative societal norms. Women are still hesitant to discuss violence that takes place within their homes.

24. The Commissioner Women Empowerment and Managing Director of MVVN informed the mission that the indicators related to female foeticide, child mortality and domestic violence are showing no signs of improvement. The situation in Bundelkhand region is worse. These needs to be addressed. The following actions are required for addressing these issues: (i) SPMU to engage an agency (one for southern region and the other for northern region) specialized in addressing the issues related to female foeticide, child mortality and domestic violence; (ii) DPMU to collect baseline information related to female foeticide, child mortality and domestic violence; (iii) the selected agency to make an assessment of training requirements and to conduct training of all social mobilizers, health

workers, Angawadi and Asha workers, and VLC and Federation leaders on women rights, health and other related subjects required to address female foeticide, child mortality and domestic violence issues – the need to include Angawadi and Asha workers can be decided by the selected agency; (iv) each VLC to prepare an action plan for addressing these issues during the training with timelines for completion; and (v) VLC to implement these plans; (vi) DPMU to monitor implementation and report on performance; (vii) the selected agency to evaluate performance and design changes or additions required for training after six months of training; and (viii) implement the changes and conduct refresher training and additional training required. This task can be taken up in three phases. The first phase will comprise one district from Bundelkhand region and one district from the southern region. Based on the lessons learned from this exercise, activities will have to be rolled out in other districts.

25. It is reported that cumulatively over 88,683 women from 946 villages have benefited from drudgery reduction activities. Districts are yet to make significant progress in developing drudgery reduction plans. The current piece meal approach of providing support under reduction of drudgery is not having any visible impact. This activity needs to be taken in a convergence mode with financial support from Tejaswini under the Special Initiatives proposed. Thematic approach by selecting one theme for a year and make plans for its implementation. During 20012-13, focus should be on drinking water. Training conducted by the programme has helped women to be aware of issues such as health, hygiene, legal literacy and influencing effective local governance. Training and continued discussions have enhanced their confidence and capabilities to deal with outside agencies. Over 8418 women were supported to get toilets, 10,045 women were supported with access to various social security schemes, 30,197 women have got job cards under MGNREGA and 127,809 women were trained in health related issues.

Agreed action	Responsibility	Agreed date
Engage specialized agencies to undertake training on women rights, health and other related issues and establish systems of monitoring implementation.	PD	30 Jun 2013
Open bank accounts of all VLCs and provide INR 20,000 to each VLC for implementing activities related to malnutrition, female foeticide, child mortality, domestic violence and related issues.	PD	31 May 2013
Provide support preparing plans for resolving water related issues in select villages, mobilize resources from both Tejaswini and other sources and implement at least 24 such plans (4 per district)	PD	31 Mar 2014

#### D. Programme implementation progress

26. **Programme management performance.** The implementation performance of this component is rated as Moderately Satisfactory (Score=4). Most issues related to programme management have been finally resolved. Mrs. Kalpana Srivatsava, IAS has taken over as the Commissioner, Women Empowerment and Managing Director of MVVN since December 2012. Mrs. Seema Singh Thakur has been appointed as the Programme Director (PD) and Mr. M.K.Chaturvedi has been confirmed as the Deputy Programme Director. All positions in SPMU have been filled up through deputation. GoMP has appointed persons through deputation to fill in the positions of Manager-Community Institution and Microfinance, Manager-Gender, Manager-Livelihoods, Manager-MIS and Manager-Communications. MVVN has also appointed a Finance Manager and an Assistant Finance Manager to take care of financial management responsibilities. Both these persons are holding additional charge. Actions have been initiated to appoint a full time Asst Finance Officer in place of the current incumbent. There is adequate professional staff but the number of assistants available is inadequate at the SPMU. In Dindori district, there are only three staff members and Finance Officer's position is vacant. In the districts also there is a shortage of assistants to undertake regular finance and MIS related tasks. During the last Supervision Mission, it was recommended to appoint Assistants using Collector wages for six months and thereafter based on a performance assessment to elevate them to the position of Junior Consultants. The programme has not been able engage Assistants using this modality. This issue needs to be addressed.

27. Staff on contract: Out of six District Programme Managers and six Additional District Programme Managers, nine persons are contract staff. Similarly all Assistants are on contract basis. Most of these contracts are due for renewal in March 2012. Generally MVVN extends the contract for a period of one year for contract staff. The programme implementation has depended largely on the district level professionals and Assistants. The Supervision Mission of 2012 had recommended extension of contract of all district level professionals and Assistants with proven track record until the end of the programme. This is yet to be operationalised.

28. FNGO Compensation: The salaries of FNGO staff have been revised in April 2012. The salary needs to be revised taking into account inflation and general salary increase in the state. This apart, there is no difference between the salary of Community Accountant and Social Mobilizers. This disparity need to be addressed. MCM is yet to submit SOEs for expenditure in Chhatrapur district since the beginning of this year. PRADAN and Shuruvat are yet to submit SOEs for the last two quarters. In addition, there is a dispute with regard to settlement of claims of SARDA. The issues related to generation of claims by FNGOs and their settlement will have to be taken up on a priority basis.

29. Performance of FNGOs: MVVN has terminated the contract of MVPSPS, a FNGO engaged for implementing the programme in Tikamgarh district. A recommendation was made by the Supervision Mission of 2012 in this regard. MVVN has thereafter entrusted the programme activities to Anupama Education Society, a FNGO engaged by the programme in Balaghat district. This FNGO has already started its operations in Budera and Baldevgad location of Tikamgarh and it is reported that the activities related to community institution building is progressing as planned. MVVN is in the process of extending the contract of FNGOs. This contract shall clearly indicate that salary and service costs will be transferred to federations as and when these are registered and bank account is opened.

Agreed action	Responsibility	Agreed date
Appoint a full time additional Finance Assistant and MIS Assistant to SPMU and also fill in the vacant Finance Assistant and MIS Assistant positions in the districts.	PD	30 Jun 2013
Appoint Finance Officer to Dindori district.	PD	30 Sep 2013
Extend the tenure of staff on contract until the end of the programme.	PD	31 Mar 2013
Provide permissible allowances to PD, DPD and SPMU Managers as per the service rules applicable to these persons.	MD	30 Mar 2013
Review the salary of Location Coordinator, Community Accountant and Community Organizer. Ensure that the Community Accountants are paid more than the community mobilizers.	PD	30 Jun 2013
Extend the contract of FNGOs and include a clause indicating that the salary and operating costs will be transferred directly to federations as and when the federations are registered and bank account are opened.	PD	31 Mar 2013
Ensure generation and settlement of claims related to SOE and programme advances of SARDA, Shuruvath, PRADAN and MCM. If necessary delink salary and management cost from operational costs to ensure settlement of major portion of claims. Provide deadline for submission of claims.	PD	30 Jun 2013

30. **Monitoring and evaluation.** The implementation performance of this activity is rated as Moderately Satisfactory (Score=4). The programme has appointed a Manager-MIS to take care of M&E related activities. The programme has started field testing web enabled software for collecting SHG related data. The programme has finalized terms of reference for conducting an impact assessment study covering aspects related to savings and credit activity of SHGs, women empowerment; and implementation of livelihoods related interventions. This study will be conducted by the School of Good Governance, Bhopal. The capacity with MVVN for underrating M&E related activities will have to be outsourced by engaging M&E professionals.

31. The programme has undertaken Annual Outcome Survey (AOS) in 2012. AOS for 2011-12 used a sample of 200 households each from the control group and programme beneficiaries. There is considerable increase in the number of livelihood sources. 34% more respondents have reported this increase when compared to 2010-11. 100% of the programme beneficiaries have reported that there is no food shortage, while 12% of non-beneficiaries are still facing food shortage. Crop production has increased marginally for 63% of the respondents with an increase of 25% compared to previous year.

76% of the respondents have reported that they have increased income from agricultural production. The programme is in the process of starting annual outcome survey for this year.

Agreed action	Responsibility	Agreed date
Engage M&E Professionals to undertake activities related to reporting format preparation, consolidation and analysis.	PD	30 Jun 2013
Complete AOS for 2013 and submit the results to IFAD-ICO	PD	30 Jun 2013
Seek implementation support from IFAD to devise simple MIS formats also to streamline collate and analyse data related to outcome and impact.	IFAD	30 Jun 2013

32. **Knowledge Management/Innovation & Learning:** The component is rated as moderately satisfactory (score=3). The programme has appointed a Communications Manager to take of activities related to knowledge management and learning. This person has joined in January and is in the process of making plans related to this activity. The programme has made allocations in the budget to organize media visits in each district. The districts will identify success stories and take journalists both print and electronic media to cover these stories. This will give wide publicity to the programme activities and this will also result in knowledge dissemination to a large population.

33. The programme has started discussion with the vendor who has designed website for the Women Empowerment Department to design a website for Tejaswini. It may be appropriate at this stage to reactivate the website of MVVN and include information related to Tejaswini into this web site. The programme is yet to start updating IFAD-India page on IFAD website. This requires careful selection of stories and preparation of write-ups in English required for uploading onto IFAD website. A quarterly plan for updating IFAD-Asia page on IFAD website will have to be prepared with stories related to best practices. The programme may use consultants from RNGOs to write these stories in English. IFAD-ICO has provided implementation support to prepare stories on Systematic Rice Intensification, Women Empowerment and Convergence. Field visits related to this activity have been completed.

34. The programme is in the process of preparing a dossier on convergence. This will provide information on various government schemes accessed by Tejaswini households and will include success stories of such convergence. Plans are being made to prepare booklets outlining best practices in implementing various livelihood activities and to conduct knowledge management workshops in each district.

Agreed action	Responsibility	Agreed date
Integrate Tejaswini activities into the website of MVVN by reactivating this web site. Costs related to reactivating and redesigning this website can be charged to the programme. Make MVVN website operational.	PD	30 Jun 2013
Prepare a plan for periodically updating IFAD-India Page of IFAD website and also to update MVVN website that will be reactivated and redesigned. Engage RNGOs to write success stories, best practices and lessons learned from various programme activities.	PD	30 Jun 2013
Knowledge generation through documenting case studies, success stories and lessons learned is an important step before organizing knowledge management workshops. These workshops will have be moderated by persons who have implemented the activity or technically qualified persons with ability to provide information on how to replicate the intervention. Conduct first workshop on a selected theme.	PD	30 Jun 2013

35. **Gender focus:** Gender focus is rated as Satisfactory (score=5). This programme is a women focussed programme and all interventions are directed towards women and their institutions. Programme has made significant contribution in raising awareness levels related to anti-women practices (child marriage, equality of male and female children, violence and dowry) and have started taking steps to address these issues. The programme has appointed a Gender Specialist and almost 90% of the staff in SPMU are women including the Programme Director.

36. **Effectiveness of Targeting.** The performance is rated as satisfactory (score=5). Tejaswini-MP intends to reach 180,000 women beneficiaries and expected 80% of them to be poor. The programme reached 165,148 households being 92% of intended target group. The composition of SHGs is 18% % SC, 32% ST, 45% Other backward classes and the remaining are from other categories.

37. **Poverty focus:** The programme's performance with regard to poverty focus is rated satisfactory (Score=5). Of the total target group that was reached, 60% % belong to poor families with BPL cards. And the remaining identified as poor by PRA exercises. Efforts are ongoing to certify these members as BPL through Gram Sabhas.

## **E. Fiduciary aspects**

38. **Financial management.** The implementation performance of this component is rated as Moderately Satisfactory (Score =4). Though there is an improvement in the settlement of advances as compared to the earlier year a sum of INR 18 million of SOE advances is still outstanding at the end of February 2013 (INR 26 million in March 2012). In the case of one FNGO, advance for the first quarter of the year from April to June 2012 is yet to be settled. Consequently the programme has not released advances for the subsequent quarters. Three of the 21 FNGO are yet to submit their claim for the last two quarters. The delay in generation and settlement of advances and consequently delay in releasing further advances will have an impact on the pace of progress of work. It was recommended by the last Supervision Mission that the Programme should have a policy of settlement of all claims within 120 days for SOE related expenditure and within 90 days of the programme advance provided by the DPMUs beyond which claims should not be entertained. This needs to be reiterated to the programme implementing agencies and strictly adhered to.

39. Staffing in the finance and accounts department has improved with the SPMU having a part time Finance Manager and a part time Asst Finance Manager besides the finance assistant from one of the district offices. Of the six, one DPMU does not have a finance officer and two districts do not have finance assistant. The finance positions are generally filled up by MVVN using staff from other government departments and are not available full time to the programme. These officers are used to single entry accounting system and have limited knowledge of double entry and computerised accounting. The accounting entries are being done by the finance assistants. The capacity of the finance officers and the finance assistants need to be enhanced in operation of the accounting software and the reporting requirements. It is also necessary to fill up the vacant positions.

40. The concern related to release of funds to the districts raised by Supervision Mission of 2012 has been attended to with the SPMU releasing funds every quarter (except delay in the first quarter wherein funds were released in June 2012). Since the second tranche of funds has not been released by the Govt, the SPMU has partly liquidated its fixed deposits to ensure release of funds to the districts in February 2013.

41. The books of accounts at the SPMU have been updated and transactions up to February 2013 have been recorded. The Districts prepare monthly statements in prescribed formats and send it to the SPMU by the 10<sup>th</sup> of the succeeding month. The data received from the Districts is then compiled in an excel sheet and clubbed with the expenses of the SPMU to arrive at the total quarterly expenditure by components and categories. The data so compiled is used for preparation of the Withdrawal Application. The earlier Missions had recommended use of software for accounting including use of standardised component, sub component and category codes. This has so far not been implemented. The accounting staff have been trained in the use of the software but some of the Finance Officers have been transferred and the new ones need to be trained. A training programme for the existing staff for the optimum use of the software should also be conducted. This will facilitate compilation of data at the SPMU and also preparation of reports. The budgets could also be fed into the software to enable comparison of actual with the budgeted figures.

42. The earlier Mission had recommended appointment of a Chartered Accountant firm to undertake internal audit. This is required as the programme lacks a formal system of checking and monitoring the financial transactions of the programme. In the absence of a full time Finance Manager at the SPMU, there is no one to check the accounts and records of the districts. Errors if any during the year are noted only at the time of the annual audit. Further the Internal Auditor could also check the expenditure statements submitted by the NGOs on a quarterly basis. A draft TOR of the Internal Auditor was provided in the previous Mission report.

43. The auditors have qualified their report for non deduction of tax at source (TDS) as per the relevant provisions of the Income tax Act, 1961 have not been complied with. In the opinion of the auditor, tax has not been properly deducted from the contractual staff at the SPMU/DPMUs engaged for the programme. The matter was discussed by the Mission with the auditors and the auditor has agreed to the current practice being followed by the programme related to deduction of profession tax and TDS under Section 192 of the Income tax Act, 1961 from the amount paid to the contractual staff.

44. **Disbursement.** The implementation performance of this component is rated as Moderately Unsatisfactory (Score =3). IFAD has disbursed a sum of USD 7.23 million (including the initial deposit of USD 1 million) which is about 56% of the total loan allocation of USD 13 million. All Withdrawal Applications up to September 2012 have been cleared by IFAD. The Withdrawal Application for the period from October 2012 to December 2012 has been submitted and is being processed. The total amount pending approval and disbursement for the period October 2012 to December 2012 amounts to INR 22.67 million equivalent to USD 0.42 million. The expenditure under Category 2 is almost 100% of the amount allocated. It is therefore necessary for the programme to request IFAD to reallocate funds available from other categories where surplus (unspent) funds are available.

45. **Counterpart funds.** The implementation performance of this component is rated as Satisfactory (Score =5). The GoMP is reported to have released a sum of INR 427.59 million to the Programme from out of funds released by IFAD. Out of this, sum of INR 334.25 million has been spent towards programme expenditure till 31.12.2012. IFAD has reimbursed INR 345.59 million (including the initial advance of INR 40.56 million) and INR 22.67 million has been claimed and is being processed for disbursement for the period up to end March 2012. Though the Government has not contributed any amount towards its share the amount received by the programme in excess of the amount reimbursed by IFAD could be considered as the Govt contribution to the Programme which amounts to INR 82 million. The Government has budgeted a sum of INR 21.6 million for the year 2013-14 towards its share to the programme cost to cover 50% of the Salaries & Allowances, 55% of the operational cost as well as payment of taxes. The taxes levied on goods procured and services utilised by the Programme and included in the Withdrawal Applications submitted earlier to IFAD should be adjusted against the subsequent WA. For Programme Year 7 (April 2013 to March 2014) only 50% of the Salaries and Allowances and 45% of the Operation and Maintenance will be eligible for financing from IFAD and thereafter from Programme Year 8 (April 2014 onwards) both these expenses will not be eligible for any finance from IFAD. Loans availed by the project beneficiaries from banks amounts to INR 117.30 million as at 31<sup>st</sup> Jan 2013. The Project does not have any system of tracking the beneficiary contribution

46. **Compliance with loan covenants.** The implementation performance of this component is rated as Moderately Satisfactory (Score =4). The Programme has generally complied with all the Loan Covenants. The Programme has not complied with Section 3.02 in respect of submission of the AWPB for the year 2013-14 and delayed compliance in respect of submission of the audit report for the year 2011-12. The provisions of Schedule 3 para 4 in respect of holding SPAC meetings every quarter and the Empowered Committee meetings every half year have not been complied with. Further the programme has not claimed counterpart funds from the Government which is required to be done in accordance with schedule 3A para 4. This has however been budgeted for the year 2013-14.

47. **Procurement.** The implementation performance of this component is rated as Moderately Satisfactory (Score =4). The Programme has not undertaken any major procurement during the year under review. The procurement was by direct contracting either through Govt agencies or through the DGS&D rate contract method. The contract for vehicle hire at the SPMU was also done through tender by MVVN. The asset record of the programme is incomplete.

48. **Audit.** The implementation performance of this component is rated as Moderately Satisfactory (Score =4). Though the audit was completed on 28-09-2012 within the stipulated time of six months from the end of the fiscal year, the submission of the audited accounts was delayed by a few days and submitted to IFAD on 16-10-2012. The audit report for the year 2011-12 has generally complied with

the IFAD Guidelines on Project Audit but the audited statements do not contain (i) cumulative status of funds by category and (ii) a statement of comparison between actual expenditure and budget estimates. An audit log should be maintained and the programme should get the compliance of the audit observations validated by the auditor.

Agreed action	Responsibility	Agreed date
Settlement of all advances within the prescribed period failing which claims to lapse. Ensure that advances do not remain unsettled for more than 120 days for SOE advances and 90 days for programme advances.	FM	30 Apr 2013
Training of all finance staff in financial management and also in computerised accounting (Tally) and compilation of accounts using the software	FM	30 Jun 2013
Appointment of Internal Auditors for the programme for the year 2013-14	PD	31 May 2013
Request IFAD to reallocate funds	PD	31 May 2013
Compile a list indicating the amount claimed from IFAD towards taxes and duties and send the same to IFAD-ICO for verification as to whether the same has been reimbursed or not. If reimbursed the same to be adjusted in the next withdrawal application.	FM	30 Apr 2013
An audit log should be maintained and compliance of the audit observations to be validated by the auditor	FM	30 Apr 2013

## F. Sustainability

49. Sustainability is rated as Moderately Satisfactory (Score=4). SHGs and VLCs are capable of carrying out their basic functions fairly independently as deigned in the programme documents. Renewed vigour is noticeable in formation of federations. NRLM, a nationwide programme is designed on the lines similar to that of Tejaswini. Converging with NRLM will ensure institutional sustainability of all these three structures. It is essential that the programme ensure compliance to operating processes and procedures of NRLM to access NRLM support. Economic and financial sustainability of the livelihood activities implemented under the programme is ensured. Most livelihood activities focus local markets and also locally available resources. Entire gamut of activities from inputs, production service and output marketing have been included in the livelihood proposals approved by MVVN. There has been substantial progress in women's participation, especially in the public sphere. Their participation in governance as elected representatives and as citizens in Gram Sabhas has shown substantial improvement. The programme promotes environmental friendly technologies and practices like solar lighting, system of Rice Intensification, ecological farming practices and soil and water conservation and locally managed water filtration technologies.

## G. Other

50. **Exit strategy:** Steps initiated by the programme to exclude Tejaswini villages from implementation of NRLM is an excellent strategy to avoid duplication and also to ensure that the investments made in building community institutions in Tejaswini villages are maintained. There is adequate time available for Tejaswini to build capacity of the SHGs and their apex bodies to ensure smooth transition into NRLM fold. Recommendations made during this mission to make plans for developing capacity MVVN to function as a Resource Agency and to implement SHG mobilization activities under NRLM will also facilitate integration of SHGs and apex structures of Tejaswini into NRLM. In addition, a few FNGOs have accessed funding from other donors for supporting Tejaswini households in livelihood activities. This is an indication that these FNGOs will continue to support Tejaswini households beyond programme life.

51. **Impact:** Various livelihood and convergence efforts have helped the target group to build assets like livestock, farm ponds and equipment; poultry shed, and small scale machinery related to off-farm production activities. As per AOS of 2012, 79% of the respondents claim increase in food security which was 33% during previous year. Similarly 63% of the respondents claim increase in crop production. The programme has implemented SRI in three southern districts covering 5200 farmers and this has resulted in 40-100% increase in production of rice. Convergence efforts of the

programme with several departments have helped the target group to invest in various farm and non farm production activities – which ensures food security. 76% of respondents have reported increased incomes as per the AOS (up from 49% last year). Some of the activities taken up include livestock, vegetable production and increased cropping intensity. The programme has been successful in influencing NRLM to link-up with Tejaswini-MP. NRLM agreed to exclude Tejaswini locations to avoid duplications and also converge with SHGs and federations promoted under Tejaswini.

## **H. Conclusion**

52. The programme has complied with the major prerequisites established for rerating of this programme. Two pre-requisites are not fully complied. They are related to (i) appointment of a full time Finance Manager; and (ii) settlement of FNGO advances until September 2012. At the time of last Supervision Mission, finance department had only a Finance Assistant. MVVN has appointed a Finance Officer and an Asst Finance Officer, both on deputation from the government and both of them hold the current position as additional charge. MVVN has already initiated steps to appoint a full time Asst Finance Officer. In the event a full time Asst. Finance Officer is appointed, there is no need to appoint a full time Finance Officer. MVVN has been able to streamline advances related to 19 out of 21 FNGOs. The claims related to remaining 2 FNGOs are being settled. In view of these developments it is recommended to remove this programme from the “Problem Project” category.

53. Most important activities implemented during this financial year include: (i) capacity building for livelihood proposal preparation, generation of livelihood proposals from FNGOs, appraisal and sanction of 15 livelihood proposals; (ii) appointment of entire SPMU team and continuation of existing district team; and (iii) fast tracking formation of federations including preparation of guidelines, capacity building and conducting of General Assembly meetings

54. This programme is expected to close by 30 September 2015. Taking into account the current trend in expenditure, MVVN will be able to use IFAD loan in its entirety.